

105th Congress, 1st Session - - - - - House Document 105-131

DEVELOPMENTS CONCERNING THE NATIONAL
EMERGENCY WITH RESPECT TO IRAN

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL
EMERGENCY WITH RESPECT TO IRAN THAT WAS DECLARED IN
EXECUTIVE ORDER NO. 12957 OF MARCH 15, 1995, AND MATTERS
RELATING TO THE MEASURES IN THAT ORDER AND IN EXECU-
TIVE ORDER NO. 12959 OF MAY 6, 1995, PURSUANT TO 50 U.S.C.
1703(C)



SEPTEMBER 17, 1997.—Message and accompanying papers referred to the
Committee on International Relations and ordered to be printed

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WASHINGTON : 1997

To the Congress of the United States:

I hereby report to the Congress on developments concerning the national emergency with respect to Iran that was declared in Executive Order 12957 of March 15, 1995, and matters relating to the measures in that order and in Executive Order 12959 of May 6, 1995. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA), section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c). This report discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order 12957 and does not deal with those relating to the emergency declared on November 14, 1979, in connection with the hostage crisis.

1. On March 15, 1995, I issued Executive Order 12957 (60 Fed. Reg. 14615, March 17, 1995) to declare a national emergency with respect to Iran pursuant to IEEPA, and to prohibit the financing, management, or supervision by United States persons of the development of Iranian petroleum resources. This action was in response to actions and policies of the Government of Iran, including support for international terrorism, efforts to undermine the Middle East peace process, and the acquisition of weapons of mass destruction and the means to deliver them. A copy of the order was provided to the Speaker of the House and the President of the Senate by letter dated March 15, 1995.

Following the imposition of these restrictions with regard to the development of Iranian petroleum resources, Iran continued to engage in activities that represent a threat to the peace and security of all nations, including Iran's continuing support for international terrorism, its support for acts that undermine the Middle East peace process, and its intensified efforts to acquire weapons of mass destruction. On May 6, 1995, I issued Executive Order 12959 to further respond to the Iranian threat to the national security, foreign policy, and economy of the United States.

Executive Order 12959 (60 Fed. Reg. 24757, May 9, 1995) (1) prohibits exportation from the United States to Iran or to the Government of Iran of goods, technology, or services; (2) prohibits the re-exportation of certain U.S. goods and technology to Iran from third countries; (3) prohibits dealings by United States persons in goods and services of Iranian origin or owned or controlled by the Government of Iran; (4) prohibits new investments by United States persons in Iran or in property owned or controlled by the Government of Iran; (5) prohibits U.S. companies and other United States persons from approving, facilitating, or financing performance by a foreign subsidiary or other entity owned or controlled by a United States person of certain reexport, investment, and trade transactions that a United States person is prohibited from perform-

ing; (6) continues the 1987 prohibition on the importation into the United States of goods and services of Iranian origin; (7) prohibits any transaction by a United States person or within the United States that evades or avoids or attempts to violate any prohibition of the order; and (8) allowed U.S. companies a 30-day period in which to perform trade transactions pursuant to contracts predating the Executive order.

At the time of signing Executive Order 12959, I directed the Secretary of the Treasury to authorize, through specific licensing, certain transactions, including transactions by United States persons related to the Iran-United States Claims Tribunal in The Hague, established pursuant to the Algiers Accords, and related to other international obligations and United States Government functions, and transactions related to the export of agricultural commodities pursuant to preexisting contracts consistent with section 5712(c) of title 7, United States Code. I also directed the Secretary of the Treasury, in consultation with the Secretary of State, to consider authorizing United States persons through specific licensing to participate in market-based swaps of crude oil from the Caspian Sea area for Iranian crude oil in support of energy projects in Azerbaijan, Kazakhstan, and Turkmenistan.

Executive Order 12959 revoked sections 1 and 2 of Executive Order 12613 of October 29, 1987, and sections 1 and 2 of Executive Order 12957 of March 15, 1995, to the extent they are inconsistent with it. A copy of Executive Order 12959 was transmitted to the Speaker of the House and the President of the Senate by letter dated May 6, 1995.

2. On March 5, 1997, I renewed for another year the national emergency with respect to Iran pursuant to IEEPA. This renewal extended the authority for the current comprehensive trade embargo against Iran in effect since May 1995. Under these sanctions, virtually all trade with Iran is prohibited except for trade in information and informational materials and certain other limited exceptions.

3. On August 19, 1997, I issued Executive Order 13059 in order to clarify the steps taken in Executive Order 12957 and Executive Order 12959, to confirm that the embargo on Iran prohibits all trade and investment activities by United States persons, wherever located, and to consolidate in one order the various prohibitions previously imposed to deal with the national emergency declared on March 15, 1995. A copy of Executive Order 13059 was transmitted to the Speaker of the House and the President of the Senate by letter dated August 19, 1997.

The order prohibits (1) the importation into the United States of any goods or services of Iranian origin or owned or controlled by the Government of Iran except information or informational material; (2) the exportation, reexportation, sale, or supply from the United States or by a United States person, wherever located, of goods, technology, or services to Iran or the Government of Iran, including knowing transfers to a third country for direct or indirect supply, transshipment, or reexportation to Iran or the Government of Iran, or specifically for use in the production, commingling with, or incorporation into goods, technology, or services to be supplied, transshipped, or reexported exclusively or predominantly to Iran or

the Government of Iran; (3) reexportation from a third country of controlled U.S.-origin goods, technology, or services by a person other than a United States person; (4) purchase, sale, transport, swap, brokerage, approval, financing, facilitation, guarantee, or other transactions or dealings by United States persons, wherever located, related to direct or indirect trade with Iran or the Government of Iran or to goods or services of Iranian origin or owned or controlled by the Government of Iran; (5) new investment by United States persons in Iran or in property or entities owned or controlled by the Government of Iran; (6) approval, financing, facilitation, or guarantee by a United States person of any transaction by a foreign person that a United States person would be prohibited from performing under the embargo; and (7) any evasion, or attempt to violate a prohibition under the order.

Executive Order 13059 became effective at 12:01 a.m., eastern daylight time on August 20, 1997. Revocation of corresponding provisions in prior Executive orders does not affect the applicability of those provisions, or of regulations, licenses, other administrative actions taken pursuant to those provisions, with respect to any transaction or violation occurring before the effective day of Executive Order 13059. Specific licenses issued pursuant to prior Executive orders continue in effect, unless revoked or amended by the Secretary of the Treasury. General licenses, regulations, orders, and directives issued pursuant to prior orders continue in effect, except to the extent inconsistent with Executive Order 13059 or otherwise revoked or modified by the Secretary of the Treasury.

4. The Iranian Transactions Regulations, 31 CFR Part 560 (the "ITR"), were amended on April 18, 1997 (62 Fed. Reg. 19670, April 23, 1997), on July 30, 1997 (62 Fed. Reg. 41851, August 4, 1997), and on August 25, 1997 (62 Fed. Reg. 45098, August 25, 1997). In April 1997, Section 560.603 was amended to require a United States person to file a transaction report as to each foreign affiliate that engages in reportable oil-related transactions involving Iran of \$1,000,000 or more during the calendar quarter.

In July 1997, sections 560.510 (d)(1) and (d)(2) were amended to generally license all payments of awards against Iran issued by the Iran-United States Claims Tribunal in The Hague, irrespective of the source of funds for payment, and to generally license implementation (except exports or reexports that are subject to export license application requirements of Federal agencies other than the Department of the Treasury's Office of Foreign Assets Control (OFAC)) as well as payment of awards or settlements in cases to which the United States Government is a party.

Sections 560.525 (a)(3) and (a)(5)(i) were amended to generally license the provision of legal services to initiate and conduct United States court and other domestic legal proceedings on behalf of persons in Iran or the Government of Iran and to initiate proceedings to resolve disputes between the Government of Iran or an Iranian national and the United States or a United States national, notwithstanding the prohibition on exportation of services to Iran. On August 25, 1997, general reporting, record keeping, licensing, and other procedural regulations were moved from the ITR to a separate part (31 CFR Part 501) dealing solely with such procedural

matters. (62 Fed. Reg. 45098, August 25, 1997). A copy of these amendments is attached.

5. During the current 6-month period, OFAC made numerous decisions with respect to applications for licenses to engage in transactions under the ITR, and issued 12 licenses. The majority of denials were in response to requests to authorize commercial exports to Iran—particularly of machinery and equipment for various industries—and the importation of Iranian-origin goods. The licenses issued authorized certain financial transactions, including those relating to disposal of United States-owned goods located in Iran and extension of, but not payment under, standby letters of credit. Pursuant to sections 3 and 4 of Executive Order 12959 and consistent with the Iran-Iraq Arms Non-Proliferation Act of 1992 and other statutory restrictions concerning certain goods and technology, including those involved in air-safety cases, Treasury continues to consult with the Departments of State and Commerce on these matters.

The United States financial community continues to scrutinize transactions associated with Iran and to consult with OFAC about their appropriate handling. Many of these inquiries have resulted in investigations into the activities of U.S. parties and, where appropriate, the initiation of enforcement action.

6. On March 20, 1997, a seven-count indictment was returned by a grand jury in the District of Maryland against a United States resident and two Iranian co-conspirators. The March indictment superseded a two-count indictment handed down on February 13, 1997. Each indictment charged violations of IEEPA and the ITR involving the attempted exportation from the United States to Iran of sophisticated state-of-the-art gas chromatographs used in the electric power industry, which were prevented from reaching Iran.

The United States Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the ITR. Various enforcement actions carried over from previous reporting periods are continuing and new reports of violations are being aggressively pursued. Since my last report on March 14, 1997, OFAC has collected four civil monetary penalties totaling nearly \$22,000. The violations relate to the unlicensed import from or export of goods to Iran. Civil penalty action is pending against 37 companies, financial institutions, and individuals for violations of the Regulations.

7. The expenses incurred by the Federal Government in the 6-month period from March 15 through September 14, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iran are approximately \$850,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of Intelligence and Research, and the Office of the Legal Adviser), and the Department of Commerce (the Bureau of Export Administration and the General Counsel's Office).

