

## Russia Sanctions Update: Additional Persons Sanctioned on March 15 for Cyber and Election Activities

MARCH 19, 2018

### OFAC Sanctions 24 Russian Persons and Entities, Including Federal Security Service (FSB) and Main Intelligence Directive (GRU):

### OFAC Issues General License 1A to Authorize Certain Transactions with FSB

On March 15, 2018, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated three entities and 13 individuals for inclusion on its Specially Designated Nationals ("SDN") list pursuant to Executive Order 13694. E.O. 13694 targets malicious cyber actors, including those involved in interfering with election processes or institutions. OFAC additionally designated two entities and six individuals under section 224 of the Countering America's Adversaries Through Sanctions Act ("CAATSA"), which targets cyber actors operating on behalf of the Russian government.<sup>1</sup> The two entities designated on March 15 under section 224 of CAATSA were the Federal Security Service ("FSB"), a Russian intelligence organization, and the Main Intelligence Directorate ("GRU"), a Russian military intelligence organization. As a result of today's action, all property and interests in property of the designated persons subject to U.S. jurisdiction are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

However, in an attempt to avoid unduly impacting U.S. persons engaging in certain business activities in Russia that are not otherwise prohibited, OFAC simultaneously issued General License No. 1A ("GL 1A") and several new GL 1A-related FAQs.<sup>2</sup> GL 1A – Authorizing Certain Transactions with the Federal Security Service – replaces General License No. 1 effective March 15, 2018.<sup>3</sup> This general license authorizes transactions with the FSB that are necessary and ordinarily incident to requesting, receiving, utilizing, paying for, or dealing in certain licenses and authorizations for the importation, distribution, or use of certain information technology products in the Russian Federation. It also authorizes transactions necessary and ordinarily incident to compliance with rules and regulations administered by, and certain actions or investigations involving, the FSB.<sup>4</sup> Importantly, GL 1A does not

authorize the export of any goods, technology, or services directly or indirectly to the FSB or any other blocked person or entity, except for the limited purposes of complying with certain rules, regulations, and investigations involving the FSB or requesting certain licenses or authorizations for the importation, distribution, or use of information technology products in the Russian Federation.<sup>5</sup>

While OFAC's actions on March 15 do not signal a major change in the sanctions law of the United States, as these designations were made under existing authority, companies and individuals conducting business in Russia should revisit their transactions and ensure that they are not dealing with one of these new SDNs in violation of the law.

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<sup>1</sup> For more information on CAATSA, its impacts, and its implementation, see our prior briefings [here](#), [here](#), [here](#), and [here](#).

<sup>2</sup> OFAC, FAQs, 502, [https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq\\_other.aspx#502](https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_other.aspx#502).

<sup>3</sup> General License No. 1A can be found here: [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cyber\\_gl1a.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cyber_gl1a.pdf).

<sup>4</sup> OFAC, FAQs, 501, [https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq\\_other.aspx#501](https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_other.aspx#501).

<sup>5</sup> OFAC, FAQs, 503, [https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq\\_other.aspx#503](https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_other.aspx#503).

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