

MEMO# 33524

May 7, 2021

OFAC Issues FAQ 893 on the Application of the EO 13959 Prohibitions to Luokung Technology Corp.

[33524]

May 7, 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: OFAC Issues FAQ 893 on the Application of the EO 13959 Prohibitions to Luokung Technology Corp.

We wanted to inform you about a recent development related to Executive Order 13959. As a reminder, President Trump on November 12, 2020, issued Executive Order 13959 prohibiting 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 as Communist Chinese Military Companies (CCMCs).[\[1\]](#)

On May 6, OFAC issued FAQ 893 regarding the application of the prohibitions in the Order to Luokung Technology Corp. stating that the prohibitions do not apply with respect to Luokung pending a further determination by the US District Court for the District of Columbia, which issued a motion on May 5 preliminarily enjoining the EO 13959 restrictions relating to Luokung.

The text of FAQ 893 is provided below:

893. Do the prohibitions in Executive Order 13959, as amended (E.O. 13959), apply with

respect to Luokung Technology Corp.?

On March 9, 2021, the Secretary of Defense listed Luokung Technology Corp. ("Luokung"), pursuant to section 4(a)(ii) of E.O. 13959. On May 5, 2021, the U.S. District Court for the District of Columbia issued an order in Luokung Technology Corp. v. Department of Defense (Case No. 1:21-cv-00583-RC) preliminarily enjoining the implementation and enforcement of the E.O. 13959 prohibitions against Luokung. Consequently, the prohibitions in E.O. 13959 do not apply with respect to Luokung pending further order of the Court.

Eva M. Mykolenko
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/> and FAQs are found at <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/topic/5671>.

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.