

U.S. Imposes Targeted Sanctions and Export Control Restrictions on Burma

February 11, 2021

Today, President Biden issued an [Executive Order](#) (E.O.) that authorizes new U.S. sanctions on Burma in response to the recent military coup in that country. The E.O. allows the U.S. Office of Foreign Assets Control (OFAC) to impose sanctions on the country's military leadership and could lead to broader sanctions on government-controlled ministries and companies in the future.

As a first step, OFAC added ten individuals associated with the coup and three ruby and jade companies to its List of Specially Designated Nationals (SDN List), effectively barring U.S. persons from doing business with those parties and any companies majority owned by those parties. OFAC indicated in a [press release](#) that further sanctions under the E.O. are possible if the military regime does not change course or if there is further violence in the country. The U.S. Commerce Department also made initial moves to tighten U.S. [export controls](#) on Burma.

New sanctions authority

Among other measures, the new E.O. authorizes OFAC to impose additional blocking sanctions on the following parties:

- Parties that operate in the Burmese defense sector;
- Parties that were involved in the undermining of democratic processes in Burma, the threatening of the peace, security, or stability of Burma, the limiting of freedom of speech in Burma, or related human rights abuses;
- Leaders or officials of the Burmese military or security forces;
- Leaders or officials of the Burmese government on or after February 2, 2021
- Government of Burma political subdivisions, agencies, or instrumentalities (including the Central Bank of Myanmar); [\[1\]](#)
- Spouses or adult children of any person that is sanctioned pursuant to the E.O.;
- Parties owned or controlled by the military or security forces of Burma or by parties that become subject to sanctions under the E.O.; and
- Parties that materially assist or provide material support persons sanctioned under the E.O.

Initial export control restrictions

[The U.S. Bureau of Industry and Security \(BIS\)](#) also announced a change to its licensing policy to deny export control licenses related to Burma's Ministry of Defense, the Ministry of Home Affairs,

armed forces, and security services and to revoke previously issued licenses involving those parties that remain open.

BIS indicated that it will suspend the availability of export control license exceptions for certain shipments to Burma, including Shipments to Country Group B countries (GBS), Technology and Software under restriction (TSR), Computers (APP), and Shipments of Limited Value (LVS).

BIS is considering adding Burma-related entities to its Entity List and/or the Military Intelligence End Use and End User List. BIS may also downgrade Burma's Country Group in the EAR, which would trigger further U.S. export restrictions.

Companies doing business in Burma should carefully examine their exposure under these new rules and watch this space for further developments.

[1] The "Government of Burma" includes any persons/entities owned or controlled by, or acting for or on behalf of, the Government of Burma.