

574. Will foreign persons be subject to sanctions for doing business with the individuals or entities designated under E.O. 13661 or E.O. 13662, or blocked pursuant to OFAC's 50 percent rule on April 6, 2018 as a result of such a designation?

Section 228 of [CAATSA](#) amends [SSIDES](#) by inserting a mandatory sanctions provision on foreign persons that Treasury determines, inter alia, knowingly facilitate significant transactions, including deceptive or structured transactions, for or on behalf of any person subject to U.S. sanctions with respect to the Russian Federation, or their child, spouse, parent, or sibling. Additionally, section 226 of CAATSA amends [UFSA](#) by making the sanctions in that section mandatory. Under the amended section 5 of UFSA, foreign financial institutions face correspondent account or payable through account sanctions if the Secretary of the Treasury determines, inter alia, that they knowingly facilitate significant financial transactions on behalf of any Russian person added to OFAC's SDN List pursuant to UFSA, E.O. 13660, E.O. 13661, E.O. 13662, E.O. 13685, or any other E.O. addressing the crisis in Ukraine.

As described in FAQs [542](#) and [545](#), a transaction is not "significant" if U.S. persons would not require specific licenses from OFAC to participate in it. Therefore, activity authorized by Ukraine-/Russia-related General Licenses 12 and 13, and occurring within the time period authorized in these general licenses, would not be considered "significant" for the purposes of a sanctions determination under section 10 of SSIDES, as amended by CAATSA, and section 5 of UFSA, as amended by CAATSA. Nothing in the general licenses should be construed as authorizing deceptive or structured transactions.

The intent of the designations on April 6, 2018 is to impose costs on Russia for its malign behavior. The United States remains committed to coordinating with our allies and partners in order to mitigate adverse and unintended consequences of these designations. [04-06-2018]