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## Office of Foreign Assets Control

### FREQUENTLY ASKED QUESTIONS

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The Office of Foreign Assets Control (OFAC) has undertaken an initiative to post on its website answers to questions of general applicability frequently asked by the public. The initiative is intended to be part of OFAC's commitment to regulatory transparency and customer service. OFAC is continuing to prepare answers to additional questions that are often asked and additional questions and answers will be posted periodically. Comments are welcome via the "[E-mail OFAC](#)" link on OFAC's homepage. It should be noted, however, that OFAC is unable to treat any information submitted concerning FAQs as confidential or proprietary to the submitter and no information submitted concerning FAQs will be treated as such.

The questions and answers highlight key issues and topics relating to economic sanctions and the procedures and practices of OFAC. They are intended only as general information to assist persons subject to United States jurisdiction to comply with legal requirements and to facilitate an understanding of the scope and purposes of sanctions programs. It is very important to note that U.S. businesses, individuals, and others subject to OFAC jurisdiction must comply with the full legal requirements of OFAC's programs which are set forth in the applicable statutes, Executive Orders, and implementing regulations found in Title 31 Chapter V of the Code of Federal Regulations and in Federal Register documents that update the regulations. The reader is further cautioned that specific facts may alter an analysis and, because each program reflects unique foreign policy and national security contexts, a particular answer will not always be applicable to all programs or at all times. For further assistance, call OFAC's Compliance Programs Division at 202/622-2490 or OFAC's Licensing Division at 202/622-2480 or write to the Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220.

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### GENERAL QUESTIONS

#### What is OFAC and what does it do?

The Office of Foreign Assets Control administers and enforces economic sanctions programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers. The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. [09-10-02]

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#### How long has OFAC been around?

The Treasury Department has a long history of dealing with sanctions. Prior to the War of 1812, Secretary of the Treasury Gallatin administered sanctions imposed against Great

Britain for the harassment of American sailors. In 1861, during the Civil War, Congress passed a "Trading With the Enemy Act," which prohibited transactions with the Confederacy, called for the forfeiture of goods involved in such trade, and provided a licensing regime under rules and regulations administered by Treasury. The Trading With the Enemy Act of 1917 ("TWEA") made that Civil War legislation "modern" for World War I. OFAC is the successor organization to the Office of Foreign Funds Control (the "OFFC"), which was established at the advent of World War II following the German invasion of Norway in 1940. The OFFC's initial objective in acting under TWEA was to prevent Nazi use of occupied countries' holdings of foreign exchange and to prevent forced repatriation of funds belonging to nationals of those countries. These controls were later extended to protect assets of other invaded countries. After the United States formally entered World War II, the OFFC became the major American program of economic warfare against the Axis powers, blocking enemy assets and prohibiting foreign trade and financial transactions. Those assets would also serve as a future source of war reparations. The OFFC program was administered by the Secretary of the Treasury throughout the war. After the cessation of hostilities, most foreign property subject to protective blocking was gradually released by licenses under the Foreign Funds Control Regulations. Most enemy property was vested by the U.S. Government during and immediately after the war. Responsibility for administering the FFC Regulations was transferred to the Attorney General (Office of Alien Property), effective October 1, 1948. All matters relating to the World War II vesting program remain at the Justice Department under the supervision of the Office of Alien Property Custodian. OFAC itself was formally created in December 1950, following the entry of China into the Korean War, when President Truman declared a national emergency under TWEA and blocked all Chinese and North Korean assets subject to U.S. jurisdiction. [09-10-02]

### **What does one mean by the term "prohibited transactions" ?**

Prohibited transactions are trade or financial transactions and other dealings in which U.S. persons may not engage unless authorized by OFAC or expressly exempted by statute. Because each program is based on different foreign policy and national security goals, prohibitions may vary between programs. [09-10-02]

### **Are there exceptions to the prohibitions?**

Yes. OFAC regulations often provide general licenses authorizing the performance of certain categories of transactions. In addition, in some circumstances, U.S. law exempts certain transactions from embargoes. OFAC also issues specific licenses on a case-by-case basis under certain limited situations and conditions. Guidance on how to request a specific license is found at 31 C.F.R. 501.802. [09-10-02]

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### **When should I call OFAC's compliance "hotline"?**

Only after you've taken the following "due diligence" steps.

If you are calling about a wire transfer or other "live" transaction:

1. Is the "hit" or "match" against OFAC's SDN list or targeted countries, or is it "hitting" for some other reason (i.e., "Control List" or "PEP," "CIA," "Non-Cooperative Countries and Territories," "Canadian Consolidated List (OSFI)," "World Bank Debarred Parties," "Blocked Officials File," or "government official of a designated country"), or can you not tell what the "hit" is?

- If it's hitting against OFAC's SDN list or targeted countries, continue to 2 below.
- If it's hitting for some other reason, you should contact the "keeper" of whichever other list the match is hitting against. For questions about:
  - The Denied Persons List and the Entities List, please contact the Bureau of Industry and Security at the U.S. Department of Commerce at 202-482-4811.
  - The FBI's Most Wanted List or any other FBI-issued watch list, please contact the Federal Bureau of Investigation (<http://www.fbi.gov/contact/fo/fo.htm>).
  - The Debarred Parties list, please contact the Office of Defense Trade Controls at the U.S. Department of State, 202-663-2700.
  - The Bank Secrecy Act and the USA PATRIOT Act, please contact the Financial Crimes Enforcement Network (FinCEN), 1-800-949-2732.
- If you are unsure whom to contact, please contact your interdict software provider which told you there was a "hit."
- If you can't tell what the "hit" is, you should contact your interdict software provider which told you there was a "hit."

2. Now that you've established that the hit is against OFAC's SDN list or targeted countries, you must evaluate the quality of the hit. Compare the name in your transactions with the name on the SDN list. Is the name in your transaction an individual while the name on the SDN list is a vessel, organization or company (or vice-versa)?

- If yes, you do not have a valid match.\*
- If no, please continue to 3 below.

3. How much of the SDN's name is matching against the name in your transaction? Is just one of two or more names matching (i.e., just the last name)?

- If yes, you do not have a valid match.\*
- If no, please continue to 4 below.

4. Compare the complete SDN entry with all of the information you have on the matching name in your transaction. An SDN entry often will have, for example, a full name, address, nationality, passport, tax ID or cedula number, place of birth, date of birth, former names and aliases. Are you missing a lot of this information for the name in your transaction?

- If yes, go back and get more information and then compare your complete information against the SDN entry.
- If no, please continue to 5 below.

5. Are there a number of similarities or exact matches?

- If yes, please call the hotline at 1-800-540-6322.
- If no, you do not have a valid match.\*

If you are calling about an account:

1. Is the "hit" or "match" against OFAC's SDN list or targeted countries, or is it "hitting" for some other reason (i.e., "Control List" or "PEP," "CIA," "Non-Cooperative Countries and Territories," "Canadian Consolidated List (OSFI)," "World Bank Debarred Parties," or "government official of a designated country"), or can you not tell what the "hit" is?

