

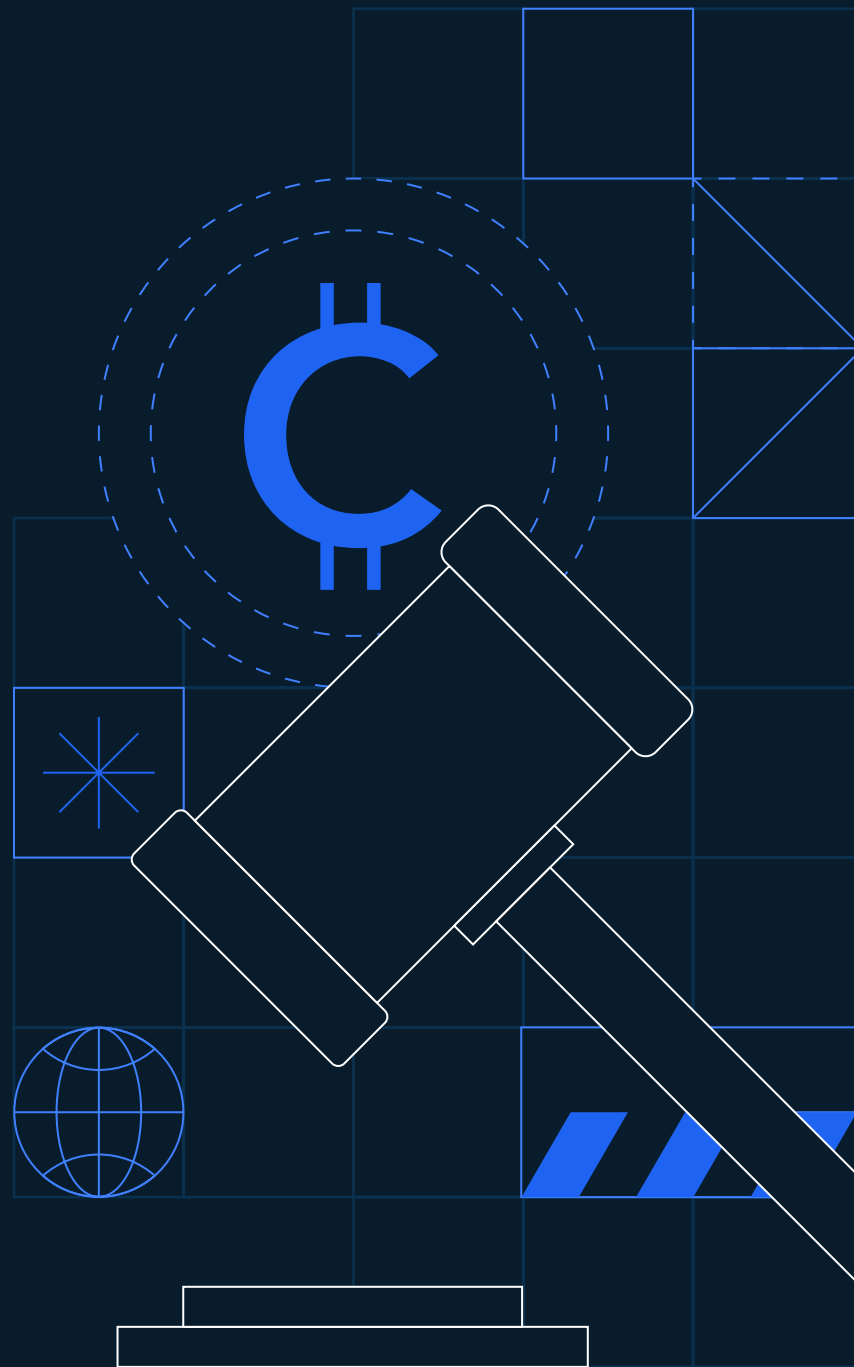
# Snapshot: Crypto Sanctions Requirements by Jurisdictions

JULY 2024

For crypto businesses, determining the scope of requirements that must be followed is complicated by the inherently global nature of the sector. A company might be registered in one jurisdiction, have teams in many others, rely on payment rails in further jurisdictions, and serve customers in literally any country in the world.

This means that crypto businesses must incorporate the sanctions requirements of all the jurisdictions they touch into their compliance frameworks. And remember, jurisdictions like the EU and UK expect to see localized sanctions programs. In other words, a US regime applied at a global group level is not sufficient to comply with the rules in these jurisdictions.

The table below provides an overview of the sanctions regimes and related information in a number of jurisdictions as of July 2024.



