

ECONOMIC SANCTIONS LAW:

SIMILARITIES AND DIFFERENCES BETWEEN THE U.S. AND FRENCH APPROACH

With a Special Focus on Russia

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Overview

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Introduction to Sanctions

Introduction to Sanctions / Restrictive Measures

- Economic sanctions are coercive economic measures taken against a target and which are intended to cause the target to change its behavior.
 - Trade embargoes;
 - Restrictions on exports or imports;
 - Denial of foreign assistance, loans, and investments;
 - Blocking / freezing of foreign assets
- Sanctions are used to advance U.S. and E.U. foreign policy and national security goals.
- In the European Union, sanctions are often referred to as restrictive measures.

U.S.-E.U. Cooperative Efforts on Sanctions Enforcement

- The U.S. and E.U. imposed significant sanctions following Russia's invasion of Crimea in 2014.
- Sanctions on Russia were expanded following Russia's further invasion of Ukraine in 2022.
- The U.S. and E.U. sanctions on Russia are similar but not identical.
- In May 2023, the U.S. and E.U. released a Joint Statement acknowledging the need to work together to weaken Russia's capability to wage war and sustain its defense industrial base.
- There was a multi-day technical meeting from April 26th – 28th, 2023 in Brussels between OFAC, the European External Action Service (EEAS – the E.U.'s diplomatic service), and the E.U. Director-General for Financial Stability, Financial Services and Capital Markets Union (E.U. DF FISMA) aimed at exchanging best practices and strengthening relationships surrounding sanctions.
- On April 13, 2023, there was a roundtable on U.S., E.U. and U.K. sanctions with U.S. Deputy Secretary of the Treasury, European Commissioner for Financial Stability, Financial Services, and Capital Markets Union, and U.K. HM Treasury Director General for International Finance.

U.S. Statutory Authorities Governing Russia Sanctions

- The U.S. statutory authorities include:
 - International Emergency Economic Powers Act (IEEPA), 50 USC § 1701 *et seq.*
 - Countering America's Adversaries Through Sanctions Act (CAATSA) & Countering Russian Influence in Europe and Eurasia Act, 22 U.S.C. § 9501 *et seq.*
 - Ukraine Freedom Support Act, 22 U.S.C. § 8921 *et seq.*
 - Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act, 22 U.S.C. § 8906 *et seq.*
 - The Sergei Magnitsky Rule of Law Accountability Act of 2012, 22 USC § 10101, *et seq.*
 - The National Emergencies Act, 50 U.S.C. § 1601-1651
- The President may act unilaterally to implement sanctions and can issue Executive Orders.
- Executive agencies promulgate regulations and identify sanctions targets.

Executive Agencies Implementing U.S. Sanctions

- **Treasury Department**: Imposes sanctions and regulates access to U.S.-based assets and use of the U.S. dollar and banking system.
 - Office of Foreign Assets Control (OFAC) – primary administrator of U.S. sanctions
- **Commerce Department**: Oversees export licensing and compliance with international nonproliferation obligations.
 - Bureau of Industry and Security (BIS) – administers and enforces Export Administration Regulations (EAR), which are the primary export control regulations in the U.S.
- **State Department**: Oversees export licensing and compliance with International Traffic in Arms Regulations (ITAR).
 - Directorate of Defense Trade Controls (DDTC) – administers and enforces ITAR
- **Justice Department**: Prosecutes sanctions evasion, violations of sanctions and export laws.
 - Prosecutes those who violate U.S. sanctions and export control laws

Introduction to French and E.U. Sanctions

- The E.U. is a unique economic and political union between 27 European countries.
- Sanctions/restrictive measures are adopted by the E.U. Council (which is composed of ministers of every Member State).
 - several sanctions programs have been implemented regarding North Korea, Belarus, Myanmar, Iran, Iraq, Russia, Sudan, Somalia, and Syria
- Three types of sanctions regimes:
 - sanctions imposed by the U.N. and transposed by the E.U.
 - reinforcement of U.N. sanctions by applying stricter and additional measures
 - autonomous E.U. sanctions