- If it's hitting against OFAC's SDN list or targeted countries, continue to 2 below.
- If it's hitting for some other reason, you should contact the "keeper" of whichever other list the match is hitting against. For questions about:
  - The Denied Persons List and the Entities List, please contact the Bureau of Industry and Security at the U.S. Department of Commerce at 202-482-4811.
  - The FBI's Most Wanted List or any other FBI-issued watch list, please contact the Federal Bureau of Investigation (<http://www.fbi.gov/contact/fo/fo.htm>).
  - The Debarred Parties list, please contact the Office of Defense Trade Controls at the U.S. Department of State, 202-663-2700.
  - The Bank Secrecy Act and the USA PATRIOT Act, please contact the Financial Crimes Enforcement Network (FinCEN), 1-800-949-2732.
- If you are unsure whom to contact, you should contact your interdict software provider which told you there was a "hit."
- If you can't tell what the "hit" is, you should contact your interdict software provider which told you there was a "hit."

2. Now that you've established that the hit is against OFAC's SDN list or targeted countries, you must evaluate the quality of the hit. Compare the name of your accountholder with the name on the SDN list. Is the name of your accountholder an individual while the name on the SDN list is a vessel, organization or company (or vice-versa)?

- If yes, you do not have a valid match.\*
- If no, please continue to 3 below.

3. How much of the SDN's name is matching against the name of your accountholder? Is just one of two or more names matching (i.e., just the last name)?

- If yes, you do not have a valid match.\*
- If no, please continue to 4 below.

4. Compare the complete SDN entry with all of the information you have on the matching name of your accountholder. An SDN entry often will have, for example, a full name, address, nationality, passport, tax ID or cedula number, place of birth, date of birth, former

names and aliases. Are you missing a lot of this information for the name of your accountholder?

- If yes, go back and get more information and then compare your complete information against the SDN entry.
- If no, please continue to 5 below.

5. Are there a number of similarities or exact matches?

- If yes, please call the hotline at 1-800-540-6322.
- If no, you do not have a valid match.\*

\* If you have reason to know or believe that processing this transfer or operating this account would violate any of the Regulations, you must call the hotline and explain this knowledge or belief. [02-12-03]

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### **Where can I find the specific details about the embargoes?**

A summary description of each particular embargo or sanctions program may be found in the [Sanctions Program and Country Summaries](#) area and in the [Regulations by Industry](#) area on OFAC's website. The text of Legal documents may be found in the [Legal Documents](#) area of OFAC's website which contains the text of 31 C.F.R. Chapter V and appropriate amendments to that Chapter which have appeared in the Federal Register. [09-10-02]

### **Can I get permission from OFAC to transact or trade with an embargoed country?**

OFAC usually has the authority by means of a specific license to permit a person or entity to engage in a transaction which otherwise would be prohibited. In some cases, however, legislation may restrict that authority. [09-10-02]

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### **What must I do to get permission to trade with an embargoed country?**

In some situations, authority to engage in certain transactions is provided by means of a general license. In instances where a general license does not exist, a written request for a specific license must be filed with OFAC. The request must conform to the procedures set out in the regulations pertaining to the particular sanctions program. Generally, application guidelines and requirements must be strictly followed, and all necessary information must be included in the application in order for OFAC to consider an application. For an explanation about the difference between a general and a specific license as well as answers to other licensing questions, see the [licensing questions](#) link. [09-10-02]

### **What do you mean by "blocking?"**

Another word for it is "freezing." It is simply a way of controlling targeted property. Title to the blocked property remains with the target, but the exercise of powers and privileges normally associated with ownership is prohibited without authorization from OFAC. Blocking immediately imposes an across-the-board prohibition against transfers or dealings of any kind with regard to the property. [09-10-02]

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### **What countries do I need to worry about in terms of U.S. sanctions?**

OFAC administers a number of U.S. economic sanctions and embargoes that target geographic regions and governments (such as Cuba, Iran, Iraq, Libya, North Korea, Sudan, Liberia, Sierra Leone, the UNITA faction in Angola, Syria and Burma [Myanmar]) as well as other programs targeting individuals or entities that could be anywhere (such as narcotics traffickers, named terrorists, Foreign Terrorist Organizations, designated foreign persons associated with Slobodan Milosevic or who threaten international stabilization efforts in the Western Balkans, and designated foreign persons who have engaged in activities related to the proliferation of weapons of mass destruction). In addition to targeted countries, it is very important to note that OFAC publishes a list of Specially Designated Nationals and Blocked Persons ("SDN list") which includes over 3,500 names of companies

and individuals who are connected with the sanctions targets and are located throughout the world (with addresses listed in 112 countries as of 09/2002). A number of the named individuals and entities are known to move from country to country and may end up in locations where they would be least expected. U.S. persons are prohibited from dealing with SDNs wherever they are located and all SDN assets are blocked. Because OFAC's programs are dynamic and constantly changing, it is very important to check OFAC's website on a regular basis to ensure that your SDN list is current and you have complete information regarding current restrictions affecting countries and parties with which you plan to do business. [09-10-02]

### **Who must comply with OFAC regulations?**

All U.S. persons must comply with OFAC regulations, including all U.S. citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, all U.S. incorporated entities and their foreign branches. In the cases of certain programs, such as those regarding Cuba and North Korea, all foreign subsidiaries owned or controlled by U.S. companies also must comply. Certain programs also require foreign persons in possession of U.S. origin goods to comply. [09-10-02]

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### **How much are the fines for violating these regulations?**

The fines for violations can be substantial. Depending on the program, criminal penalties can include fines ranging from \$50,000 to \$10,000,000 and imprisonment ranging from 10 to 30 years for willful violations. Depending on the program, civil penalties range from \$11,000 to \$1,000,000 for each violation. [09-10-02]

### **Is there a mechanism for a company to report its past undetected violations of OFAC regulations for completed transactions? Is any type of "amnesty" available for inadvertant failure to comply prior to the company becoming aware of the OFAC regulations?**

Yes, a company can and is encouraged to voluntarily disclose a past violation. Self-disclosure is considered a mitigating factor by OFAC in Civil Penalty proceedings. A self-disclosure should be in the form of a detailed letter, with any supporting documentation, to R. Richard Newcomb, Director, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, DC 20220. OFAC does not have an "amnesty" program. The ramifications of non-compliance, inadvertent or otherwise, can jeopardize critical foreign policy and national security goals. OFAC does, however, review the totality of the circumstances surrounding any violation, including the quality of a company's OFAC compliance program. [09-10-02]

### **Can I regard previously issued and published opinion letters, regulatory interpretations, or other statements as guidance for my transactions?**

Great care should be taken when placing reliance on such materials to ensure that the transactions in question fully conform to the letter and spirit of the published materials and that the materials have not been superseded. [09-10-02]

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### **Can OFAC change its previously stated, non-published interpretation or opinion without first giving public notice?**

Yes. OFAC, therefore, strongly encourages parties to exercise due diligence when their business activities may touch on an OFAC-administered program and to contact OFAC if they have any questions about their transactions. [09-10-02]

### **Why are there two separate subscription services on OFAC's website, one called a "[Financial Operations Bulletin](#)" and the other a "[What's New](#)" notice?**

The explanation is at the link "[Automating OFAC Compliance](#)". Financial operations bulletins are geared toward the financial operations community, while "What's New" notices are geared toward the general public (including exporters and importers, practicing attorneys, and researchers). Generally speaking, those in the operations areas of banks, brokerage houses, and other financial service providers do not require the level of detail and wealth of information provided in notices to the general public. Instead, they are primarily interested in changes directly impacting their day-to-day operations, such as updates to OFAC's listing

Specially Designated Nationals and Blocked Persons. All "What's New" notices to the general public also contain information from OFAC's financial operations bulletins. It is not unusual for the date listed for a What's New notice to be later than the date listed for the latest Financial Operations Bulletin. [09-10-02]

