

Locke Lord QuickStudy: OFAC Extends General License for GL 99A Entities and Issues New GL for VPower in Hong Kong

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On August 2, 2024, the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") issued Russia-related General License ("GL") 99A, which authorizes through October 12, 2024, the wind-down of transactions involving the following blocked entities: (1) Moscow Exchange ("MOEX"); (2) National Clearing Center; (3) Non-Bank Credit Institution Joint Stock Company National Settlement Depository; and (4) any entity in which one or more of the above persons own, directly or indirectly, individually or in the aggregate, a 50% or greater interest (collectively, "GL 99A Entities"), provided that any payment to GL 99A Entities is made into a blocked account in accordance with the [Russian Harmful Foreign Activities Sanctions Regulations](#), 31 CFR part 587 ("RuHSR"). Effective August 2, 2024, GL 99, dated June 12, 2024, is replaced and superseded in its entirety by GL 99A. GL 99A extends the time for compliance to October 12, 2024, compared to August 13, 2024, as set forth in GL 99. As a reminder, OFAC expects that wind-down will result in diminished trading throughout the course of the wind-down period.

On August 12, 2024, OFAC issued Russia-related GL 102, which authorizes through November 12, 2024, the wind-down of certain services to VPower Finance Security (Hong Kong) Limited ("VPower"). Specifically, the general license permits in a wind-down fashion all transactions prohibited by Executive Order ("EO") 14024 that are ordinarily incident and necessary to (i) the transportation, delivery, or storage of currency; cash processing services; or maintenance of automated teller machines (ATMs) within Hong Kong, and (ii) the provision and staffing of customer service centers for mass transit railway stations within Hong Kong, in each case involving VPower. GL 102 excludes (prohibits): (i) the storage of gold involving VPower; (ii) any transaction otherwise prohibited by Directive 2 under EO 14024, "*Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions*"; (iii) any transactions otherwise prohibited by Directive 4 under EO 14024, "*Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation*," or (iv) any transactions otherwise prohibited by the RuHSR, including transactions involving any person blocked pursuant to the RuHSR other than as set forth above with respect to VPower, unless separately authorized.

Conclusion

This paper is intended as a guide only and is not a substitute for specific legal or tax advice. Please reach out to the authors for any specific questions. We expect to continue to monitor the topics addressed in this

paper and provide future ?client updates when useful.

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