

United States Eases Sudan Sanctions

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After 20 years of comprehensive sanctions against Sudan, the US government has revoked most sanctions with respect to Sudan and the Government of Sudan effective October 12, 2017. As a result of this action, US persons¹ are no longer prohibited from engaging in transactions that were previously prohibited under the Sudanese Sanctions Regulations (**SSR**). The United States took this action in accordance with Executive Order (**EO**) 13761 of January 13, 2017, as amended by EO 13804 of July 11, 2017, which earlier this year suspended the sanctions and provided that they would be revoked if the Sudanese government sustained certain positive actions.²

Certain Sudan-related economic and financial sanctions remain in place, however, including those related to Sudan's designation as a State Sponsor of Terrorism. The list-based Darfur sanctions maintained under EO 13400 also remain in effect. Parties blocked under the Darfur sanctions program remain blocked, and US persons cannot engage in transactions with these parties.

Revocation of SSR

Effective October 12, 2017, sections 1 and 2 of EO 13067 of November 3, 1997, and all of EO 13412 of October 13, 2006, have been revoked. Sections 1 and 2 of EO 13067 and EO 13412 had blocked the property of the Government of Sudan and generally prohibited US persons from engaging in transactions with Sudan and the Government of Sudan.

As a result of the revocation of these sanctions provisions, effective October 12, 2017, US persons are no longer prohibited from engaging in transactions that were previously prohibited under the SSR. Among other restrictions, the SSR prohibited: (i) transactions by US persons involving blocked property; (ii) the importation into the United States of goods or services of Sudanese origin; (iii) transactions by US persons relating to the petroleum or petrochemical industries in Sudan; (iv) transactions by US persons relating to transportation of

¹ US person means 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.

² Please see our Alert [here](#) on the January 2017 EO.

cargo to or from Sudan; and (v) the grant or extension of credits or loans by any US person to the Government of Sudan. Consistent with the revocation of these sanctions provisions, the US Department of the Treasury's Office of Foreign Assets Control (**OFAC**) has stated that it expects to remove the SSR from the Code of Federal Regulations. Additionally, all parties blocked pursuant to sections 1 and 2 of EO 13067 and EO 13412, but no other sanctions authorities, have been unblocked and removed from OFAC's List of Specially Designated Nationals and Blocked Persons.³

New General License

Pursuant to the Trade Sanctions Reform and Export Enhancement Act of 2000 (**TSRA**), an OFAC license is still required for certain exports and reexports to the Government of Sudan or to any entity in Sudan of agricultural commodities, medicine, and medical devices as a result of Sudan's inclusion on the State Sponsors of Terrorism List. However, on October 6, 2017, OFAC issued a new General License authorizing, as of October 12, 2017, all exports and reexports of agricultural commodities, medicine, or medical devices to the Government of Sudan or to any entity in Sudan or to any person in a third country purchasing specifically for resale to any of the foregoing (provided that the exports and reexports are shipped within the 12-month period beginning on the date of the signing of the contract for export or reexport.)⁴

Remaining Sanctions on Sudan

The following sanctions with respect to Sudan remain in effect:

- **State Sponsor of Terrorism:** Sudan continues to be included on the US State Department's List of State Sponsors of Terrorism. As a result, the US Department of Commerce's Bureau of Industry and Security continues to require a license for the export of most items subject to the Export Administration Regulations (**EAR**) that are controlled on the Commerce Control List (i.e., items that are not designated EAR99), unless a license exception applies. This includes most US-origin products, as well as some non-US made items that incorporate greater than *de minimis* US-origin content and items that are the direct product of certain US-origin technology.
- **Darfur:** OFAC sanctions related to the conflict in Darfur, which were imposed pursuant to EO 13400 of April 26, 2006, remain in effect.
- **Designations:** OFAC has noted in an FAQ on its website that the revocation of EO 13412 and provisions of EO 13067 does not affect OFAC designations of any Sudanese persons pursuant to other sanctions authorities.
- **TSRA:** As noted above, the statutory requirements imposed under TSRA regarding exports of agricultural commodities, medicine, and medical devices to Sudan remain in effect, though OFAC has issued a new General License authorizing these transactions.

Although most transactions with Sudan are permissible, the revocation of Sudan sanctions does not affect past, present, or future OFAC enforcement investigations or actions associated with any apparent violations of the SSR that predate the suspension or revocation of the Sudanese sanctions.

Companies should continue to monitor and ensure compliance with remaining US sanctions against Sudan. Penalties for noncompliance can be severe.

³ The Sudan Designation Removals can be found [here](#).

⁴ https://www.treasury.gov/resource-center/sanctions/Programs/Documents/tsra_gla.pdf

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