

Recent sanctions designations under the Global Magnitsky Act

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Over the week of December 6, the Biden Administration targeted more than 75 individuals and entities with sanctions pursuant to the Global Magnitsky Human Rights Accountability Act (Global Magnitsky Act).

The Treasury Department announced the designations in connection with the Summit for Democracy, a virtual summit President Biden hosted for leaders from government, civil society, and the private sector to discuss threats to democracy and an agenda for democratic renewal. Pursuant to Executive Order 13818, which implements the Global Magnitsky Act, the Treasury Department's Office of Foreign Assets Control (OFAC) has the authority to impose sanctions on any non-U.S. person determined to be engaging in serious human rights abuse or corruption. Unlike many other sanctions programs, the Global Magnitsky Act is not limited to specific regions or countries, and OFAC has used its authority under the Global Magnitsky Act to designate targets from a wide range of jurisdictions worldwide.

Recent OFAC designations under the Global Magnitsky Act included individuals and entities from Angola, Bangladesh, Bulgaria, China, Croatia, the Democratic Republic of the Congo (DRC), El Salvador, Gibraltar, Guatemala, Kosovo, Liberia, the Marshall Islands, Serbia, South Sudan, Uganda, and Ukraine. OFAC has cited a wide range of human rights and corruption bases in explaining these designations, including the facilitation of technology-enabled human rights abuse in Xinjiang, the provision of support to a sanctioned businessman in the DRC, and participation in a large-scale bribery scheme involving Kosovar and Serbian officials. Targeted individuals include government and military officials from the jurisdictions listed above, among others, as well as private citizens. Public and private entities were also targeted, ranging from the Rapid Action Battalion, a government paramilitary group accused of human rights abuses in Bangladesh, to two road construction companies in South Sudan.

The flurry of recent designations underscores the global reach and impact of U.S. sanctions, and the need for both U.S. and non-U.S. persons and businesses to be mindful of the risks of dealing, directly or indirectly, with

U.S. sanctions targets in all jurisdictions worldwide. Sanctions due diligence that is limited to traditionally higher-risk jurisdictions or sectors can leave companies vulnerable to U.S. sanctions risks. It is also important to note that OFAC has the authority to sanction individuals and entities at any time and without prior notice. Entities operating in, or transacting with persons located in, jurisdictions with documented human rights issues or elevated levels of corruption risk should be particularly vigilant.

OFAC's willingness to impose sanctions under the Global Magnitsky Act demonstrates a commitment by the U.S. government to use sanctions as a tool to combat corruption and human rights abuse, even in the absence of evident ties to traditional U.S. geopolitical concerns. Given the increased focus in the U.S. and around the world on environmental, social, and governance (ESG) issues, this trend is likely to continue.

For more information, please contact a member of the Allen & Overy team listed on this page.