#### **How do I do a search of "What's New" notices for information on a specific topic?**

Individual "What's New" notices are date-specific. There is, however, at the bottom of each calendar page following the [Recent OFAC Actions](#) link a separate cumulative file for each year--2002, 2001, and 2000. [09-10-02]

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### **QUESTIONS ABOUT SPECIALLY DESIGNATED NATIONALS (SDNS)**

#### **What is an SDN?**

As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals" or "SDNs." Their assets are blocked and U.S. persons are generally prohibited from dealing with them. [09-10-02]

#### **How do I get a copy of this list?**

The best way to get the list is from [OFAC's website](#). The list is disseminated in a number of different formats, including fixed field/delimited files that can be integrated into databases. [09-10-02]

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#### **How often is the SDN list updated?**

The SDN list is frequently updated. There is no predetermined timetable, but rather names are added or removed as necessary and appropriate. Please see the Resources link titled "[Automating OFAC Compliance](#)" for suggestions on how to keep constantly up-to-date. [09-10-02]

#### **How do I know what specific changes have been made to OFAC's SDN list?**

All changes for the current calendar year are cumulatively available in a [.PDF file](#) and in an [ASCII version](#). Cumulative changes for prior years back to 1994 are also available in ASCII format by following this [link](#). The same link will take you to a \*.PDF version of the file for calendar year 2001. The calendar year 2002 \*.PDF file and future calendar year \*.PDF files will be archived at that link. [09-10-02]

#### **Does OFAC maintain or can it create a country-by-country list of SDNs?**

OFAC has long maintained such a list. The file is available for downloading by clicking on the [DOS](#) or [Windows Delimited](#) SDN List links on OFAC's Website. The file is contained within those self-extracting archives and is called ctry\_list.txt. It is important to understand that many SDN individuals and entities may operate in countries other than those in which they are based. The relevant regulations prohibit transactions with and/or block the property of SDNs wherever they are located. [09-10-02]

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#### **What do I do if I have a match to the SDN list?**

If you have checked a name manually or by using software and find a match, you should do a little more research. Is it an exact name match, or very close? Is your customer located in the same general area as the SDN? If not, it may be a "false hit." If there are many similarities, contact OFAC's "hotline" at 1-800-540-6322 for verification. If your "hit" concerns an in-process wire transfer, you may prefer to [e-mail your question](#) to OFAC. Unless a transaction involves an exact match, it is recommended that you contact OFAC Compliance before actually blocking assets. [09-10-02]

**What is the Control list? Who do I call about the Control list? What is the difference between the Control list and OFAC's SDN list?**

The Control List was developed by the law enforcement community in response to the events of September 11. It is separate from the OFAC's SDN list and is not disseminated by OFAC. If you have received a copy of this list, you should follow the instructions received with it. [09-10-02]

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**QUESTIONS FROM FINANCIAL INSTITUTIONS****Does OFAC itself require that banks set up a certain type of compliance program?**

No. There is no single compliance program suitable for every financial institution. OFAC is not itself a bank regulator; its basic requirement is that financial institutions not violate the laws that it administers. Financial institutions should check with their regulators regarding the suitability of specific programs to their unique situations. [09-10-02]

**How do I get the OFAC Starter Kit?**

The Starter Kit is comprised of the [SDN list](#), the brochure for the industry you represent ([financial, travel/tourism, insurance, export/import, or securities](#)), and any [articles](#) that appear to be of interest based on your specific needs or interest. These documents can be obtained from OFAC's website or from OFAC's fax-on-demand service (202/622-0077). [09-18-02]

**What do I need to do to comply? Do I have to buy expensive software?**

This is primarily a question for your regulator. What constitutes an adequate compliance program depends in large part on who your customers are and what kinds of business you do. Certain areas of bank operations, such as international wire transfers and trade finance, are at a higher risk than others. There are numerous interdiction software packages that are commercially available. They vary considerably in cost and capabilities. If your bank feels it needs to invest in software in its attempt to comply with OFAC regulations, OFAC recommends that you talk to your counterparts in other banks about the systems they have in place and contact vendors for an assessment of your needs. It should be noted that \*.TXT and \*.PDF versions of OFAC's SDN list can be manually scanned; OFAC's \*.TXT list can also be queried using standard word processing software such as Microsoft Word or Corel's WordPerfect. [09-10-02]

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**How often do I need to scan my customer database for SDNs?**

The frequency of running an OFAC scan must be guided by your internal bank policy and procedures. Keep in mind, however, that if your bank fails to identify and block a target account (of a terrorist, for example), there could be "real world" consequences such as a transfer of funds or other valuable property to an SDN, an enforcement action against your bank, and negative publicity. [09-10-02]

**How do I setup a compliance program for my bank?**

There is no prepackaged compliance program that fits the needs of every bank. Banks, obviously, range in size from small to some of the largest institutions in the world. A good starting point is to go to the OFAC website and look under "[Regulations by Industry](#)." Then read the [brochure for the Financial Community](#). This brochure provides insight as to how your particular bank could set up a compliance program. There are also a number of articles written for banking industry publications available on OFAC's website. See, for example, [OFAC Primer](#) or [Community Banks](#). It may be helpful to contact your counterparts in other banks to see what they are doing and talk to your regulator. [09-10-02]

**What are the features and benefits that banks should be looking for when selecting an OFAC compliance software package?**

There are a wide variety of software packages available to the financial community. The size and needs of each institution help to determine what to look for in a package. Some packages are used to interdict sanctioned countries and SDN names in wire transfers, while others are used to check the names of new customers; other packages also filter the names

of all accountholders. One suggestion for finding the right software for your bank is to research what your peer banks are using and determine if the software package is working for them. Your bank also could talk to a variety of software vendors who can easily be located by doing an Internet search. [09-10-02]

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### **How do I block an account or a funds transfer?**

Once it has been determined that funds need to be blocked, they must be placed into an interest-bearing account on your books from which only OFAC-authorized debits may be made. The blocking also must be reported to OFAC Compliance within 10 business days. Some banks have opted to open separate accounts for each blocked transaction, while others have opted for omnibus accounts titled, for example, "Blocked Libyan Funds." Either method is satisfactory, so long as there is an audit trail which will allow specific funds to be unblocked with interest at any point in the future. [09-10-02]

### **How much interest do I have to pay on the blocked funds?**

OFAC regulations require that funds earn interest at a commercially reasonable rate, i.e., at a rate currently offered to other depositors on deposits or instruments of comparable size and maturity. [09-10-02]

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### **Can my bank deduct service charges from the account?**

Generally yes. In most cases (excluding Iraq, for instance) OFAC regulations contain provisions to allow a bank to debit blocked accounts for normal service charges, which are described in each set of regulations. The charges must be in accordance with a published rate schedule for the type of account in which the funds are maintained. [09-10-02]

### **Do all OFAC programs involve blocking transactions?**

No. OFAC regulations are tailored to further the requirements and purposes of specific Executive Orders or statutes which provide the basic outline of each program. In some cases, the President has determined that a comprehensive asset freeze is appropriate, and in others the President has determined that more limited restrictions (for example, import bans) are in order. The individual program brochures outline the restrictions for each program. [09-10-02]

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### **I understand blocking a transaction, but what is meant by rejecting a transaction? When should a transaction be rejected rather than blocked?**

In some cases, an underlying transaction may be prohibited, but there is no blockable interest in the transaction. In these cases, the transaction is simply rejected, or not processed. For example, a U.S. bank would have to reject a wire transfer between two third-country companies (non-SDNs) involving an export to a non-SDN company in Sudan. Since there is no interest of the Government of Sudan or an SDN, there is no blockable interest in the funds. The U.S. bank cannot process the transaction because that would constitute a transaction in support of a commercial activity in Sudan, which is prohibited by the Sudanese Sanctions Regulations. Similarly, a U.S. bank could not be involved in the financing of a prohibited transaction. A U.S. bank cannot so much as advise a letter of credit if the underlying transaction is in violation of OFAC regulations. Please note that the Iranian Transactions Regulations contain no blocking provisions.

