



Changes to Sudanese Sanctions Program Could Benefit U.S. Life Sciences Companies (A Little)

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On January 13, 2017, President Obama signed the Executive Order *“Recognizing Positive Actions by the Government of Sudan and Providing for the Revocation of Certain Sudan-Related Sanctions”* that revoked many U.S. economic sanctions against Sudan. The Office of Foreign Assets Control (“OFAC”), on January 17, 2017, issued a new general license (at 31 C.F.R. §538.540) to the Sudanese Sanctions Regulations that enables U.S. persons and companies to (i) process transactions involving persons and entities in Sudan; (ii) import goods and services from Sudan; (iii) export goods, technology, and services to Sudan; and (iv) engage in transactions involving property in which the Government of Sudan has an interest. U.S. life sciences companies will be impacted by this change, but perhaps not in an anticipated manner.

Notwithstanding the general license, §906 of the Trade Sanctions Reform and Export Enhancement Act of 2000, as amended (“TSRA”), continues to require that the export of agricultural commodities, pharmaceuticals, and medical devices to Sudan must be made through the TSRA licensing process that generates one-year licenses to export such products to Sudan. U.S. life sciences companies should still use the TSRA licensing mechanism, described in our October 17, 2016 newsletter [article](#),¹ in connection with the export of any pharmaceuticals and medical devices to Sudan.

The general license also does not (i) relieve U.S. life sciences companies from compliance with other OFAC-administered sanctions, including those related to terrorism, the proliferation of weapons of mass destruction or narcotics trafficking; (ii) relieve U.S. life sciences companies from compliance with the general export prohibitions (at 15 C.F.R. Part 736) administered by the Bureau of Industry and Security of the Department of Commerce; or (iii) remove the prohibitions on U.S. persons transacting with persons or entities listed on OFAC’s List of Specially Designated Nationals (“SDN List”) pursuant to the Darfur sanctions, South Sudan sanctions program or any other sanctions or embargo program.

AGG Observations

The issuance of this general license is a significant event for U.S. sanctions and embargo programs. However, U.S. life sciences companies should continue to use, and rely upon, the TSRA licensing mechanism for exports of pharmaceuticals and medical devices to Sudan, until such time OFAC issues supplemental guidance. U.S. life sciences companies should also continue to abide by other relevant U.S. export controls, and should continue thorough screening of clients, customers, partners against the SDN List.

¹ <http://www.agg.com/update-on-life-sciences-exports-to-iran-and-sudan-10-20-2016/>

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