



CLIENT ALERT:

U.S. REVOKES SANCTIONS AGAINST SUDAN

October 10, 2017

Introduction

On January 13, 2017 President Obama issued Executive Order (“E.O.”) 13761 which gave Sudan relief from U.S. sanctions for six months and which envisioned a permanent revocation of the U.S. sanctions against Sudan on July 12, 2017, provided that Sudan sustained certain positive actions regarding humanitarian efforts and reducing violence in Sudan. That relief was then extended for six months, until October 12, 2017. On October 6, 2017 the U.S. State Department announced that, effective October 12, 2017, the U.S. sanctions against Sudan imposed under E.O.s 13067 and 13412 will be revoked.

Background

Over the last six months of 2016 the U.S. government engaged with the Government of Sudan in an effort to end that government’s offensive military operations, to improve humanitarian access in Sudan, to end Sudan’s destabilizing role in South Sudan, to end the threat of the Lord’s Resistance Army and to counter terrorist groups. Because Sudan met benchmarks set by the U.S. in all five areas, and made further commitments, on January 13, 2017 E.O. 13761 lifted the U.S. sanctions against Sudan for six months, with the potential for a revocation of those sanctions on July 12, 2017. After a further six month extension, the sanctions are now being revoked, effective October 12, 2017.

Impact of Revocation

The Revocation applies to Sections 1 and 2 of E.O. 13067 of November 3, 1997 and to all of E.O. 13412 of October 13, 2006. Sections 1 and 2 of E.O. 13067 blocked all property of the Government of Sudan in the U.S., and banned the importation of any goods or services from Sudan to the U.S., as well as the exportation of any goods or services from the U.S. to Sudan. In addition, U.S. persons were prohibited from facilitating or brokering the exportation of goods or services to Sudan from any location, from financing certain projects in Sudan, from extending loans or credit to the Government of Sudan, or from transporting any cargo to or from Sudan. E.O. 13412 prohibited U.S. persons from engaging in all transactions relating to the petroleum or petrochemical industries in Sudan. All of these prohibitions have now been revoked and U.S. persons are free to engage in all transactions with Sudan.

A State Sponsor of Terrorism

Despite the revocation of sanctions against Sudan that country remains on the State Sponsors of Terrorism List (“SSI List”). As a result, under the Trade Sanctions Reform and Export Enhancement Act of 2000 the export and reexport to Sudan of certain agricultural commodities, medicine and medical devices still require an OFAC license. To address that legislative requirement, OFAC has issued General License A which authorizes said shipments without the need to obtain specific licenses.

Notes of Caution

- Sudanese persons and entities designated to the U.S. Specially Designated Nationals List under authorities other than E.O.s 13067 and 13412 will remain on that list and U.S. persons cannot deal with them.
- The revocation of E.O.s 13067 and 13412 does not affect the OFAC sanctions relating to Darfur, which remain in effect.
- U.S. persons and non-U.S. persons will still need any licenses required by the U.S. Department of Commerce’s Bureau of Industry and Security to export to Sudan certain items that are on the U.S. Commerce Control List.

FAQs issued by OFAC on the revocation of the Sudanese Sanctions Regulations can be found at:

<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/sudan.aspx>

Disclaimer: This Client Alert provides only a general summary of the October 12, 2017 revocation of certain U.S. regulations relating to Sudan, and is not intended to constitute comprehensive legal advice. Specific legal advice should be taken with respect to each individual inquiry regarding trade with Sudan. For additional clarification, please feel free to contact Bill Juska (juska@freehill.com), Gina Venezia (venezia@freehill.com) or Bill Pallas (pallas@freehill.com).

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