



# **U.S. Embargoes & Sanctions on Foreign Countries, Regions, Entities & People**

Office of Legal Counsel  
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# Overview

- The U.S. government maintains sanctions programs affecting a variety of foreign countries, regions, and many entities, vessels and individuals that may pose a threat to U.S. national security or foreign policy interests. Programs include:
  - Comprehensive, country-based embargoes or sanctions;
  - “List-based” sanctions on specific persons and entities; and
  - “Sectoral sanctions” on certain entities within specific sectors of a country or territory’s economy.
- These programs are *in addition* to other U.S. federal controls affecting the export of certain items and information which are commonly known as “Export Controls” (e.g., via the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR).
- The sanctions programs do NOT just restrict energy or arms exchanges.
- The University is seeking to increase the attention paid to these matters in an effort to bolster our compliance. The Office of Sponsored Projects Administration (OSPA) and the Legal office (and sometimes the International Center or University Financial Services) are primary contacts for questions regarding these restrictions.



# Comprehensive Embargoes & Significant Sanctions

- The U.S. government maintains comprehensive embargoes on Cuba, Iran, North Korea, Syria, and the Crimea, Donetsk, and Luhansk regions of Ukraine, and significantly expanded sanctions on Belarus and Russia.
- Generally prohibit U.S. persons\*, wherever located, from **exporting or importing** goods or services to or from these jurisdictions.
- Also prohibit U.S. persons\* from engaging in most activities with persons from these jurisdictions.
- With few exceptions, the U.S. bars most transactions, collaborations or activities involving a comprehensively embargoed country or individuals and entities from those countries

\*U.S. persons: Includes U.S. citizens, legal permanent residents, companies incorporated in the U.S. (including their foreign branches), *and any person while located in the U.S.—e.g., even people not fitting the rest of the definition, like a non-citizen or non-legal permanent resident.*



# List-Based Sanctions

- The U.S. government also administers *list-based* sanctions on specific individuals and entities worldwide.
- The U.S. targets these individuals and entities for foreign policy or national security reasons.
- Sanctions designations apply to many individuals and entities located in countries associated with international terrorism or for their involvement in international narcotics trafficking, proliferation of weapons of mass destruction, or human rights violations, among other issues of concern.
- Persons subject to list-based sanctions are typically listed on the Specially Designated Nationals and Blocked Persons (“SDN”) List administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”).
- Regulations generally prohibit U.S. persons from engaging in transactions with SDNs, as well as entities that an SDN owns, directly or indirectly, by 50% or more.



# Sectoral/ Other Targeted Sanctions

- The U.S. also has “sectoral” sanctions that target entities based on their prominence within certain sectors of targeted countries.
- For example, certain sanctions have been issued by OFAC prohibiting U.S. persons from engaging in certain transactions in certain countries and regions involving certain entities in energy, defense, gold and financial sectors.
- Regulatory guidance provides that entities 50% or more owned, directly or indirectly, by companies on the Sectoral Sanctions Identification List (“SSI List”) are also subject to restrictions that apply to the listed parent companies.



# Licensing

- There are only two ways to proceed lawfully with a transaction or activity subject to the prohibitions of a sanctions program: a general license or a specific license.
- These licenses set the terms and conditions authorizing certain transactions.
  - *General* licenses are authorizations written into regulations or issued on OFAC's website. They are available for anyone to use and do not require the submission of an application to the government.
  - *Specific* licenses are authorizations given to an individual applicant. The U.S. Government may issue specific licenses upon request, but generally, they are not easy to get or quickly forthcoming.



# Enforcement

- Violations can lead to severe civil and criminal penalties depending on program and the severity.
- Penalties can apply to the individual, the institution, or both.
  - Criminal penalties may result in fines of up to \$1 million per violation and up to 20 years in jail for individuals. [Kingpin Act penalties are even higher.]
  - Civil penalties may reach the greater of \$356,579 (as of 2023; adjusted for inflation annually) or twice the amount of the underlying transaction, per violation. Each cross-border exchange may be a transaction, e.g., *each* of the following is an individual transaction: (1) shipment of information or materials for evaluation; (2) reporting of results; and (3) payment.
- Violations can also result in the freezing or blocking of assets, reputational damage, and severe restrictions on an institution's activities.



# Compliance Expectations -Embargoed Countries

- Activities involving **Belarus, Cuba, Iran, North Korea, Russia, Syria, Ukraine, or Venezuela (and their nationals)** are subject to significantly broad controls.
- Activities requiring review include, but are not limited to:
  - Travel or engaging in any work or other professional activities or programs with individuals or groups from the above countries;
  - Providing technical assistance, analysis, or other services;
  - Engaging in research collaborations (funded and unfunded);
  - Sending or receiving goods, software, or data;
  - Sending or receiving payments; and
  - Traveling and attending conferences/workshops.





# Specific Example: Iran Sanctions

- The U.S. government has a longstanding comprehensive embargo against Iran prohibiting U.S. persons from engaging in virtually all activities involving Iran, unless authorized by the U.S. government or exempted by statute.
- The Iran sanctions program limitations are NOT limited to energy or arms sectors. Actions not permitted without an exemption or specific license:
  - Importing goods or services from Iran;
  - Engaging in any transaction or dealing in or related to Iranian goods or services;
  - Engaging in any transaction or dealing in or related to goods, technology, or services for exportation, sale, or supply to Iran;
  - Engaging in transactions involving property or interests in property of sanctioned parties, including the Government of Iran;
  - Investing in Iran;
  - Facilitating any transaction by a non-U.S. person that would be prohibited if performed by a U.S. person; and
  - Engaging in any transaction that causes a U.S. person to violate, or has the purpose of evading or avoiding, the prohibitions.