French Sanctions Authority and Obligation to Implement E.U. Sanctions

- E.U. Council adopts Regulations and Decisions containing restrictive measures which are directly applicable in Member States, including France
- France can also implement restrictive measures independently pursuant to:
 - Article L. 151-2 of Financial and Monetary Code: allows the French government to restrict French investments and financial relations in foreign countries to protect national interests
 - Article L. 562-2 and L. 562-3 of Financial and Monetary Code: freeze of assets

French Sanctions Authority

- **Foreign Affairs Ministry**: coordinates French action on restrictive measures
- **Economic Diplomacy Division**: collects points to be taken into account when drawing up sanctions regimes and responds to requests for information on diplomatic context surrounding implementation of sanctions
- **European Union Directorate**: monitors the E.U. sanctions regime
- **French Directorate General of the Treasury**: central authority for the implementation of all sectoral sanctions, financial sanctions and asset freezes
 - holds a list of persons subjected to asset freeze
 - responsible for approving certain transactions which are authorized under applicable sanctions regimes
- **Prudential Control and Resolution Authority (ACPR)**: monitors compliance by financial institutions with sanctions regimes
- **French Export Control Office on Dual-Use Goods (SBDU)**: responsible for authorizing the export of dual-use goods and other categories of goods for which exportation and importation is limited by European Union regulations and French authorities
- **French customs authorities**: generally control the importation and exportation of all goods to ensure compliance with import and export laws



U.S. Sanctions on Russia

U.S. Sanctions on Russia

Selected / Targeted Sanctions

- These sanctions feature in many U.S. sanctions programs, including Russia.
- The United States blocks property of certain designated persons including property interests in the United States, or that come within the possession or control of any United States person.
- Designated persons are included on the **Specially Designated Nationals (SDN)** list.
- In 2022, the U.S. added 2,275 persons to the SDN list and 1,698 of these 2022 additions were pursuant to sanctions on Russia.
- Selected and targeted sanctions have been imposed, for example, on the following individuals:
 - All members of the Russian State Duma and the Federation Council.
 - Over 80% of Russia's banking sector, including the top 10 Russian-owned banks.
 - Over 600 targets tied to the military industrial complex, including major Russian military manufacturing firms.
 - Over 60 family members of Russian elites, including Vladimir Putin's daughters.

OFAC's 50 Percent Rule

- OFAC's 50% Rule states that “the property and interests in property of entities directly or indirectly owned 50 percent or more in the aggregate by one or more blocked persons are considered blocked.”
- “Indirect” ownership refers to one or more blocked persons’ ownership of shares of an entity through another entity or entities that are 50 percent or more owned in the aggregate by the blocked person(s).
 - Example: Blocked Person X owns 50 percent of Entity A and 10 percent of Entity B. Entity A also owns 40 percent of Entity B. Entity B is considered to be blocked.

U.S. Sanctions on Russia

Geographic Sanctions

- Executive Order 14065 of February 21, 2022 concerns the so-called Donetsk People's Republic and the Luhansk People's Republic.
- These are two regions of the Ukraine that were declared by the State Duma of Russia as independent states.
- The sanctions on these two regions are comprehensive and bar, for example:
 - new investment in the Covered Regions;
 - importation into the United States from the Covered Regions;
 - the exportation, reexportation, sale, or supply, directly or indirectly, from the United States or by a United States person, wherever located, of any goods, services, or technology to the Covered Regions.
 - Blocking of property provisions and evasion provisions are included.
- The earlier sanctions against the Crimea region of the Ukraine have also been characterized as comprehensive.

U.S. Sanctions on Russia

- **Import Restrictions** (non-exhaustive examples)
 - Prohibition on the importation from Russia of crude oil, petroleum, petroleum fuels, oils, and products of their distillation, liquefied natural gas, coal and coal products into the United States. **E.O. 14066 (March 8, 2022)**.
 - Prohibition on the importation from Russia of fish, seafood (and preparations thereof), alcoholic beverages, non-industrial diamonds, and other products of Russia as may be determined by specified U.S. officials. **E.O. 14068 (March 11, 2022)**. OFAC determinations have expanded the products covered.
 - **E.O. 14114** further expanded the import restrictions. For example, **E.O. 14114** amended **E.O. 14068** to specify that certain import prohibitions apply “notwithstanding whether such products have been incorporated or substantially transformed into other products outside the Russian federation.”
- **Export Restrictions** (non-exhaustive example)
 - Under **E.O. 14068**, the U.S. Department of Commerce maintains a list of U.S. origin goods, including certain luxury items, “the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located” to any person located in the Russian federation is prohibited.
- **Transport Restrictions**
 - **Presidential Proclamation 10371** of April 21, 2022. Among other things, the proclamation prohibits Russian-affiliated vessels from entering U.S. ports. This includes vessels with Russian registry, owned by the Russian government, and operated by a Russian company, citizen or permanent resident.
 - U.S. Secretary of Homeland Security is authorized to make and issue rules on the anchorage and movement of Russian affiliated vessels.

