

## OFAC INCREASES CMPs

BY DAVID C. BUTMAN<sup>1</sup>  
 312.784.5455  
[dbutman@hww-law.com](mailto:dbutman@hww-law.com)

MARCH 25, 2021

On March 17, 2021, 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 sixth time since 2015 that OFAC has adjusted CMPs for inflation.

The new maximum amounts apply to CMPs assessed after March 17, 2021, 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.

STATUTE	2020 MAX. CMP AMOUNT	2021 ADJ. MAX. CMP AMOUNT
TWEA	\$90,743	\$91,816
IEEPA	\$307,922 or 2x Amount of Transaction	\$311,562 or 2xs Amount of Transaction
AEDPA	\$81,283 or 2xs Amount of Transaction	\$82,244 or 2xs Amount of Transaction
FNKDA	\$1,529,991	\$1,548,075
CDTA	\$13,910	\$14,074

OFAC also increased the maximum CMP amount for recordkeeping violations as follows:

VIOLATION	2020 MAX. CMP AMOUNT	2021 ADJ. MAX. CMP AMOUNT
Failure to furnish info. pursuant to 31 CFR 501.602 irrespective of whether any other violation is alleged	\$23,765	\$24,046
Failure to furnish info. pursuant to 31 CFR 501.602 where OFAC has reason to believe apparent violation(s) involves a transaction(s) > \$500K, irrespective of whether any other violation is alleged	\$59,413	\$60,115
Late filed required report within 30 days of due date	\$2,970	\$3,005
Late filed required report after 30 days of due date	\$5,942	\$6,012
Late filed required report if it relates to blocked assets, plus additional CMP every 30 days report is overdue up to 5 years	\$1,189	\$1,203
Failure to maintain records in conformance with requirements of OFAC regulations or of a specific license	\$59,522	\$60,226

<sup>1</sup> David C. Butman is a partner with Hinkhouse Williams Walsh LLP in Chicago, Illinois. In addition to representing insurers and reinsurers in litigation and arbitration, David counsels insurers, reinsurers and intermediaries in connection with U.S. economic and trade sanctions regulations administered and enforced by the Office of Foreign Assets Control.

*The opinions expressed are those of the author(s) and do not necessarily reflect the views of the firm, its clients or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.*