# Exemptions for Travel & Communications - Iran

- The U.S. prohibitions on Iran do not apply to transactions ordinarily incident to travel to/from Iran.
- U.S. persons may travel to/from Iran, but their activities in Iran that are not ordinarily related to travel may still be subject to the prohibitions - *you can travel there, but you may not be able to do anything there unless you get a separate specific license to do it.*
- Prohibitions do not apply to any postal, telegraphic, telephonic, or other personal communications, *so long as the communications do not involve the transfer of prohibited information or services—so it's the content and purpose that matter.*



## Exemption for the Exchange of Information or Informational Materials - Iran

- The “information and informational materials” exemption is narrow—applicable to activities like sending a journal publication (something already in the public) to an Iranian national.
- Services related to peer review, style and copy editing, and marketing of individual articles submitted by Iranian authors that involve the alteration or enhancement of those articles *are outside the scope of this exemption—meaning: they are not permitted unless another exemption applies or a specific license is granted.*



# General License for Publishing Activities - Iran

- There is a general license authorizing U.S. persons to engage in transactions necessary and ordinarily incident to the publishing and marketing of manuscripts, books, journals and newspapers in paper or electronic format.
- Applies to collaborating on creation/enhancement of written publications and to substantive editing and to payment of royalties for written publications.
- Publishing activities involving individuals employed at an Iranian academic or research institution are generally authorized if research and/or teaching is the primary function of the employing entity.
- **The general license does NOT apply if one of the parties to the transaction is Government of Iran, and there are MANY organizations which may be supported by the Government (including nearly every academic or research institution) that thus might be characterized as part of it.**
- Does NOT authorize services for the development, production, or design of software, or transactions for the development, production, design, or marketing of technology controlled under U.S. export control laws.



# General License for Academic Exchanges - Iran

- U.S. academic institutions and their contractors are permitted to enter into student academic exchange agreements with Iranian universities related to undergraduate or graduate educational courses.
- U.S. persons enrolled in U.S. academic institutions can participate in educational courses or engage in noncommercial academic research at Iranian universities at the undergraduate / graduate level.
- Does NOT authorize exports of any goods, software, or technology to Iran, except for (a) technology or software designated “EAR99” under the Export Administration Regulations of the U.S. Department of Commerce (“EAR”) or (b) otherwise not subject to the EAR (*e.g.*, public domain information).
- The following is all okay:
  - Filing and processing applications / accepting payments for tuition from individuals in Iran;
  - Recruiting, hiring, or employing faculty located in Iran; and
  - Enrolling individuals in Iran for undergraduate level online courses in the humanities, social sciences, law, or business, or introductory level science, technology, engineering, or math courses ordinarily required for the completion of undergraduate degree programs



# Various General Licenses - Iran

- General licenses exist for authorizing:
  - people eligible for certain non-immigrant and immigrant visas to carry out in the U.S. the activities for the visa was granted by the U.S. Departments of State or Homeland Security
  - U.S. persons to export services to Iran in connection with the filing of a visa application
  - Services performed in the U.S. by a person who is ordinarily resident in Iran for the purpose of participating in a public conference, performance, exhibition, or similar event
  - U.S. persons to sponsor a public conference or other similar public event in a third country (not Iran) that is attended by persons who are ordinarily resident in Iran

***BUT no general license for services performed for the Government of Iran, an Iranian financial institution, or any other sanctioned person***



# Compliance Considerations

- The potential applicability of a general license or an exemption under each sanctions program depends highly on the facts at hand, and the expectations of those programs can quickly change at the direction of the U.S. government.
- Outside of the very limited “general license” authorized activities or exempted activities, a specific license, applied for to OFAC, is required to interact (if allowed at all) with most of the embargoed countries, and significant restrictions exist in certain other countries and jurisdictions.



# Compliance Expectations

## -Other Sanctioned Areas, Persons or Entities

- Other countries and jurisdictions, while not specifically sanctioned, have persons or entities with some association with a country and those persons or entities may be on the SDN or SSI Lists.
- Interaction with those persons and entities on the SDN and SSI Lists may be prohibited and subject the University and/or its faculty, staff and students to severe civil and criminal penalties
- Therefore, we need to be wary of working with certain entities and persons associated with the following countries / regions: **Afghanistan, Belarus, the Balkans (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Kosovo, Montenegro, North Macedonia, Romania, Serbia, Slovenia, and Turkey), Burma (Myanmar), Burundi, Central African Republic, Democratic Republic of Congo, Cuba, Darfur, Hong Kong, Iran, Iraq, Lebanon, Libya, Mali, Nicaragua, North Korea, Russia, Somalia, Sudan, South Sudan, Syria, Ukraine, Venezuela, or Yemen.**





# For Questions & Additional Information

**Any interactions with entities in sanctioned countries should be reviewed, independent of the perceived “sensitivity” of the technical area/topic.**

For assistance, see:

- UK’s International Center for inquiries regarding international travel
  - (859) 323-2106
- Office of Sponsored Projects Administration (OSPA) for research-related matters
  - (859) 253-8377 or [ospa@uky.edu](mailto:ospa@uky.edu)
  - [OSPA Export Control webpages](#)
- Office of Legal Counsel concerning all other matters
  - (859) 257-2936 or [UKOfficeofLegalCounsel@uky.edu](mailto:UKOfficeofLegalCounsel@uky.edu)
- See also: [US Office of Foreign Assets Control \(OFAC\)](#)