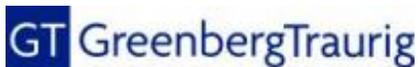


OFAC Authorizes U.S. Persons to Wind Down Activities in Crimea-- Office of Foreign Assets Control



Article By

[Renee A. Latour](#)

[Greenberg Traurig, LLP](#)

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On Dec. 30, 2014, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued Ukraine-related General License No. 5 authorizing U.S. persons to engage in activities ordinarily incident and necessary to winding down U.S. person activity with or in the Crimea region of Ukraine (Crimea) that existed prior to Dec. 20, 2014. Specifically, General License No. 5 authorizes U.S. persons to wind down U.S. person ownership shares in pre-Dec. 20, 2014 investments located in Crimea, as well as authorizes U.S. persons to wind down operations, contracts, or other agreements that were in effect prior to Dec. 20, 2014 involving the import, export, reexport, sale, or supply of goods, services, or technology from Crimea. General License No. 5 is described below and is available [here](#).

1) Description of the General License

A. Authorized Activities

General License No. 5 authorizes U.S. persons to engage in activities and transactions ordinarily incident and necessary to the following:

- Winding down, divestiture, or transfer to a foreign person of a U.S. person's ownership interest in pre-Dec. 20, 2014 investments located in Crimea;
- Winding down of operations, contracts, or other agreements in effect prior to

Dec. 20, 2014 involving the import, export, reexport, sale, or supply of goods, services, or technology to Crimea.

The sanctions against Crimea (Crimea Sanctions) were recently imposed by Executive Order 13685, as part of the Ukraine-related sanctions, and prohibit most transactions by U.S. persons in or with Crimea. Under the Crimea Sanctions, “U.S. persons” means U.S. citizens and U.S. permanent residents (wherever located), any entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States. U.S. person for purposes of the Crimea Sanctions does not include non-U.S. subsidiaries of U.S. companies.

The activities outlined under General License No. 5 are authorized through 12:01 a.m. eastern daylight time on Feb. 1, 2015. General License No. 5 does *not* authorize any new imports, exports, reexports, sale or supply of goods, services, or technology from the United States or by a U.S. person (wherever located) with or in Crimea.

B. Reporting Requirement

Any U.S. person engaging in activities authorized by General License No. 5 must file a detailed report with OFAC within 10 days of the conclusion of the wind-down activities. The report must include the parties involved, the type and scope of activities conducted, and the dates of the activities.

2) How to Comply with the New Measures

Anyone who may be subject to U.S. law should assess, in conjunction with counsel, the particular activities contemplated to determine whether they are permissible under existing sanctions and export control measures. Contemplated wind-down activities should be reviewed by counsel to confirm that the activities fall within the scope of General License No. 5.

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