The following examples may help illustrate which transactions should be blocked and which should be rejected.

- A U.S. bank interdicts a commercial payment destined for the account of XYZ Import-Export Co. at the Bank of Khartoum in Khartoum, Sudan. The Bank of Khartoum is wholly-owned by the Government of Sudan and, accordingly, is a Specially Designated National of Sudan. This payment must be blocked.
- A U.S. bank interdicts a commercial payment destined for the account of ABC Import-Export at Sudanese French Bank, Khartoum, Sudan. Unlike the Bank of Khartoum,

Sudanese French Bank, Khartoum is a private sector entity so there is no blockable interest in this payment. However, processing the payment would mean facilitating trade with Sudan and providing a service in support of a commercial transaction in Sudan, therefore the U.S. bank must reject the payment.

- A U.S. bank interdicts a commercial payment originating from a commercial account on its books and destined for the account of the Tehran Computer Corporation at a French bank in Paris. The beneficiary's address confirms that it's a company in Iran. This payment must be rejected by the U.S. bank because of the prohibitions against facilitating trade with Iran. The payment is not a "U-Turn" because it was not initiated by a foreign bank.
- A U.S. bank interdicts a commercial payment from a corporate account on its books destined for the account of the French Computer Corporation at Bank Melli, in Paris through a correspondent account of Bank Melli on the books of a British bank. The beneficiary's address confirms that it's a company in France. However, this payment must be rejected by the U.S. bank because Bank Melli is owned by the Iranian government, and processing the payment would be facilitating trade with Iran.
- A U.S. bank interdicts a commercial payment destined for the account of the French Computer Corporation at Bank Melli, in Paris on the books of a U.S. bank. The beneficiary's address confirms that it's a company in France. However, this payment must be rejected by the U.S. bank because the account of Bank Melli is an "Iranian account" on the books of a U.S. bank and cannot be operated.
- A U.S. bank interdicts an unlicensed commercial payment going to a private-sector entity in Cuba. Under the Cuban Assets Control Regulations, all property and property interests of Cuban nationals – defined to include any person or entity in Cuba - are blocked. As a result, this payment must be blocked.

Rejected and blocked funds transfers must be reported to OFAC within 10 days. Questions about whether a transaction should be blocked or rejected should be directed to OFAC Compliance. [03-12-03]

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**My bank operates accounts for individuals living in Iran. OFAC has told us that these accounts cannot be operated. Does this mean that the accounts are blocked?**

No, the accounts are restricted. The Iranian sanctions prohibit the export of goods or services to Iran. By operating an account for an individual or company in Iran, the bank would be exporting services to that person or entity in violation of the Iranian Transactions Regulations. The accounts, however, are not blocked. The account holder can close the account and have the funds transferred to his or her account outside the United States. [09-10-02]

**I've heard that U-Turn payments are allowed for Iran. What exactly is a U-Turn payment?**

A "U-Turn" payment involving Iran is where U.S. dollar transactions involving Iran are cleared through a U.S. bank. Generally speaking, there must be a third-country bank on both sides of a transaction to qualify as a "U-Turn." For example, Bank Melli Iran can send funds from its account at a German bank through the German bank's correspondent in New York to an Italian bank to pay for goods purchased from Italy. The originating and beneficiary banks may not be U.S. banks. [09-10-02]

**What do I do if I have a blocked account that needs to be escheated to the state?**

You need to discuss this with your state authorities and with OFAC. For instance, the state of New York has a license to escheat blocked funds, pending OFAC approval of each transfer. Banks in New York should contact the State Banking Department for instructions on how to proceed. Banks in other states should contact OFAC directly for instructions on how to proceed. [09-10-02]

**If my financial institution receives a wire going to an embassy in a sanctioned country, can we process the transaction?**

This depends on the program. If you have a payment involving an embassy in a targeted country, please contact OFAC Compliance for directions (1-800-540-6322). [09-10-02]

[^TOP](#)**Should an institution tell its customer that it blocked their funds, and, if so, how does the institution explain it to them?**

An institution may notify its customer that it has blocked funds in accordance with OFAC's instructions. The customer has the right to apply for the unblocking and release of the funds. Information on OFAC's licensing procedures is available on the website. For a copy of the \*.PDF application form for the unblocking of funds transfers (TD F 90-22.54), please direct your customer to this [link](#). [09-10-02]

**What do I do if a person tries to open an account and the person's name is on OFAC's SDN list? Do I open the account and then block the funds?**

A U.S. bank cannot open an account for a person named on the SDN list. This is a prohibited service. However, you should pay careful attention to be sure the person trying to open the account is the same person as the one named on OFAC's list. In many cases you may get a "false positive," where the name is similar to a target's name, but the rest of the information provided by the applicant does not match the descriptor information on OFAC's SDN list. If the bank does come into the possession or control of any property in which a blocked person has an interest, it is obligated to block that property. In other words, if you receive an application to open an account from a person who matches the information on the SDN list, together with an opening deposit, you are obligated to block the funds. The same is true for other banking transactions. If, for example, a customer asks if he or she is allowed to send money to a relative's account with Rafidain Bank in Iraq, the bank can say "no, that's illegal." If, on the other hand, a bank receives instructions from its customer to debit his or her account and send the funds to Rafidain Bank, the bank must act on the instructions by blocking the funds which contain a future interest of the Iraqi SDN bank. You might think of the analogy of a bouncing ball. Once the ball starts moving, you must stop it if it comes into your possession. [09-10-02]

**Does a financial institution need to scan names against OFAC's list of targets upon account opening or can it wait for 24 hours to receive a report from its software vendor on whether or not there is a hit?**

There is no legal or regulatory requirement to use software or to scan. There is a requirement, however, not to violate the law by doing business with a target or failing to block property. OFAC realizes that financial institutions use software that does not always provide an instantaneous response and may require some analysis to determine if a customer is indeed an SDN. The important thing is not to conclude transactions before the analysis is completed. [09-10-02]

**Is there a dollar limit on which transactions are subject to OFAC regulations?**

There is no minimum or maximum amount subject to the regulations. [09-10-02]

**Does my bank need to check the OFAC list when selling cashier's checks and money orders? In the case of cashier's checks, do I need to check both the purchaser and the payee? As a mortgage lender, do I need to check both the purchaser and the seller's name against the SDN list?**

Every transaction that a U.S. financial institution engages in is subject to OFAC regulations. If a bank knows or has reason to know that a target is party to a transaction, the bank's processing of the transaction would be unlawful. [09-10-02]

**If a loan meets underwriting standards but is a true "hit" on the OFAC list, what do we use as a denial reason on the adverse action notice?**

If you have confirmed with OFAC that you have a "good hit," there is no reason not to explain that to the customer. The customer can contact OFAC directly for further information. [09-10-02]

[^TOP](#)**Through corporate giving programs, many banks contribute toward charities and other non-profits. To what extent does a bank need to review the recipients of these gifts or the principals of the charities?**

