



# Sanctions Outlook 2025: A New Era of Dealmaking and Trade Controls?

February 26, 2025

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# What We Will Cover

- A Very Brief Overview of the Existing Policy Framework
- The New US Administration's Stamp on Sanctions and Trade Policy
- Navigating Compliance Challenges in a Time of Uncertainty

# The Existing Policy Framework

- **Russia:** A Vast Structure of Foundational Executive Orders and Legislation
  - **Ukraine/Russia Sanctions:** Authorizing sectoral sanctions in response to Russia's invasion of Crimea, beginning in March 2014 (E.O.s 13660, 13661, 13662, 13685).
  - **CAATSA Sanctions:** Implementing sanctions via legislation in August 2017 against Iran, North Korea and Russia.
    - *Codifies prior E.O.s on Ukraine/Russia Sanctions.*
    - *Easing of CAATSA sanctions requires legislative approval.*
  - **Russian Foreign Harmful Activities Sanctions:** Authorizing sanctions against a broad range of sectors of the Russian economy; prohibiting new U.S. investment; imposing the price cap policy over maritime shipping services for Russian oil; additional import and export restrictions. (E.O.s 14024, 14039, 14065, 14066, 14068, 14071, and 14114).

# The Existing Policy Framework

- **Secondary Sanctions Risks:** Under E.O. 14114, foreign financial institutions (FFIs) that conduct or facilitate significant transactions or provide any service involving “Russia’s military-industrial base” can be subject to secondary sanctions.
  - “Russia’s military industrial base” includes all persons blocked under E.O. 14024
  - Transactional risks for service providers
  - Higher-risk jurisdictions or sectors subject to enhanced due diligence
  - “Causing” liability is a common theory of OFAC enforcement releases and settlement agreements

# The Existing Policy Framework

- **Iran:** In April 2024, Congress enacted legislation which included several notable sanctions provisions (on top of existing restrictions) including:
  - Stop Harboring Iranian Petroleum (**SHIP**) Act
    - Authorizes the imposition of sanctions and visa restrictions on **foreign persons and entities** that facilitate the shipment of Iranian petroleum including:
      - Port operators
      - Refinery operators
      - Vessel owners and operators
  - 21st Century Peace through Strength Act
    - Extends the statute of limitations from five to 10 years for civil and criminal sanctions violations (all sanctions programs)
    - OFAC issued interim final rule – effective March 12, 2025 – extending corresponding recordkeeping requirement.

# The Existing Policy Framework

- **China:** A range of investment restrictions and export controls, focused on national security in the defense and surveillance technology sectors, including quantum computing, artificial intelligence and semiconductors
  - **NS-CMIC List**
  - **Outbound Investment Security Rule**
    - In effect as of January 2, 2025
    - Imposes new diligence and reporting requirements
    - Not list based; seeks to monitor active investments in covered sectors
  - **Department of Defense 1260H List**
    - Annual report listing entities identified as “Chinese military companies” operating in the United States
    - US “reserves the right to take additional actions” under other authorities.



# Russia: Parting Shots

- **January 10, 2025 Sanctions Package**
  - CAATSA Designations and Re-Designations
    - Statutory secondary sanctions risk
  - Extensive “Dark Fleet” Designations
  - Energy Sector Restrictions





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# “Trump 2.0” – 2025 Outlook





## Who Said it?

*“Maverick, it's not your flying, it's your attitude. The enemy's dangerous, but right now you're worse. Dangerous and foolish. You may not like who's flying with you, but whose side are you on?”*

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# Iran – “Maximum Pressure”

- **National Security Presidential Memorandum / NSPM-2 (February 4, 2025)**
  - Reimposing “maximum pressure” on Iran.
  - Directs the issuance of updated guidance to all relevant business sectors “including shipping, insurance, and port operators, about the risks to any person that knowingly violates United States sanctions with respect to Iran or an Iranian terror proxy”
  - Seeks to “drive Iran’s export of oil to zero”, including exports of Iranian crude to China.
  - Seeks to take steps to ensure that the Iraqi financial system is not utilized by Iran for sanctions evasion and that Gulf countries are not used as sanctions evasion transshipment points.
  - Attorney General is directed to “pursue all available legal steps to impound illicit Iranian oil cargoes”
- **February 6 and 24 Sanctions Packages**



# New US Trade and Investment Controls

- **Presidential Memorandum of Jan. 20, 2025 (“America First” Trade Policy)**
  - Full economic and security review with respect to imports (including, e.g., steel and aluminum) and export control policies
  - Review of Outbound Investment Rule to “assess whether the final rule...includes sufficient controls to address national security threats.”
- **Presidential Memorandum of February 21, 2025 (“America First” Investment Policy)**
  - Seeking to direct tighter investment controls concerning “foreign adversaries” – **China**, Cuba, Iran, North Korea, **Russia** and Venezuela
  - Primarily directed at China
- **U.S. Trade Representative – Port Fee Proposals (February 21, 2025)**



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# **OFAC Enforcement Process**

# OFAC Enforcement Guidelines

## Enforcement Options

- No Action
- Cautionary Letter
- Finding of Violation
- Civil Penalty
- Criminal Referral

## General Factors for Enforcement Response

- Voluntary Self Disclosure
- Willful or Reckless Violation of Law
- Awareness of Conduct at Issue
- Harm to Sanctions Program Objectives
- Individual Characteristics of Violator
- Compliance Program of Violator
- Remedial Response
- Cooperation with OFAC
- Timing of Apparent Violation
- Other Enforcement Action
- Future Compliance/Deterrence Effect
- Other Relevant Factors





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# **Compliance Steps and Best Practices**



# Practical Steps for Compliance

## ***OFAC Framework for Compliance Commitments***

- Sanctions Compliance Program Framework:
  - Management Commitment
  - Risk Assessment
  - Internal Controls
  - Testing and Auditing
  - Training
- Remediation and Root Cause Analyses
- Voluntary Self-Disclosure

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## Education

Boston College Law School

- J.D., 2005
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Dartmouth College

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## Bar Admissions

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## Summary

Brian Maloney is a partner in the Litigation Group. Brian is a commercial litigator with significant experience across a wide range of sectors, including banking, maritime, and securities. He also represents clients in matters involving civil and criminal enforcement inquiries and regulatory investigations. He frequently acts in complex commercial disputes or regulatory investigations involving parallel proceedings and issues of foreign law, and his recent representative experience includes matters touching on Greece, Malaysia, Singapore, South Korea, Hong Kong, the Republic of the Marshall Islands and China. He has written and spoken extensively in connection with his shipping litigation work, which includes, among other matters, the ongoing coordination of U.S. actions arising out of the collapse of O.W. Bunker & Trading A/S and its affiliates around the world on behalf of the secured lender to those entities. He regularly advises clients on matters relating to economic sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC). Brian is also a contributor to [Seward & Kissel's Maritime Blog](#), as well as the [Marshall Islands Law Blog](#). He was named a "2021 Litigation Trailblazer" by the National Law Journal, one of only 25 attorneys recognized nationally. The Legal 500 U.S. has also designated Brian as a "Rising Star" for his work in Transport: Shipping – Litigation and Regulation. In 2022 he was elected a Fellow of the American Bar Foundation.

Brian received an A.B. degree (*cum laude*) from Dartmouth College and a J.D. degree (*cum laude*) from Boston College Law School. He is a member of the Board of Directors of New York Maritime Inc. (NYMAR), and sits on the New York City Bar Association's Admiralty Committee; and is a member of the Maritime Law Association of the United States, as well as the ABA, the New York County Lawyers' Association and the Dartmouth Lawyers' Association.