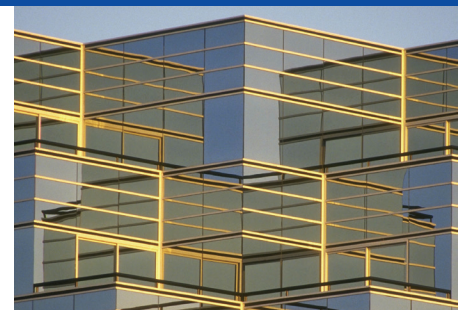


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International Trade

December 2014

OFAC Issues General License Authorizing Certain Activities Necessary to Wind Down Operations Involving Crimea



On December 30, 2014, the US Department of the Treasury's Office of Foreign Assets Control (OFAC) issued General License 5,¹ authorizing until February 1, 2015 certain activities otherwise prohibited by Executive Order 13685 (EO 13685) "necessary to wind down operations involving the Crimea region of Ukraine." EO 13685 was issued on December 19, 2014 and largely prohibited transactions with respect to the Crimea region of Ukraine.²

General License 5 authorizes all transactions and activities that are ordinarily incident and necessary to the following activities until 12:01 am Eastern Time on February 1, 2015:

- The winding down or divestiture or transfer to a foreign person of a US person's³ share of ownership, including an equity interest, in pre-December 20, 2014 investments located in the Crimea region of Ukraine;
- The winding down of operations, contracts, or other agreements that were in effect prior to December 20, 2014, involving the exportation, reexportation, sale, or supply of goods, services, or technology to the Crimea region of Ukraine; or
- The winding down of operations, contracts, or other agreements that were in effect prior to December 20, 2014, involving the importation of any goods, services, or technology from the Crimea region of Ukraine into the United States.

General License 5 does not authorize any new exportation, reexportation, sale, or supply of goods, services, or technology from the United States, or by a US person, to the Crimea region of Ukraine, or any new importation into the United States of goods, services or technology from the Crimea region of Ukraine, except as needed to wind down operations, contracts, or other agreements otherwise prohibited by EO 13685. General License 5 does not authorize any transactions or dealings otherwise prohibited under US sanctions, including any transactions or dealings with any person on OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List).

US persons participating in transactions authorized by General License 5 are required to file a detailed report with OFAC within 10 business days after the wind-down activities conclude.

¹ A copy of General License 5 is available [here](#).

² Our client alert on EO 13685 is available [here](#).

³ A US Person is defined to include any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

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More information about the Russia sanctions, including the corresponding Executive Orders and sanctions measures, can be found [here](#). Companies doing business in Russia and Ukraine should monitor closely any additional sanctions measures and corresponding authorizations to ensure compliance. Penalties for noncompliance can be severe.

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