Donations to charitable institutions must be handled as any other financial transaction. The

donating bank or institution should crosscheck the recipient names against OFAC's SDN list and assure that the donations are in compliance with OFAC sanctions programs. [09-10-02]

### **I just received an interdiction "alert." What do I do?**

When your interdiction software or accountholder checking service shows a potential match, OFAC recommends that you do an initial analysis prior to contacting OFAC. If you have a reasonably close match to a name on the SDN list and your customer is located in the same vicinity as the SDN, feel free to contact OFAC Compliance. Computer software can only deal with letters and numbers. It will inevitably flag some transactions that are not actually OFAC targets. This is where human intervention becomes critical and some hands-on research may be necessary. Questions that ought to be asked by a Compliance Officer before calling OFAC include: Is it an exact name match, or very close? Is the suspect party located in the same general area as the SDN? If there are many similarities, then contact OFAC for verification. Unless you have an exact match or are otherwise privy to information indicating that the hit is a target, it is recommended that you not actually block a transaction without discussing the matter with OFAC. [09-10-02]

### **When a transaction is rejected or blocked, I have ten days to report it. Do I have to do it in writing or can I call OFAC Compliance and report it that way?**

At the moment, OFAC requires that all blocking and reject reports be submitted in writing. Optional reporting forms are available at this [link](#). Reports may be mailed in or faxed to OFAC Compliance at 202-622-2426. Blocking and reject reports must contain a copy of the original transfer instructions. OFAC is currently working with the financial community on a pilot project to permit the filing of such reports electronically. If you wish to participate in the pilot project, please contact OFAC Compliance. [09-10-02]

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### **Is there a requirement for annual reporting of blocked property? Is there a required format?**

Yes. A report of blocked property is to be submitted annually by September 30 to OFAC Compliance, Department of the Treasury, Washington, D.C., 20220. The standardized form can be accessed by visiting this [link](#). If you wish to use a different format, please contact OFAC's Blocked Assets Division at 202-622-2440. [09-10-02]

### **How do I apply for a license to get my money unblocked?**

With respect to blocked funds transfers, you will need to submit an [application for the release of blocked funds form](#) which is available on OFAC's website under "Forms." You should print this form, complete the required information, attach payment instructions, and mail it to:

Office of Foreign Assets Control  
U.S. Department of the Treasury  
Treasury Annex  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220  
Attn: Licensing Division

OFAC requests that the application form be submitted in triplicate. The form must be sent by hard copy - fax copies will not be accepted. It is extremely important that the underlying transaction be described in detail and copies of supporting documentation be included in the package. [09-10-02]

### **Can U.S. financial institutions open correspondent accounts for Iraqi financial institutions, or process funds transfers to and from Iraqi financial institutions?**

Yes, U.S. financial institutions are authorized to open correspondent accounts for, and process funds transfer to or on behalf of Iraqi financial institutions. [07-27-04]

### **How do I differentiate between an "inquiry" and a "payment instruction" when a customer wants to send a wire transfer to a sanctioned party or country?**

In those programs with blocking provisions, OFAC's regulations block all "property" in which a target has an interest. The term "property" is very broadly defined, including present, future or contingent interests. In the case of a wire transfer, the bank will be holding blocked property upon the receipt of concrete instructions from its customer to send the funds. In this case, the funds must be blocked and reported to OFAC within ten days. If, on the other hand, a customer simply asks "Can I send money to Cuba?" there is no blockable interest in the inquiry and the bank can answer the question or direct them to OFAC. The same logic applies to cases where the transaction would be required to be rejected under OFAC regulations. There is not technically a "reject" item until the bank receives instructions from its customer to debit its account and send the funds. [09-17-04]

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## QUESTIONS FROM EXPORTERS & IMPORTERS

### Does OFAC have an exporter assistance phone line?

Yes. The number is 1-800-540-6322 (local: 202-622-2490). Staff includes individuals with extensive experience working at the Trade Information Center at Commerce headquarters in Washington, D.C., running workshops on international trade, and even assisting with articles in Export America magazine. [09-10-02]

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### What is the difference between the SDN List and the Commerce Department's List of Denied Parties? Why can't they be integrated into one list?

Specially Designated Nationals and Blocked Persons (SDNs) are individuals and entities located throughout the world that are blocked pursuant to the various sanctions programs administered by OFAC. SDNs can be front companies, parastatal entities, or individuals determined to be owned or controlled by, or acting for or on behalf of, targeted countries or groups. They also can be specially identified individuals such as terrorists or narcotics traffickers. U.S. persons are prohibited from engaging in any transactions with SDNs and must block any property in their possession or under their control in which an SDN has an interest. SDNs are designated primarily under the statutory authority of the Trading With the Enemy Act, the International Emergency Economic Powers Act, the Anti-Terrorism and Effective Death Penalty Act and the Foreign Narcotics Kingpin Designation Act. Implementing regulations can be found in Chapter V, Title 31 of the U.S. Code of Federal Regulations.

The Bureau of Industry and Security ("BIS") of the U.S. Department of Commerce maintains separate lists for the purposes of the programs that it administers (including the Denied Persons List and the Entity List). The Denied Persons List consists of individuals and companies that have been denied export and re-export privileges by BIS. The Entity List consists of foreign end users who pose an unacceptable risk of diverting U.S. exports and the technology they contain to alternate destinations for the development of weapons of mass destruction. Accordingly, U.S. exports to those entities may require a license. Authority for the Denied Persons List and the Entity List can be found in Title 15, Part 764, Supplement No. 2 and Title 15, Part 744, Supplement No.4 of the U.S. Code of Federal Regulations, respectively.

The foreign policy objectives and legal requirements of the SDN list are significantly different from those of the BIS lists. The Commerce lists do not involve a full trade embargo of all goods and services nor do they require U.S. persons to block property. They are concerned with issues of export privileges and export licensing. The unique goals of the OFAC and BIS programs preclude the creation of a unified "master list." [09-10-02]

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## QUESTIONS RELATED TO NGO REGISTRATION NUMBERS

### How do I get an NGO registration number?

Pursuant to 31 CFR §538.521, registration numbers may be issued to nongovernmental organizations involved in humanitarian or religious activities in Sudan. Specific [guidelines for NGO registration](#) can be found on OFAC's website under "Guidelines and Information for Sudan" under "Sanctions Programs and Country Summaries." This document outlines the necessary steps for becoming a registered NGO. These guidelines can also be found in 31 CFR §501.801(c). Providing all of the required information will help to expedite the registration process. [09-10-02]

Pursuant to 31 CFR §575.527, registration numbers may be issued on a case-by-case basis for the registration of nongovernmental organizations involved in humanitarian activities in areas of Iraq not controlled by the Government of Iraq. Specific guidelines for NGO registration can be found on our website under "Guidelines and Information for Iraq" under "Sanctions Programs and Country Summaries." This document outlines the necessary steps for becoming a registered NGO for Iraq. The guidelines can also be found at 31 CFR §501.801(c). Providing all of the required information will help to expedite the registration process.[03-12-03]

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#### **What are the chances that my application will be approved?**

Each application is reviewed on a case-by-case basis and often requires interagency consultation. Although we cannot predict how long this review might take, following existing application guidelines will help to expedite your determination. [09-10-02]

#### **Do I need a registration number or license to donate goods?**

Most OFAC sanctions programs provide exemptions to their prohibitions for certain donated goods, such as articles to relieve human suffering. This is not the case for all programs, however. If you wish to donate food to Iraq, for example, you must apply for a specific license. You should refer to the legal section of OFAC's website for the regulations applicable to the specific target or target country of your donation. [09-10-02]

