

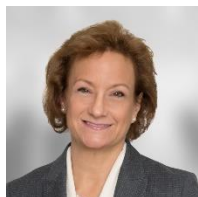
## OFAC ANNOUNCES NICARAGUA SANCTIONS REGULATIONS

Further to Executive Order 13851 (November 27, 2018), "Blocking Property of Certain Persons Contributing to the Situation in Nicaragua" and several previously announced sanctions against high-ranking Nicaraguan officials, OFAC announced on September 3, 2019, the Nicaragua Sanctions Regulations (31 CFR part 582) (the "Regulations"). OFAC noted that these regulations would be supplemented, to include interpretive and definitional guidance, with general licenses and statement of licensing policy. This "abbreviated" version is meant to put people on immediate notice, with details to follow.

The Regulations, require the blocking of property and interests in property in the United States or within the possession or control of a US person, of Specially Designated Nationals ("SDNs"). This would include entities owned 50 percent or more (individually or in the aggregate) by one or more persons whose property and interest in property are blocked. The Regulations include a number of exempt transactions, including already-existing informational materials, personal communications, travel, and emergency medical services. The penalties for failure to comply with the Regulations are set out in section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1701-1706, IEEPA).

The Regulations reflect the continued focus of the current administration on increasing sanctions targeting Cuba, Venezuela, and Nicaragua. This expanding focus will require both US companies and, for example, non-US companies doing business in Nicaragua using the US financial system to ensure that their current and future business is compliant, and that their existing compliance program has been updated and going forward is resilient to keep up with these developments.

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