8. The situation reviewed above continues to present an extraordinary and unusual threat to the national security, foreign policy, and economy of the United States. The declaration of the national emergency with respect to Iran contained in Executive Order 12957 and the comprehensive economic sanctions imposed by Executive Order 12959 underscore the United States Government opposition to the actions and policies of the Government of Iran, particularly its support of international terrorism and its efforts to acquire weapons of mass destruction and the means to deliver them. The Iranian Transactions Regulations issued pursuant to Executive Orders 12957 and 12959 continue to advance important objectives in promoting the nonproliferation and antiterrorism policies of the United States. I shall exercise the powers at my disposal to deal with these problems and will report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 17, 1997.*

DEPARTMENT OF THE TREASURY
Office of Foreign Assets Control
31 CFR Part 560

Iranian Transactions Regulations:
Reporting on Foreign Affiliates' Oil-
Related Transactions

AGENCY: Office of Foreign Assets
Control, Treasury.

ACTION: Final rule; amendment.

SUMMARY: The Treasury Department is amending the reporting requirement set forth in the Iranian Transactions Regulations on foreign affiliates' oil-related transactions. The amended rule requires a U.S. person to file a transaction report as to each foreign affiliate that engaged in reportable transactions of \$1,000,000 or more during the calendar quarter. Reports are to be filed within 60 days of the end of the quarter.

EFFECTIVE DATE: April 18, 1997.

FOR FURTHER INFORMATION CONTACT:
Loren L. Dohm, Chief, Blocked Assets
Division (tel.: 202/622-2440), or
William B. Hoffman, Chief Counsel (tel.
202/622-2410), Office of Foreign Assets
Control, Department of the Treasury,
Washington, DC 20220.

SUPPLEMENTARY INFORMATION:

Electronic and Facsimile Availability

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Control is available for downloading from the Office's Internet Home Page: <http://www.ustreas.gov/treasury/services/fac/fac.html>, or in fax form through the Office's 24-hour fax-on-demand service: call 202/622-0077 using a fax machine, fax modem, or (within the United States) a touch-tone telephone.

Background

The Office of Foreign Assets Control amended the Iranian Transactions Regulations in September 1995 (60 FR 47061, Sept. 11, 1995—the "Regulations"), in implementation of Executive Order 12857 of March 15, 1995 (60 FR 14615, Mar. 17, 1995), and Executive Order 12859 of May 6, 1995 (60 FR 24757, May 9, 1995). This final rule further amends the Regulations to modify the reporting requirements of § 560.603. That section requires U.S. persons to file reports with respect to foreign affiliates engaging in certain oil-related transactions involving Iran. Section 560.603, as amended, provides a minimum dollar threshold for reportable transactions: A report is required only with respect to any foreign affiliate that engaged in a reportable transaction or transactions totaling \$1,000,000 or more during the calendar quarter. The information required with respect to a foreign affiliate's relationship to the reporting person is modified, and the term *reportable transaction* is also modified. Reports are now due 60 days, rather than 15 days, after the end of each calendar quarter.

Since the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

List of Subjects in 31 CFR Part 560

Administrative practice and procedure, Agricultural commodities, Banks, banking, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Terrorism, Transportation.

For the reasons set forth in the preamble, 31 CFR part 560 is amended as follows:

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority section is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 2340a; 50 U.S.C. 1601-1651, 1701-1708; Pub. L. 104-132, 110 Stat. 1214, 1254 (16 U.S.C. 2332d); Pub. L. 101-410, 104 Stat. 890 (26 U.S.C. 2481 note); E.O. 12813, 52 FR 41940, 3 CFR, 1987 Comp., p. 258; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356.

Subpart F—Reports

2. Section 560.603 is revised to read as follows:

§ 560.603 Reports on oil transactions engaged in by foreign affiliates.

(a) *Requirement for reports.* A report must be filed with the Office of Foreign Assets Control with respect to each foreign affiliate of a United States person that engaged in a reportable transaction, as defined in paragraph (b), during the calendar quarter. Reports are due within 60 days after the end of each calendar quarter.

(b) *Definitions.* For purposes of this section:

(1) The term *reportable transaction* means a transaction of the following type:

(i) Any purchase, sale, or swap of Iranian-origin crude oil, natural gas, or petrochemicals;

(ii) The sale of services (including insurance or financing) or goods (including oilfield supplies or equipment) to the Government of Iran or an entity in Iran for use in the exploration, development, production, processing, pumping, lifting, transporting, or refining of crude oil, natural gas, or petrochemicals. For these purposes, the term *petrochemicals* means first-stage materials produced directly from a petroleum-based or a natural gas-based feedstock.

(iii) For purposes of paragraph (b)(1)(i) of this section, a purchase, sale or swap is deemed to have occurred as of the date of the bill of lading used in connection with such transaction. For purposes of paragraph (b)(1)(ii) of this section, the sale of services is deemed to have occurred as of the date of loan or commitment, in the case of financial or insurance services, or the date on which services are invoiced, in other cases. The sale of goods is deemed to have occurred as of the date of shipment to Iran.

(2) The term *foreign affiliate* means a person or entity other than a United States person (see § 560.314) which is organized or located outside the United States and which is owned or controlled by a United States person or persons.

(c) *Who must report.* A United States person must file a report with respect to each foreign affiliate owned or controlled by it which engaged in a reportable transaction or transactions during the prior calendar quarter. For the calendar quarter beginning October 1, 1996, and all subsequent quarters, a United States person must file a report only as to each foreign affiliate owned or controlled by it which engaged in a reportable transaction or transactions totaling \$1,000,000 or more during the prior calendar quarter. A single United States entity within a consolidated or affiliated group may be designated to report on each foreign affiliate of the United States members of the group. Such centralized reporting may be done by the United States person who owns or controls, or has been delegated authority to file on behalf of, the remaining United States persons in the group.

(d) *What must be reported.* (1) Part I of the report must provide the name, address, and principal place of business of the United States person; its place of incorporation or organization if an entity; and the name, title, and telephone number of the individual to contact concerning the report.

(2) Part II of the report must provide, with respect to the foreign affiliate, its name and address; the type entity, e.g., corporation, partnership, limited liability company; the country of its incorporation or organization; and its principal place of business.

(3) Part III of the report must include the following information with respect to each reportable transaction (a separate Part III must be submitted for each reportable transaction):

(i) The nature of the transaction, e.g., purchase, sale, swap.
 (ii) A description of the product, technology, or service involved;
 (iii) The name of the Iranian or third-country party or parties involved in the transaction;

(iv) The currency and amount of the transaction, and corresponding United States dollar value of the transaction if not denominated in United States dollars.

(e) *Where to report.* Reports must be filed with the Compliance Programs Division, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20226. Reports may be submitted by facsimile transmission at 202/622-1657. A copy must be retained for the reporter's records.

(f) *Whom to contact.* Blocked Assets Division, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20226; telephone: 202/622-2440.

Dated: April 4, 1997.

R. Richard Neumann,
 Director, Office of Foreign Assets Control.

Approved: April 11, 1997.

James E. Johnson,
 Assistant Secretary (Enforcement).
 EFR Doc. 97-10444 Filed 4-18-97; 3008 and
 BLSM97 0000 000-00-0

effective upon the date of determination by the Director of the Office of Foreign Assets Control, acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the Federal Register, or upon prior actual notice.

Since the Regulations involve a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

For the reasons set forth in the preamble, and under the authority of (1) 3 U.S.C. 301; 50 U.S.C. 1601-1651 and 1701-1706; E.O. 12978, 60 FR 54579, 3 CFR, 1995 Comp., p. 415, with respect to the SDNTs, and (2) 3 U.S.C. 301; 22 U.S.C. 287c; 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 101-513, 104 Stat. 2047-2055 (50 U.S.C. 1701 note); Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); E.O. 12722, 55 FR 31803, 3 CFR, 1990 Comp., p. 294; E.O. 12724, 55 FR 33089, 3 CFR, 1990 Comp., p. 297; E.O. 12817, 57 FR 48433, 3 CFR, 1992 Comp., p. 317, with respect to the SDNs of Iraq, appendices A and B to 31 CFR chapter V are amended as set forth below:

1. Appendices A and B to 31 CFR chapter V are amended by adding the following names inserted in alphabetical order (1) in appendix A, section I, and (2) under the heading "Colombia" in appendix B:

AVILA MIRANDA, Jorge A., Calle 52N No. 2D-29, Cali, Colombia; c/o CAUCALITO LTDA., Cali, Colombia; (Cedula No. 12534286 (Colombia)) (individual) [SDNT]
 BARRENEQUE GOMEZ, Jairo, (a.k.a. BARRENEQUE GOMEZ, Jairo), c/o CAUCALITO LTDA., Cali, Colombia; (Cedula No. 70112547 (Colombia)) (individual) [SDNT]
 CAMACHO RIOS, Jaime, c/o CONSTRUCCIONES ASTRO S.A., Cali, Colombia; (Cedula No. 14950781 (Colombia)) (individual) [SDNT]
 CAUCALITO LTDA., (f.k.a. GANADERA LTDA.), (f.k.a. GANADERIA), Apartado Aereo 10077, Cali, Colombia; Carrera 4 No. 12-41 of. 1403, Edificio Seguros Bolivar, Cali, Colombia; NIT # 800029160-9 [SDNT]

