

# Treasury Begins Sanctions Modernization Effort by Removing Outdated Entries

Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is removing sanctions on 76 outdated targets, which are now being taken off its Specially Designated Nationals and Blocked Persons (SDN) List. The removals are part of Treasury's ongoing sanctions modernization initiative, which Secretary of the Treasury Scott Bessent recently discussed at the No Money For Terror conference in Paris.

For today's action, OFAC identified 76 outdated SDN List entries for removal, including deceased individuals, scrapped or decommissioned vessels, persons designated as part of illicit financial networks that no longer exist, and individuals designated more than 10 years ago who lack sufficient identifiers for continued screening and do not appear to pose an ongoing threat. OFAC conducted an interagency vetting process for each entry to ensure that removal would not harm U.S. foreign policy or national security interests.

## MODERNIZING SANCTIONS FOR MAXIMUM IMPACT

As Secretary Bessent outlined, the goal of Treasury's sanctions modernization efforts is to ensure that U.S. sanctions remain targeted, effective, and aligned with U.S. economic, foreign policy, and national security priorities. This will ensure the focus is on the most high-risk and complex threats. The success of our sanctions should be measured in terms of effect, impact, and national security benefit—not just based on the number of names Treasury places on a list. Sanctions are not intended to be a forever tool, and many removals may indicate a successful change in behavior or circumstances.

## CONTINUING TO STRENGTHEN THE EFFECTIVENESS OF SANCTIONS

Economic security is national security. Treasury is committed to safeguarding the global financial system and takes its responsibility to maintain our nation's economic sanctions programs seriously.

A significant part of Treasury's role is ensuring sanctions lists are practicable for the private sector, achieving the intended impact, and in line with foreign policy. The use of sanctions has grown substantially in recent years, with the number of annual new listings increasing from 880 in 2017 to over 3,000 in 2024. Treasury has heard from businesses often forced to expend significant resources to screen for low-risk matches and review potential false positives, at the expense of focusing on high-risk, sophisticated sanctions evasion schemes. Treasury is exploring ways to relieve that burden while helping to prioritize more impactful activities to implement sanctions, including scrutinizing for sanctions evasion.

Additionally, Treasury is reviewing sanctions programs that have not delivered measurable outcomes or no longer support U.S. national security priorities, while prioritizing sanctions that have a clear economic and national security impact.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate persons and add them to the SDN List, but also from its willingness to remove persons from the SDN List when appropriate and consistent with the law. The ultimate goal of sanctions is not punishment, but to bring about a positive change in behaviour.

As a result of today's action, all property and interests in property of the designated or blocked persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked.

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