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OFAC Eases Licensing Requirements for AgMed Exports to Parts of Sudan

Effective September 9, 2009, the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) has amended the Sudanese Sanctions Regulations by issuing a new General License that authorizes the export and reexport of eligible agricultural commodities, medicine and medical devices to specified areas of Sudan. OFAC will revisit the General License annually to determine whether it should be revoked or continue to remain in effect.

Previously, exports of agricultural commodities, medicine and medical devices to all areas of Sudan, including the specified areas, required authorization from OFAC in the form of one-year licenses issued pursuant to the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), also known as the "AgMed Program."

Under the new General License, exports and reexports of AgMed-eligible items, as well as the financing of and payment for such sales, and the brokering of TSRA sales no longer require a specific TSRA license, provided that the transactions are limited to the "Specified Areas of Sudan" (defined as Southern Sudan, Southern Kordofan/Nuba Mountains State, Blue Nile State, Abyei, Darfur, and marginalized areas in and around Khartoum). The new General License is welcome news to exporters of agricultural commodities, medicine and medical devices to Sudan, who have faced OFAC's lengthy license processing times. It will allow U.S. exporters to continue to provide needed agricultural and medical items to the war-ravaged areas of Sudan.

Although the General License provides relief to AgMed exporters from some licensing requirements, specific licenses are still required for TSRA-related transactions with respect to (1) the government of Sudan, (2) any individual or entity in an area of Sudan other than the Specified Areas of Sudan, or (3) persons in third countries purchasing specifically for resale to the government of Sudan or in regions outside the Specified Areas.

Please note that the transshipment or transit of TSRA-related exports through areas of Sudan other than the Specified Areas of Sudan, such as Port Sudan or Khartoum, and financial transactions routed through banks in any area of Sudan outside the Specified Areas, remain prohibited without a specific TSRA license. Further, transactions involving any property or interests in property of the government of Sudan, or that relate to the petroleum or petrochemical industries in Sudan, are ineligible for the General License.

In addition, all other existing prohibitions and requirements remain in effect. Specifically, U.S. persons are prohibited from engaging in transactions with entities named to OFAC's List of Specially Designated Nationals and Blocked

Persons (SDN list) or other U.S. government lists of denied or debarred parties. Furthermore, exporters must continue to comply with OFAC requirements, including retaining all records related to the export transactions for five years from the date of export. The OFAC citation for the General License should also be referenced in all shipping documentation for AgMed exports made under the General License.

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