

OFAC INCREASES CIVIL MONETARY PENALTIES

BY DAVID C. BUTMAN¹
312.784.5455
dbutman@hww-law.com

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On June 14, 2019, the Office of Foreign Assets Control (OFAC) published its final rule adjusting for inflation the maximum statutory civil monetary penalties (CMPs) it may assess. Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, federal agencies with statutory authority to assess CMPs (including OFAC) are required to adjust CMPs annually for inflation to ensure CMPs continue to serve their deterrent effect. This marks the third time since 2015 that OFAC has adjusted CMPs for inflation.

The new maximum amounts apply to CMPs assessed after June 14, 2019, regardless of whether the underlying violation predates the increase, but as long as the violation occurred after November 2, 2015 when the 2015 Act went into effect. Thus, violations that occur after November 2, 2015 will be assessed at the 2019 maximum CMP amount identified below, but violations that occurred before November 2, 2015 will be assessed at the original maximum CMP amount. Importantly, CMPs apply per violation.

STATUTE	PRE-NOV. 2, 2015 MAXIMUM CMP AMOUNT	2018 ADJUSTED MAXIMUM CMP AMOUNT	2019 ADJUSTED MAXIMUM CMP AMOUNT
TWEA	\$65,000	\$86,976	\$89,170
IEEPA	\$250,000 or 2Xs Amount of Transaction	\$295,141 or 2Xs Amount of Transaction	\$302,584 or 2Xs Amount of Transaction
AEDPA	\$55,000 or 2Xs Amount of Transaction	\$77,909 or 2Xs Amount of Transaction	\$79,874 or 2Xs Amount of Transaction
FNKDA	\$1,075,000	\$1,466,485	\$1,503,470
CDTA	\$10,000	\$13,333	\$13,669

¹ David C. Butman is a partner with Hinkhouse Williams Walsh LLP in Chicago, Illinois. Mr. Butman focusses his practice on representing insurers and reinsurers in litigation and arbitration. For more than 15 years, he has represented and counseled insurers, reinsurers and intermediaries on U.S. economic and trade sanction regulations administered and enforced by the U.S. Office of Foreign Assets Control. Mr. Butman also speaks and writes on OFAC regulations affecting the (re)insurance industry.