U.S. Sanctions on Russia

- **Investment Prohibitions**

- Progressively more stringent investment prohibitions have been implemented following the 2022 Russian invasion of the Ukraine.
- Prohibition of “new investment” in the energy sector. See E.O. 14066 of March 8, 2022.
- Prohibition of “new investment” in any sector of the Russian economy as determined by specified U.S. authorities. See E.O. 14068 of March 11, 2022.
- Prohibition of “new investment in the Russian Federation by a United States person, wherever located.” See E.O. 14071 of April 6, 2022.
- OFAC FAQ 1049
 - “Investment” is the commitment of capital or other assets for the purpose of generating returns or appreciation.
 - “New investment” is interpreted by OFAC as “a commitment made on or after the effective date of the respective E.O. prohibitions.”
 - “New investment” is interpreted by OFAC to mean “such commitments pursuant to the exercise of rights under an agreement entered into before the effective dates of the respective E.O. prohibitions, where such commitment is made on or after the effective dates of the respective E.O. prohibitions.”
 - The FAQ also provides some examples of things that are not included in a “new investment.”

- **Service Restrictions**

- E.O. 14071 prohibits “the exportation, reexportation, sale or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any category of services as may be . . .” specified by United States authorities to any person in Russia.
- A broad range of services have been specified by the U.S. government as being covered by this prohibition. Included in the list are, for example, accounting and quantum computing services.

U.S. Export Controls With Regard to Russia

- The Export Administration Regulations (EAR) are administered by the U.S. Department of Commerce, Bureau of Industry and Security (BIS).
- EAR regulates “dual use” items and a range of other export activities.
- In immediate response to the Russian 2022 further invasion of the Ukraine, BIS strengthened its export controls on Russia with extensive additional controls above and beyond those in place as a result of Russia’s occupation of Crimea.
- One example of a new control is that numerous additional Russian military end users have been added to the **Entity list**, which contains a list of certain foreign persons which are subject to license requirements for the export, reexport and/or transfer (in-country) of specified items.
- Another example relates to the **Commerce Control List (CCL)**, which includes items that are subject to control under the EAR. Initially, a new license requirement for export to Russia was implemented for certain categories of items on the CCL, and a policy of denial was implemented. Effective April 8, 2022, all items subject to the CCL require a license when destined for Russia or Belarus.



E.U. and French Sanctions on Russia

French and E.U. Sanctions on Russia

Chronology of E.U. sanctions on Russia

- Since 2014, the E.U. has imposed individual and economic sanctions against Russia over Ukraine and human rights violations.
- Since the Russian invasion of Ukraine on February 24, 2022, E.U. has imposed 13 packages of sanctions against Russia.
- The most recent sanctions package was adopted on February 24, 2024 and includes: 194 new freezing orders, an extension of goods for which export is regulated (components used in the development and production of drones, goods that contribute in particular to strengthening Russia's industrial capabilities).
- Additional sanctions have also been imposed against Iran and Belarus.

