

OFAC

Office of Foreign Assets Control

CYBER-RELATED SANCTIONS PROGRAM

This document is explanatory only and does not have the force of law. This document does not supplement or modify applicable Executive orders, laws, or regulations.



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SANCTIONS AGAINST CERTAIN PERSONS ENGAGING IN SIGNIFICANT MALICIOUS CYBER-ENABLED ACTIVITIES

I. INTRODUCTION

The cyber-related sanctions program implemented by the Office of Foreign Assets Control (OFAC) began on April 1, 2015, when the President issued Executive Order (E.O.) 13694 and declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the increasing prevalence and severity of malicious cyber-enabled activities originating from, or directed by persons located, in whole or in substantial part, outside the United States. This order authorizes, among other things, the imposition of sanctions against persons responsible for or complicit in, or to have engaged in, certain malicious cyber-enabled activities. On December 28, 2016, the President issued E.O. 13757, which amended E.O. 13694 by adding an Annex and authorizing sanctions related to interfering with or undermining election processes or institutions.

II. OVERVIEW OF AUTHORITIES

On April 1, 2015, the President issued [E.O. 13694](#) pursuant to, inter alia, the [International Emergency Economic Powers Act](#) (50 U.S.C. §§ 1701 et seq.) (IEEPA) and the [National Emergencies Act](#) (50 U.S.C. §§ 1601 et seq.). On December 28, 2016, the President issued [E.O. 13757](#), which amended E.O. 13694 to include an Annex of sanctioned persons and to expand the scope of cyber-enabled activities subject to sanctions.

The cyber-related sanctions pursuant to E.O. 13694, as amended, block the property and interests in property of persons that are determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State:

- To be responsible for or complicit in, or to have engaged in, directly or indirectly, cyber-enabled activities originating from, or directed by persons located, in whole or in substantial part, outside the United States that are reasonably likely to result in, or have materially contributed to, a significant threat to the national security, foreign policy, or economic health or financial stability of the United States and that have the purpose or effect of:
 - 1) harming, or otherwise significantly compromising the provision of services by, a computer or network of computers that support one or more entities in a critical infrastructure sector;
 - 2) significantly compromising the provision of services by one or more entities in a critical infrastructure sector;
 - 3) causing a significant disruption to the availability of a computer or network of computers;
 - 4) causing a significant misappropriation of funds or economic resources, trade secrets, personal identifiers, or financial information for commercial or competitive advantage or private financial gain; or
 - 5) tampering with, altering, or causing a misappropriation of information with the purpose or effect of interfering with or undermining election processes or institutions; and
- To be responsible for or complicit in, or to have engaged in, the receipt or use for commercial or competitive advantage or private financial gain, or by a commercial entity, outside the United States of trade secrets misappropriated through cyber-enabled means, knowing they have been misappropriated, where the misappropriation of such trade secrets is reasonably likely to result in, or has materially contributed to, a significant threat to the national security, foreign policy, or economy of the United States;

- To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, certain activities described above or any person whose property and interests in property are blocked pursuant to E.O. 13694, as amended;
- To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to E.O. 13694, as amended; or
- To have attempted to engage in any of the activities described in E.O. 13694, as amended.

On December 31, 2015, OFAC issued an abbreviated set of regulations to implement E.O. 13694. See the Cyber-Related Sanctions Regulations, [31 C.F.R. part 578](#) (the “Regulations”), for details. OFAC intends to supplement the Regulations with a more comprehensive set of regulations, which may include additional interpretive and definitional guidance and additional general licenses and statements of licensing policy.

The names of individuals and entities listed in the Annex to E.O. 13694, as amended, or designated pursuant to E.O. 13694, as amended, and whose property and interests in property are therefore blocked, are published in the *Federal Register* and incorporated into OFAC’s Specially Designated Nationals and Blocked Persons List (SDN List) with the identifier “[CYBER].” The SDN List and Treasury’s other sanctions lists are available on OFAC’s website at www.treasury.gov/sdn.

This fact sheet is a broad summary of the sanctions as of the date of publication. For an updated list of authorities and sanctions please refer to the Cyber-related Sanctions page on OFAC’s website at: www.treasury.gov/resource-center/sanctions/Programs/pages/cyber.aspx.

III. PROHIBITED TRANSACTIONS

Unless otherwise authorized or exempt, transactions by U.S. persons, or in or involving the United States, are prohibited if they involve transferring, paying, exporting, withdrawing, or otherwise dealing in the property or interests in property of an entity or individual listed on the SDN List. The property and interests in property of an entity that is 50 percent or more directly or indirectly owned, whether individually or in the aggregate, by one or more blocked persons are also blocked, regardless of whether the entity itself is listed or identified on the SDN List. For details please see: www.treasury.gov/resource-center/sanctions/Documents/licensing_guidance.pdf.

