



University Financial Services

Prohibited International Payments

Through the U.S. Department of Treasury, Office of Foreign Asset Controls (OFAC), the U.S. government subjects certain countries to sanctions, which means the University of Kentucky is prohibited from sending money to, or receiving payments from, entities in these regions.

[Office of Foreign Assets \(OFAC\) current list of sanctioned countries](#)

Seek advice from **UFS Treasury Services** if:

- Funds are being received from banks or entities in any sanctioned country;
- Payments are directed to a bank in any sanctioned country; and/or
- Payments are directed to a bank that is not located in any of these countries, BUT the **payee (organization or individual)** resides in any of the sanctioned countries.

OFAC Frequently Asked Questions (FAQs)

OFAC General FAQs are provided for the benefit of all UK interested parties.

GENERAL FAQs

1. **What is OFAC?**

The U.S. Department of Treasury, Office of Foreign Asset Controls (OFAC) administers U.S. sanctions against Iran, Cuba, North Korea, and various other countries. There are serious penalties for violations. The University has a strong commitment to its academic mission, which must be balanced with the obligation to comply with U.S. law.

2. **What types of sanctions exist?**

Comprehensive Sanctions: Generally prohibits all direct or indirect imports/exports, trade brokering, financing, or facilitating against most goods, technology, and services. Transactions will require a specific license or an approved exception before the



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transaction can take place.

Limited Sanctions: Block specific practices, such as diamond trading. Most research and business activities may be conducted without an OFAC special license, so long as specific criteria are met as outlined in the regulations for a General License.

Regime or List Based Sanctions: Blocks specific property of targeted foreign governments, regimes, supporters, and persons that are not necessarily country-specific, but which may be owned, controlled by, or acting for or on behalf of, targeted countries or entities as a front organization. Collectively, such targeted individuals and entities are called "Specially Designated Nationals."

3. **What does one mean by "prohibited transactions"?**

Prohibited transactions are trade or financial transactions and other dealings in which U.S. persons may not engage unless authorized by OFAC or expressly exempted by statute. Because each program is based on different foreign policy and national security goals, prohibitions may vary between programs.

4. **What types of transactions are prohibited?**

- Exportation, importation, or sale of goods may be prohibited.
- Exportation, importation, or provision of services, including research and educational services may be prohibited.
- Provision of financial services or transactions involving a blocked entity, blocked person or comprehensively sanctioned country are prohibited.
- It is important to contact the UFS Treasury Services if you are working with a person or entity in a country with OFAC Sanctions.

5. **Are there exceptions to the prohibitions?**

Yes. OFAC regulations often provide general licenses authorizing the performance of certain categories of transactions. OFAC also issues specific licenses on a case-by-case basis under certain limited situations and conditions.

6. **What are examples of exceptions?**

Information and Informational Materials (License Exemption): Allows for importation and exportation of information or informational materials already in the public domain; however, it does not authorize financial transactions or services of value.

"Information and informational materials" includes publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds.

This authorization does not apply to materials not fully created and in existence at the date of the transaction.

This authorization also does not apply to the export of software or technology subject to export controls.



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Authorized transactions necessary and ordinarily incident to publishing (general license): Allows for activities in support of publishing

OFAC has indicated that it does not consider a dissertation or academic thesis to be a published work under this authorization. Therefore, this authorization does not apply to activities in connection with preparing, defending, or advising on a dissertation or academic thesis.

7. **What is a license?**

A license is an authorization from OFAC to engage in a transaction that otherwise would be prohibited. There are two types of licenses: general licenses and specific licenses.

A general license authorizes a particular type of transaction for a class of persons without the need to apply for a license.

A specific license is a written document issued by OFAC to a particular person or entity, authorizing a particular transaction in response to a written license application.

Persons engaging in transactions pursuant to general or specific licenses must make sure that all conditions of the licenses are strictly observed.

The **UK Office of Sponsored Projects Administration (OSPA) - Export Controls** is available to apply for specific licenses on behalf of the university when necessary.

8. **What are examples of prohibited services?**

Advising a student on a dissertation or thesis when the student is located in a comprehensively sanctioned country.

Providing educational services in the form of distance learning, class instruction, grading, and return of coursework or exams, research advising, or exchange of unpublished course information. This would include examples including activities such as: allowing an individual located in Iran access to group research meetings via Skype; or allowing a student to submit course assignments for grading from Iran.

Provision of business services such as email, CANVAS, Remote Desktop Gateway (RDG) or other internet-based services requiring a UK user to access.

Provision of educational services related to research, such as accepting data or samples from a comprehensively sanctioned country, providing analysis of those samples and returning the data set.

Importing research samples or datasets from a comprehensively sanctioned country, even if there is not a monetary value to the samples. For example, if a professor travels to Cuba under the auspices of a general license to conduct research in Cuba, the



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professor would not be allowed to collect and import research samples back to the United States without a specific license from OFAC.

Provision of financial services to an individual in a sanctioned country or in a third country without a valid visa. This would include payment for services such as teaching or research, even if the payment went to a US bank account.

9. **Correspondence via telecommunication or mail**

Is authorized under certain instances, such as:

If a person physically located in a sanctioned country contacts me to discuss my research, can I share information with them? It is acceptable to share pre-created information that is in the public domain. Feel free to send a copy of your CV or a link to your open source website.

A student has applied from a sanctioned country. I would like to offer them a position at UK as my graduate research student. Can I communicate this to them through a letter? Yes. It is legal to correspond with individuals in sanctioned countries to exchange public information or information related to a planned student visa.

Can I send a student in a sanctioned country the syllabus to my course, if they are planning to attend the course on-campus in the United States? You can send them a link to a website that does not require login where the syllabus is posted. However, you are prohibited from providing educational guidance or requiring the student submit assignments prior to their arrival in the United States.