

MEMO# 33059

January 21, 2021

China EO 13959: Developments from January 13 and 14

[33059]

January 21, 2021 TO: AML Compliance Working Group

Chief Compliance Officer Committee

Chief Risk Officer Committee

Compliance Advisory Committee

ETF (Exchange-Traded Funds) Committee

ETF Advisory Committee

Global Operations Advisory Committee

ICI Global Investing Subcommittee

ICI Global Regulated Funds Committee

ICI Global Regulated Funds Committee - Asia

Public Communications Committee

SEC Rules Committee

Securities Operations Advisory Committee

Small Funds Committee RE: China EO 13959: Developments from January 13 and 14

Below please find information on recent developments related to Executive Order 13959 on Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies (EO 13959).

Amendments to EO 13959

On January 13, President Trump signed an executive order making amendments to Executive Order 13959 regarding investments in companies identified as Communist Chinese Military Companies (CCMCs).[\[1\]](#) The original order, issued on November 12, 2020, prohibits by any US person “any transaction in publicly traded securities, or any securities that are derivative of, or are designed to provide investment exposure to such securities” of CCMCs.[\[2\]](#)

Additional FAQs

On January 14, OFAC issued four new FAQs that reflect the amendments to EO 13959.[\[3\]](#)

Additional Entities Added to the CCMC List

On January 14, the Department of Defense added nine new entities to the CCMC list (attached).[\[4\]](#) We expect that OFAC will add these to the NS-CCMC list soon, but we are not

aware of an updated list as of this time.

General License No. 2

OFAC issued General License No. 2 on January 14.^[5] This license authorizes securities exchanges operated by US persons to engage in transactions involving securities of any entity that is listed on OFAC's NS-CCMC List after 12:01 January 14, 2021, through the date that is 365 days after the date the entity is listed on the NS-CCMC List.

We will continue to update you as we learn of any additional information.

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[Attachment](#)

endnotes

[1] The amendments to EO 13959 are *available at* <https://trumpwhitehouse.archives.gov/presidential-actions/executive-order-amending-executive-order-13959-addressing-threat-securities-investments-finance-communist-chinese-military-companies/>.

[2] The original EO 13959 is *available at* <https://trumpwhitehouse.archives.gov/presidential-actions/executive-order-addressing-threat-at-securities-investments-finance-communist-chinese-military-companies/>.

[3] The four new FAQs are *available at* <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/topic/5671>.

[4] <https://www.defense.gov/Newsroom/Releases/Release/Article/2472464/dod-releases-list-of-additional-companies-in-accordance-with-section-1237-of-fy/>.

[5] OFAC General License No. 2 is *available at* https://home.treasury.gov/system/files/126/chinese_military_gl2_1.pdf.