

OFAC Final Rule Extends Recordkeeping Requirements to 10 Years

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Highlights

- U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) published a new final rule to extend recordkeeping requirements to 10 years, effective March 21, 2025
- The new recordkeeping requirement is consistent with last year's statute of limitations extension for most OFAC violations from five years to 10 years
- OFAC affirmed that a conflict such as EU regulations mandating a shorter recordkeeping period would not excuse compliance

On April 24, 2024, former President Joe Biden signed into law the [21st Century Peace through Strength Act](#). Section 3111 of the Act extends the statute of limitations for civil and criminal violations of the International Emergency Economic Powers Act (IEEPA) and the Trading with the Enemy Act (TWEA) from five years to 10 years. These two statutes govern most sanctions programs enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC).

Pursuant to this executive order, OFAC issued a [final rule](#) on March 21, 2025, extending recordkeeping requirements for covered parties from five to 10 years. This final rule, which was effectively immediately, followed an [interim final rule](#) published by OFAC in September 2024 soliciting public comment.

The [newly extended recordkeeping requirements](#) apply to all companies and persons engaging in transactions and holding blocked property subject to OFAC oversight. Such persons are required to keep a full and accurate record of transactions and blocked property and to ensure that these records are available for examination for at least 10 years.

OFAC also made clear that a conflict in law would not excuse compliance with these requirements.

The final rule specifically addresses a scenario in which the 10-year recordkeeping period may conflict with the European Union's regulations on anti-money laundering and counterterrorism financing that mandate deletion of records after five years. In such a scenario, OFAC points to its prior guidance that said although it would consider a conflict of law on a case-by-case basis when determining the appropriate administrative action or penalty, full compliance with OFAC requirements is still expected.

Takeaways

This rule is the most recent example of the U.S. government's increasing use of sanctions in recent years in support of its foreign policy and national security objectives. Companies may experience higher costs related to compliance with this rule, especially as standard business record retention periods are usually shorter. Additionally, companies should consider updating training, compliance programs, and due diligence checklists to reflect the extended recordkeeping period.

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