

October 15, 2019

## United States Imposes Sanctions on Persons Contributing to the Situation in Syria

On October 14, 2019, President Trump issued an Executive Order imposing sanctions in response to Turkey's military activities in northeast Syria. The Executive Order finds that these activities "constitute an unusual and extraordinary threat to the national security of the United States" and declares a national emergency to deal with that threat.

Exercising his authority under the International Emergency Economic Powers Act ("IEEPA"), the President mandated that all property and interests in property of certain persons as determined by the Secretary of the Treasury in consultation with the Secretary of State be blocked (Section 1), and he authorized the Secretary of State in consultation with the Secretary of the Treasury and other appropriate Executive officials to select from a menu of sanctions to be imposed on other persons (Section 2). Persons potentially subject to the mandatory, property-blocking sanctions in Section 1 include individuals and entities whose activities "further threaten the peace, security, stability, or territorial integrity of Syria" or contribute to "the commission of serious human rights abuse." Also potentially subject to these sanctions are current or former Turkish government officials; subdivisions, agencies, or instrumentalities of the Turkish government; and persons operating in sectors of the Turkish economy as determined by the Secretary of the Treasury in consultation with the Secretary of State. Finally, mandatory sanctions may be imposed on persons owned or controlled by any of the foregoing and persons who provide material support for any of the foregoing.

Concurrently with and pursuant to the President's issuance of the new Executive Order, the Office of Foreign Assets Control ("OFAC") (the Treasury Department agency principally responsible for administering and enforcing U.S. sanctions law) designated three Turkish individuals and the Turkish Ministries of Energy and Natural Resources and National Defense as "specially designated nationals" (SDNs), meaning that persons subject to the jurisdiction of the United States are required to treat their property and interests in property as blocked.

The Executive Order's Section 2 menu-based sanctions may apply to persons engaged in "obstruction, disruption, or prevention of a ceasefire in northern Syria," "intimidation or prevention of displaced persons from voluntarily returning to their places of residence in Syria," "forcible repatriation of persons or refugees to Syria," or "obstruction, disruption, or prevention of efforts to promote a political solution to the conflict in Syria."

These sanctions also may apply to adult family members of any of the foregoing and persons involved in the expropriation of property in Syria. The penalties that may be imposed on such persons include restrictions on trade with or travel to the United States, restrictions on eligibility to participate in procurement by U.S. government agencies, denial of access to loans from U.S. financial institutions, denial of access to investment capital from U.S. persons, and blocking of property and interests in property. Thus far, no designations have been made under Section 2 of the Executive Order.

Section 3 of the Executive Order authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to prohibit or restrict the opening or maintaining of correspondent or payable-through accounts in the United States by foreign financial

institutions found to have knowingly engaged in certain transactions with persons that are targets of mandatory sanctions in Section 1.

Other provisions of the Executive Order elaborate on the activities restricted by the foregoing provisions.

Finally, in addition to making the above-noted SDN designations, OFAC issued three general licenses authorizing activities that otherwise would be prohibited by the Executive Order. In particular, the general licenses authorize activities related to official business of the United States; the winding down (by November 13, 2019) of dealings with the Turkish Ministries of Energy and Natural Resources and National Defense and entities owned or controlled by them; and activities of certain United Nations agencies involving those two Ministries.

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