

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE OFFICE OF FOREIGN ASSETS CONTROL OF THE UNITED STATES
DEPARTMENT OF THE TREASURY

AND
THE OFFICE OF FINANCIAL SANCTIONS IMPLEMENTATION OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

I. PURPOSE

The Office of Foreign Assets Control of the U.S. Department of the Treasury (hereinafter referred to as “OFAC”) and the Office of Financial Sanctions Implementation of His Majesty’s Treasury (hereinafter referred to as “OFSI”) (collectively referred to as “the Participants”) seek to strengthen their collaborative relationship to advance their common mission of investigating, enforcing, and promoting compliance with economic sanctions and certain trade sanctions promulgated by the United States and the United Kingdom.

This Memorandum of Understanding (the “Memorandum”) sets forth mutually understood terms and conditions regarding the Participants’ cooperation in the administration and enforcement of their respective authorities. This Memorandum reflects the Participants’ intent to collaborate, cooperate, and share relevant information in connection with their respective regulatory responsibilities and authorities in a manner consistent with, and permitted by, applicable laws and requirements. Such cooperation may include sharing of relevant information, conducting coordinated investigations, training of personnel, discussions on regulatory expectations, economic analysis, and other practical arrangements as may be developed by the Participants.

II. DISCLAIMER

This Memorandum constitutes an arrangement in good faith that both Participants intend to abide by its terms, subject to the following disclaimers.

This Memorandum does not:

- A. Constitute an international agreement or formal legal instrument, nor otherwise create or give rise to legally binding rights or obligations for either Participant, nor create any right enforceable against the Participants or any of their officers or employees or any other person;
- B. confer upon any third party any right;

- C. alter the terms and conditions of existing bilateral or multilateral arrangements concerning cooperation in regulatory, enforcement or other matters;
- D. prevent either Participant from complying with any legal requirement which applies to them;
- E. restrict the exercise of any discretion which the law requires or allows the Participants to exercise; or
- F. create any legitimate expectation on the part of any person that either Participant will do any act (either at all, or in any particular way, or at any particular time), or will refrain from doing any act.

III. DEFINITIONS

- A. The term “Applicable Laws and Regulations” means all applicable laws, regulations, policies and procedures applicable to each Participant’s administration and enforcement of sanctions. For the avoidance of doubt, this may include but is not limited to laws restricting the disclosure of confidential business or personal identifying information such as the Trade Secrets Act (18 U.S.C. § 1905), the Privacy Act of 1974 (5 U.S.C. §552 a) and the UK General Data Protection Regulation, the Data Protection Act 2018, and the Human Rights Act 1998. OFSI’s statutory information sharing powers are set out in each of the Sanctions and Anti-Money Laundering Act (2018) (“SAMLA”) regulations.
- B. The term “sanctions” or “sanctions regulations” means the economic and relevant sanctions laws and regulations administered and enforced by either Participant.
- C. The term “entity” means a person or entity that falls under the authority of the Participants as determined by the domestic law and sanctions regulations of each Participant.
- D. The term “information” includes the following:
 - (i) documents retained in an administrative record as part of an investigation including, but not limited to responses to administrative subpoenas and requests for information, evidentiary exhibits, case summaries, and witness interviews and testimonies;
 - (ii) identifying information of or relating to persons involved in a suspected or actual violation of either Participant’s sanctions regulations, along with a verbal or written description of the potential violation(s) and/or a copy of the disclosure;
 - (iii) transaction-related reporting including, but not limited to, reports made pursuant to a specific or general authorization or licenses, and reports of blocked property or frozen assets;

- (iv) certain information and/or documents disclosed as part of a specific license application;
- (v) training materials on the Participants' sanctions authorities and best practices related to business processes, work methodologies, and training of staff;
- (vi) reporting statistics and economic analysis;
- (vii) the relevant names of persons or entities who have been or may soon be subject to administrative actions or other agency actions; and
- (viii) other unclassified information obtained in connection with the Participants' respective responsibilities and authorities.

- E. The term "receiving Participant" is the Participant which makes a request for the provision of information, or to which information is unilaterally disclosed.
- F. The term "requested Participant" is the Participant to which a request for information has been made, or which unilaterally discloses information.
- G. The term "potential violation" means activity or conduct that may have violated or breached one or both Participants' Applicable Laws and Regulations.
- H. The term "third party" means any individual or entity outside of the U.S. Department of the Treasury or His Majesty's Treasury.

IV. TERMS AND CONDITIONS

A. Scope

This Memorandum is intended to strengthen the Participants' ability to exchange information in furtherance of their responsibilities. Nothing in this Memorandum is intended to affect the respective enforcement authorities of the Participants or should be deemed to diminish or impair in any way the independence of the Participants in any of their respective functions. Nothing in this Memorandum is intended to conflict with Applicable Laws and Regulations. If a provision of this Memorandum is subsequently deemed to be inconsistent with such authorities, then that provision will be deemed invalid. The invalidity of such provision shall not impair, affect, or invalidate other provisions of this Memorandum.

B. Communications

The Participants encourage their respective staffs to maintain ongoing, ad hoc communications to ensure coordination, as appropriate, of their respective operations. Such communications may be best conducted through or with the assistance or involvement of the Participants' secondees, details, or attachés (collectively, "Secondees") on assignment. Consistent with Applicable Laws and Regulations and to the extent practicable and as appropriate in the particular circumstances, the Participants each will endeavor to inform the other, as soon as practicable, of issues that may

impact the interests of the other Participant; and provide, unilaterally or upon request from the other, information related to the administration and enforcement of the respective Participant's sanctions authorities.