CONSTRUCCIONES ASTRO S.A., (f.k.a. SOCIEDAD CONSTRUCTORA LA CASCADA S.A.), (f.k.a. CONSTRUCTORA CASCADA), Apartado Aereo 10077, Cali, Colombia; Calle 1A 62A-120, Cali, Colombia; Calle 1A 62A-120 B2 108, Cali, Colombia; Calle 1A 62A-120 2305, Cali, Colombia; Calle 1A 62A-120 2418, Cali, Colombia; Calle 1A 62A-120 4114, Cali, Colombia; Calle 1A 62A-120 6245, Cali, Colombia; Calle 13 3-22 piso 12 y piso 14, Cali, Colombia; Carrera 4 No. 12-41 of. 1401, Cali, Colombia; Carrera 4 No. 12-41 of. 1402, Edificio Seguros Bolivar, Cali, Colombia; Carrera 4 No. 12-41 of. 1403, Cali, Colombia; Carrera 64 1C-63, Cali, Colombia; Carrera 64 1B-83, Cali, Colombia; NIT # 890307311-4 [SDNT]
 CRIADERO DE POLLÓS EL ROSAL S.A., (f.k.a. INDUSTRIA AVICOLA PALMASECA S.A.), Carrera 61 No. 11-58, Cali, Colombia; Carrera Central via Aeropuerto Palmaseca, Colombia; NIT # 800146749-7 [SDNT]
 GONZALEZ, Maria Lorena, c/o INVERSIONES Y CONSTRUCCIONES ATLAS LTDA., Cali, Colombia; (Cedula No. 31992548 (Colombia)) (individual) [SDNT]
 INVERSIONES Y CONSTRUCCIONES ATLAS LTDA., (f.k.a. INVERSIONES MOMPAX LTDA.), (f.k.a. MOMPAX LTDA.), Calle 10 No. 4-47 piso 19, Cali, Colombia; NIT # 800102408-1 [SDNT]
 JIMENEZ, Isabel Cristina, c/o INVERSIONES Y CONSTRUCCIONES ATLAS LTDA., Cali, Colombia; (Cedula No. 66852533 (Colombia)) (individual) [SDNT]
 MIRALUNA LTDA. Y CIA. S. EN C.S., (f.k.a. INVERSIONES EL PASO LTDA.), (f.k.a. INVERSIONES NEGOAGRICOLA S.A.), Carrera 4 No. 12-41 of. 1403, Cali, Colombia; Carrera 4 No. 12-41 of. 1501, Cali, Colombia; NIT # 890937860-9 [SDNT]
 NEGOCIOS LOS SAUCES LTDA., (f.k.a. SAMARIA LTDA.), Apartado Aereo 10077, Cali, Colombia; Carrera 4 No. 4-21 of. 1501, Edificio Seguros Bolivar, Cali, Colombia; NIT # 890328835-1 [SDNT]
 NEGOCIOS LOS SAUCES LTDA. Y CIA. S.C.S., (f.k.a. INMOBILIARIA SAMARIA LTDA.), Calle 13 No. 3-32 piso 13, Cali, Colombia; Calle 13A No. 64-50 F102, Cali, Colombia; Calle 18 No. 106-96 of. 201/202, Cali, Colombia; Carrera 4 No. 12-41 of. 1501, Edificio Seguros Bolivar, Cali, Colombia; NIT # 890937859-0 [SDNT]
 OCAMPO, Carlos, c/o CONSTRUCCIONES ASTRO S.A., Cali, Colombia; (Cedula No. 6401478 (Colombia)) (individual) [SDNT]
 RODAS, Luis Alberto, c/o CONSTRUCCIONES ASTRO S.A., Cali, Colombia; (Cedula No. 16630332 (Colombia)) (individual) [SDNT]

2. Appendices A and B to 31 CFR chapter V are amended by (1) removing the entries in the names "OSORIO PINEDA, Jorge Ivan," and "ZABALETA SANDOVAL, Nestor," from appendix A, section I, and (2) under the heading

"Colombia" in appendix B, removing the entries in the names "OSORIO PINEDA, Jorge Ivan," and "ZABALETA SANDOVAL, Nestor."

3. Appendices A and B to 31 CFR chapter V are amended by:

(a) In appendix A, section I: (1) removing from the entry in the name "NAMAN, Saalim or Sam" the address "600 Grant Street, 42nd Floor, Pittsburgh, Pennsylvania, U.S.A."; and (2) removing the entry in the name "TIGRIS TRADING, INC., 600 Grant Street, 42nd Floor, Pittsburgh, Pennsylvania 15219, U.S.A. [IRAQ]"; and

(b) Under the heading "United States of America" in appendix B: (1) removing from the entry in the name "NAMAN, Saalim or Sam" the address "600 Grant Street, 42nd Floor, Pittsburgh, Pennsylvania, U.S.A."; and (2) removing the entry in the name "TIGRIS TRADING, INC., 600 Grant Street, 42nd Floor, Pittsburgh, Pennsylvania 15219, U.S.A. [IRAQ]".

Dated: July 22, 1997.

R. Richard Newcomb,
 Director, Office of Foreign Assets Control.
 Approved: July 25, 1997.
 James E. Johnson,
 Assistant Secretary (Enforcement).
 [FR Doc. 97-20448 Filed 7-30-97; 11:07 am]
 BILLING CODE 4810-25-F

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 560

Iranian Transactions Regulations: Performance on Awards; Certain Legal Services

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendments.

SUMMARY: The Office of Foreign Assets Control of the U.S. Department of the Treasury is amending the Iranian Transactions Regulations to authorize by general license the payment of awards against Iran issued by the Iran-U.S. Claims Tribunal, in The Hague, and implementation (other than certain exports and reexports) and payment of awards and settlements to which the United States Government is a party. This final rule also authorizes by general license the provision of certain legal services to the Government of Iran and persons in Iran.

EFFECTIVE DATE: July 30, 1997.

FOR FURTHER INFORMATION CONTACT: Regarding the issuance of licenses,

Steven I. Pinter, Chief, Licensing Division (tel.: 202/622-2480); regarding legal questions, William B. Hoffman, Chief Counsel (tel.: 202/622-2410); Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

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Background

In Executive Order 12957 of March 15, 1995 (60 FR 14615, March 17, 1995), President Clinton declared a national emergency with respect to the actions and policies of the Government of Iran and imposed sanctions against Iran supplementing those imposed in 1987, invoking the authority, *inter alia*, of the International Emergency Economic Powers Act, 50 U.S.C. 1701-06 ("IEEPA"). The President substantially supplemented and amended those sanctions in Executive Order 12959 of May 6, 1995 (60 FR 24757, May 9, 1995). The Office of Foreign Assets Control ("OFAC") amended the Iranian Transactions Regulations in September

1995 (the "Regulations") (60 FR 47061, September 11, 1995), to implement these orders.

In further implementation of Executive Orders 12957 and 12959, OFAC is promulgating amendments to the Regulations in subpart E. Section 560.510(d)(1) and (d)(2) are revised to generally license all payments of awards against Iran issued by the Iran-U.S. Claims Tribunal in The Hague, irrespective of the source of funds for payment, and to generally license implementation (except exports or reexports that are subject to export license application requirements of Federal agencies other than OFAC) as well as payment of awards or settlements in cases to which the United States Government is a party.

Section 560.525(a)(3) is revised to generally license the provision of legal services to initiate and conduct U.S. court and other domestic legal proceedings on behalf of persons in Iran or the Government of Iran notwithstanding the prohibition on exportation of services to Iran.

Because the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply. The amendment in this final rule does not impose a paperwork burden.

List of Subjects in 31 CFR Part 560

Administrative practice and procedure, Agricultural commodities, Banks, banking, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Terrorism, Transportation.

For the reasons set forth in the preamble, 31 CFR part 560 is revised as follows:

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority citation is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 2349aa-9; 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-132, 100 Stat. 1214, 1254 (18 U.S.C. 2332d); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR

14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356.

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. The introductory text of paragraph (d) and paragraphs (d)(1) and (d)(2) of § 560.510 are revised to read as follows:

§ 560.510 Transactions related to the resolution of disputes between the United States or United States nationals and the Government of Iran.

(d) The following are authorized:
(1) All transactions related to payment of awards of the Iran-United States Claims Tribunal in The Hague against Iran.

(2) All transactions necessary to the payment and implementation of awards (other than exports or reexports subject to export license application requirements of other agencies of the United States Government) in a legal proceeding to which the United States Government is a party, or to payments pursuant to settlement agreements entered into by the United States Government in such a legal proceeding.

3. Paragraphs (a)(3) and (a)(5)(i) of § 560.525 are revised to read as follows:

§ 560.525 Exportation of certain legal services.

(a) The provision of the following legal services to the Government of Iran or to a person in Iran, and receipt of payment of professional fees and reimbursement of incurred expenses, are authorized:

(1) * * *

(2) * * *

(3) Initiation and conduct of domestic United States legal, arbitration, or administrative proceedings on behalf of the Government of Iran or a person in Iran;

(4) * * *

(5) * * *

(i) To resolve disputes between the Government of Iran or an Iranian national and the United States or a United States national;

* * * * *

Dated: July 23, 1997.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: July 25, 1997.

James E. Johnson,
Assistant Secretary (Enforcement).

[FR Doc. 97-20447 Filed 7-30-97; 11:07 am]
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DEPARTMENT OF THE TREASURY**Office of Foreign Assets Control**

31 CFR Parts 500, 501, 505, 515, 535, 536, 550, 560, 575, 585, 590, 595, and 596

Reporting and Procedures Regulations; Consolidation of Information Collections; Annual Reports on Blocked Assets and Retained Transfers; Reports on Rejected Transfers; Reports on Litigation; Procedure for Releasing Funds Believed to Have Been Blocked Due to Mistaken Identity; Procedure For Removal From the Lists of Blocked Persons and Vessels

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendments.

SUMMARY: The Office of Foreign Assets Control ("OFAC") is issuing the Reporting and Procedures Regulations. This new part simplifies—by consolidating and standardizing in a single part—common provisions on collections of information in existing OFAC regulations. Those collections are eliminated from the individual parts of 31 CFR chapter V. This final rule includes an initial and annual requirement to report on blocked assets or retained funds transfers—as well as periodic reports on funds transfers rejected by U.S. financial institutions—for administrative and foreign policy formulation purposes. The rule also requires reports on U.S. litigation and other dispute resolution proceedings where the proceedings may affect blocked assets or funds retained by banks that have stopped violative transfers. In addition, new procedures are set forth for persons seeking the unblocking of funds they believe have been blocked due to mistaken identity, or seeking administrative review of their designation or that of a vessel as blocked. Finally, the reporting requirements and licensing and other procedures of the new part are made applicable to transactions that have become subject to economic sanctions programs for which implementation and administration are delegated to the Office of Foreign Assets Control. The final rule also makes conforming amendments and technical corrections to the various parts of 31 CFR chapter V.

