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DRT ALERT

Foreign Terrorist Organizations (FTOs) Designations

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Today, the U.S. Department of State implemented the designation of Comando Vermelho (CV) and Primeiro Comando da Capital (PCC) as Foreign Terrorist Organizations (FTOs).

The Department had previously designated both organizations as Specially Designated Global Terrorists (SDGTs) on May 28, 2026. PCC had also been designated as a Specially Designated National (SDN) since 2021.

With the FTO designation becoming effective today, financial institutions and other organizations interacting with these entities may face not only sanctions exposure arising from dealings with SDGTs, but also potential liability under U.S. federal anti-terrorism statutes, including for providing “material support or resources” to designated foreign terrorist organizations pursuant to 18 U.S.C. § 2339B. The concept of “material support” is interpreted broadly under U.S. law and may apply to conduct occurring entirely outside the United States.

The new US designations also increase potential civil litigation exposure for organizations that fail to identify or appropriately address transactions, counterparties, or other commercial relationships linked, directly or indirectly, to PCC or CV.

Organizations operating in Brazil should be aware that the designation of PCC and CV as FTOs does not automatically result in an equivalent classification under Brazilian law. While PCC and CV are widely recognized in Brazil as criminal organizations and are subject to a range of laws addressing organized crime and money laundering, Brazilian law may not treat them as terrorist organizations. This distinction may create additional compliance challenges for organizations engaged in cross-border operations.

Organizations are therefore strongly encouraged to conduct a comprehensive review of their AML and OFAC compliance programs, including sanctions screening procedures, counterparty diligence protocols, and risk assessments, to ensure alignment with evolving U.S. regulatory expectations.

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