Sanction Regime Features	UN Security Council	USA	EU	UK	Japan	Canada	Australia
<b>Sanction regime types</b>	Economic sanctions, arms embargoes, travel bans, asset freezes	Economic sanctions, arms embargoes, travel bans, asset freezes, financial restrictions, import/export controls	Economic sanctions, arms embargoes, travel bans, asset freezes, sectoral sanctions	Economic sanctions, arms embargoes, travel bans, asset freezes	Economic sanctions, arms embargoes, travel bans, asset freezes	Economic sanctions, arms embargoes, travel bans, asset freezes, financial restrictions	Economic sanctions, arms embargoes, travel bans, asset freezes, financial restrictions
<b>Office responsible for issuing sanctions</b>	United Nations Security Council (UNSC)	Office of Foreign Assets Control (OFAC)	EU Commission	Foreign, Commonwealth and Development Office (FCDO)	Ministry of Finance (MOFJ)	Ministry of Foreign Affairs	Department of Foreign Affairs and Trade
<b>Office responsible and reporting on sanctions</b>	UN member states	OFAC	EU member states	Office of Financial Sanctions Implementation (OFSI)	Ministry of Finance	Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)	Australian Sanctions Office
<b>Who do these sanctions apply to?</b>	Applicable to all UN member states	Applicable to all US citizens and entities, even overseas  In addition, US sanctions apply when there is a US dollar nexus and non-US persons causing a US person to violate sanctions  The US can also employ secondary sanctions; these apply to entities supporting the target of a US sanction	Applicable to all EU citizens and entities, even overseas	Applicable to all UK citizens and entities, even overseas	Applicable to all Japanese citizens and entities, even overseas	Applicable to all Canadian citizens and entities, even overseas	Applicable to all Australian citizens and entities, even overseas
<b>How do crypto assets fit into the regime?</b>	Not specifically detailed	Designation of specific crypto addresses and infrastructure, such as mixers like Blender.io	General measures applicable to all financial assets of a sanctioned entity, including crypto assets  The EU has additional restrictions on transfers to Russia and reporting on ownership of EU-based entities by Russian and sanctioned individuals (see below)	Designation of specific crypto addresses and covered under general measures	Designation of specific crypto addresses and covered under general measures	Designation of specific crypto addresses and covered under general measures	No designation of wallets, but covered under general measures
<b>Addresses listed</b>	✗	✓ Addresses and services are sanctioned	✗	✓	✓	✓	✗

Sanction Regime Features	UN Security Council	USA	EU	UK	Japan	Canada	Australia
Limits on transactions	✗	✗	✓ The EU's sanction regime on Russia prohibits all crypto asset transfers from the EU to Russia and Russian entities	✗	✗	✗	✗
Percentage of ownership threshold	No specific threshold	50% or more ownership	50% or more ownership (as of <a href="#">July 3, 2024</a> )  Or anyone with control as defined by EU best practices for control	More than 50% ownership  Or anyone with control as defined by UK standards for control	No specific threshold	50% ownership	50% ownership
Guidance on crypto assets	✗	✓ <a href="#">Sanctions Compliance Guidance for Virtual Assets</a>  <a href="#">OFAC FAQs on Virtual Assets</a>	✓ <a href="#">Crypto asset FAQ</a>	✓ <a href="#">Guidance can be found here</a>	✗	✗	✓ <a href="#">Advisory to Digital Currency Exchanges</a>
Points of interest	Crypto assets are not explicitly mentioned in UNSC designations, but resolutions may be interpreted to include crypto assets under the stipulation for financial assets owned by designated entities.	The US has so far been the only jurisdiction to sanction wallet addresses and crypto asset infrastructure, like mixers.  The US also provides extra clarifications in recent risk assessments. The <a href="#">Illicit Finance Risk Assessment of NFTs</a> underscores that US economic sanctions apply to NFT platforms when the transaction involves a US person. The <a href="#">Illicit Finance Risk Assessment on DeFi</a> states that all DeFi services that are US persons are subject to US sanctions.	As of June 2024, the EU has issued 14 packages of sanctions on Russia. As Russia has become more isolated, they have turned to crypto assets (and especially stablecoins) to facilitate sanctions evasion and trade. The EU has comprehensively banned all crypto transactions to Russian entities and has extended their ability to sanction CASPs and financial institutions that support entities that engage in Russia's war economy. This is unique to the EU's regime.	The UK's sanctions office is expected to increase sanctions enforcement actions over the next few years in response to Russia's illegal invasion of Ukraine.	Given its proximity to North Korea, Japan has a particular focus on sanctions to curtail their activities. Firms operating in Japan or close by should be cautious of facilitating North Korean sanctions evasion.	The Canadian government famously designated crypto wallet addresses associated with the 2022 Canadian Trucker Protest. This was a unique use of sanctions to disrupt a domestic action, which leveraged crypto for donations.	Australia's guidance encourages firms to have awareness of high-risk addresses that are listed in fundraising campaigns for terrorist organizations or military groups.