EFFECTIVE DATE: August 25, 1997.

FOR FURTHER INFORMATION CONTACT: Daniel A. Yorks, Blocked Assets Division (tel. 202/622-2440); Dennis P. Wood, Chief, Compliance Programs

Division (tel. 202/622-2490); or William B. Hoffman, Chief Counsel (tel. 202/622-2410), Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

SUPPLEMENTARY INFORMATION:**Electronic and Facsimile Availability**

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Background

The Office of Foreign Assets Control ("OFAC") is adding a new part 501 to 31 CFR chapter V ("chapter V"), consolidating and standardizing general information collections and license application and other procedures currently authorized under the Paperwork Reduction Act of 1995 (the "PRA") and contained in the Foreign Assets Control Regulations (part 500), Regulations Prohibiting Transactions Involving the Shipment of Certain Merchandise Between Foreign Countries (part 505), Cuban Assets Control Regulations (part 515), Iranian Assets Control Regulations (part 535), Narcotics Trafficking Sanctions Regulations (part 536), Libyan Sanctions Regulations (part 550), Iranian Transactions Regulations (part 560), Iraq Sanctions Regulations (part 575),

Federal Republic of Yugoslavia (Serbia & Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations (part 585), Units (Angola) Sanctions Regulations (part 590), Terrorism Sanctions Regulations (part 595), and Terrorism List Governments Sanctions Regulations (part 596). Part 501 also makes these information collections and licensing and other procedures applicable to transactions that have become subject to economic sanctions programs for which implementation and administration are delegated to OFAC, but for which implementing regulations have not yet been issued. This is intended to provide standardized procedures for requesting licenses and other actions, as well as common recordkeeping and reporting requirements, that will be familiar to the public and immediately available upon the imposition of future sanctions programs delegated to OFAC for implementation.

Section 501.601 consolidates OFAC recordkeeping requirements and standardizes record retention periods at 5 years from the date of a transaction subject to the prohibitions in chapter V and 5 years from the date property blocked or retained (see § 596.504(b) of part 596) under chapter V is unblocked or released. Section 501.602 consolidates provisions requiring reports at OFAC's demand concerning transactions or property subject to the prohibitions in chapter V. These provisions were previously found in subpart F of the individual parts of chapter V.

New § 501.603 establishes a comprehensive reporting system for property blocked pursuant to chapter V or retained pursuant to § 596.504(b) of the Terrorism List Governments Sanctions Regulations, 31 CFR part 596 (the "TLGSR"). Section 501.603 imposes an affirmative obligation to report information regarding such property within 10 days of the date the property is blocked or funds retained. Reports must thereafter be filed on a cumulative and comprehensive annual basis with respect to blocked property or retained funds. The reporting requirement with respect to blocked property applies to any form of tangible or intangible "property" (as defined in the individual parts contained in chapter V) that is blocked pursuant to chapter V. The first annual report is due on September 30, 1997.

The initial and annual reporting requirement in § 501.603 replaces the current requirements contained in subparts E and F of the individual parts of chapter V for registration by any

person, including financial institutions (which term includes the terms "banking institution" in parts 500, 515, and 550, "depository institution" in part 515, "domestic bank" in parts 500, 515, 535, and 550, "financial institution" in part 596, "United States depository institution" in part 560, and "U.S. financial institution" in parts 536, 575, 585, and 595), of blocked property with OFAC and for designating a person to contact for information concerning blocked property. The annual report form (Form TDF 90-22.50) is available by calling the fax-on-demand service maintained by the Office of Foreign Assets Control at 202/822-0077, or by downloading the form from the "OFAC Press Releases and Miscellaneous Documents" file library ("FAC_MISC") located on the Government Printing Office's Federal Bulletin Board Online via GPO Access (Internet site: http://fedbbs.access.gpo.gov/fbs/fac_misc.htm). The report form is also added as an appendix to this document, but will not be published in chapter V. OFAC invites and will consider on a case-by-case basis requests to submit the information required in the annual report in alternative formats. The reporting requirements of § 501.603 are necessary to monitor compliance with regulatory requirements, to address issues involving U.S. government and private claims, and to support related diplomatic negotiations.

New § 501.604 requires U.S. financial institutions to report funds transfers that are rejected where the funds themselves are not blocked under chapter V, but where the processing of the transfer would nonetheless facilitate an underlying transaction that is prohibited under other provisions contained in chapter V. Examples of instances wherein funds are rejected and this reporting requirement is applicable include funds transfer instructions (1) referencing a blocked vessel in the absence of references to blocked parties or financial institutions, (2) sending funds to a person in Iraq, (3) transferring unlicensed gifts or charitable donations from the Government of Syria or Sudan to a U.S. person, (4) crediting Iranian accounts on the books of a U.S. financial institution, and (5) making unauthorized transfers from U.S. persons to Iran or the Government of Iran. This reporting requirement is necessary to monitor compliance with regulatory requirements and replaces the current requirement in § 596.603 of the TFCR that financial institutions report rejected funds transfers pursuant to that section.

New § 501.605 requires that parties involved in litigation, arbitration, or

other binding alternative dispute resolution proceedings in the United States on behalf of or against persons whose property is blocked or required to be retained under chapter V—or where the outcome of any proceeding may affect blocked property or retained funds—provide notice of the proceedings to OFAC, as well as copies of certain documents pertaining to the proceedings. They must also notify OFAC of certain judicial or similar actions that may affect blocked property or retained funds, and notify the court or other adjudicatory body of applicable regulatory restrictions on transfers of blocked property or retained funds. This reporting requirement is necessary to ensure that blocked property or retained funds are not intentionally or inadvertently transferred by judicial or similar action except as authorized by OFAC. This requirement also replaces identical reporting requirements previously contained in specific licenses authorizing payment of attorneys' fees by blocked persons from unblocked sources.

New § 501.606 makes these reporting requirements in subpart C of part 501 applicable to transactions subject to economic sanctions programs for which implementation and administration have been delegated to the Office of Foreign Assets Control.

Sections 501.801-501.805 include most of the material previously contained in subpart H of the individual parts of chapter V governing licensing procedures and procedures relating to administrative decisions; amendments, modifications, or revocations of licenses; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts.

Section 501.801 provides procedures for requesting specific licenses, including application procedures under those statements of licensing policy contained in subpart E of the individual parts in chapter V, which note the availability of specific licenses for particular categories of transactions but do not establish requirements for the submission of specific information.

Information collection provisions that require production of specified documentation unique to a given general license or statement of licensing policy will continue to be authorized separately under the PRA. Examples include statements of licensing policy contained in subpart E of the individual parts in chapter V that require the submission of particular, specified documents and/or information in license applications; quarterly reports by U.S. persons on certain Iran-related oil transactions by foreign affiliates

pursuant to § 560.603 of chapter V; and censuses of blocked property and claims previously conducted under sanctions programs administered against Cambodia, Vietnam, and Libya.

This final rule institutes new administrative procedures in § 501.806 for requesting the unblocking of funds believed to have been blocked due to mistaken identity. New administrative procedures are also set forth in § 501.807 for persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable. Denial of an application for removal from the list of designees subject to the applicable prohibitions of chapter V (see appendices A, B, and C to chapter V) constitutes final agency action for purposes of judicial review. These procedures standardize and codify collections of information for these purposes that were previously made by individual requests for specific licenses.

New § 501.808 makes these license application and other procedures in subpart D of part 501 applicable to transactions that have become subject to economic sanctions programs for which implementation and administration are delegated to the Office of Foreign Assets Control, but for which implementing regulations have not yet been issued.

This final rule also makes a technical correction to the civil penalty provisions of each affected sanctions program to note that the Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, required adjustments to civil penalties, but did not "amend" the underlying statutes authorizing imposition of those penalties. These changes are made to § 701(a) of parts 500, 515, 535, 550, 560, 575, 585, 590, and 595.

Since this final rule involves a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

Paperwork Reduction Act

The Reporting and Procedures Regulations are being issued without prior notice and public comment procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507),

the collections of information contained in the Regulations have been submitted to and approved by the Office of Management and Budget ("OMB") pending public comment, and have been assigned control number 1505-0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

Collections of information previously authorized are contained in §§ 501.601-501.602 and 501.801-501.805. Section 501.601 relates to the maintenance of records and § 501.602 relates to OFAC demands for information. These provisions were previously contained in subpart F of the individual parts of chapter V. Sections 501.801-501.805 relate to licensing, decisionmaking, amendment, modification or revocation, rulemaking, and document request procedures previously set forth in subpart H of the individual parts of chapter V.

The new collections of information are contained in §§ 501.603, 501.604, 501.605, 501.806, and 501.807. Section 501.603 imposes reporting requirements pertaining to blocked assets and retained funds transfers. This information is required by OFAC to monitor compliance with regulatory requirements, to support diplomatic negotiations concerning the targets of sanctions, and to support settlement negotiations addressing U.S. claims. Section 501.604 requires the filing of reports for compliance purposes by U.S. financial institutions where a funds transfer is not required to be blocked but is rejected because the underlying transaction is otherwise prohibited. Section 501.605 requires reporting of information pertaining to litigation, arbitration, and other binding alternative dispute resolution proceedings in the United States to prevent the intentional or inadvertent transfer through such proceedings of blocked property or retained funds. Section 501.806 sets forth the procedures to be followed by a person seeking to have funds released at a financial institution if the person believes that the funds were blocked due to mistaken identity. Section 501.807 sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

The likely respondents and recordkeepers affected by the information collections contained in part 501 are financial institutions,

business organizations, and legal representatives.

The estimated total annual reporting and/or recordkeeping burden: 10,000 hours. The estimated annual burden per respondent/record keeper varies from thirty minutes to 10 hours, depending on individual circumstances, with an estimated average of 1.25 hours. Estimated number of respondents and/or record keepers: 8,000. Estimated annual frequency of responses: 1-12.