IV. AUTHORIZED TRANSACTIONS

GENERAL LICENSES

OFAC may authorize certain types or categories of activities and transactions that would otherwise be prohibited with respect to cyber-related sanctions by issuing a general license. General licenses may be published in the Regulations or on OFAC’s website. For example:

- Section 578.506 of the Regulations authorizes the provision of certain legal services to or on behalf of persons whose property and interests in property are blocked pursuant to section 578.201 of the Regulations, provided that the receipt of payment of professional fees and reimbursement of incurred expenses must be specifically licensed, authorized pursuant to section 578.507 of the Regulations, which authorizes certain payments for legal services from funds originating outside the United States, or otherwise authorized.
- On February 2, 2017, OFAC issued [General License No. 1](#) authorizing certain transactions with Russia’s Federal Security Service (a.k.a. FSB) that are necessary and ordinarily incident to requesting, 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, subject to certain limitations described in the General License, as well as transactions necessary and ordinarily incident to compliance with rules and regulations administered by, and certain actions or investigations involving, the FSB.

For a current list of all general licenses relating to the cyber-related sanctions program, please see subpart E of the Regulations and visit: www.treasury.gov/resource-center/sanctions/Programs/Pages/cyber.aspx.

SPECIFIC LICENSES

On a case-by-case basis, OFAC considers applications for specific licenses to authorize transactions that are neither exempt nor authorized by a general license. Requests for a specific license must be submitted to OFAC's Licensing Division. Specific license requests may be submitted using either of the following methods:

- Online: www.treasury.gov/resource-center/sanctions/Pages/licensing.aspx; or
- Mail: Assistant Director for Licensing, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Freedman's Bank Building, Washington, DC 20220.

V. ENFORCEMENT & PENALTIES

OFAC uses the Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A (the "Guidelines"), in determining the appropriate enforcement response to apparent violations of U.S. economic sanctions programs that OFAC administers and enforces. For more information about OFAC's enforcement process, please review the Guidelines [here](#).

Civil monetary penalties of up to the greater of \$250,000 (\$289,238 as of January 15, 2017 for violations occurring after November 2, 2015) or twice the amount of the underlying transaction may be imposed administratively against any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation or prohibition issued under IEEPA.

Upon conviction, criminal penalties of up to \$1,000,000, imprisonment for up to 20 years, or both, may be imposed on any person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any license, order, regulation, or prohibition issued under IEEPA.

This document is explanatory only and does not have the force of law. E.O. 13694, as amended and the Regulations contain the relevant legally binding provisions governing the sanctions. This document does not supplement or modify the Executive orders, the Regulations, or any other applicable laws.

GENERAL SANCTIONS INFORMATION

OFAC administers a number of U.S. economic sanctions programs. OFAC sanctions programs can range from being comprehensive in nature, such as a program that blocks the entire government of a country and includes broad geographically-based trade restrictions, to being fairly limited, such as a program that targets only specific individuals and entities. Some programs both target particular individuals and entities and prohibit types of transactions. It is therefore important to review the details of any given sanctions program to understand its scope. It is also important to note that although a program may be targeted, the prohibitions in such programs on dealings with individuals and entities whose property and interests in property are blocked are very broad, and they apply regardless of where the targeted person is located. The names of individuals and entities that are designated or identified as blocked by OFAC are incorporated into OFAC's SDN List. Note, however, that the SDN List is not a comprehensive list of all entities and individuals whose property and interests in property are blocked. For example, the property and interests in property of an entity that is 50 percent or more directly or indirectly owned, whether individually or in the aggregate, by one or more blocked persons are also blocked, regardless of whether the entity itself is listed on the SDN List. Note also that, in certain programs, blocking of the property and interests in property of a Government extends to entities owned or controlled by that Government, whether or not they are identified on the SDN List.

Please note that OFAC maintains other sanctions lists that may have different prohibitions associated with them. See the "[Sanctions Programs and Country Information](#)" page for information on specific programs and other Treasury sanctions lists at: www.treasury.gov/resource-center/sanctions/SDN-List/Pages/Other-OFAC-Sanctions-Lists.aspx Because OFAC's programs are constantly changing, it is very important to check OFAC's website on a regular basis. You may also wish to sign up for updates via OFAC's [Email Notification System](#) to receive notifications regarding

changes to OFAC's sanctions programs. For additional information about these programs or about sanctions involving cyber-related matters, please contact:

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