

MEMO# 33067

January 26, 2021

China EO 13959: Effective Date of Prohibitions for CNOOC Limited

[33067]

January 26, 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: China EO 13959: Effective Date of Prohibitions for CNOOC Limited

We wanted to pass along to you additional information that we have received on the implementation of Executive Order 13959 regarding investments in companies identified as Communist Chinese Military Companies (CCMCs).[\[1\]](#) The communication below was received by the Securities and Futures Markets Association (SIFMA) from staff of the Office of Foreign Assets Control (OFAC) regarding the effective date of the prohibitions applicable to CNOOC Limited (NYSE symbol: CEO). As you may recall, China National Offshore Oil Corp. (CNOOC) was listed as a CCMC on December 3 (with prohibitions going into effect on February 1). CNOOC Limited was added to the non-SDN CCMC list on January 8.

OFAC communication:

“With respect to E.O. 13959 (as amended by E.O. 13974), SIFMA has requested clarification from OFAC regarding whether the effective date of the prohibitions applicable to CNOOC Limited (NYSE Symbol: CEO) is February 1, 2021 based on the *close match* approach articulated in OFAC FAQ 864, or March 9, 2021 based on Sections 1(a)(ii) and 4 (a)(iii) of E.O. 13959. Based on the relevant facts with

respect to CNOOC Limited, from an enforcement perspective, OFAC will view the relevant prohibitions as taking effect with respect to CNOOC Limited on March 9, 2021.”

We understand that SIFMA has requested that OFAC publish the communication on its website. We will keep you updated on any further developments.^[2]

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Associate Chief Counsel - Securities Regulation

endnotes

[1] EO 13959 is *available at* <https://trumpwhitehouse.archives.gov/presidential-actions/executive-order-addressing-threat-at-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-securities-investments-finance-communist-chinese-military-companies/>. FAQs are found at <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/topic/5671>.

[2] See ICI Memorandum No. 33059, dated January 21, 2021, *available at* <https://www.iciglobal.org/iciglobal/pubs/memos/ci.memo33059.global> and ICI Memorandum No. 33021 dated January 5, 2021, *available at* https://www.ici.org/my_ici/memorandum/memo33021.