

2022-N-073
19 September 2022

U.S. OFAC Sanctions against Russia – General License 48A

Target audience

- Network Managers
- Compliance officers
- Settlement Operations
- Back-office teams

Effective date

Immediately

Highlights

We are closely monitoring all securities in the Euroclear System for compliance with Sanctions against Russia.

Certain securities will be closed for settlement upon expiry of applicable General Licenses.

This Newsletter informs you of the impact of OFAC [General License 48A](#) on securities in Euroclear Bank.

Actions

- Please ensure that you (and your underlying clients) carry out the necessary due diligence in order to ensure compliance with Sanctions.
- Please take timely action in case you wish to divest your holding or segregate your positions.
- We encourage you to use **EasyWay/SWIFT** reporting to check the status of your settlement instructions.

All times mentioned refer to Brussels time, unless otherwise mentioned.

On 3 August 2022, the US Department of the Treasury’s Office of Foreign Assets Control (OFAC) issued an updated [General License 48A](#) authorising transactions that are ordinarily incident and necessary to dealings in debt or equity of Publichnoe Aktsionernoe Obschestvo Magnitogorskiy Metallurgicheskiy Kombinat; JSC State Transportation Leasing or entities in which they own, directly or indirectly, a 50 percent or greater interest – purchased prior to 2 August 2022 (‘Russian financial institution debt or equity’), until 12:01 a.m. eastern daylight time on **Monday, 3 October 2022**. OFAC further stipulated that any divestment or transfer of, or facilitation of divestment or transfer of, Russian financial institution debt or equity must be to a non-U.S. person.

What does this mean for you?

Impacted Securities

We have identified certain securities that are subject to the restrictions ('Impacted Securities') in the Euroclear System. We have compiled a **list of the Impacted Securities** in Euroclear Bank - see our [Securities subject to OFAC Sanctions against Russia - General License Expiry](#) webpage.

We make no representation or warranty as to the accuracy or completeness of that list or any information contained therein and undertake no obligation to update or modify the list. We advise you to check our above mentioned webpage regularly and the [U.S. Department of Treasury's website](#) (including any Frequently Asked Questions issued by OFAC), as additional entities may be designated and consequently additional securities may be added to the list of Impacted Securities.

Transactions under General License 48A

We remind you that you are expected to carry out the requisite level of due diligence in order to ensure and be able to confirm to us that any instructions relating to Impacted Securities fall within the scope of permitted activities under General License 48A, and that they do not violate OFAC or other applicable Sanctions.

By sending us an instruction for the Impacted Securities, it will be deemed that you have made an appropriate determination of compliance with all applicable Sanctions, including those of the EU, United Kingdom and the United States.

End of General License 48A deadline

We will close the Impacted Securities for settlement at **16:00 on Thursday, 29 September 2022**, unless the end date of General License 48A is amended on the [U.S. Department of Treasury's website](#).

Important

- Please ensure you add the real-time 'daylight' indicator in your settlement instructions.
- To ensure your settlement instructions settle in time, instruct as early as possible.
- Note that our above-mentioned settlement deadline for your instructions may be impacted by local market requirements and/or deadlines/cut-off times. If you are sending an external or Bridge settlement instruction, please take into account any input deadlines/cut-off times in Clearstream Banking, Luxembourg or the relevant domestic market. Please request your counterparty to do the same.

Impacted Securities excluded from Euroclear Bank Collateral Management Services

Please note that Impacted Securities have been excluded from our Triparty and Securities Lending and Borrowing services.

Please contact your Account Manager in case there are other securities that you would like to have excluded from your activity.

Reminder

We remind you that in accordance with section 3.1.1 of the [Operating Procedures of the Euroclear System](#), we may suspend and/or block your instructions if they require manual investigation as part of our compliance policy (including for, but not limited to, the purposes of compliance with Sanctions and/or anti-money laundering rules).

We will not be liable for any damage or loss resulting from such investigation and/or delay in processing of your instruction due to such investigation. If we obtain sufficient comfort that your instructions fall within the permitted activities, then such instructions would be allowed to continue their processing cycle. If it is not the case, then your instructions will be rejected.

In addition to the actions and measures we have taken, we expect you, as our Participant (and any other underlying entity), to also ensure a sufficient level of due diligence and compliance with the Sanctions, as they should be respected in every step throughout the custody chain.

Keeping you informed

We are closely monitoring the situation and will keep you informed of any further developments.

Who to contact?

Contact	Contact details
Settlement Client Service	+32 (0)2 326 2098
Account Management	<ul style="list-style-type: none">+32 (0)2 326 2812Taskize: in the Add parties section > Organisation: select Euroclear Bank > Function: select Account Management