Comments are invited on: (a) Whether these new or restated collections of information are necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the agency's estimate of the burden of the collections of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments concerning the above information, the accuracy of estimated average annual burden, and suggestions for reducing this burden should be directed to OMB, Paperwork Reduction Project, control number 1505-0164, Washington, DC 20503, with a copy to the Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Ave., NW—Annex, Washington, D.C. 20220. Any such comments should be submitted not later than October 24, 1997. Comments on aspects of this final rule other than those involving collections of information subject to the PRA should not be sent to OMB.

List of Subjects

31 CFR Part 500

Administrative practice and procedure, Banks, banking, Blocking of assets, Cambodia, Exports, Finance, Foreign claims, Foreign investment in the United States, Foreign trade, Imports, Information and informational materials, International organizations, North Korea, Penalties, Publications, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Terrorism, Travel restrictions, Trusts and estates, Vietnam.

31 CFR Part 501

Administrative practice and procedure, Banks, banking, Blocking of

assets, Foreign trade, Reporting and recordkeeping requirements

31 CFR Part 505

Administrative practice and procedure, Banks, banking, COCOM, Communist countries, Exports, Finance, Foreign trade, Penalties, Reporting and recordkeeping requirements.

31 CFR Part 515

Administrative practice and procedure, Air carriers, Banks, banking, Blocking of assets, Cuba, Currency, Estates, Exports, Foreign investment in the United States, Foreign trade, Imports, Informational materials, Penalties, Publications, Reporting and recordkeeping requirements, Securities, Shipping, Specially designated nationals, Terrorism, Travel restrictions, Trusts and trustees, Vessels.

31 CFR Part 535

Administrative practice and procedure, Banks, banking, Blocking of assets, Currency, Foreign investment in the United States, Iran, Penalties, Reporting and recordkeeping requirements, Securities, Terrorism.

31 CFR Part 536

Administrative practice and procedure, Banks, banking, Blocking of assets, Narcotics trafficking, Penalties, Reporting and recordkeeping requirements, Specially designated narcotics traffickers, Transfer of assets.

31 CFR Part 550

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign investment, Foreign trade, Government of Libya, Imports, Libya, Loans, Penalties, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Terrorism, Travel restrictions.

31 CFR Part 560

Administrative practice and procedure, Agriculture commodities, Banks, banking, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Terrorism, Transportation.

31 CFR Part 575

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign trade, Humanitarian aid, Imports, Iraq, Oil imports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals, Terrorism, Travel restrictions.

31 CFR Part 585

Administrative practice and procedure, Banks, banking, Blocking of assets, Bosnian Serbs, Exports, Federal Republic of Yugoslavia (Serbia and Montenegro), Foreign trade, Imports, Intellectual property, Loans, Penalties, Reporting and recordkeeping requirements, Securities, Services, Shipping, Telecommunications, Transfer of assets, Vessels.

31 CFR Part 590

Administrative practice and procedure, Angola, Exports, Foreign trade, National Union for the Total Independence of Angola, Penalties, Reporting and recordkeeping requirements, Shipping, UNITA, Vessels.

31 CFR Part 595

Administrative practice and procedure, Banks, banking, Blocking of assets, Penalties, Reporting and recordkeeping requirements, Specially designated terrorists, Terrorism, Transfer of assets.

31 CFR Part 596

Administrative practice and procedure, Banks, banking, Cuba, Penalties, Iran, Iraq, Libya, North Korea, Reporting and recordkeeping requirements, Sudan, Syria, Terrorism, Transfer of assets.

For the reasons set forth in the preamble, 31 CFR chapter V is amended as follows:

PART 500—FOREIGN ASSETS CONTROL REGULATIONS

1. The authority citation for part 500 is revised to read as follows:

Authority: 18 U.S.C. 2332d; 31 U.S.C. 321(b); 50 U.S.C. App. 1-44; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9889, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 748.

1a. The heading of subpart A is revised to read as follows:

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 500.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 500.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license

application and other procedures of which apply to this part. * * *

Subpart B—Prohibitions

3. Section 500.201 is amended by adding new paragraph (e) to read as follows:

§ 500.201 Transactions involving designated foreign countries or their nationals; effective date.

(e) When a transaction results in the blocking of funds at a banking institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

Subpart C—General Definitions

4. The note at the end of § 500.306 is amended by adding a sentence to the end of the note to read as follows:

§ 500.306 Specially designated national.

Note to § 500.306: * * * Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

5. Section 500.508 is amended by removing paragraph (f) and by adding a note to the end of the section to read as follows:

§ 500.508 Payments to blocked accounts in domestic banks.

Note to § 500.508: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

Subpart F—Reports

§ 500.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties

§ 500.701 [Amended]

7. Section 500.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

Subpart H—Procedures

8. Section 500.801 is revised to read as follows:

§ 500.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 500.802—500.806 and **500.809** [Removed]

8a. Sections 500.802 through 500.806 and 500.809 are removed.

§§ 500.807 and **500.808** [Redesignated as **§§ 500.802** and **500.803**]

8b. Sections 500.807 and 500.808 are redesignated as **§ 500.802** and **500.803**, respectively.

Subpart I—Miscellaneous Provisions

9. Section 500.901 is revised to read as follows:

§ 500.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

10. Part 501 is added to read as follows:

PART 501—REPORTING AND PROCEDURES REGULATIONS**Subpart A—Relation of This Part to Other Parts in This Chapter**

Sec. 501.101 Relation of this part to other parts in this chapter.

Subpart B—Definitions

501.301 Definitions.

Subpart C—Reports

501.601 Records and recordkeeping requirements.

501.602 Reports to be furnished on demand.

501.603 Reports on blocked property.

501.604 Reports by U.S. financial institutions on rejected funds transfers.

501.605 Reports on litigation, arbitration, and dispute resolution proceedings.

501.606 Reporting and recordkeeping requirements applicable to economic sanctions programs.

Subpart D—Procedures

- 501.601 Licensing.
 501.602 Decisions.
 501.603 Amendment, modification, or revocation.
 501.604 Rulemaking.
 501.605 Rules governing availability of information.
 501.606 Procedures for unblocking funds believed to have been blocked due to mistaken identity.
 501.607 Procedures governing removal of names from appendices A, B, and C to this chapter.
 501.608 License application and other procedures applicable to economic sanctions programs.

Subpart E—Paperwork Reduction Act

501.901 Paperwork Reduction Act notice.
 Authority: 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1701–1706; 50 U.S.C. App. 1–44.

Subpart A—Relation of This Part to Other Parts in This Chapter

§ 501.101 Relation of this part to other parts in this chapter.

This part sets forth standard reporting and recordkeeping requirements and license application and other procedures governing transactions regulated pursuant to other parts codified in this chapter, as well as to economic sanctions programs for which implementation and administration are delegated to the Office of Foreign Assets Control. Substantive prohibitions and policies particular to each economic sanctions program are not contained in this part but are set forth in the particular part of this chapter dedicated to that program, or, in the case of economic sanctions programs not yet implemented in regulations, in the applicable executive order or other authority. License application procedures and reporting requirements set forth in this part govern transactions undertaken pursuant to general or specific licenses, the criteria for which are set forth in subpart E of the individual parts in this chapter. Statements of licensing policy contained in subpart E of the individual parts in this chapter, however, may contain additional information collection provisions that require production of specified documentation unique to a given general license or statement of licensing policy.

Subpart B—Definitions

§ 501.301 Definitions.

Definitions of terms used in this part are found in subpart C of the part within

this chapter applicable to the relevant application, record, report, procedure or transaction. In the case of economic sanctions programs for which implementation and administration are delegated to the Office of Foreign Assets Control but for which regulations have not yet been issued, the definitions of terms in this part are governed by definitions contained in the implementing statute or Executive order.

Subpart C—Reports

§ 501.601 Records and recordkeeping requirements.

Except as otherwise provided, every person engaging in any transaction subject to the provisions of this chapter shall keep a full and accurate record of each such transaction engaged in, regardless of whether such transaction is effected pursuant to license or otherwise, and such record shall be available for examination for at least 5 years after the date of such transaction. Except as otherwise provided, every person holding property blocked pursuant to the provisions of this chapter or funds transfers retained pursuant to § 506.504(b) of this chapter shall keep a full and accurate record of such property, and such record shall be available for examination for the period of time that such property is blocked and for at least 5 years after the date such property is unblocked.

§ 501.602 Reports to be furnished on demand.

Every person is required to furnish under oath, in the form of reports or otherwise, from time to time and at any time as may be required by the Director, Office of Foreign Assets Control, complete information relative to any transaction, regardless of whether such transaction is effected pursuant to license or otherwise, subject to the provisions of this chapter or relative to any property in which any foreign country or any national thereof has any interest of any nature whatsoever, direct or indirect. The Director may require that such reports include the production of any books of account, contracts, letters or other papers connected with any such transaction or property, in the custody or control of the persons required to make such reports. Reports with respect to transactions may be required either before or after such transactions are completed. The Director may, through any person or agency, conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and

testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation, regardless of whether any report has been required or filed in connection therewith.

§ 501.603 Reports on blocked property.

(a) *Who must report*—(1) *Holders of blocked property*. Any person, including a financial institution, holding property blocked pursuant to this chapter must report. The requirement includes financial institutions that receive and block payments or transfers. This requirement is mandatory and applies to all U.S. persons (or persons subject to U.S. jurisdiction in the case of parts 500 and 515 of this chapter) who have in their possession or control any property or interests in property blocked pursuant to this chapter.

(2) *Primary responsibility to report*. A report may be filed on behalf of a holder of blocked property by an attorney, agent, or other person. Primary responsibility for reporting blocked property, however, rests with the actual holder of the property, or the person exercising control over property located outside the United States, with the following exceptions: primary responsibility for reporting any trust assets rest with the trustee; and primary responsibility for reporting real property rests with any U.S. co-owner, legal representative, agent, or property manager in the United States. No person is excused from filing a report by reason of the fact that another person has submitted a report with regard to the same property, except upon actual knowledge of the report filed by such other person. Reports filed are regarded as privileged and confidential.

(3) *Financial institutions*. For purposes of this section, the term "financial institution" shall include a banking institution, domestic bank, United States depository institution, financial institution, or U.S. financial institution, as those terms are defined in the applicable part of this chapter.

