

International Trade Alert

May 17, 2016

Waked Money Laundering Organization Sanctions: OFAC Issues General Licenses and Updates

On May 5, 2016, the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC) announced sanctions against 77 entities and individuals associated with the Waked Money Laundering Organization (“Waked MLO,” collectively, the “Waked Sanctions”). On May 13, 2016, OFAC updated the General Licenses and Frequently Asked Questions regarding the May 5, 2016, sanctions against the Waked Money Laundering Organization. **Specifically, OFAC:**

- updated General License 4 to create General License 4A, “Authorizing Certain Transactions Involving Individuals or Entities Located in the Panamanian Mall and Associated Complex, Soho Panama, S.A. (a.k.a. Soho Mall Panama)”
- published new General License 5, “Authorizing Certain Transactions and Activities Related to the Panamanian Seizure of Balboa Bank & Trust”
- published new General License 6, “Authorizing Certain Transactions and Activities Related to the Intervention by the Superintendency of Securities Markets of Panama in Balboa Securities, Corp.”
- amended one and issued two new related Frequently Asked Questions.

With respect to General License 4A (the Soho Mall Panama license), U.S. Persons are authorized to engage in transactions and other activities with nondesignated individuals at the Soho Mall for the wind-down of operations, contracts and other agreements; are related to building services; or are related to the provision of financial services to nondesignated individuals or entities. This includes the completion of shipments of goods for orders placed before May 5, 2016, and relocation, liquidation or disposition of existing inventory. Transactions and other activities are not authorized with respect to orders for shipments of goods to the mall placed after May 5, 2016. Transactions and other activities, such as the payment of rent to the Soho Mall Panama, continue to be prohibited. Payments made to, or for the benefit of, Soho Panama S.A. or Westline Enterprises, Inc. must be made into a blocked, interest-bearing account per 31 C.F.R. 589.206(a).

With respect to General License 5 (the Balboa Bank & Trust license), U.S. Persons are authorized to engage in transactions necessary for the analysis of, and recommendations regarding, the financial viability of the bank. With respect to General License 6 (the Balboa Securities license), U.S. Persons are authorized to engage in transactions necessary for the appointed administrator’s inventory of assets and liabilities, as well as the development of a final report on the corporation.

For more detailed information about the Waked Sanctions, please see our May 9, 2016, [alert "Tackling a Panamanian Money Laundering Organization: OFAC Sanctions the Waked Money Laundering Organization, Colombia Arrests the Leader and Panama Seizes Assets."](#)

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