

Sanctions Update: Remaining U.S. Sanctions On Myanmar Lifted

12 October 2016

On October 7, the United States of America formally ended its Myanmar sanctions program, through President Obama signing an Executive Order.

The consequences

The key consequences of the ending of this program are:

(i) The list of Specially Designated Nationals of Myanmar, detailing individuals and entities that US citizens and entities cannot deal with, is revoked.

This is significant because those on the list are understood to control substantial commerce and assets in Myanmar.

Among those who were on the list:

- Tay Za, certain relatives, and his associated enterprises, Htoo Group, Air Bagan and Asia Green Development Bank (AGD Bank), which deal in banking, construction, tourism, transportation, and infrastructure projects, among other things;

- Steven Law, certain relatives and his Asia World Group, Myanmar's largest conglomerate with various interests including in construction, real estate, transportation, port management, power generation & distribution, import-export and retail.

(ii) The ban on importing rubies and jade sourced from Myanmar, and any jewellery containing them, into the U.S. has been lifted.

(iii) U.S. investors no longer have to report on their Myanmar investments.

The ending of these sanctions does not, however, absolve violators from breaches of the Myanmar sanctions program that occurred prior to its revocation.

Remaining issues

The termination of the Myanmar sanctions program does not mean that U.S. persons can do unrestrained business there. Some Myanmar nationals and entities are still blacklisted by other U.S. sanctions programs, including those relating to illegal drugs trading and dealings with North Korea. It is still important to run appropriate checks against the lists of Specially Designated Nationals when engaging customers, suppliers, joint venture partners, contractors and others from Myanmar.

Who do U.S. sanctions affect?

We'd like to remind you that U.S. sanctions are relevant for everyone.

It is often mistakenly assumed that U.S. sanctions only apply to businesses incorporated in the United States and U.S. citizens. This is wrong. U.S. sanctions can be applicable to:

- Any U.S. citizen, wherever located;
- Any U.S. permanent resident;
- Any person physically present in the United States, regardless of their nationality or immigration status;
- Overseas branches of U.S. corporations;
- Corporate groups with a presence in the U.S.

Even organisations with no connection to the United States and no American nationals within the workforce need to be mindful of U.S. sanctions. A business dealing with nationals or entities sanctioned by the U.S. could find itself being sanctioned, meaning it is locked out of the U.S. market, unable to use the U.S. banking system and unable to transact with U.S. customers & suppliers.

About the sanctions team

The sanctions team at Kennedys Legal Solutions provides strategic counsel on law compliance governing trade and business with sanctioned countries such as Iran, North Korea, and Russia through the firm's international network of offices and liaison firms.

Clients will be kept up to date on the latest developments in sanctions regimes - including those of the US, UN, EU, UK and Singapore.

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