

International Trade Alert

February 6, 2017

OFAC Eases Certain Sanctions Involving Russia's FSB; BIS Licensing Still Required

On February 2, 2017, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued [Cyber-related General License \(GL\) 1](#), a general license that authorizes certain transactions with Russia's Federal Security Service (Federalnaya Sluzhba Bezopasnosti or FSB). GL 1 authorizes U.S. persons (i.e., individuals and companies) to request, receive, use, pay for or deal in licenses, permits, certifications, or notifications issued or registered by the FSB for information technology (IT) products in Russia, provided that (i) the relevant IT goods or technology are subject to the U.S. Export Administration Regulations (EAR) and are licensed or otherwise authorized by the U.S. Department of Commerce's Bureau of Industry and Security (BIS); and (ii) payment of fees to the FSB for such licenses and other authorization or notification does not exceed \$5,000 in any calendar year. GL 1 also authorizes transactions or activities that are necessary and ordinary incident to complying with law enforcement or administrative actions or investigations involving the FSB or rules and regulations administered by the FSB.

GL 1 is a technical fix to earlier sanctions restrictions imposed by OFAC on the FSB in December 2016 in response to Russia's alleged cyber-related interference in the 2016 U.S. elections. Please see our previous client alert [here](#). OFAC issued GL 1 in response to complaints from U.S. companies that were unable to import many consumer technology products into Russia without a permit from the FSB, Russia's principal security agency.

GL 1 does not authorize the exportation, reexportation or provision of goods, technology or services to the Crimea region of Ukraine. GL 1 also does not authorize the export, reexport, or provision of goods or technology to or on behalf of the FSB, except for the limited purposes described above and authorized under GL 1. Moreover, the FSB remains on BIS's Entity List at this time. Accordingly, until such time as BIS removes the FSB from its Entity List, additional licensing requirements and restrictions apply to any contemplated exports, reexports and transfers of products subject to the EAR to the FSB. BIS has also implemented a presumption-of-denial policy to any license applications for exports, reexports or transfers to the FSB. We will continue to monitor developments as they unfold and will keep you informed.

Contact Information

If you have any questions concerning this alert, please contact the Akin Gump lawyer with whom you usually work or:

Jonathan C. Polingjpoling@akingump.com

202.887.4029

Washington, D.C.

Wynn H. Segallwsegall@akingump.com

202.887.4573

Washington, D.C.

Kevin J. Wolfkwolf@akingump.com

202.887.4051

Washington, D.C.

Nnedinma C. Ifudu Nwekenifudu@akingump.com

202.887.4013

Washington, D.C.

Christopher T. Timuractimura@akingump.com

202.887.4597

Washington, D.C.

Jaelyn Edwards Judelsonjudelson@akingump.com

202.887.4437

Washington, D.C.

Jared T. Cailjcail@akingump.com

202.887.4303

Washington, D.C.