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The U.S. Department of the Treasury Implements Historic Humanitarian Sanctions Exceptions

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January 4, 2023 – On December 20, 2022, following the United States' adoption of [United Nations Security Council Resolution \("UNSCR"\) 2664](#), the U.S. Department of the Treasury's ("Treasury") Office of Foreign Assets Control ("OFAC") took historic steps to further enable the flow of legitimate humanitarian assistance to support the basic human needs of vulnerable populations while continuing to deny resources to "malicious actors" via its sanctions programs.

Treasury's Deputy Secretary Wally Adeyemo [noted](#) that, "[t]he United States co-led the development of the humanitarian carveout Resolution at the United Nations, and we're proud to be the first country to issue authorizations and guidance to implement it across our sanctions programs. The general licenses released today reflect the United States' commitment to ensuring that humanitarian assistance and related trade continues to reach at-risk populations through legitimate and transparent channels, while maintaining the effective use of targeted sanctions, which remain an essential foreign policy tool. The provision of humanitarian support to alleviate the suffering of vulnerable populations is central to our American values."

Specifically, in two rules (available [here](#) and [here](#)), OFAC amended multiple regulations to add or revise certain general licenses ("GLs") across a number of sanctions programs to ease the delivery of humanitarian aid. The GLs authorize the following four categories of activities:

- the official business of the U.S. government;
- the official business of certain international organizations and entities, such as the United Nations or the International Red Cross;
- certain humanitarian transactions in support of nongovernmental organizations' ("NGOs") activities, such as disaster relief, health services, and activities to support democracy, education, environmental protection, and peacebuilding; and
- the provision of agricultural commodities, medicine, and medical devices, as well as replacement parts and components and software updates for medical devices, for personal, non-commercial use.

Treasury noted it is issuing these GLs across sanctions programs that did not previously have humanitarian exceptions to implement a new standardized baseline set of authorizations across OFAC-administered programs. Concurrently with the new and amended GLs, OFAC issued the following four Frequently Asked Questions (“FAQs”) that provide further guidance on these actions and the authorizations being issued or amended, including guidance for financial institutions facilitating activity for NGOs and OFAC’s due diligence expectations:

- FAQ [1105](#) outlines what actions OFAC took to implement UNSCR 2664 of December 9, 2022, relating to the new UN sanctions exception for humanitarian assistance, including a summary of the four categories of GLs OFAC issued or amended to authorize certain activities.
- FAQ [1106](#) provides guidance on OFAC’s diligence expectations for financial institutions seeking to process funds transfers for activities related to the four categories of general licenses outlined in FAQ 1105.
- FAQ [1107](#) clarifies which organizations are included within the United Nations’ “Programmes, Funds, and Other Entities and Bodies, as well as its Specialized Agencies and Related Organizations” for purposes of the OFAC general license related to the official business of certain international organizations and entities.
- FAQ [1108](#) clarifies that OFAC’s issuance of general licenses does not restrict the scope of any existing exemptions or OFAC authorizations for humanitarian activities.

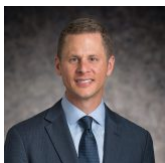
OFAC also noted that for transactions not otherwise authorized or exempt from sanctions, OFAC considers license requests on a case-by-case basis and prioritizes applications, compliance questions, and other requests related to humanitarian assistance.

Additionally, as part of these actions, OFAC updated a regulatory interpretation in several sanctions programs’ regulations to explain that the property and interests in property of an entity are blocked if one or more blocked persons own, whether individually or in the aggregate, directly or indirectly, a 50 percent or greater interest in the entity.

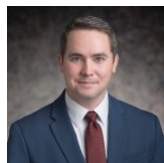
Treasury noted that these actions bolster its ongoing work to address challenges faced by humanitarian actors operating in regions perceived as high risk for money laundering or terrorist financing, or subject to U.S. sanctions. In October 2021, Treasury published a [comprehensive review](#) of its economic and financial sanctions programs which found, among other things, that while sanctions remain an essential and effective policy tool, they also must be carefully calibrated to address their impact on the flow of legitimate humanitarian aid to those in need. The review recommended implementing or streamlining, where possible and appropriate, humanitarian authorizations across sanctions programs, noting that the United States must lead global efforts to systematically address the challenges associated with conducting humanitarian activities.

Overall, Treasury’s recent humanitarian-related action reflects its commitment to ensuring that its sanctions programs do not prevent the flow of humanitarian aid to sanctioned jurisdictions. We anticipate further actions from Treasury in this space under the Biden administration as they continue to prioritize mitigating the unintended consequences of sanctions for humanitarian-related activities.

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