

CLIENT MEMORANDUM

The United States Lifts Economic Sanctions on Myanmar

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On October 7, 2016, President Obama lifted economic sanctions on Myanmar (also known as Burma) by terminating the national emergency, revoking Executive Orders 13047, 13310, 13448, 13464, 13619, 13651, and waiving sanctions in the Tom Lantos Block Burmese JADE (Junta's Anti-Democratic Efforts) Act of 2008. The President's action follows an announcement made by the President during Aung San Suu Kyi's visit to Washington, D.C. in September and is a result of the recent changes that Myanmar has undergone, including the landmark election of Aung San Suu Kyi's National League for Democracy Party and the country's continued transition to a democratically elected civilian government.

All economic and financial sanctions administered by the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) are now lifted. As a result, the following changes are in effect:

- A. All individuals and entities blocked pursuant to the Burmese Sanctions Regulations are no longer listed on the Specially Designated Nationals and Blocked Persons List (the "SDN List"). U.S. persons can now do business with these individuals and entities, although prohibitions from engaging in transactions involving persons designated under the North Korea, or any other, sanctions program remain.

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- B. Reporting requirements for new investments in Myanmar, previously a condition for new investments over \$500,000 under the U.S. Department of State's Responsible Investment Reporting Requirements, are now voluntary.
- C. The ban on the import of jade and rubies of Myanmar origin into the United States is now lifted.

The Financial Crimes Enforcement Network (FinCEN) is also issuing an administrative exception to suspend the prohibition on U.S. financial institutions from maintaining correspondent accounts for Myanmar banks. FinCEN has found Myanmar to be "a jurisdiction of primary money laundering concern" under section 311 of the USA PATRIOT Act. Nonetheless, U.S. financial institutions may provide services to Myanmar banks, subject to appropriate due diligence requirements. FinCEN's suspension is based on a finding that Myanmar has made progress in improving its anti-money laundering regime.

U.S. companies can now operate in Myanmar with significantly fewer restrictions. Nonetheless, companies should remain cautious. All companies operating in Myanmar should stay abreast of the remaining arms embargo and other export controls and should remain compliant with U.S. anti-bribery and anti-money laundering regulations.

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