French and E.U. Sanctions on Russia

- Russian sanctions regime adopted by the E.U. is included in two E.U. Regulations, No 833/201 and No. 269/2014, and two E.U. Council Decisions, No. 2014/512/CFSP and No. 2014/145/CFSP
- The sanctions regime includes
 - Financial measures: e.g. blocking of Russian Central Bank's assets, prohibition on a wide range of financial interactions
 - Commerce-related, transport and energy measures: e.g. arms embargo, export and import restrictions, prohibition of investment in the energy sector
 - Individual sanctions: travel ban and asset freezes of more than 1,000 individuals and more than 100 organizations (e.g. Vladimir Putin, Sergey Lavrov and Viktor Yanukovych)

French and E.U. Sanctions on Russia

- Focus on import restrictions (non-exhaustive examples):
 - iron and steel
 - certain types of coal and liquified petroleum gas
 - cement, rubber products, wood, aluminum spirits, liquor, high-end seafood and other goods generating significant revenues for Russia
 - gold and diamonds
- Focus on export restrictions (non-exhaustive examples):
 - Dual-use goods
 - Transportation equipment, aviation goods
- Focus on SWIFT decoupling: on March 1, 2022, the E.U. decided to disconnect several Russian and Belarus banks from SWIFT network (which is held by a Belgium entity), preventing them from making or receiving payment using this system



Jurisdictional Differences

OFAC Jurisdiction – Primary Sanctions

- OFAC sanctions are a strict liability regime – *i.e.*, proof of fault or intent is not required to establish a sanctions violation.
- Primary sanctions prohibit transactions by persons in the sanctioning country with sanctioned countries or persons.
- Pursuant to OFAC Regulations, “U.S. Persons” include:
 - U.S. citizens and permanent residents
 - U.S. companies and their overseas branches, and
 - Any person in the United States
- OFAC can also assert jurisdiction over foreign entities:
 - U.S. central banking system, including U.S. correspondent banks
 - U.S. dollar-denominated transactions

OFAC Jurisdiction – Secondary Sanctions

- U.S. sanctions are often applied with a broader extraterritorial reach when compared to E.U. territorial jurisdictional rules.
- For example, secondary sanctions are applied to non-U.S. parties outside of the United States.
- In March 2024, OFAC, BIS and the Department of Justice announced their first Tri-Seal Compliance Note of 2024 concerning the applicability of U.S. sanctions and export controls against non-U.S. individuals or entities located in foreign countries or territories.
- E.O. 14114 of December 22, 2023 amended E.O. 14024 to include secondary sanctions on foreign financial institutions (FFIs).
 - Imposes sanctions on FFIs for having conducted or facilitated any significant transaction or transactions for or on behalf of any person designated (under U.S. blocking sanctions) pursuant to subsection (1)(a)(i) of E.O. 14024 for having operated in the technology or defense and related material, construction, aerospace, or manufacturing sectors of the Russian Federation economy, or other such sectors as may be determined to support Russia’s military-industrial base by the Secretary of the Treasury, in consultation with the Secretary of State.
 - Imposes sanctions on FFIs for having conducted or facilitated any significant transaction or transactions, or provided any service, involving Russia’s military-industrial base, including the sale, supply, or transfers, directly or indirectly, to the Russian Federation of any item or class of items as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce.
- Possible sanctions against FFIs
 - Prohibit the opening of, or prohibit or impose strict conditions on the maintenance of, correspondent accounts or payable-through accounts in the United States
 - Full blocking sanctions

E.U. Territorial Jurisdiction in Regulation No. 833/2014

- E.U. Regulations and Decisions generally do not apply extraterritorially
- E.U. Regulations and Decisions contain clauses defining their territorial scope
- For instance, Regulation No. 833/2014 on restrictive measures regarding Russia, in Article 13, indicates that the prohibitions apply:
 - (a) within the territory of the Union;
 - (b) on board any aircraft or any vessel under the jurisdiction of a Member State;
 - (c) to any person inside or outside the territory of the Union who is a national of a Member State;
 - (d) to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State;
 - (e) to any legal person, entity or body in respect of any business done in whole or in part within the Union

Limited Extraterritoriality in E.U. Sanctions on Russia

- Adoption of “No-Russia clause” (Art. 12g of Regulation No. 833/2014):
 - applies to E.U. exporters; and
 - compels them to insert a “no re-export to Russia” clause in their contract related to certain limited goods (dual-use goods, advanced technology items etc.) when selling to a third country
- E.U. historically opposed the extraterritorial reach of U.S. sanctions.
 - Regulation No. 2271/96 of November 22, 1996 protecting against effects of extraterritorial application of third-country legislation
 - It prohibits E.U. persons from complying with certain sanctions unless authorized to do so and allows E.U. operators to recover damages arising from sanctions from persons causing them
 - June 6, 2018: the E.U. added the extraterritorial sanctions that the U.S. re-imposed on Iran to the scope of the Regulation