#### **I'm interested in conducting humanitarian activities in areas of Iraq not controlled by the Government of Iraq, but it will be necessary to conduct certain transactions in Iran in order to do this. Is this a problem?**

The Iranian Transactions Regulations, 31 CFR Part 560, allow certain transactions in Iran that are directly incident and essential to registered or licensed NGOs' authorized activities in areas of Iraq not controlled by the Government of Iraq. These transactions include the export of goods and services not controlled under the Department of Commerce's Export Administration Regulation for exportation or re-exportation to Iran or controlled on the United States Munitions List, as well as activities necessary to conduct survey or assessment missions in Iran related to the planning and preparation for the provision of humanitarian support to the Iraqi people. See OFAC's brochure on the Iran program or the Iranian Transactions Regulations for specific requirements and details. [03-12-03]

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### **QUESTIONS FROM THE INSURANCE INDUSTRY**

#### **State insurance statutes regulate an insurer's ability to withhold claim payments, cancel policies or to decline to enter into policies. In some cases, insurers must commit an ostensible violation of state insurance regulations to comply with OFAC regulations. Does OFAC have a position as to whether OFAC regulations preempt state insurance regulations in this context?**

OFAC's regulations under the Trading with the Enemy Act and the International Emergency Economic Powers Act are based on Presidential declarations of national emergency and preempt state insurance regulations. OFAC regulations are not federal insurance regulations, they are regulations promulgated under the President's exercise of foreign-affairs and national emergency powers. [09-10-02]

#### **At what point must an insurer check to determine whether an applicant for a policy is an SDN?**

If you receive an application from an SDN for a policy, you are under an obligation not to issue the policy. Remember that when you are insuring someone, you are providing a service to that person. You are not allowed to provide any services to an SDN. If the SDN sends a deposit along with the application, you must block the payment. [09-10-02]

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#### **What should an insurer do if it discovers that a policyholder is or becomes an SDN--cancel the policy, void the policy ab initio, non-renew the policy, refuse to pay claims under the policy? Should the claim be paid under a policy issued to an SDN if the payment is to an innocent third-party (for example, the injured party in an automobile**

**accident)?**

The first thing an insurance company should do upon discovery of such a policy is to contact OFAC Compliance. OFAC will work with you on the specifics of the case. It is possible a license could be issued to allow the receipt of premium payments to keep the policy in force. Although it is unlikely that a payment would be licensed to an SDN, it is possible that a payment would be allowed to an innocent third party. The important thing to remember is that the policy itself is a blocked contract and all dealings with it must involve OFAC. [09-10-02]

**A workers' compensation policy is with the employer, not the employee. Is it permissible for an insurer to maintain a workers compensation policy that would cover a person on the SDN List, since the insurer is not transacting business with the SDN, but only with his/her employer?**

If an insurer knows that a person covered under the group policy is an SDN, that person's coverage is blocked, and if he or she makes a claim under the policy, the claim cannot be paid. If an insurer does not know the names of those covered under a group policy, it would have no reason to know it needed to block anything unless and until an SDN files a claim under that policy. At that point its blocking requirement would kick in. [03-12-03]

**How frequently is an insurer expected to scrub its databases for OFAC compliance?**

That is up to your firm and your regulator. Remember that a critical aspect of the designation of an SDN is that the SDN's assets must be frozen immediately, before they can be removed from U.S. jurisdiction. If a firm only scrubs its database quarterly, it could be 3 months too late in freezing targeted assets. The SDN list may be updated as frequently as a few times a week or as rarely as once in six months. See [Automating Compliance](#) on OFAC's website for suggestions on how to keep current. [09-10-02]

**Is it sufficient if my company screens life insurance policies only prior to policy issuance?**

That's up to your firm and your regulators. Conducting screening only before policy issuance is critical but would not likely achieve your desired level of compliance. After the policy issuance, the U.S. Government may designate an existing policyholder or a named beneficiary as a Specially Designated National or Blocked Person ("SDN"), or it may expand sanctions with respect to a particular country, or impose sanctions against a new country. If an existing policyholder or a named beneficiary became an SDN or otherwise subject to U.S. sanctions, the insurer may be required to "block" the policy, report such blocking to OFAC within 10 days of the SDN designation, place any future premiums into a blocked, interest-bearing account at a U.S. financial institution, and seek an OFAC license before making any payments under the policy. Consequently, routine screening of all policies in force against OFAC's SDN list, as frequently updated, would enable the insurer to comply with the applicable OFAC regulatory requirements. It also is important to screen the policyholder and beneficiary prior to paying a claim. [05-01-03]

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**If my policyholder, who is a U.S. person, requests a change of beneficiaries and designates a cousin living in Cuba as a beneficiary under the life insurance policy, what shall I do?**

In general, an insurance policy is considered "property" and a beneficiary's interest in the policy is considered an "interest in property" that may require blocking under the applicable regulations. The Cuban Assets Control Regulations, however, contain a general license that deals with transactions involving blocked life insurance policies. 31 C.F.R. § 515.526. In this case, the only blocked interest is that of a beneficiary, so the general license would authorize the insurer to accept premium payments and interest on policy loans as well as to pay loans to the insured or process the insured's request for a change of beneficiary. Also, the insurer would be authorized under the general license to deduct premiums from cash surrender value, if any, or accumulate dividends or otherwise increase cash surrender value on the books of the insurer, pursuant to the terms of the policy. However, the insurer usually cannot pay an entire claim (the face amount of the policy) to the beneficiary without a specific license from OFAC. Recent amendments to the Cuba regulations authorize by general license remittances to a Cuban beneficiary of up to \$300 per quarter from a blocked account at a U.S. banking institution if the funds in that account were deposited there as a result of a payment from a life insurance policy triggered by the death of the policy holder. If you have a blocked policy, you should seek legal advice or contact OFAC for further

guidance regarding the handling of that particular account. [05-01-03]

**If my screening efforts uncover a policyholder who became an SDN after policy issuance, can I notify the policyholder that the policy is “blocked”?**

Yes, the insurer may notify the policyholder that the policy is blocked, without obtaining a specific license from OFAC. [05-01-03]

**In my letter to the policyholder whose policy is “blocked,” may I also instruct the policyholder not to send any more premium or that we will not accept additional premium under this account?**

The insurer may instruct the policyholder as follows: “If you send any more premium, we are required under applicable U.S. laws and regulations to place such funds in a blocked account. If you have any questions, please contact the U.S. Department of Treasury’s Office of Foreign Assets Control.” [05-01-03]

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## CONSUMER CREDIT REPORT

### What Is This OFAC Information On My Credit Report?

Credit bureaus and agencies in particular have adopted new measures to ensure compliance with OFAC regulations. Before issuing a credit report, they use special "interdiction" software developed by the private sector to determine if a credit applicant is on the SDN list. This software matches the credit applicant's name and other information to the individuals on the SDN list. If there is a potential match, the credit bureaus are placing a "red flag" or alert on the report. This does not necessarily mean that someone is illegally using your social security number or that you have bad credit. It is merely a reminder to the person checking your credit that he or she should verify whether you are the individual on the SDN list by comparing your information to the OFAC information. If you are not the individual on the SDN list, the person checking your credit should disregard the OFAC alert, and there is no need to contact OFAC. However, if the person checking your credit believes you are the person on the SDN list, then he or she should call the OFAC Hotline to verify and report it.

