

## U.S. Sanctions and Russian Diplomatic Banking

### Top Lines:

- U.S. sanctions related to Russia do not prohibit U.S. persons or non-U.S. persons from engaging in official transactions ordinarily incident and necessary to the official business of Russia's diplomatic and consular missions, including banking transactions related to the operation of those missions.
- The U.S. Department of the Treasury issued a general license (GL53) that allows transactions for the banking of the diplomatic missions. This guidance applies to banks under U.S. jurisdiction.
- Third-countries outside of the United States and their regulators are responsible for issuing guidance to banks under their jurisdiction, and therefore we cannot interfere with their interactions.

### Background:

U.S. sanctions related to Russia do not prohibit U.S. persons or non-U.S. persons from engaging in official transactions ordinarily incident and necessary to the official business of Russia's diplomatic and consular missions, including banking transactions related to the operation of those missions. In November 2022, the Department of Treasury's Office of Foreign Assets Control (OFAC) issued General License (GL) 53, which authorizes transactions for diplomatic missions of the Russian Federation. GL 53 and the accompanying FAQ, included below, make clear that U.S. sanctions do not/not impede Russia's ability to conduct diplomatic transactions in third countries. Banks in the United States and elsewhere, however, make their own determinations as independent entities regarding the accounts and clients they maintain.

### **OFAC [FAQ 1096](#). Do U.S. sanctions prohibit U.S. persons from engaging in transactions that are ordinarily incident and necessary to the official business of diplomatic or consular missions of the Government of the Russian Federation located in or outside the United States?**

*OFAC issued Russia-related General License (GL) 53 to authorize U.S. persons to engage in all transactions ordinarily incident and necessary to the official business of diplomatic or consular missions of the Government of the Russian Federation ("Russian missions"), where the transactions are prohibited by Directive 4 under Executive Order (E.O.) 14024, Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation. This authorization applies to transactions related to Russian missions located in or outside the United States. For example, GL 53 authorizes the payment of salaries to employees of Russian missions that may otherwise be prohibited by Directive 4, such as a payment originated by the Ministry of Finance of the Russian Federation from a non-blocked Russian bank. Importantly, GL 53 does not authorize any transactions involving blocked persons, including blocked Russian financial institutions; nor does it authorize debits to the accounts on the books of U.S. financial institutions of entities subject to Directive 4. Non-U.S. persons may engage in transactions that are authorized for U.S. persons under this GL without risk of sanctions under E.O. 14024.*

### **[GENERAL LICENSE NO. 53](#): Authorizing Transactions for Diplomatic Missions of the Russian Federation Prohibited by Directive 4 under Executive Order 14024**

*(a) Except as provided in paragraph (c) of this general license, U.S. persons are authorized to engage in all transactions ordinarily incident and necessary to the official business of diplomatic or consular missions of the Government of the Russian Federation ("Russian missions"), where the transactions are prohibited by Directive 4 under Executive Order (E.O.) 14024, Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation.*

*(b) Except as provided in paragraph (c) of this general license, U.S. persons are authorized to engage in all transactions ordinarily incident and necessary to the compensation of employees of Russian missions, including payment of salaries and reimbursement of expenses, where the transactions are prohibited by Directive 4 under E.O. 14024.*

*(c) This general license does not authorize:*

*(1) Any debit to an account on the books of a U.S. financial institution of the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation; or*

*(2) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR, unless separately authorized.*

Questions on General License 53 or transactions related to the official business of diplomatic or consular missions of the Government of the Russian Federation may be directed to the Department of Treasury's OFAC Hotline at 1-800-540-6322. OFAC can also be reached by email at [ofac\\_feedback@treasury.gov](mailto:ofac_feedback@treasury.gov). OFAC's website also provides additional information: <https://ofac.treasury.gov/sanctions-programs-and-country-information/russia-related-sanctions>.