Comparative Observations

Select Substantive Comparisons Between U.S. and E.U. Sanctions

- The list of individuals and entities subject to U.S. blocking sanctions and E.U. asset freezes is not identical.
- U.S. and E.U. sanctions have a different standard for determining their application based on ownership and control and apply their respective ownership and control tests in different circumstances.
 - Some U.S. sanctions apply the 50% rule – the blocking sanctions apply based on ownership when a sanctioned person owns 50% or more of a legal entity.
 - Some E.U. restrictive measures apply two alternative rules
 - the freeze applies to funds, economic resources owned by any designated entity which means that the freeze will apply when over 50% of the “legal persons, entities or bodies” are owned, directly or indirectly, by a designated Russian national or natural persons residing in Russia or by legal persons, entities or bodies established in Russia.
 - the freeze also applies when a legal person, entity or body is controlled by a designated legal person, entity or body. There is no universal criteria to determine whether a legal person, entity or body is controlled by another and the determination is made on a case by case basis.
- The scope of the U.S. and E.U. investment bans differ.
- There are differences between U.S. and the E.U. bans on the provisions of services.

G7 Plus E.U. and Australia – Price Cap on Russian Oil

- In December 2022, the 27 Member States of the European Union, the members of the G7 (the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom), and Australia – adopted a cap of \$60/barrel for crude oil of Russian origin.
- In February 2023, the Coalition also set a cap on refined oil products such as petroleum.
- Companies (particularly insurance companies) in the Coalition countries can provide maritime services only if the oil price is below the cap.
- The Coalition members have prohibited almost all seaborne oil imports from Russia, and the beneficiaries of the Russian sales at capped prices are mostly emerging market and lower income countries.

U.S. and E.U. Humanitarian Exemptions

- Recently, the U.S. and the E.U. have demonstrated increased attention to addressing the challenge of providing humanitarian assistance in states that are subject to economic sanctions.
- Coordination on sanctions measures sometimes occurs through the U.S. and E.U. implementation of Security Council Resolutions.
- On Dec. 9, 2022, the U.N. Security Council adopts Res. 2664, which adopts a humanitarian “carve out” to nearly all of the U.N. sanctions programs that involve asset freezes.
- On Dec. 20, 2022, the U.S. implemented Res. 2664. OFAC published two final rules -- 87 FR 78470 and 87 FR 78484 -- to add general licenses to comply with Res. 2664 and to facilitate the delivery of humanitarian aid. These general licenses apply across all OFAC programs.
- On February 14, 2023, the E.U. implemented Res. 2664.
- The Council of the European Union adopted Council Regulation 2023/331, amending certain restrictive measures to insert provisions on humanitarian exemptions, and adopted Council Decision 2023/338.





U.S. Enforcement / Penalties

Penalties under U.S. Law: Civil and Criminal

- Most OFAC penalties are imposed under IEEPA and can apply to companies as well as individuals.
- Civil penalties, not to exceed the greater of:
 1. \$250,000; or
 2. An amount which is twice the amount of the transaction that is the basis of the violation which led to the imposition of the penalty.
- Criminal penalties for individuals and/or entities who “willfully” commit sanctions violations shall, upon conviction, not exceed:
 1. \$1,000,000; or
 2. If a natural person, imprisonment for not more than twenty (20) years; or
 3. Both (1) and (2), above.

See 50 U.S.C. § 1705

Penalties for Violations of the EAR

Criminal Liability

- Criminal penalties include a maximum fine of \$1,000,000, up to 20 years' imprisonment, or both. Criminal forfeiture is also possible. See 50 U.S.C. § 4819(b), (d).
- The Secretary of Commerce may deny eligibility to export, reexport, or in-country transfer outside of the United States, any item, whether or not subject to controls under subchapter one of the ECRA, for a period of up to ten years beginning on the date of conviction of a criminal violation.
- The Secretary of Commerce may also revoke any license or other authorization to export, reexport, or in-country transfer items that was issued under subchapter one of the ECRA and in which such person has an interest at the time of conviction. See 50 U.S.C. §§ 4819(e)(1)(A)(i)-(ii).
- Eligibility for export administered by the U.S. Department of State may be restricted and the right to contract with the U.S. Department of Defense and other agencies may be suspended due to conduct that violates the ECRA or the EAR, or any order, license, or authorization issued thereunder. See 15 C.F.R. § 764.3(c)(2)(ii)(A)-(B).

