


# U.S. Treasury Issues General License to Facilitate Economic Activity in Afghanistan

February 25, 2022

WASHINGTON -- Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued a new [General License \(GL\)](#)  to expand authorizations for commercial and financial transactions in Afghanistan, including with its governing institutions. The GL aims to ensure that U.S. sanctions do not prevent or inhibit transactions and activities needed to provide aid to and support the basic human needs of the people of Afghanistan and underscores the United States' commitment to working with the private sector, international partners and allies, and international organizations to support the people of Afghanistan.

“The United States has continued to take necessary steps to support the flow of humanitarian aid to and facilitate commercial and financial activity in Afghanistan. Our action today recognizes that in light of this dire crisis, it is essential that we address concerns that sanctions inhibit commercial and financial activity while we continue to deny financial resources to the Taliban, the Haqqani Network, and other malign actors,” said Deputy Treasury Secretary Wally Adeyemo.

Treasury's GL authorizes, to the extent required, all transactions involving Afghanistan and its governing institutions that would otherwise be prohibited by U.S. sanctions, excluding financial transfers to the Taliban, Haqqani Network, and associated entities, and any blocked individual who is in a leadership role of a governing institution in Afghanistan, other than for the purpose of effecting the payment of taxes, fees, or import duties, or the purchase or receipt of permits, licenses, or public utility services, provided that such payments do not relate to luxury items or services, which do not support basic human needs. The GL also does not authorize transfers of luxury items and services.

This License reflects the United States' commitment to support the people of Afghanistan through their ongoing humanitarian and economic crisis. While sanctions relief alone cannot reverse longstanding structural challenges and the flight of technocratic and government experts due to the Taliban's mismanagement, it can ensure that sanctions do not prevent economic activity that the people of Afghanistan rely on to meet their most fundamental needs.

Today's action is just the latest step in the Biden Administration's efforts to help address the substantial challenges facing Afghanistan's economy. The Administration has acted in full recognition of the challenging economic reality on the ground. Prior to the Taliban's takeover, Afghanistan was dependent on external aid, receiving approximately \$8.5 billion in grants each year which financed 75 percent of public expenditures. Moreover, more than half of these foreign transfers were for military and security needs and have been terminated. The poverty rate in 2020 stood at nearly 50 percent, and only 10–20 percent of Afghan adults had bank accounts. An underdeveloped financial sector also held back growth: prior to August 2021, Afghanistan's loan-to-GDP ratio stood around 3 percent, the lowest in the world. Overall, the IMF estimates that Afghanistan faces an economic contraction of up to 30 percent.

In light of these challenges, the Biden Administration has taken action on a number of dimensions to support the people of Afghanistan. Treasury has worked closely with international organizations and nongovernmental organizations (NGOs) to facilitate the provision of aid and financial resources to support humanitarian activities in Afghanistan. Treasury and our interagency partners are working with multilateral development banks, including the World Bank and Asian Development Bank, to provide substantial economic assistance to the people of Afghanistan. In January, the Administration announced an additional \$308 million in USAID humanitarian assistance for Afghanistan, bringing total U.S. humanitarian aid for Afghanistan and Afghan refugees in the region to \$782 million since October.

In December 2021, the United States and other donors to the World Bank-administered Afghanistan Reconstruction Trust Fund decided to transfer \$280 million to UNICEF (\$100 million) and the World Food Programme (\$180 million). These funds will enable UNICEF to provide essential health services to 12.5 million people, including 1 million vaccinations, and

allow the World Food Programme to provide food assistance to 2.7 million people in Afghanistan. Treasury and our interagency partners are working to make additional resources available from the multilateral banks, which together with the support in December should result in approximately \$1.75 billion in support from the multilateral development banks to meet critical basic human needs of the Afghan people.

Going forward, we will continue to apply rigorous sanctions to the Taliban, the Haqqani Network, and their collaborators until they halt their repressive actions while providing necessary exemptions to facilitate the flow of legitimate aid to Afghanistan's people. We expect NGOs and private sector actors will continue to implement appropriate due diligence measures and AML/CFT controls to ensure funds are not diverted for illicit purposes.

OFAC also updated [seventeen FAQs](#) and released [seven new FAQs](#) clarifying the scope of the License and ensuring that it should not be construed to authorize financial transfers to the Taliban and Haqqani Network, including direct transfers to any designated individuals in a leadership role in a governing institution, other than for the purpose of effecting the payment of taxes, fees, or import duties, or the purchase or receipt of permits, licenses, or public utility services, provided that such payments do not relate to luxury items or services. The United States continues to maintain robust sanctions on the Taliban and Haqqani Network and will continue to exercise vigilance in safeguarding our national security.

In addition, this GL, along with the six Afghanistan-related GLs previously issued by Treasury, helps implement United Nations Security Council Resolution (UNSCR) 2615, which was adopted in December 2021 and covers activities contemplated in the United Nations' Transitional Engagement Framework (TEF) for Afghanistan, such as providing life-saving assistance; sustaining essential services; and preserving social investments and community-level systems essential to meeting basic human needs.

For transactions not otherwise authorized or exempt from sanctions, OFAC considers license requests on a case-by-case basis and prioritizes applications, compliance questions, and other requests related to humanitarian support. For additional questions regarding the scope of any sanctions programs' requirements, or the applicability or scope of any humanitarian-

related authorizations, please contact OFAC's Sanctions Compliance and Evaluation Division at (800) 540-6322 or (202) 622-2490, or by email at [OFAC\\_Feedback@treasury.gov](mailto:OFAC_Feedback@treasury.gov).

[For more information on the General Licenses and FAQs released today, click here.](#)

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