

# Fried Frank International Trade and Investment *Alert*<sup>TM</sup>

## President Trump Expands Counterterrorism Sanctions Authority

On September 10, 2019, President Trump [issued](#) Executive Order (EO) 13886 to expand U.S. sanctions authority to combat terrorism. The order amends EO 13224, which was originally issued in 2001 by President Bush in the wake of the September 11 attacks. The updated EO expands the counterterrorism designation authority of the U.S. Government to target a wider range of persons, including those who participate in terrorist training and leaders of designated groups. It also authorizes secondary sanctions against foreign financial institutions that knowingly deal with designated terrorists.

The amendments expand the criteria for persons who can be blocked for counterterrorism reasons, allowing for more efficient targeting of those who support terrorism without the requirement to tie blocked persons to a specific act of terrorism. Any leader or official of a blocked terrorist entity may now be blocked, as well as any individuals who have participated in training to commit acts of terrorism or training by blocked terrorist entities. Additionally, in the updated EO, the Annex of designated persons is no longer restricted to only foreign persons.

The EO also aims to limit terrorists and their financial backers' access to the international financial system. As such, the EO authorizes the Secretary of the Treasury to prohibit a foreign financial institution from opening or maintaining correspondent accounts or payable-through accounts in the United States if the institution "knowingly conducted or facilitated any significant transaction on behalf of" any person blocked pursuant to the EO.

In a [press release](#), the U.S. Department of the Treasury announced sanctions against new entities and individuals pursuant to the EO, including a Syria-based al-Qaeda affiliate group and twelve individuals who lead terrorist groups. The Department stated that the new sanctions authority would assist it in limiting the financial access of Iran's Islamic Revolutionary Guard Force. Treasury Secretary Steven T. Mnuchin said "These new authorities will allow the U.S. Government to starve terrorists of resources they need to attack the United States and our allies, and will hold foreign financial institutions who continue to do business with them accountable."

If you have any questions regarding the Executive Order or how it may affect your business, please reach out to the contacts listed below.

\* \* \*

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