



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C.

March 26, 2024

Daniel Hahiashvili
Supervisor of Banks
Bank of Israel
2 Bank of Israel Street
Jerusalem, Israel

Dear Mr. Hahiashvili:

Thank you for your engagement on the topic of Executive Order (E.O.) 14115, which President Biden issued on February 1, 2024. This E.O. establishes the authority under which the Departments of the Treasury and State may sanction those who undermine peace, security, and stability in the West Bank, including extremist settler violence against Palestinian and Israeli civilians and forced displacement of farmers and villages.

We understand that Israeli banks have questions regarding subsistence payments for persons sanctioned under this authority. I am providing this guidance for you to share, as you see appropriate, with Israeli banks in order to provide some clarity.

Consistent with Treasury's approach across multiple sanctions programs, Israeli banks can process transactions for individuals designated under E.O. 14115 that are ordinarily incident and necessary to basic human needs or subsistence without exposure to OFAC sanctions risk, provided these transactions do not involve the U.S. financial system or U.S. persons. Israeli banks would also not be exposed to sanctions risk for processing transactions for expenses essential for the survival of animals on farms that are blocked as a result of a designation of their owners.

We would consider the following types of basic living expenses and subsistence payments to be within the scope of this guidance: food; medical care and associated health insurance; childcare; basic housing; basic education; basic transportation; medical care and insurance; utilities; funeral expenses; and taxes or fees paid to the Israeli government. This guidance applies only to transactions involving basic subsistence and does not include large payments or expenses beyond basic living expenses or the kind of crowdfunding support that we have seen extremists use to raise funds internationally.

Accordingly, Israeli banks would not be exposed to OFAC sanctions risk for processing transactions that (1) are ordinarily incident to basic human needs and/or subsistence consistent with the guidance outlined in this letter; (2) do not involve the U.S. financial system or U.S. persons; and (3) do not involve any other blocked persons other than persons blocked under E.O. 14115.

Thank you again for your partnership, and please reach out with any additional questions or requests for guidance. We encourage anyone with questions or the need for additional guidance to contact the OFAC Compliance Hotline at +1-800-540-6322 or OFAC_Feedback@treasury.gov.

Sincerely,

Bradley T. Smith  Digitally signed by Bradley T. Smith
Date: 2024.03.26 20:11:45 -04'00'

Bradley T. Smith
Director
Office of Foreign Assets Control