



SANCTIONS UPDATE

OFAC Lifts Sanctions Affecting South Sudan

On December 8, 2011, the Office of Foreign Assets Controls (OFAC) issued a [final rule](#) lifting sanctions on South Sudan's petrochemical sectors and authorizing transshipments of goods, technology and services to South Sudan through Sudan. These changes come in the form of two new general licenses under the Sudanese Sanctions Regulations and are designed to open the door to trade and investment in South Sudan following that country's political independence.

As of December 8, 2011, U.S. persons are authorized to export to and import from South Sudan, even if the goods, technologies and services in question are transhipped through Sudan. U.S. persons may also engage in any activities or transactions related to South Sudan's petroleum and petrochemical sector, including financial transactions with banks owned or controlled by the Government of Sudan. Examples of these activities include:

- Oil and gas exploration, development and production;
- Field auditing services;
- Oilfield services;
- Activities related to oil and gas pipelines;
- Refining, sale and transport; and
- Payments of pipeline, port or other fees to the Government of Sudan.

The new general licenses do not permit the export of good, services or technologies that are to be used in connection with Sudan's petroleum and petrochemical industries. Additionally, financial transactions authorized by the general license must first transit through a non-Sudanese financial institution.

Unveils New SDN Screening Tool

In addition to these new general licenses, OFAC has unveiled a new online application for screening parties against its List of Specially Designated Nationals (SDNs). Launched on December 1, 2011, the application allows users to search for SDNs by name, address, sanctions program and county. Because the system is based on literal character matching, however, it will not detect misspelled names or terms. For this reason, clients should continue to employ comprehensive, risk-based screening software capable of returning potential matches based on possible spelling variations.

Sidley Austin has a team of lawyers experienced in the application of U.S. economic sanctions to companies and humanitarian organizations. We would be pleased to assist your organization in adjusting your licensing and sanctions compliance practices to reflect the evolving regulatory environment.

Sidley Austin's Sanctions Practice

Lawyers in our Sanctions Practice advise companies on the applicability of U.S. sanctions programs to corporate and banking transactions, insurance contracts and the sale of goods and services. We handle license applications for agricultural commodities, medical devices and medicines under the Trade Sanctions Reform and Export Enhancement Act of 2000. We also represent companies in enforcement actions involving U.S. sanctions, assist with internal investigations and the development of compliance programs, and counsel clients on voluntary disclosures. For more information about our Sanctions Practice please contact Lisa Crosby (lcrosby@sidley.com, +1.202.736.8754) or Robert Torresen (rtorresen@sidley.com, +1.202.736.8570).

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