

*Periodic Report on the National Emergency
With Respect to Ukraine*

I hereby report to the Congress on developments and expenditures relating to the national emergency declared in Executive Order (E.O.) 13660 of March 6, 2014, with respect to the situation in Ukraine, and which was expanded in scope in E.O. 13661 of March 16, 2014, further expanded in scope in E.O. 13662 of March 20, 2014, and with respect to which additional steps were taken in E.O. 13685 of December 19, 2014, and E.O. 13849 of September 20, 2018. This report covers actions taken in the exercise of national emergency authorities, pursuant to section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), and expenses that are directly attributable to the exercise of those authorities, pursuant to section 401(c) of the National Emergencies Act (NEA), 50 U.S.C. 1641(c).

IEEPA Reporting (from January 28, 2019, through August 14, 2019)

1. On March 15, 2019, the Department of the Treasury's Office of Foreign Assets Control (OFAC) designated two individuals pursuant to E.O. 13660 for having engaged in actions or policies that threaten the peace, security, stability, sovereignty, or territorial integrity of Ukraine; four individuals pursuant to E.O. 13661 for being officials of the Government of the Russian Federation; four entities pursuant to E.O. 13662 for operating in the defense or related material sector of the Russian Federation; and four entities pursuant to E.O. 13685 for operating in the Crimea region of Ukraine.

2. On March 6, 2019, OFAC extended the expiration dates of certain general licenses related to GAZ Group by issuing two general licenses: General License 13K - Authorizing Certain Transactions Necessary to Divest or Transfer Debt, Equity, or Other Holdings in GAZ Group, and General License 15E - Authorizing Certain Activities Necessary to Maintenance or Wind Down of Operations or Existing Contracts with GAZ Group. See Attachment A for copies of General Licenses 13K and 15E.

On June 26, 2019, OFAC extended the expiration date of two general licenses related to GAZ Group by issuing General License No. 13L - Authorizing Certain Transactions Necessary to Divest or Transfer Debt, Equity, or Other Holdings in GAZ Group, and General License No.

15F - Authorizing Certain Activities Necessary to Maintenance or Wind Down of Operations or Existing Contracts with GAZ Group, or Certain Automotive Safety Activities. See Attachment B for copies of General Licenses 13L and 15F.

4. OFAC closed 396 licensing cases, which may take the form of specific licenses, license amendments, “return-without-action” letters, general information letters, interpretive guidance letters, denial letters, closed without determination letters, or withdrawals, involving one or more of the E.O.s listed above or the Ukraine Related Sanctions Regulations (31 C.F.R. part 589).

5. One hundred seventy-two transactions or accounts, totaling approximately \$435 million, involving persons designated pursuant to E.O.s 13660, 13661, or 13662 have been reported to OFAC as blocked. A funds transfer that is in support of an otherwise prohibited transaction must be returned to the remitter (rejected). During this reporting period, 717 such transfers, totaling approximately \$102 million and involving persons identified pursuant to E.O. 13662, were reported to OFAC as rejected.

Thirty-five transactions, totaling approximately \$61 million, involving persons designated pursuant to E.O. 13685 were reported to OFAC as blocked. Pursuant to E.O. 13685, a funds transfer that is in support of an otherwise prohibited transaction in the Crimea region must be rejected. During this reporting period, U.S. banks rejected 937 such transfers, resulting in a disruption of approximately \$3.8 million in business with respect to Crimea.

6. One enforcement matter was settled, involving an entity, in the amount of \$75,375.

7. OFAC has continued to discuss this program during its numerous outreach events to the financial, securities, and international trade communities. Details of this program are available on the Department of the Treasury’s website.

NEA Reporting (from March 7, 2019, through September 6, 2019)

8. The expenses incurred by the federal government that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Ukraine are reported to be approximately \$2.82 million, most of which represent wage and salary costs for federal personnel. Personnel costs were largely centered in the Department of the Treasury and the Department of State.

I shall continue to report periodically to the Congress on significant developments as required by law.

A handwritten signature in black ink that reads "Steven T. Mnuchin". The signature is written in a cursive style with a large initial 'S'.

Steven T. Mnuchin

Department of the Treasury

Dated: **SEP 06 2019**