

New US Law Doubles Statute of Limitations for Sanctions Violations

May 1, 2024

On April 24, 2024, [President Joe Biden signed into law HR 815](#), which primarily provides supplemental emergency appropriations relating to ongoing conflicts in Ukraine, Israel and Taiwan. Although principally focused on an emergency foreign aid package, HR 815 also extends the statute of limitations for civil and criminal violations of sanctions regulations from five to 10 years – a notable change that is likely to be profoundly impactful in the investigations, transactional and compliance contexts.

The primary statutory authorities for most US sanctions programs are the International Emergency Economic Powers Act (IEEPA) and the Trading With the Enemy Act. Previously, violations of regulations based on these authorities were subject to a five-year statute of limitations period. HR 815 doubles that statute of limitations to 10 years going forward, which is likely to significantly expand the number of violations that can be enforced and – because penalties are assessed **per violation** – increase penalty exposure.

Other notable implications of this change may include:

- Broader – and likely more time-, cost- and resource-intensive – diligence in connection with certain corporate transactions, including mergers and acquisitions and private equity investments.
- Revisions to representations and warranties in various transactional, commercial, and financing documents.
- Expansion of internal record-keeping requirements.
- Adjustments to internal compliance programs and best practices, including with respect to internal investigations and voluntary self-disclosures.

Importantly, these changes may impact other IEEPA-based regulations, such as the US Office of Foreign Assets Control's forthcoming [outbound investment program](#) and the US Department of Commerce's [information and communications technology and services program](#).

Cooley closely monitors enforcement-related and other regulatory developments. If you have any questions, please reach out to your Cooley contact or one of the lawyers below.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. This content may be considered **Attorney Advertising** and is subject to our [legal notices](#).

Key Contacts

Annie Froehlich Washington, DC	afroehlich@cooley.com + 1 202 842 2019
Kevin King Washington, DC	kking@cooley.com +1 202 842 7823
Rebecca Ross Washington, DC	rross@cooley.com +1 202 728 7150
Karen Tsai Washington, DC	ktsai@cooley.com +1 202 842 7857
Daniel Grooms Washington, DC	dgrooms@cooley.com +1 202 776 2042
Rebekah Donaleski New York	rdonaleski@cooley.com +1 212 479 6148

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.