(b) *What must be reported*—(i) *Initial reports*—(i) *When reports are due*. Reports are required to be filed within 10 business days from the date that property becomes blocked. This reporting requirement includes payments or transfers that are received and blocked by financial institutions.

(ii) *Contents of reports*. Initial reports on blocked property shall describe the owner or account party, the property, its location, any existing or new account number or similar reference necessary to identify the property, actual or estimated value and the date it was blocked, and shall include the name and

address of the holder, along with the name and telephone number of a contact person from whom compliance information can be obtained. If the report is filed by a financial institution and involves the receipt of a payment or transfer of funds which are blocked by the financial institution, the report shall also include a photocopy of the payment or transfer instructions received and shall confirm that the payment has been deposited into a new or existing blocked account which is labeled as such and is established in the name of, or contains a means of clearly identifying the interest of, the individual or entity subject to blocking pursuant to the requirements of this chapter.

(2) *Annual reports*—(i) *When reports are due.* A comprehensive report on all blocked property held as of June 30 of the current year shall be filed annually by September 30. The first annual report is due September 30, 1997.

(ii) *Contents of reports.* Annual reports shall be filed using Form TDF 90-22.50, Annual Report of Blocked Property. Copies of Form TDF 90-22.50 may be obtained directly from the Office of Foreign Assets Control, by calling the fax-on-demand service maintained by the Office of Foreign Assets Control at 202/622-0077, or by downloading the form from the "OFAC Press Releases and Miscellaneous Documents" file library ("FAC_MISC") located on the Government Printing Office's Federal Bulletin Board Online via GPO Access (Internet site: http://fedbbs.access.gpo.gov/lib/fac_misc.htm). Photocopies of the report form may be used. Requests to submit the information required on Form TDF 90-22.50 in an alternative format developed by the reporter are invited and will be considered by the Office of Foreign Assets Control on a case-by-case basis. A copy of reports filed using form TDF 90-22.50 or in alternative formats must be retained for the reporter's records.

(c) *Reports on retained funds pursuant to § 596.504(b) of this chapter.* The reporting requirements set forth in this section are applicable to any financial institution retaining funds pursuant to § 596.504(b) of this chapter, except that the account name shall reflect the name of the person whose interest required retention of the funds.

(d) *Where to report.* All reports must be filed with the Office of Foreign Assets Control, Compliance Programs Division, U.S. Treasury Department, 1500 Pennsylvania Avenue NW—Annex, Washington, DC 20220.

§ 501.604 Reports by U.S. financial institutions on rejected funds transfers.

(a) *Who must report.* Any financial institution that rejects a funds transfer where the funds are not blocked under the provisions of this chapter, but where processing the transfer would nonetheless violate, or facilitate an underlying transaction that is prohibited under, other provisions contained in this chapter, must report. For purposes of this section, the term "financial institution" shall include a banking institution, depository institution or United States depository institution, domestic bank, financial institution or U.S. financial institution, as those terms are defined in the applicable part of this chapter.

(b) *Rejected transfers.* Examples of transactions involving rejected funds transfers include funds transfer instructions:

- (1) Referencing a blocked vessel but where none of the parties or financial institutions involved in the transaction is a blocked person;
- (2) Sending funds to a person in Iraq;
- (3) Transferring unlicensed gifts or charitable donations from the Government of Syria or Sudan to a U.S. person;
- (4) Crediting Iranian accounts on the books of a U.S. financial institution; and
- (5) Making unauthorized transfers from U.S. persons to Iran or the Government of Iran.

(c) *When reports are due.* Reports are required to be filed within 10 business days by any financial institution rejecting instructions to execute payments or transfers involving underlying transactions prohibited by the provisions of this chapter.

(d) *What must be reported.* The report shall include the name and address of the transferee financial institution, the date of the transfer, the amount of the payment or transfer instructions received, and shall state the basis for the rejection of the transfer instructions. The report shall also provide the name and telephone number of a contact person at the transferee financial institution from whom compliance information may be obtained.

(e) *Where to report.* Reports must be filed with the Office of Foreign Assets Control, Compliance Programs Division, U.S. Treasury Department, 1500 Pennsylvania Avenue NW—Annex, Washington, DC 20220.

§ 501.605 Reports on litigation, arbitration, and dispute resolution proceedings.

(a) U.S. persons (or persons subject to the jurisdiction of the United States in the case of parts 500 and 515 of this

chapter) participating in litigation, arbitration, or other binding alternative dispute resolution proceedings in the United States on behalf of or against persons whose property or interests in property are blocked or whose funds have been retained pursuant to § 596.504(b) of this chapter, or when the outcome of any proceeding may affect blocked property or retained funds, must:

(1) Provide notice of such proceedings upon their commencement or upon submission or receipt of documents bringing the proceedings within the terms of the introductory text to this paragraph (a);

(2) Submit copies of all pleadings, motions, memoranda, exhibits, stipulations, correspondence, and proposed orders or judgments (including any proposed final judgment or default judgment) submitted to the court or other adjudicatory body, and all orders, decisions, opinions, or memoranda issued by the court, to the Chief Counsel, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20220, within 10 days of filing, submission or issuance. This paragraph (a)(2) shall not apply to discovery requests or responses, documents filed under seal, or requests for procedural action not seeking action dispositive of the proceedings (such as requests for extension of time to file); and

(3) Report by immediate facsimile transmission to the Chief Counsel, Office of Foreign Assets Control, at facsimile number 202/622-1911, the scheduling of any hearing or status conference in the proceedings whenever it appears that the court or other adjudicatory body may issue an order or judgment in the proceedings (including a final judgment or default judgment) or is considering or may decide any pending request dispositive of the merits of the proceedings or of any claim raised in the proceedings.

(b) The reporting requirements of paragraph (a) of this section do not apply to proceedings to which the Office of Foreign Assets Control is a party.

(c) Persons initiating proceedings subject to the reporting requirements of this section must notify the court or other adjudicatory body of the restrictions set forth under the applicable part in this chapter governing the transfer of blocked property or funds retained pursuant to § 596.504(b) of this chapter, including the prohibition on any unlicensed attachment, judgment, decree, lien, execution, garnishment or other judicial process with respect to

any property in which, on or after the applicable effective date, there existed an interest of any person whose property and property interests were subject to blocking pursuant to this chapter or were subject to retention pursuant to § 596.504(b) of this chapter.

§ 501.606 Reporting and recordkeeping requirements applicable to economic sanctions programs.

The reporting and recordkeeping requirements set forth in this subpart are applicable to economic sanctions programs for which implementation and administration have been delegated to the Office of Foreign Assets Control.

Subpart D—Procedures

§ 501.601 Licensing.

(a) *General licenses.* General licenses have been issued authorizing under appropriate terms and conditions certain types of transactions which are subject to the prohibitions contained in this chapter. All such licenses are set forth in subpart E of each part contained in this chapter. General licenses may also be issued authorizing under appropriate terms and conditions certain types of transactions which are subject to prohibitions contained in economic sanctions programs the implementation and administration of which have been delegated to the Director of the Office of Foreign Assets Control but which are not yet codified in this chapter. It is the policy of the Office of Foreign Assets Control not to grant applications for specific licenses authorizing transactions to which the provisions of an outstanding general license are applicable. Persons availing themselves of certain general licenses may be required to file reports and statements in accordance with the instructions specified in those licenses. Failure to file such reports or statements will nullify the authority of the general license.

(b) *Specific licenses—(1) General course of procedure.* Transactions subject to the prohibitions contained in this chapter, or to prohibitions the implementation and administration of which have been delegated to the Director of the Office of Foreign Assets Control, which are not authorized by general license may be effected only under specific licenses.

(2) *Applications for specific licenses.* Applications for specific licenses to engage in any transactions prohibited by or pursuant to this chapter or sanctions programs that have been delegated to the Director of the Office of Foreign Assets Control for implementation and administration may be filed by letter

with the Office of Foreign Assets Control. Any person having an interest in a transaction or proposed transaction may file an application for a license authorizing such transaction, but the applicant for a specific license is required to make full disclosure of all parties in interest to the transaction so that a decision on the application may be made with full knowledge of all relevant facts and so that the identity and location of the persons who know about the transaction may be easily ascertained in the event of inquiry.

(3) *Information to be supplied.* The applicant must supply all information specified by relevant instructions and/or forms, and must fully disclose the names of all parties who are concerned with or interested in the proposed transaction. If the application is filed by an agent, the agent must disclose the name of his principal(s). Such documents as may be relevant shall be attached to each application as a part of such application, except that documents previously filed with the Office of Foreign Assets Control may, where appropriate, be incorporated by reference in such application. Applicants are required to supply their taxpayer identifying number pursuant to 31 U.S.C. 7701, which number may be used for purposes of collecting and reporting on any delinquent amounts arising out of the applicant's relationship with the United States Government. Applicants may be required to furnish such further information as is deemed necessary to a proper determination by the Office of Foreign Assets Control. Any applicant or other party in interest desiring to present additional information may do so at any time before or after decision. Arrangements for oral presentation should be made with the Office of Foreign Assets Control.

(4) *Effect of denial.* The denial of a license does not preclude the reopening of an application or the filing of a further application. The applicant or any other party in interest may at any time request explanation of the reasons for a denial by correspondence or personal interview.

(5) *Reports under specific licenses.* As a condition for the issuance of any license, the licensee may be required to file reports with respect to the transaction covered by the license, in such form and at such times and places as may be prescribed in the license or otherwise.

(6) *Issuance of license.* Licenses will be issued by the Office of Foreign Assets Control acting on behalf of the Secretary of the Treasury or licenses may be issued by the Secretary of the Treasury

acting directly or through any specifically designated person, agency, or instrumentality.

(7) *Address.* License applications, reports, and inquiries should be addressed to the appropriate division or individual within the Office of Foreign Assets Control, or to its Director, at the following address: Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20220.

§ 501.602 Decisions.

The Office of Foreign Assets Control will advise each applicant of the decision respecting filed applications. The decision of the Office of Foreign Assets Control acting on behalf of the Secretary of the Treasury with respect to an application shall constitute final agency action.