Civil Liability

- A fine of not more than \$300,000 or an amount that is twice the value of the transaction that is the basis of the violation with respect to which the penalty is imposed, whichever is greater;
- Revocation of a license issued under this subchapter to the person;
- A prohibition on the person's ability to export, reexport, or in-country transfer any items controlled under this subchapter.

See 50 U.S.C. § 4819(1)(A)-(C).



French Enforcement / Penalties

E.U. Member States Retain Enforcement Authority

- The E.U. restrictive measures regime does not have a direct sanctions mechanism in the event of violation. Each Member State has an obligation to define the applicable penalties.
- However, on April 3, 2024, a Directive was adopted by the European Parliament defining the offence of violating restrictive measures.
- It also provides for minimum criminal penalties, which must be adopted by Member States for violation of restrictive measures:
 1. If a natural person, imprisonment between one (1) and five (5) years and a fine;
 2. If a legal person, a fine of 1 to 5% of their total worldwide turnover to EUR 8 million to EUR 40 million.

Penalties Under French Law: Civil and Criminal

- Article 459 of the Customs Code (which will need to be amended following the new E.U. Directive): criminal penalties for any persons who do not comply with restrictive measures provided by E.U. Regulations or other international treaties
 - If a natural person, imprisonment for not more than five (5) years;
 - A fine which, at a minimum, corresponds to the transaction and can go up to twice the amount of the transaction that is the basis of the violation
- Article L574-3 of Financial and Monetary Code: same penalties for a violation of a national freezing order
- Civil (administrative) penalties for banks which do not comply with asset freeze orders ordered by the Prudential Control and Resolution Authority (ACPR)
 - EUR 100 million; or
 - 10% of the turnover of the bank



Examples of Enforcement Actions

U.S. Enforcement Examples

Example of civil liability related to blocking sanctions and the SDN list

- In December 2023, an insurance organization based in New York primarily specializing in insurance policies for luxury homes, automobiles, art collections, jewelry, and watercraft, agreed to pay \$466,200 to settle its potential civil liability for 39 apparent violations of OFAC's Ukraine/Russia-related sanctions.
- OFAC found that, between May 2018 and July 2022, the insurance company engaged in transactions involving a blocked Panama-based company owned by a Russian Specially Designated National.

Example of criminal prosecution for violations of the EAR

- A federal district court unsealed an indictment that was filed on March 3, 2023, in which the United States charged two American citizens, with conspiracy to circumvent U.S. export laws and selling avionics to customers that operate Russian-built aircraft through their U.S. based company.
- From October 2020 until March 2023, the indictment alleges that the defendants “conspired to circumvent U.S. export laws and regulations in order to sell, repair, and ship from the United States sophisticated avionics equipment to consumers around the world that operate Russian-built aircraft.”
- The defendants were charged with violating the EAR.
- One defendant pled guilty for his role in a years-long conspiracy to circumvent U.S. export laws by filing false export forms with the U.S. government and, after Russia's invasion of the Ukraine in February 2022, continuing to sell and export sophisticated and controlled avionics equipment to customers in Russia without the required licenses from the U.S. Department of Commerce.

French Enforcement Examples

- Examples of proceedings in France for violations of sanctions:
 - Russian ships/cargos grounded in France following E.U. freezing orders.
 - Alexeï Kouzmitchev, who is close to Vladimir Putin and one of the shareholders of Alfa Group which includes Russian Alfa Bank, is under investigation in France for violations of economic sanctions and tax fraud laundering. Two of his boats have been grounded in France since March 2022.
- Examples of administrative penalties ordered by the Prudential Control and Resolution Authority
 - EUR 50 million penalty for French bank La Banque Postale in 2018 because of the absence of an adequate detection system to identify whether beneficiaries of bank transactions are subject to an asset freeze.
 - €4 million penalty for MMA IARD, a French insurance company, holding that it had shortcomings in the implementation of asset freeze obligations.

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