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July 15, 2019

Recording of ICI Webinar on OFAC Compliance Framework and Cannabis-Related Investments

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July 15, 2019 TO: ICI Members
Investment Company Directors

ICI Global Members SUBJECTS: Compliance

International/Global RE: Recording of ICI Webinar on OFAC Compliance Framework and Cannabis-Related Investments

On July 10, 2019, ICI held a webinar addressing two topics that have recently raised questions and concerns for mutual fund legal and compliance professionals:

- recent enforcement actions by the Office of Foreign Assets Control (OFAC), coupled with the recently released OFAC Framework for Compliance Commitments; and
- mutual fund considerations with respect to cannabis-related investments.

OFAC's Framework for Compliance Commitments

Following the announcement of numerous enforcement settlements in 2019, OFAC in May published a "Framework for OFAC Compliance Commitments," setting out OFAC's views on the best practices that companies should follow to ensure compliance with US sanctions laws. Although the broad elements of the framework are not unexpected, the details included in the framework underscore the importance OFAC is placing on sanctions compliance programs (SCP) in resolving enforcement actions. Panelists addressed the following questions:

- What messages can be gleaned from OFAC's recent enforcement actions?
- What are OFAC's expectations for an effective SCP?
- What can be expected from OFAC going forward and what should mutual fund firms do now?

Cannabis-Related Investments

Publicly traded cannabis stocks and stocks in cannabis-related businesses have grown significantly over the past decade. While these stocks may be attractive investments for portfolio managers, they raise unique questions and concerns. Panelists discussed what mutual fund firms should consider when thinking about investing in cannabis-related

companies.

A recording of the webinar and the presentation slides are available at:
https://www.ici.org/events/highlights/webinars/webinar_19_ici_ofac_0710

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