C. Information Sharing

Requesting Information. When requesting information, a receiving Participant should describe the reason for the request, to include identifying the respective legal basis and/or relevant laws and regulations under which the information is requested, and the purpose for which the information is intended to be used. The requested Participant may request further information from the receiving Participant in relation to a request. The Participants will endeavor to give each other sufficient notice to fully consider and, consistent with this Memorandum, respond to the request.

Alternative Information Sharing Mechanisms. From time to time, the Participants may assess that other mechanisms are appropriate for sharing certain relevant information. Nothing in this Memorandum prevents or prohibits either Participant from sharing information via mutual legal assistance treaties, between the Participants' independent financial intelligence units, or other established information-sharing mechanisms between the Participants.

Controls and Safeguards. In carrying out all activities related to this Memorandum, the Participants will comply with all Applicable Laws and Regulations regarding the handling and sharing of information. Each Participant should share information confidentially and with appropriate procedures to ensure proper handling and secure transmission of information to approved parties within the Participants' governance structure. Prior to sharing information, the Participants will apply strict controls and safeguards to ensure that the information is transmitted and maintained in accordance with Applicable Laws and Regulations, to include the withholding of certain information as required. At the discretion of the requested Participant, certain information may be redacted or withheld in accordance with Applicable Laws and Regulations.

Third Party Sharing, and Prior Written Consent and Notification. Where the provision or disclosure of information to the other Participant is constrained by agreements with third parties, the requested Participant will endeavor to take reasonable steps to secure the necessary consents to disclose the relevant information. Unless required by law, the Participants will not disclose information obtained from each other to any third party outside of the U.S. Department of the Treasury or His Majesty's Treasury absent prior written consent from the other Participant. If a Participant is compelled pursuant to applicable legal process or other law to disclose information it has received from the other Participant, the compelled Participant should notify the other Participant prior to making such disclosure to the extent authorized by Applicable Laws and Regulations. Otherwise, the compelled Participant should endeavor to inform the other Participant promptly after such disclosure has been made.

Unauthorized Disclosures. Each Participant will take appropriate measures to protect information from unauthorized use or disclosure. The Participants will promptly inform the other in the event of unauthorized disclosure, including personal data, processed pursuant to this

Memorandum, and will provide reasonable assistance as necessary to facilitate the handling of any personal data breach in an expeditious and compliant manner.

Refusing a Request for Information. Nothing in this Memorandum obligates the Participants to create, share, or maintain any information. The Participants may decide not to share certain information pursuant to this Memorandum for any reason, including, but not limited to:

- (i) if the request, or the execution of the request, would violate Applicable Laws and Regulations;
- (ii) if a Participant determines that the release of requested information or documents may unduly prejudice an investigation or proceeding in its jurisdiction;
- (iii) if the provision of information or documents would affect the sovereignty, security, financial or economic interests, or other national interests, of the country of the requested Participant;
- (iv) if the Participants determine that an alternative information sharing mechanism is more appropriate;
- (v) if the information originated from another governmental agency which has not authorized disclosure; and
- (vi) if the requested Participant cannot, in consideration of the totality of the circumstances of the case, share the requested information or deems the sharing of such information as inappropriate.

Record Requirements. The Participants should ensure that the requests and receipt of information are appropriately documented consistent with applicable recordkeeping requirements, including the specifics of any information shared, consent sought and given for re-dissemination, and any re-dissemination, is maintained with respect to any information shared under the terms of this Memorandum.

D. Coordinator

The Participants should each designate a Coordinator(s) to serve as the point of contact for the receipt and transmission of requests for information. The Participants should provide each other a regularly updated list of Coordinator(s), to include their title and contact information. Secondees, at the direction of the Participants, may also act as Coordinator(s), and any designated Coordinator should work closely with any relevant Secondee to facilitate the terms and effectuate the purpose of the Memorandum.

The Participants may assign duties to the Coordinator(s) to include training personnel on the guidelines, procedures, and limitations for making and responding to a request for information, and the proper handling of exchanged information (to include compliance with Applicable Laws and Regulations). The Coordinator(s) should take lead responsibility for action on issues arising from reviews of the Memorandum, with such reviews being conducted within a mutually acceptable timeframe.

V. AMENDMENT, TERMINATION, AND EFFECT

Effective Date. This Memorandum will come into operation on the date the Memorandum is signed by both Participants.

Review and Amendment. The Participants may hold meetings, at mutually acceptable times and locations, to review the functioning and effectiveness of this Memorandum in light of, among other things, changes in Applicable Laws and Regulations and the Participants' experience in implementing the Memorandum, with a view to altering the scope or operation of the Memorandum, as appropriate. This Memorandum may be amended in writing by mutual consent of the Participants.

Suspension. Either Participant may suspend this Memorandum at any time by giving a written notice to the other Participant.

Termination. Either Participant may terminate this Memorandum by giving a notice in writing to the other Participant at least thirty (30) days prior to the termination date. Termination of the Memorandum will not give rise to any claims or actions against either Participant. Upon termination or suspension of this Memorandum, the Participants will continue to observe all controls and safeguards with respect to handling and storage of information in accordance with Applicable Laws and Regulations.

Confidentiality Measures. Upon termination or suspension of this Memorandum, the Participants will continue to observe the confidentiality measures and restrictions of this Memorandum concerning all exchanged information.

Signed on this day, October 9, 2024.



Lisa M. Palluconi
Acting Director
Office of Foreign Assets Control



Giles Thomson
Director, Economic Crime and Sanctions
Office of Financial Sanctions Implementation