

MEMO# 32992

December 16, 2020

ICI Member Call on China Executive Order 13959: Monday December 21 at Noon Eastern

[32992]

December 16, 2020 TO: AML Compliance Working Group
Chief Compliance Officer Committee
Chief Risk Officer Committee
Compliance 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 RE: ICI Member Call on China Executive Order 13959: Monday December 21 at Noon Eastern

As we previously informed you, on November 12, President Trump issued an Executive Order entitled “Executive Order on Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies” (EO 13959), which 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 Communist Chinese Military Companies. On November 24, we submitted a letter to the Office of Foreign Assets Control (OFAC) raising numerous questions regarding the application of EO 13959.

The Executive Order is available at:
<https://www.whitehouse.gov/presidential-actions/executive-order-addressing-threat-securities-investments-finance-communist-chinese-military-companies/> (See also ICI Memorandum 32963, dated December 4, 2020, available at <https://www.iciglobal.org/iciglobal/pubs/memos/ci.memo32963.global>, and ICI Memorandum No. 32954, dated December 1, 2020, available at https://www.ici.org/my_ici/memorandum/memo32954, which includes ICI’s letter to OFAC).

OFAC has indicated that they are preparing FAQs/guidance responding to questions they have received from industry, and that they understand the need to publish these as soon as

possible. They are also generally amenable to having a call with ICI members. Unfortunately, we do not yet have an indication from OFAC as to when any such FAQs/guidance may be released or when they may hold a call with us (or industry more broadly). We are continuing to follow up and will keep you updated.

We understand from members that it would be helpful to members for us to hold a call to discuss current thinking on the scope of EO 13959 and members' views and concerns, even if we don't receive any guidance from OFAC prior to such call. We have scheduled this call for Monday, December 21, at noon Eastern, with the Zoom details below. Darshak Dholakia, partner at Dechert LLP, will provide his insights on the call.

ICI Member Call on EO 13959 - Monday, December 21 at Noon Eastern

Join Zoom Meeting

<https://ici-org.zoom.us/j/95187453244?pwd=NU02ek1vRXcwQjRCNVR0MmFkQlZsQT09>

Meeting ID: 951 8745 3244 Passcode: 943704 Dial by your location: +1 646 558 8656 US (New York)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

+1 669 900 9128 US (San Jose) Find your local number:

<https://ici-org.zoom.us/j/ab9TfuSTLE>

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