

Insights

PRESIDENT BIDEN IMPOSES NEW SANCTIONS AGAINST MYANMAR/BURMA FOLLOWING COUP D'ETAT

Feb 12, 2021

On February 11, 2021, President Biden issued [Executive Order 14014](#) "Blocking Property with Respect to the Situation in Burma." As of now, these new sanctions are tailored to target the actors engaged in disrupting the democratically elected civilian government in Burma and related activities. The sanctions do not currently affect the flow of goods and services generally to Burma or to the people of Burma, although the US Department of Commerce also announced on February 11 that it will apply a presumption of denial for license applications for the export and re-export of items to Burma's Ministry of Defense, Ministry of Home Affairs, armed forces, and security services. The Commerce Department also announced that it is assessing additional actions (such as Entity List designations) that it may take in the future.

Activities by U.S. companies and persons with or in Burma continue to be permitted. Unlike the prior Burmese sanctions, these new sanctions do not include investment restrictions or other restrictions related to the export of financial services. E.O. 14014 authorizes the designation of individuals and entities as Specially Designated Nationals and Blocked Persons (SDNs) and requires the imposition of visa entry restrictions on individuals designated as SDNs pursuant to this order. The authority for designating new SDNs targets individuals and entities who are:

- involved in the Burmese defense industry;
- responsible for or that have engaged in actions that undermine democratic processes in Burma, that threaten Burma's peace, security or stability, that limit the exercise of freedom of expression or assembly or access to print, online or broadcast media, or that constitute human rights abuses;
- leaders or officials of the Burmese military or security forces, of the government of Burma on or after February 2, 2021, or of entities engaging in activities described above or designated under the order relating to the leader's tenure;
- political subdivisions, agencies or instrumentalities of the Government of Burma or that are owned or controlled by or that have acted on behalf of the military or security forces of Burma or any person designated under the order; and

- family members of individuals who are designated pursuant to the order.

Authority to block is also extended to include any party that materially assists or supports a party blocked pursuant to the Executive Order. For now, the designated parties include eight newly designated individuals, two individuals already on the SDN List under the Global Magnitsky Sanctions, and three companies involved in businesses involving gemstones. Additional designations or other restrictions may still be forthcoming.

Companies that do business with Burma or in the region should ensure that their restricted party screening is refreshed to capture the targets of these new sanctions, which will apply not only to the designated parties but to all parties owned, directly or indirectly, 50% or more by one or more designated party. Additional diligence and a review of contract provisions is prudent to best protect your company in the event a party with which you have dealings comes within the reach of the sanctions.

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