

Locke Lord QuickStudy: OFAC Releases Initiatives to Enhance Public Guidance on Sanctions Implementation

Locke Lord LLP

WRITTEN BY

Ryan Last

On August 21, 2024, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") announced a series of new initiatives to assist the public to better understand sanctions and the role of the private sector as a critical partner to protect national security. As an adjunct to OFAC's modernization efforts, OFAC also amended several Frequently Asked Questions ("FAQs") (FAQs 1, 3, 4, 6, 7, 9, 10, 11, 12, 13, 91, 126, 468, and 469) that relate to general sanctions questions and issues.

- **Updated FAQs:** These updates focus on key concepts like "blocked property" and document verification. Future FAQ updates will be announced via OFAC's Recent Actions Notices.
- **Website Improvements:** OFAC has updated its website to make finding information easier. A new search function allows users to filter results by keyword and sanctions program, enhancing the effectiveness of the site.
- **FAQ Archive:** To increase transparency, OFAC is developing an archive for older versions of FAQs, allowing users to track changes in guidance over time.
- **Compliance Hotline and Reporting System:** In response to rising demand for sanctions guidance, OFAC has launched an online platform for its Compliance Hotline, making it easier to submit and track queries. Additionally, the OFAC Reporting System ("ORS") is now mandatory for submitting reports on blocked property and rejected transactions, streamlining the reporting process.
- **Sanctions List Service ("SLS"):** OFAC launched SLS in May 2024 as a cloud-based platform that provides users with easy access to the most up-to-date sanctions lists and custom datasets, supporting compliance efforts. These lists can be accessed for sanctions screening and compliance programs.
- **Licensing Portal and Submission Standards:** OFAC has updated its data delivery standards to reflect current technological practices. This guidance, published in July 2024, offers best practices for submitting information electronically to OFAC. Additionally, OFAC has updated its table of Civil Penalties and Enforcement Information to include enforcement actions dating back to 2003, further enhancing transparency.
- **Enhancements to the Licensing Portal:** The online Licensing Portal has been updated to provide more transparency regarding the license application process. Applicants can now view one of 10 case statuses, giving them a clearer understanding of where their application stands in the processing timeline. These updates are designed to reduce call wait times and improve the overall user experience.

OFAC's recent initiatives underscore its commitment to modernizing its operations and enhancing private sector access to sanctions information. By updating FAQs, improving its website, and introducing new platforms like ORS and SLS, OFAC makes it easier for businesses and individuals to navigate the complexities of U.S. sanctions compliance.

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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