

## Trade Compliance Flash: OFAC Releases Statistics For Iran and Sudan License Applications

International Alert  
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Late last week, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) released its quarterly report of licensing activities pursuant to the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), which requires OFAC to report on license applications related to Iran and Sudan. The report covers licensing activities for the second quarter (April through June) of 2014.

According to the report, OFAC received during this quarter 301 requests for licenses pursuant to the TSRA (TSRA licenses). In response, OFAC issued 129 licenses, 33 license amendments, 59 "return without action" letters and 7 denials. The remaining requests presumably were still in process at the end of the quarter. Of the total licenses issued, 105 involved exports to Iran and 24 to Sudan.

The total number of licenses received is consistent with [previous quarters](#). Of note, the report covers license requests made after the 2012 addition of general licenses in the Iranian Transactions and Sanctions Regulations (ITSR) for the export of food, medicine and medical supplies to Iran. This reporting period also comes after the 2013 expansion of OFAC's List of Basic Medical Supplies, which includes medical supplies that do not require specific authorization for export. Therefore, it is interesting that the number of requests for TSRA licenses remained relatively constant from quarter to quarter. Indeed, requests for specific licenses even increased to nearly 400 in the quarters after the expansion of OFAC's List of Basic Medical Supplies, but then decreased again to the pre-expansion norm of about 300. It is possible that instead of decreasing the number of license applications, the new general license and expanded list of medical supplies in fact had the opposite effect, encouraging new exporters to request specific licenses for new and novel items.

The rate of authorization versus the rate of denial is consistent with prior quarters, during which OFAC has granted the vast majority of licenses requested. (Reports for earlier quarters can be found [here](#).) Also in keeping with previous quarters, OFAC's processing time for denials (156) far exceeded its processing times for approvals (52) and amendments (14). The difference might be explained by the additional time OFAC requires to consider applications concerning new or novel products. Such requests may require additional levels of review to ensure compliance with the statute. Whatever the cause, these statistics suggest that exporters who have waited several months for a license from OFAC have cause to be concerned.

Finally, we note the report is OFAC's first since December 2014, when the agency issued a report on licensing activities occurring in the first quarter of 2014 (January through March). The TSRA requires OFAC to issue quarterly reports covering any licensing activities undertaken in the quarter immediately preceding, so it is unclear why OFAC has taken so long to issue this latest report. OFAC may issue additional reports over the next several months to make up for the delay, but given the amount of time that has elapsed since the previous report, we view that as unlikely.

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