### How Can I Get The OFAC Alert Off My Credit Report?

A consumer has the right under the Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681 et seq., to request the removal of incorrect information on his/her credit report. To accomplish this, consumers should contact the credit reporting agency or bureau that issued the credit report. For more information on consumers' rights under the FCRA, visit the Federal Trade Commission's website at <http://www.ftc.gov/bcp/conline/edcams/fcra/>.

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## ONLINE COMPLIANCE

**Can I send money to a sanctioned country using a third-country company’s website? Can I buy gifts for someone in a sanctioned country over the internet? The websites tell me that it’s o.k. because they themselves are not sanctioned parties.**

You cannot do something indirectly that you would not be able to do directly. Therefore, these sites can be used to facilitate authorized transactions, but you cannot use them to perform a transaction which would be in violation of U.S. law. For example, the Cuban Assets Control Regulations authorize any U.S. person to send \$300/quarter to any individual in Cuba. The U.S. remitter can use a third-country provider to send these funds to Cuba. If the person attempts to send more than \$300/quarter to any one individual, however, he or she is in violation of U.S. law and subject to penalties. Another example is booking tourist travel to Cuba using an internet travel service provider in a third country. Spending money on tourism is prohibited by the CACR, regardless of how the travel is booked or how it is paid for. Ultimately some of these funds will end up in Cuba in violation of U.S. law. The fact that the trip was booked through a third-country company, either in person or over the internet, is irrelevant. [04-13-04]

**My company provides money remittance and account services via the Internet. Does OFAC have any compliance guidance for this type of business?**

Complying with United States sanctions policy presents unique challenges to institutions that operate exclusively on the Internet. The Internet has often been thought of as an “anonymous venue” in that e-commerce transactions can be conducted in relative privacy with little or no face-to-face contact among the parties in a transaction. This anonymity creates a significant challenge for Internet businesses that wish to satisfy their due diligence requirements.

In order to be compliant with OFAC-governed sanctions regulations, US jurisdiction entities must ensure that they are not:

A. Engaging in trade or transaction activities that violate the regulations behind OFAC’s country-based sanctions programs, and;

B. Engaging in trade or transaction activities with sanctions targets named on OFAC’s list of [Specially Designated Nationals and Blocked Persons](#) (SDNs).

A number of Internet-based financial service companies already developed Internet Protocol (IP) address blocking procedures. These companies use publicly available data to maintain tables of IP addresses based on geographic region. Users attempting to initiate an online transaction or access an account from a sanctioned country are blocked based on their IP address. While this approach is effective, it does not fully address an Internet firm’s compliance risks. The fact that international distribution authorities can reassign IP blocks makes the geographic location of an IP potentially dynamic.

The anonymous character of Internet-based transactions often places obstacles in the path of rigorous compliance practices. Firms that facilitate or engage in e-commerce should do their best to know their customers directly. In order to minimize their liabilities, Internet remittance and account service firms should attempt to gather authentic identification information on their customers before a new account is opened or new transaction is initiated. This information will help confirm the customer’s identity and help the e-commerce firm ensure it is not conducting business with a sanctions target. Currently many Internet remittance companies use credit card authentication as the primary method of confirming a customer’s identity. While this method is technologically expedient, it does not meet the standards of due diligence normally found in the non-Internet-based financial community. A company cannot rely on another firm’s compliance program in order to mitigate risk.

It is recommended that e-commerce firms gather and record “purpose of payment” information on each transaction they process. In the non-Internet sector, financial institutions are able to stop in-process transactions and gather more information on them. Due to the level of automation found within the Internet financial sector, this type of in-process information gathering is not always possible. Collecting information on the purpose of payments upfront will allow Internet firms to better screen outgoing and incoming transactions for potential violations. [04-13-04]

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## LICENSING QUESTIONS

### What is a license?

A license is an authorization from OFAC to engage in a transaction that otherwise would be prohibited. There are two types of licenses: general licenses and specific licenses. A general license is a provision contained in the regulations which authorizes a particular type of transaction. A person does not need to apply for a general license because the regulation itself authorizes the transaction. A person engaging in a transaction pursuant to a general license must make sure that all conditions of the provision are strictly observed. A specific license is a written document issued by OFAC to a particular person or entity, authorizing a particular transaction in response to a written license application. Regulations may contain statements of OFAC’s specific licensing policy with respect to particular transactions. [09-10-02]

### Do I have to fill out a particular form to get a license to engage in a transaction?

Most license applications do not have to be submitted on a particular form. However, it is essential to include in the request all necessary information as required in the application guidelines or the regulations pertaining to the particular embargo program. When applying for a license, provide a detailed description of the proposed transaction, including the names and addresses of any individuals/companies involved. The mailing address for license applications is:

Office of Foreign Assets Control  
U.S. Department of the Treasury  
Treasury Annex  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220  
Attn: Licensing Division

and can be found under the "[Contacts](#)" section of OFAC's website. Depending upon the transaction, there may be specific guidance available on OFAC's website under relevant "Guidelines and Information" in "[Sanctions and Country Program Summaries](#)." [09-10-02]

### **Can I appeal a denial of my license application?**

A denial by OFAC of a license application constitutes final agency action. The regulations do not provide for a formal process of appeal. However, OFAC will reconsider its determinations for good cause, for example, where the applicant can demonstrate changed circumstances or submit additional relevant information not previously made available to OFAC. [09-10-02]

### **How can I find out the status of my pending license application?**

OFAC will notify applicants in writing as soon as a determination has been made on their application. The length of time for determinations to be reached will vary depending on the complexity of the transactions under consideration, the scope and detail of interagency coordination, and the volume of similar applications awaiting consideration. Applicants are encouraged to wait at least two weeks before telephonically contacting the Licensing Division at (202) 622-2480 to inquire about the status of their application. [09-10-02]

### **What agencies other than Treasury review OFAC license applications and what are the roles of these other agencies?**

Many of OFAC's licensing determinations are guided by U.S. foreign policy and national security concerns. Numerous issues often must be coordinated with the U.S. Department of State and other government agencies, such as the U.S. Department of Commerce. [09-10-02]

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## **TECHNOLOGY QUESTIONS**

### **Does OFAC provide its SDN List in a format that can be easily imported into a database?**

Yes. OFAC's SDN list is available in both fixed-field and delimited formats that can be imported into a variety of software programs. [09-10-02]

### **Does OFAC provide its SDN List in an Excel or Lotus format?**

OFAC does not provide SDN data in those specific file formats. However, the delimited files can be easily imported into any spreadsheet. Individuals with specific questions on this operation should call OFAC's Compliance hotline (1-800-540-6322) to receive help on the importation of SDN data. [09-10-02]

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### **What is the delimiter in OFAC's delimited files?**

The delimiter is an @ symbol. This symbol was chosen because it stands out more than a comma delimiter. [09-10-02]

### **Does OFAC have a web-based SDN search engine?**

No. OFAC web site users must search the SDN list manually. Users can search the PDF version of the SDN list using the "find" feature of the Adobe Acrobat Reader. Most word processing programs also have a search function to scan OFAC's ASCII versions of the SDN list. Individuals with specific, technical questions about searching should contact OFAC's Compliance hotline (1-800-540-6322) for assistance. [09-10-02]

