

Report on Supply Chain Compliance Volume 2, Number 21. November 07, 2019 OFAC issues license for wind down of Iranian operations

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The U.S. Department of the Treasury's Office of Foreign Assets Control issued General License K,^[1] "Authorizing Maintenance or Wind Down of Transactions Involving Cosco Shipping Tanker (Dalian) Co., Ltd." The license allows Cosco to slowly cease transfers of any and all goods from or to Iran, pursuant to Executive Order 13846, until December 20, 2019.

Licenses such as the General K license are issued periodically by the Office of Foreign Assets Control and other agencies to allow companies time to untangle their operations from designated entities. The move to grant Cosco the license comes amid a complicated trade and tariff negotiation phase between China and the U.S.

China was rumored to have agreed to invest USD 280 billion into various projects in Iran, but those projects may have been put on hold following U.S. pressure. Nevertheless, several Chinese entities were recently sanctioned or listed for their involvement with dual-use technology and the transfers of goods, services or money to and from Iran, and for involvement in the prolonged detainment and torture of Uighur citizens of the People's Republic of China.

¹ Exec. Order 13846, 31 CF.R. § 560 (August 6, 2018) , <http://bit.ly/2Ws8Pp6>.

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