

MEMO# 33072

January 27, 2021

Letter to OFAC on Implementation of Executive Order 13959

[33072]

January 27, 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

Pension Committee

Pension Operations Advisory Committee

Public Communications Committee

SEC Rules Committee

Securities Operations Advisory Committee

Small Funds Committee RE: Letter to OFAC on Implementation of Executive Order 13959

On January 22, we sent the attached letter to the Director of the Office of Foreign Assets Control (OFAC), Andrea Gacki, expressing concerns about the implementation of Executive Order 13959 (Order)[\[1\]](#) and requesting that OFAC address the harmful effects of the implementation of the Order related to unlisted subsidiaries of entities publicly listed as Communist Chinese military companies (CCMCs).

We specifically requested that OFAC take immediate steps to revoke FAQ 864[\[2\]](#) and also make clear that the Order's prohibitions apply only to entities expressly identified as CCMCs by the Department of Defense or on OFAC's Non-SDN CCMC List, and that restrictions do not apply to previously unlisted subsidiaries until 60 days from the date of such listing. We also asked for clarity on the impact of the regulatory freeze announced by President Biden's administration on the implementation of the Order.

Eva M. Mykolenko

Associate Chief Counsel - Securities Regulation

Attachment

endnotes

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

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

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