

# OFAC Issues New Russian Sovereign Assets Reporting Requirement and Statute of Limitations Guidance

July 29, 2024

Earlier this year, President Biden signed into law H.R. 815, a bill that contained a number of expansions to existing sanctions authorities. We summarized the key implications of the new sanctions measures in our Debevoise Client Update available [here](#). Among its important provisions, the law included new reporting requirements for certain financial institutions holding “Russian sovereign assets” and extended the statute of limitations applicable for violations of U.S. sanctions.

The U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) has now issued a new reporting form and instructions to implement the reporting requirement as well as guidance on how it intends to interpret the extended statute of limitations.

**New Reporting Requirement.** Commencing August 2, 2024, or within 10 days of the detection of Russian sovereign assets, financial institutions at which Russian sovereign assets are located, and that know or should know of such assets, are required to provide notice to OFAC.

The new reporting obligation falls on certain financial institutions identified in the Bank Secrecy Act. This includes banks and thrifts, trust companies, the U.S. branches and agencies of foreign banks, credit unions, securities and commodities broker-dealers, investment companies, insurers and currency exchangers.

Reporting, as noted above, is required as to Russian sovereign assets, regardless of whether such asset is blocked. That term includes: funds and other property of the Russian Central Bank, the Russian National Wealth Fund and the Russian Ministry of Finance and any other funds or other property owned by the Government of the Russian Federation, including by any subdivision, agency or instrumentality thereof (which term appears to encompass assets of Russian state-owned enterprises, although the OFAC reporting requirement does not address this question squarely).

OFAC directs financial institutions to exercise reasonable due diligence to report any Russian sovereign assets held in correspondent or payable-through accounts maintained on behalf of foreign financial institutions. However, OFAC also indicates financial

---

institutions should not re-report Russian sovereign assets previously reported to OFAC either pursuant to Directive 4 under Executive Order 14024 or in reports of blocked property filed with OFAC.

Instructions for complying with the new reporting requirements are available [here](#). The reporting form is available on OFAC's website [here](#).

**Guidance on Extension of Statute of Limitations.** On July 22, 2024, OFAC released [guidance](#) on the extension of the statute of limitations from five years to 10 years for violations of U.S. sanctions under the International Emergency Economic Powers Act ("IEEPA") and the Trading with the Enemy Act ("TWEA").

OFAC's guidance interprets the new 10-year statute of limitations to apply to any violation that was not time-barred at the time of the law's enactment on April 24, 2024. Consequently, OFAC says that it may now commence an enforcement action for civil violations of IEEPA- or TWEA-based sanctions prohibitions within 10 years of the latest date of the violation if such date was after April 24, 2019.

Per this guidance, OFAC views violations that occurred prior to or on April 24, 2019 as time-barred. But violations that occurred after April 24, 2019 will not be time-barred until 10 years have passed.

OFAC also notes that it anticipates publishing an interim final rule, with an opportunity to provide comment, extending from five years to 10 years its recordkeeping requirements, which are set forth at 31 C.F.R. 501.601. OFAC anticipates that a 10-year recordkeeping requirement would become effective six months after publication of the interim final rule, and firms may wish to start preparing for this extended recordkeeping obligation.

\* \* \*

Please do not hesitate to contact us with any questions.



**Satish M. Kini**  
Partner, Washington, D.C.  
+1 202 383 8190  
smkini@debevoise.com



**Robert T. Dura**  
Counsel, Washington, D.C.  
+1 202 383 8247  
rdura@debevoise.com



**Aseel M. Rabie**  
Counsel, Washington, D.C.  
+1 202 383 8162  
arabie@debevoise.com



**Jonathan R. Wong**  
Associate, London  
+44 20 7786 3043  
jrwong@debevoise.com