§ 501.603 Amendment, modification, or revocation.

The provisions of this part and any rulings, licenses (whether general or specific), authorizations, instructions, orders, or forms issued hereunder may be amended, modified, or revoked at any time.

§ 501.604 Rulemaking.

(a) All rules and other public documents are issued by the Director of the Office of Foreign Assets Control. In general, rulemaking by the Office of Foreign Assets Control involves foreign affairs functions of the United States, and for that reason is exempt from the requirements under the Administrative Procedure Act (5 U.S.C. 553) for notice of proposed rulemaking, opportunity for public comment, and delay in effective date.

(b) Any interested person may petition the Director of the Office of Foreign Assets Control in writing for the issuance, amendment, or repeal of any rule.

§ 501.605 Rules governing availability of information.

Records of the Office of Foreign Assets Control which are exempt from the Freedom of Information Act (5 U.S.C. 552) to be made available to the public shall be made available in accordance with the definitions, procedures, payment of fees, and other provisions of the regulations on the Disclosure of Records of the Departmental Offices and of other bureaus and offices of the Department of the Treasury issued under 5 U.S.C. 552 and published at 31 CFR part 1.

(b) The records of the Office of Foreign Assets Control which are required by the Privacy Act (5 U.S.C. 552a) to be made available to an

individual shall be made available in accordance with the definitions, procedures, requirements for payment of fees, and other provisions of the Regulations on the Disclosure of Records of the Departmental Offices and of other bureaus and offices of the Department of the Treasury issued under 5 U.S.C. 552a and published at 31 CFR part 1.

(c) Any form issued for use in connection with this chapter may be obtained in person or by writing to the Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20220, or by calling 202/622-2480.

§ 501.606 Procedures for unblocking funds believed to have been blocked due to mistaken identity.

When a transaction results in the blocking of funds at a financial institution pursuant to the applicable regulations of this chapter and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the following administrative procedures:

(a) Any person who is a party to the transaction may request the release of funds which the party believes to have been blocked due to mistaken identity.

(b) Requests to release funds which a party believes to have been blocked due to mistaken identity must be made in writing and addressed to the Office of Foreign Assets Control, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20220, or sent by facsimile transmission to 202/622-1657.

(c) The written request to release funds must include the name, address, telephone number, and (where available) fax number of the party seeking the release of the funds. For individuals, the inclusion of a social security number is voluntary but will facilitate resolution of the request. For corporations or other entities, the application should include its principal place of business, the state of incorporation or organization, and the name and telephone number of the appropriate person to contact regarding the application.

(d) A request to release funds should include the following information, where known, concerning the transaction:

- (1) The name of the financial institution in which the funds are blocked;
- (2) The amount blocked;
- (3) The date of the blocking;

(4) The identity of the original remitter of the funds and any intermediary financial institutions;

(5) The intended beneficiary of the blocked transfer;

(6) A description of the underlying transaction including copies of related documents (e.g., invoices, bills of lading, promissory notes, etc.);

(7) The nature of the applicant's interest in the funds; and

(8) A statement of the reasons why the applicant believes the funds were blocked due to mistaken identity.

(e) Upon receipt of the materials required by paragraph (d) of this section, OFAC may request additional material from the applicant concerning the transaction pursuant to § 501.602.

(f) Following review of all applicable submissions, the Director of the Office of Foreign Assets Control will determine whether to release the funds. In the event the Director determines that the funds should be released, the Office of Foreign Assets Control will direct the financial institution to return the funds to the appropriate party.

(g) For purposes of this section, the term "financial institution" shall include a banking institution, depository institution or United States depository institution, domestic bank, financial institution or U.S. financial institution, as those terms are defined in the applicable part of this chapter.

§ 501.607 Procedures governing removal of names from appendices A, B, and C to this chapter.

Persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable, may seek to have the designation rescinded pursuant to the following administrative procedures:

(a) A specially designated national ("SDN"), specially designated terrorist ("SDT"), or specially designated narcotics trafficker ("SDNT") (collectively, a "designated person"), or a person owning a majority interest in a blocked vessel, may request disclosure of the factual basis for designation and, subject to the limitations contained in paragraph (c) of this section, review factual materials relied upon by the Office of Foreign Assets Control in designating the person or vessel.

(b) Requests to review such information must be made in writing and addressed to the Director, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20220.

(c) The Office of Foreign Assets Control will deny access to documents

that are classified pursuant to Executive Order No. 12958 or similar Executive orders, or to documents that the Office deems privileged, or that the Office determines would not otherwise be available by law to a party in litigation with the Office. Similarly, the Office may redact materials to protect confidential or privileged information.

(d) Following a review of the basis of designation, a designated person or person owning a majority interest in a blocked vessel may submit arguments or evidence that the person believes refutes the basis for designation, or may propose remedial steps on its part, including corporate reorganization, resignation of position(s) in a blocked organization or similar steps, which it believes would negate the basis for designation. A person owning a majority interest in a blocked vessel may propose the sale of the vessel, with the proceeds to be placed into a blocked interest-bearing account after deducting the costs incurred while the vessel was blocked and the costs of the sale.

(e) After making a written submission, a designated person or person seeking the unblocking of a vessel may request a meeting with the Director of the Office of Foreign Assets Control; however, such meetings are not required, and the Director may, at his discretion, decline to conduct such meetings prior to making a review pursuant to this section.

(f) The information submitted by the designated person or person seeking the unblocking of a vessel will be reviewed by the Director, who may request clarifying, corroborating, or other additional information.

(g) For purposes of judicial review, a decision pursuant to this section constitutes a final agency action.

§ 501.608 License application and other procedures applicable to economic sanctions programs.

Upon submission to the Office of Management and Budget of an amendment to the overall burden hours for the information collections imposed under this part, the license application and other procedures set forth in this subpart are applicable to economic sanctions programs for which implementation and administration have been delegated to the Office of Foreign Assets Control.

Subpart E—Paperwork Reduction Act

§ 501.901 Paperwork Reduction Act notice.

The information collection requirements in subparts C and D have been approved by the Office of Management and Budget ("OMB")

under the Paperwork Reduction Act (44 U.S.C. 3507(j)) and assigned control number 1505-0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 505—REGULATIONS PROHIBITING TRANSACTIONS INVOLVING THE SHIPMENT OF CERTAIN MERCHANDISE BETWEEN FOREIGN COUNTRIES

1. The authority citation for part 505 is revised to read as follows:

Authority: 31 U.S.C. 321(b); 50 U.S.C. App. 1-44; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 9193, 7 FR 5205, 3 CFR 1938-1943 Comp., p. 1174; E.O. 9989, 13 FR 4891, 3 CFR 1943-1948 Comp., p. 748.

§ 505.40 [Amended]

2. Section 505.40 is amended by revising the reference to "§§ 500.601 and 500.602" to read "§§ 501.601 and 501.602".

3. Section 505.60 is revised to read as follows:

§ 505.60 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see § 500.802 and subpart D of part 501 of this chapter.

PART 515—CUBAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 515 is revised to read as follows:

Authority: 18 U.S.C. 2332d; 22 U.S.C. 2370(a), 6001-6010; 31 U.S.C. 321(b); 50 U.S.C. App. 1-44; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 9193, 7 FR 5205, 3 CFR 1938-1943 Comp., p. 1147; E.O. 9889, 13 FR 4891, 3 CFR 1943-48 Comp., p. 748; Proc. 3447, 27 FR 1085, 3 CFR 1959-1963 Comp., p. 157; E.O. 12854, 58 FR 36587, 3 CFR 1993 Comp., p. 614.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 515.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 515.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license

application and other procedures of which apply to this part. * * *

Subpart B—Prohibitions

3. Section 515.201 is amended by adding new paragraph (e) to read as follows:

§ 515.201 Transactions involving designated foreign countries or their nationals; effective date.

(e) When a transaction results in the blocking of funds at a banking institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

Subpart C—General Definitions

4. The note at the end of § 515.306 is amended by adding a sentence to the end of the note to read as follows:

§ 515.306 Specially designated national.

Note to § 515.306: * * * Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

5. Section 515.508 is amended by removing paragraph (f) and by adding a note to the end of the section to read as follows:

§ 515.508 Payments to blocked accounts in domestic banks.

Note to § 515.508: Please refer to § 501.803 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

Subpart F—Reports

§ 515.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties

§ 515.701 [Amended]

7. Section 515.701(a) introductory text is amended by removing the words "as amended by" and by adding in their place the words "as adjusted by".

Subpart H—Procedures

8. Section 515.801 is revised to read as follows:

§ 515.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

~~§§ 515.802-500.806 and 515.809~~

[Removed]

8a. Sections 515.802 through 515.806 and 515.809 are removed.

~~§§ 515.807 and 515.808~~ [Redesignated as §§ 515.802 and 515.803]

8b. Sections 515.807 and 515.808 are redesignated as §§ 515.802 and 515.803, respectively.

Subpart I—Miscellaneous Provisions

9. Section 515.901 is revised to read as follows:

§ 515.901 Paperwork Reduction Act notice

Collection of information on TDF 90-22-39, "Declaration, Travel to Cuba," has been approved by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act (44 U.S.C. 3507(j)) and assigned control number 1505-0118. For approval by OMB under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 535 is revised to read as follows:

Authority: 18 U.S.C. 2332d; 31 U.S.C. 321(b); 50 U.S.C. 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12170, 44 FR 65728, 3 CFR 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR 1980 Comp., p. 248; E.O. 12211, 45 FR 26685, 3 CFR 1980 Comp., p. 253; E.O. 12278, 46 FR 7913, 3 CFR 1981 Comp., p. 104; E.O. 12279, 46 FR 7919, 3 CFR 1981 Comp., p. 109; E.O. 12280, 46 FR 7921, 3 CFR 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR 1981 Comp., p. 110; E.O. 12282, 46 FR 7925, 3 CFR 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR 1981 Comp., p. 114; and E.O.

12294, 46 FR 14111, 3 CFR, 1981 Comp., p. 139.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 535.101 is amended by removing the first two sentences of paragraph (a) and adding a new sentence in their place to read as follows:

§ 535.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

3. Section 535.508 is amended by removing paragraph (f) and by adding a note to the end of the section to read as follows:

§ 535.508 Payments to blocked accounts in domestic banks.