**How are OFAC's delimited files structured?**

The delimited files are broken up into three basic file types: sdn.\* (the primary SDN names), add.\* (the address information for each primary SDN entry), and alt.\* (the alternate or aka names for each primary SDN entry). The data contained within these files is linked together using a unique integer number known as a "primary key." Each record is assigned a unique number that is never changed. In addition, when SDN records are deleted their primary key numbers are never reused. Users can find detailed information about the structure and layout of the delimited files in the "readme.txt" file contained in the Windows or DOS delimited package. [09-10-02]

[^TOP](#)**Does OFAC maintain its files in locations other than on its website?**

Yes. OFAC maintains many of its critical files on a File Transfer Protocol (FTP) server run by the Government Printing Office. This server can be accessed at: <ftp://fedbbs.access.gpo.gov> . The server will accept an anonymous login. OFAC's data is stored in the directories listed below.

gpo\_bbs/fac\_sdn - SDN data and delimited files  
gpo\_bbs/fac\_bro - country and program brochures  
gpo\_bbs/fac\_misc - miscellaneous OFAC data

The delimited files are stored in archives that have different names from those on OFAC's web site. DOS delimited files are stored in sdall.exe, windows delimited files are stored in sdallw32.exe, and the standard zip archive is called sdall.zip. The individual components of OFAC's delimited files are also stored in a GPO directory called "gpo\_bbs/fac\_dlim". [09-10-02]

OFAC also maintains its own FTP server.

This server can be accessed at:  
<ftp://ofacftp.treas.gov>. The server will accept an anonymous login. OFAC's data is stored in the directories listed below.

/fac\_sdn - SDN data and delimited files  
/fac\_bro - country and program brochures  
/fac\_misc - miscellaneous OFAC data

The delimited files are stored in archives that have different names from those on OFAC's web site. DOS delimited files are stored in sdall.exe, windows delimited files are stored in sdallw32.exe, and the standard zip archive is called sdall.zip. The individual components of OFAC's delimited files are also stored in a GPO directory called "/fac\_dlim". [02-07-03]

[^TOP](#)**Is there a version of the delimited archive that works with UNIX?**

Yes. The standard \*.zip archive should work with most UNIX systems and is available on the Government Printing Office site. [09-10-02]

**Does OFAC have an email service that will notify me when there are updates to the SDN list?**

Yes. OFAC has two separate subscription services available. These services can be accessed by clicking on the links in the bottom, left corner of OFAC's homepage ([www.treas.gov/ofac](http://www.treas.gov/ofac)). [09-10-02]

**Your FTP site has gone offline. Who should I contact to remedy this problem?**

The FTP site at [ofacftp.treas.gov](ftp://ofacftp.treas.gov) is run by OFAC. Contact OFAC's Compliance Hotline at 1-800-540-6322 for technical support. [02-07-03]

The FTP site at [fedbbs.access.gpo.gov](ftp://fedbbs.access.gpo.gov) is run by the Government Printing Office (GPO). OFAC acts as a content provider to this system and is not responsible for its administration. Users experiencing problems with the FEDBBS system should contact GPO's technical

support line at (202) 512-1530. [09-10-02]

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**I am a systems administrator looking to design an automated process that will download the SDN list without human intervention. How can I do this given that changes to the SDN list can be sporadic?**

While OFAC cannot give specific advice on how to design an automated system for SDN downloads, many institutions solve this problem by setting up a scheduled download of the SDN list. These firms conduct their own risk assessments and decide how often they need to download the list in order to comply with U.S. law. [09-10-02]

[^TOP](#)

**I am a database administrator at a bank and responsible for keeping my company's SDN data current. Is the SDN list comprehensive or do I need to download some kind of supplement to the list every time there is an update?**

The SDN list is comprehensive. Database administrators can overwrite any old data in their systems with the latest versions of the delimited files, thus ensuring that their database is current. [09-10-02]

**Do you offer the OFAC Financial Operations Bulletin in a delimited format?**

No. OFAC's Financial Operations Bulletin is only available in a free-form, ASCII text file. Database administrators interested in refreshing their databases with new SDN data should use the comprehensive delimited files available on OFAC's web site. [09-10-02]

[^TOP](#)

**I am looking for the terrorist list on your web site so I can bring my company in compliance with U.S. law. Where can I find this list?**

OFAC's regulations are broader than the specific laws that deal with the terrorists and persons who support them. All individuals and entities that fall under U.S. jurisdiction should use OFAC's comprehensive list of Specially Designated Nationals. This list includes the designated terrorists and is available on OFAC's [web site](#). It is important to note that some OFAC sanctions, such as those pertaining to Iraq, Libya, Sudan, and Cuba, apply to persons acting on behalf of those targeted governments even if those persons do not appear on the SDN list. It is also important to note that OFAC's Cuba sanctions prohibit transactions with Cuban nationals, wherever located. U.S. persons are expected to exercise due diligence in determining whether any such persons are involved in a proposed transaction. [09-10-02]

**I'm a subscriber to OFAC's Recent OFAC Actions and Financial Operations Bulletin e-mail notification Listservs. For some reason I have stopped receiving the broadcast messages when OFAC updates its website. Why is this?**

You may have responded to one of these incoming messages. Responding to a broadcast message removes you from the subscription list. If you wish to provide feedback to OFAC without inadvertently removing yourself from the subscription list, you should write to us at our feedback e-mail address ([ofac\\_feedback@do.treas.gov](mailto:ofac_feedback@do.treas.gov)). Also note that if you have an "out of the office" message that replies to all e-mails in your absence, this, too, will result in your being deleted from the subscription list. If you'd like to resubscribe, please do so here [[link to: http://www.treas.gov/offices/enforcement/ofac/subscriberecent.html](http://www.treas.gov/offices/enforcement/ofac/subscriberecent.html)]. [12-22-03]

**I recently attempted to subscribe to one of OFAC's e-mail list services and I have not yet received my confirmation e-mail. Why is this?**

Failure to receive a confirmation e-mail is typically (though not always) the result of a configuration problem on the user's end. The user should follow these steps to ensure that he or she is using the system properly.

1. Be patient. For a variety of reasons e-mail sometimes take a little longer than expected to reach a user. If you do not receive a confirmation e-mail within a day of subscribing, proceed to step 2.
2. Confirm that you have entered the correct e-mail address and address punctuation. A

surprising number of errors have been the result of users accidentally using commas instead of periods.

3. Check to see if you have a SPAM filter in place. SPAM filters have a variety of configurations. Some of these filters have been known to erroneously block e-mails originating from OFAC's list servers. OFAC cannot provide technical support for local configuration issues. If you believe a SPAM filter is preventing you from receiving OFAC e-mails, please discuss the matter with your IT department or network administrator and proceed to step 4. If you can confirm that you do not have a SPAM filter in place or any other local configuration problem, please skip step 4 and proceed to step 5.

4. If your network or e-mail client's configuration is preventing you from receiving your subscription confirmation e-mail, it is likely that you will not be able to receive e-mail from OFAC's list servers even if OFAC manually adds you to our listserv. These configuration issues must be resolved with your IT department or network administrator before you can proceed.

5. E-mail a request to be manually added to the e-mail list servers to [O\\_F\\_A\\_C@do.treas.gov](mailto:O_F_A_C@do.treas.gov). Please type "MANUAL LIST ADD" into the subject field of the e-mail. Please include the e-mail address you want added in the body of the e-mail and specify the listserv you wish to become a member of.

6. If, after you have exhausted all of the above options, you still fail to receive OFAC's broadcast notifications, please call our Compliance Hotline at 1-800-540-6322. [12-22-03]

[^TOP](#)