

Issue Insight

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OFAC Fines Binance US\$968.6 Million For Transactions In Five Countries, Including Cuba. Maximum Penalty Was US\$592.1 Billion Which Is More Than The Combined Wealth Of Musk, Bezos, Ellison.

The Maximum Penalty Would Require Combined Wealth Of Elon Musk (US\$251 Billion); Jeff Bezos (US\$161 Billion); Larry Ellison (US\$158 Billion); And Some From Warren Buffet (US\$121 Billion).

And OFAC Reserves The Right To Seek Maximum Penalty If Company Violated Settlement Agreement

“OFAC Settles with Binance Holdings, Ltd. for \$968,618,825.00 Related to Apparent Violations of Multiple Sanctions Programs” (11/21/23)

Excerpts:

“Binance Holdings, Ltd. (“Binance”), a Cayman Islands virtual currency exchange with affiliates around the world, has agreed to pay \$968,618,825.00 to settle its potential civil liability for 1,667,153 apparent violations of multiple sanctions programs administered by the Office of Foreign Assets Control (OFAC).”

“The maximum statutory penalty amount in this case is \$592,133,829,398.00. OFAC determined that the Apparent Violations were not voluntarily self-disclosed and egregious. Accordingly, under OFAC’s Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A (the “Enforcement Guidelines”), the base penalty for the Apparent Violations equals the statutory maximum. The settlement amount of \$968,618,825.00 reflects OFAC’s consideration of the General Factors under the Enforcement Guidelines and Binance’s agreement to retain a Monitor for a five-year term, pursuant to the provisions set forth in OFAC’s Settlement Agreement, a copy of which can be found here.”

“As a result of the conduct described above, between approximately August 2017 and October 2022, Binance processed 1,667,153 virtual currency transactions — totaling approximately \$706,068,127.00 — in violation of § 560.204 of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR); § 542.207 of the Syrian Sanctions Regulations, 31 C.F.R. part 542; § 3(a) and § 7(a) of Executive Order (“E.O.”) 13722 of March 15, 2016, § 510.206 and § 510.212 of the North Korea Sanctions Regulations, 31 C.F.R. part 510; § 1(a)(iii) and § 3(a) of E.O. 13685 of December 19, 2014 (E.O. 13685), § 589.207 and § 589.213 of the Ukraine-/Russia-Related Sanctions Regulations, 31 C.F.R. part 589; § 515.201 of the Cuban Assets Control Regulations, 31 C.F.R. part 515; § 1(a)(iii) and § 4(a) of E.O. 14065 of February 21, 2022; and Section 206(a) of the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq.”

“**Cuba:** Respondent matched and executed 9,315 trades, totaling \$1,535,225.00, in virtual currency and futures products between U.S. persons and persons located in Cuba, in apparent violation of the prohibition on the transfer of property or property interests subject to U.S. jurisdiction in which Cuban nationals have an interest, § 515.201 of the Cuban Assets Control Regulations, 31 C.F.R. part 515;”

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[LINK To OFAC Enforcement Release](#)
[LINK To Settlement Agreement](#)

Link To Related Analysis

US\$4.4 Billion Potential Reasons For U.S. Banks To Ignore Biden Administration Requests To Support Private Sector In Cuba. OFAC Again Swings Mightily Its Sword of Damocles. Nov 7, 2023