



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

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REVISED GUIDANCE ON ENTITIES OWNED BY PERSONS WHOSE PROPERTY
AND INTERESTS IN PROPERTY ARE BLOCKED

This guidance responds to inquiries received by the Department of the Treasury's Office of Foreign Assets Control (OFAC) relating to the status of entities owned by individuals or entities designated under Executive orders and regulations administered by OFAC. This document sets forth new guidance with respect to entities owned 50 percent or more in the aggregate by more than one blocked person.

Property blocked pursuant to an Executive order or regulations administered by OFAC is broadly defined to include any property or interest in property, tangible or intangible, including present, future or contingent interests. A property interest subject to blocking includes interests of any nature whatsoever, direct or indirect.

Persons whose property and interests in property are blocked pursuant to an Executive order or regulations administered by OFAC (blocked persons) are considered to have an interest in all property and interests in property of an entity in which such blocked persons own, whether individually or in the aggregate, directly or indirectly, a 50 percent or greater interest. Consequently, any entity owned in the aggregate, directly or indirectly, 50 percent or more by one or more blocked persons is itself considered to be a blocked person. The property and interests in property of such an entity are blocked regardless of whether the entity itself is listed in the annex to an Executive order or otherwise placed on OFAC's list of Specially Designated Nationals ("SDNs"). Accordingly, a U.S. person generally may not engage in any transactions with such an entity, unless authorized by OFAC. In certain OFAC sanctions programs (e.g., Cuba and Sudan), there is a broader category of entities whose property and interests in property are blocked based on, for example, ownership or control.

U.S. persons are advised to act with caution when considering a transaction with a non-blocked entity in which one or more blocked persons has a significant ownership interest that is less than 50 percent or which one or more blocked persons may control by means other than a majority ownership interest. Such entities may be the subject of future designation or enforcement action by OFAC. Furthermore, a U.S. person may not procure goods, services, or technology from, or engage in transactions with, a blocked person directly or indirectly (including through a third-party intermediary).

OFAC will incorporate this guidance as it issues regulations implementing new sanctions programs. In addition, OFAC expects to amend regulations implementing existing sanctions programs to reflect this guidance.