

# Locke Lord QuickStudy: OFAC Issues General Licenses, Updates FAQ, and Issues New Blocking Rule and Reminder to File Annual Blocked Property Report

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On September 5, 2024, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") released [General License \("GL"\) 108](#) ("Authorizing Limited Safety and Environmental Transactions Involving Certain Blocked Persons or Vessels") related to [Russian Harmful Foreign Activities Sanctions Regulations](#) ("RuHSR"), 31 CFR part 587, for certain recently sanctioned cargo vessels.

On September 13, 2024, OFAC issued [GL 109](#) ("Authorizing the Wind Down of Transactions Involving Certain Entities Blocked on September 13, 2024"), [GL 25F](#) ("Authorizing Transactions Related to Telecommunications and Certain Internet-Based Communications") and updated [FAQ 1040](#) related to RuHSR. Additionally, OFAC published a rule on [Updating Provisions Related to Blocking and Other Actions Related to Specific Property or Interests in Property](#) and issued a reminder that holders of blocked property have until September 30 to submit an Annual Report of Blocked Property. The wind down relates to recently sanctioned Russian communications and information services.

## GLs

[GL 108](#) authorizes through November 6, 2024, all transactions that are ordinarily incident and necessary to the following activities involving GL 108 Blocked Persons (defined below), provided that any payment to a GL 108 Blocked Person must be paid into a blocked account in accordance with the RuHSR: (1) the safe docking and anchoring of any of any vessels in port in which GL 108 Blocked Persons have a property interest ("GL 108 Blocked Vessels"); (2) the preservation of the health or safety of the crew of any of the GL 108 Blocked Vessels; and (3) emergency repairs of any of the GL 108 Blocked Vessels or environmental mitigation or protection activities relating to any of the GL 108 Blocked Vessels. GL 108 authorizes transactions with Gotik Shipping Co ("Gotik"), Plio Energy Cargo Shipping OPC Private Limited ("Plio Energy"), and any entity that Gotik or Plio Energy own, directly or indirectly, a 50% or greater interest (collectively, "GL 108 Blocked Persons"). GL 108 authorizations do not authorize: (1) entering into new commercial contracts involving the property of GL 108 Blocked Persons and their GL 108 Blocked Vessels, except as permitted under the terms of GL 108; (2) any transactions related to the sale of liquefied natural gas of Russian Federation; (3) any transactions prohibited under [Directive 2 under Executive Order \("EO"\) 14024](#); (4) any transactions prohibited under [Directive 4 under EO 14024](#); or (5) any other transactions otherwise prohibited by the RuHSR, including transactions involving any person blocked pursuant to the RuHSR.?

[GL 109](#) authorizes the wind down of transactions involving the following blocked entities (“GL 109 Blocked Entities”) through November 13, 2024, provided that any payment to a GL 109 Blocked Entity must be paid into a blocked account in accordance with RuHSR: (1) Federal State Unitary Enterprise International Information Agency Rossiya Segodnya; (2) Autonomous Non-Profit Organization TV Novosti; or (3) any entity where any of the aforementioned own, directly or indirectly, at least 50%. GL 109 does not authorize any transactions involving Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation prohibited by Directive 4 under EO 14024 and any transactions involving correspondent or payable-through accounts involving certain foreign financial institutions prohibited by Directive 2 under EO 14024.

[GL 25F](#), replacing GL 25E, continues to authorize until further notice (subject to other blocking laws) transactions related to telecommunications and certain Internet-based communications that are otherwise prohibited by the RuHSR. However, transactions involving Joint Stock Company Channel One Russia, Joint Stock Company NTV Broadcasting Company, Television Station Russia-1, Limited Liability Company Algoritm, New Eastern Outlook, Oriental Review, Garantex Europe OU, Autonomous Non-Profit Organization Dialog, and Autonomous Non-Profit Organization Dialog Regions (collectively “GL 25F Blocked Entities”) continue to be prohibited, absent a specific license. GL 25F adds Federal State Unitary Enterprise International Information Agency Rossiya Segodnya and Autonomous Non-Profit Organization TV Novosti as GL 25F Blocked Entities.

## FAQs

OFAC updated [FAQ 1040](#) to reflect [GL 25F](#), which allows certain transactions that are ordinarily incident and necessary for the receipt or transmission of telecommunications and Internet communications with Russia that are otherwise prohibited by the RuHSR. OFAC also clarifies that under GL 25F export of software, hardware, or technology related to Internet communication if authorized by the U.S. Department of Commerce’s Bureau of Industry and Security pursuant to Export Administration Regulations, [15 CFR parts 730-774](#). However, OFAC explicitly stated that GL 25F excludes transactions with specific Russian media and technology GL 25F Blocked Entities.

## OFAC’s Clarification for Blocking Orders and Property Sanctions in New Rule

OFAC has adopted a [final rule](#) to clarify how it uses orders that block or identify as blocked specific property or impose partial restrictions. This new rule, which became effective September 17, 2024, adds explanatory notes to the blocking provisions in 35 parts of OFAC’s sanctions regulations under different sanctions programs, outlining the types of actions OFAC can take, the forms of notices it uses, and how affected individuals can inquire about these actions. Additionally, OFAC clarifies that names of persons whose property is blocked pending investigation may not always be published in the Federal Register and updates the procedures for requesting the release of blocked property or reconsideration of OFAC’s actions.

## Annual Blocked Property Report Reminder

OFAC issued a reminder to holders of blocked property that, under [31 C.F.R. § 501.603](#), holders of blocked property must submit an Annual Report of Blocked Property to OFAC by September 30, detailing all blocked property held as of June 30 of the current year. If no blocked property was held as of June 30, no report is

required. Only property blocked under OFAC regulations should be included, while property unblocked or related to terminated sanctions programs should not. Reports must be submitted using [form TD-F 90-22.50](#) via the [OFAC Reporting System](#), and failure to comply constitutes a violation.

## **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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