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## **OFAC encourages businesses affected by the COVID-19 pandemic, including financial institutions, to contact OFAC in case they cannot meet compliance deadlines**

By Alexandra López-Casero

This afternoon, the Office of Foreign Assets Control (OFAC) released a recent actions notice encouraging exporters, financial institutions, and other businesses affected by the COVID-19 global pandemic to contact OFAC as soon as practicable if they believe they may experience delays in their ability to meet deadlines associated with regulatory requirements administered by OFAC. OFAC has indicated that this includes requirements related to filing blocking and reject reports within ten business days as required by 31 C.F.R. §§ 501.603 and 501.604, responses to administrative subpoenas issued pursuant to § 501.602, reports required by general or specific licenses, or any other required reports or submissions.

OFAC also provided the [relevant contact information](#).

Notably, OFAC also indicated that it understands that the COVID-19 pandemic can cause technical and resource challenges for organizations. Given that OFAC generally supports a risk-based approach to sanctions compliance, it explained that accordingly:

“if a business facing technical and resource challenges caused by the COVID-19 pandemic chooses, as part of its risk-based approach to sanctions compliance, to account for such challenges by temporarily reallocating sanctions compliance resources consistent with that approach, OFAC will evaluate this as a factor in determining the appropriate administrative response to an apparent violation that occurs during this period. OFAC will address these issues on a case-by-case basis.”

Whether this means that OFAC will in fact cut exporters, financial institutions, and other businesses some slack regarding OFAC compliance in case of actual violations, remains to be seen. This would be in OFAC’s full discretion and would depend on a variety of factors, including the actual hardship faced by the individual company.

Separately, on April 16, 2020, OFAC published a [fact sheet](#) that summarizes existing exemptions and authorizations to provide humanitarian assistance in the context of the Iran, Venezuela, North Korea, Syria, Cuba, and Ukraine/Russia-related sanctions programs.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

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