

# Client Alert

## U.S. Imposes Sanctions Against Burma in Response to Coup

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### Contact

**Dara A. Panahy**, Partner  
+1 202.835.7521  
[dpanahy@milbank.com](mailto:dpanahy@milbank.com)

**Bijan Ganji**, Associate  
+1 202.835.7543  
[bganji@milbank.com](mailto:bganji@milbank.com)

**Pinky Mehta**, Associate  
+1 202.835.7541  
[pmehta@milbank.com](mailto:pmehta@milbank.com)

**Sean Heiden**, Associate  
+1 202.835.7536  
[sheiden@milbank.com](mailto:sheiden@milbank.com)

On February 11, 2021, U.S. President Joseph Biden signed an executive order (the “**Executive Order**”) establishing grounds for the imposition of economic sanctions in response to recent events in Burma (also known as Myanmar) – specifically, what the Biden Administration has classified as a coup, orchestrated by the Burmese military on February 1, 2021 and resulting in the overthrow of the country’s democratically elected government. The Executive Order, which targets the perpetrators of the coup, as well as collaborators and family members, marks the first significant use of U.S. sanctions by the Biden Administration. It also marks a meaningful reversal in the course of the U.S.-Burma sanctions program, which was largely unwound through a series of actions by the Obama Administration as part of an effort to recognize democratic reforms in the country.

The Executive Order empowers the designation of any person determined by the Secretary of the Treasury, in consultation with the Secretary of State: (i) to operate in the defense sector of the Burmese economy or in certain other, yet-identified sectors of the Burmese economy; (ii) to be responsible for or complicit in, or to have directly or indirectly engaged or attempted to engage in (A) actions or policies that undermine democratic processes or institutions in Burma, that threaten the peace, security, or stability of Burma, that prohibit, limit, or penalize the exercise of freedom of expression or assembly by people in Burma, or that limit access to print, online, or broadcast media in Burma, or (B) the arbitrary detention or torture of any person or other serious human rights abuse in Burma; (iii) to be a leader or official of the military or security forces of Burma, the government of Burma installed on or after February 2<sup>nd</sup>, or an entity that engaged in actions described in (ii), above, or is otherwise designated pursuant to the Executive Order; or (iv) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of any person whose property and interests in property are blocked pursuant to the Executive Order.

In addition, the Executive Order establishes authority for the designation of spouses and adult children of persons designated pursuant to the Executive Order solely by virtue of their familial connection. The inclusion of this sanctions mechanism, also applied in other recent sanctions programs, is designed to

strengthen the effort toward financial isolation of designated persons by addressing the potential involvement of family members to safeguard and advance business interests and activities.

In connection with the issuance of the Executive Order, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”) announced on February 11<sup>th</sup> the designation of eight individuals and three entities. All property and interests in property of persons designated pursuant to the Executive Order that are subject to U.S. jurisdiction are “blocked”, and U.S. persons are generally prohibited from engaging in dealings with such designated persons, subject to limited exceptions. Additionally, OFAC “re-designated” two officials under the Executive Order, including Gen. Min Aung Hlaing, the Commander-in-Chief of the Burmese military and the new *de facto* leader of Burma. Gen. Min Aung Hlaing and some of the other officials expected to be targeted in due course pursuant to the Executive Order are already subject to U.S. sanctions prohibitions under the Global Magnitsky program for human rights abuses committed against the Rohingya.

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This Client Alert is not comprehensive as to the full scope of the U.S. sanctions targeting Burma or any other U.S. sanctions program or associated laws or regulations.

## Global Risk & National Security Contact

Washington, DC | 1850 K Street, NW, Suite 1100, Washington, DC 20006

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Dara A. Panahy

[dpanahy@milbank.com](mailto:dpanahy@milbank.com)

+1 202.835.7521

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