Note to § 535.508: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

4. Subpart F is revised to read as follows:

Subpart F—Reports

§ 535.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties

§ 535.701 [Amended]

5. Section 535.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

6. Subpart H is revised to read as follows:

Subpart H—Procedures

§ 535.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

Subpart I—Miscellaneous Provisions

7. Section 535.905 is revised to read as follows:

§ 535.905 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 536—NARCOTICS TRAFFICKING SANCTIONS REGULATIONS

1. The authority citation for part 536 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601–1641, 1791–1798; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12978, 60 FR 54579, 3 CFR, 1995 Comp., p. 415.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 536.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 536.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

Subpart B—Prohibitions

3. Section 536.201 is amended by designating the existing paragraph as paragraph (a) and by adding new paragraph (b) to read as follows:

§ 536.201 Prohibited transactions involving blocked property.

(b) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

Subpart C—General Definitions

4. Section 536.312 is amended by adding a note to the end of the section to read as follows:

§ 536.312 Specially designated narcotics traffickers.

NOTE TO § 536.312: Please refer to the appendices at the end of this chapter for listings of persons determined to fall within this definition who have been designated pursuant to this part. Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

5. Section 536.503 is amended by revising paragraph (a) and by adding a note to the end of the section to read as follows:

§ 536.503 Payments and transfers to blocked accounts in U.S. financial institutions.

(a) Any payment of funds or transfer of credit or other financial or economic resources or assets into a blocked account in a U.S. financial institution is authorized, provided that a transfer from a blocked account pursuant to this authorization may only be made to another blocked account held in the same name on the books of the same U.S. financial institution.

NOTE TO § 536.503: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

Subpart F—Reports

§ 536.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart H—Procedures

7. Section 536.801 is revised to read as follows:

§ 536.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 536.802-536.804 and 536.806
[Removed]

7a. Sections 536.802 through 536.804 and 536.806 are removed.

§ 536.805 [Redesignated as § 536.802]

7b. Section 536.805 is redesignated as § 536.802.

Subpart I—Paperwork Reduction Act

8. Section 536.901 is revised to read as follows:

§ 536.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 550—LIBYAN SANCTIONS REGULATIONS

1. The authority citation for part 550 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 287c, 2349aa-9 and 2349aa-9, 31 U.S.C. 321(b); 49 U.S.C. App. 1514; 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12543, 51 FR 875, 3 CFR, 1986 Comp., p. 181; E.O. 12544, 51 FR 1235, 3 CFR, 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR, 1992 Comp., p. 294.

Subpart A—Relation of this Part to Other Laws and Regulations

2. Section 550.101 is amended by removing the first two sentences of paragraph (a) and adding a new sentence in their place to read as follows:

§ 550.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

Subpart B—Prohibitions

3. Section 550.209 is amended by adding new paragraph (c) to read as follows:

§ 550.209 Prohibited transactions involving property in which the Government of Libya has an interest; transactions with respect to securities.

(c) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

Subpart C—Definitions

4. The note at the end of § 550.304 is amended by adding a sentence to the end of the note to read as follows:

§ 550.304 Government of Libya.

Note to § 550.304: * * * Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

5. Section 550.511 is amended by removing paragraph (g) and redesignating paragraph (h) as paragraph (g), by removing the words "paragraph (g) of this section" from the last sentence of newly designated paragraph (g) and adding in their place the words "the note to this section", and by adding a note to the end of the section to read as follows:

§ 550.511 Payments and transfers to blocked accounts in domestic banks.

Note to § 550.511: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

Subpart F—Reports

§ 550.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties

§ 550.701 [Amended]

7. Section 550.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

Subpart H—Procedures

8. Section 550.801 is revised to read as follows:

§ 550.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 550.802-550.804 and 500.806
[Removed]

8a. Sections 550.802 through 550.804 and 500.806 are removed.

§§ 550.805 and 550.807 [Redesignated as §§ 550.802 and 550.803]

8b. Sections 550.805 and 550.807 are redesignated as §§ 550.802 and 550.803, respectively.

Subpart I—Miscellaneous

9. Section 550.901 is revised to read as follows:

§ 550.901 Paperwork Reduction Act notice.

The information collection requirements in § 550.560(d) have been approved by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act (44 U.S.C. 3507(j)) and assigned control number 1505-0093. For approval by OMB under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority citation for part 560 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 2349aa-9; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12958, 60 FR 24757, 3 CFR, 1995 Comp., p. 356.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 560.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 560.101 *Relation of this part to other laws and regulations.*

(a) This part is separate from, and independent of, the other parts of this chapter, including part 535 of this chapter, "Iranian Assets Control Regulations," with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

Subpart F—Reports

3. Section 560.801 is revised to read as follows:

§ 560.801 *Records and reports.*

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

§ 560.802 *[Removed and reserved]*

3a. Section 560.802 is removed and reserved.

Subpart G—Penalties**§ 560.701** *[Amended]*

4. Section 560.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

Subpart H—Procedures

5. Section 560.801 is revised to read as follows:

§ 560.801 *Procedures.*

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 560.802–560.804 and 560.807 *[Removed]*

5a. Sections 560.802 through 560.804 and 560.807 are removed.

§§ 560.806 and 560.806 *[Redesignated as §§ 560.802 and 560.803]*

5b. Sections 560.805 and 560.806 are redesignated as §§ 560.802 and 560.803, respectively.

Subpart I—Paperwork Reduction Act

6. Section 560.901 is revised to read as follows:

§ 560.901 *Paperwork Reduction Act notice.*

The specific information collection requirements in § 560.603 have been approved by the Office of Management and Budget ("OMB") under the

Paperwork Reduction Act (44 U.S.C. 3507(j)) and assigned control number 1505–0106. For approval by OMB under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 575—IRAQI SANCTIONS REGULATIONS

1. The authority citation for part 575 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 287c; Pub. L. 101–513, 104 Stat. 2047–35 (50 U.S.C. 1701 note); 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–510, 104 Stat. 890 (50 U.S.C. 2481 note); E.O. 12722, 55 FR 31803, 3 CFR, 1990 Comp., p. 294; E.O. 12724, 55 FR 33069, 3 CFR, 1992 Comp., p. 317; E.O. 12817, 57 FR 48433, 3 CFR, 1992 Comp., p. 317.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 575.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 575.101 *Relation of this part to other laws and regulations.*

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

Subpart B—Prohibitions

3. Section 575.201 is amended by adding new paragraph (c) to read as follows:

§ 575.201 *Prohibited transactions involving property in which the Government of Iraq has an interest; transactions with respect to securities.*

(c) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

Subpart C—General Definitions

4. The note at the end of § 575.306 is amended by adding a sentence to the end of the note to read as follows:

§ 575.306 *Government of Iraq.*

Note to § 575.306: * * * Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

5. Section 575.503 is amended by removing paragraph (b) and by adding a note to the end of the section to read as follows:

§ 575.503 *Payments and transfers to blocked accounts in U.S. financial institutions.*

Note to § 575.503: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

Subpart F—Reports**§ 575.601** *Records and reports.*

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties**§ 575.701** *[Amended]*

7. Section 575.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

Subpart H—Procedures

8. Section 575.801 is revised to read as follows:

§ 575.801 *Procedures.*

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 575.802–575.804 and 575.806 *[Removed]*

8a. Sections 575.802 through 575.804 and 575.806 are removed.

§ 575.805 *[Redesignated as § 575.802]*

8b. Section 575.805 is redesignated as § 575.802.

Subpart I—Paperwork Reduction Act

9. Section 575.901 is revised to read as follows:

§ 575.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 585—FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO) AND BOSNIAN SERB-CONTROLLED AREAS OF THE REPUBLIC OF BOSNIA AND HERZEGOVINA SANCTIONS REGULATIONS

1. The authority citation for part 585 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 49 U.S.C. 40106; 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12808, 57 FR 23299, 3 CFR, 1992 Comp., p. 305; E.O. 12810, 57 FR 24347, 3 CFR, 1992 Comp., p. 307; E.O. 12831, 58 FR 5253, 3 CFR, 1993 Comp., p. 576; E.O. 12848, 58 FR 25771, 3 CFR, 1993 Comp., p. 501; E.O. 12934, 59 FR 54117, 3 CFR, 1994 Comp., p. 930.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 585.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 585.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

Subpart B—Prohibitions

3. Section 585.201 is amended by adding a new sentence to the end of the note to § 585.201(c) and by adding new paragraph (e) to read as follows:

§ 585.201 Prohibited transactions involving blocked property; transactions with respect to securities.

* * * * *

(c) * * *

Note to § 585.201(c): * * * Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or that of a vessel as blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

(e) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

Subpart C—General Definitions

4. The note at the end of § 585.311 is amended by adding a sentence to the end of the note to read as follows:

§ 585.311 Government of the FRY (S&M).

Note to § 585.311: * * * Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

5. Section 585.503 is amended by revising paragraph (a) and by adding a note to the end of the section to read as follows:

§ 585.503 Payments and transfers to blocked accounts in U.S. financial institutions.

(a) Any payment of funds or transfer of credit or other financial or economic resources or assets into a blocked account in a U.S. financial institution is authorized, provided that a transfer from a blocked account pursuant to this authorization may only be made to another blocked account held in the same name on the books of the same U.S. financial institution.

Note to § 585.503: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

Subpart F—Reports

§ 585.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties

§ 585.701 [Amended]

7. Section 585.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

Subpart H—Procedures

8. Section 585.801 is revised to read as follows:

§ 585.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 585.802–585.804 and 585.806 [Removed]

8a. Sections 585.802 through 585.804 and 585.806 are removed.

§ 585.805 [Redesignated as § 585.602]

8b. Section 585.805 is redesignated as § 585.602.

Subpart I—Paperwork Reduction Act

9. Section 585.901 is revised to read as follows:

§ 585.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 590—UNITA (ANGOLA) SANCTIONS REGULATIONS

1. The authority citation for part 590 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12865, 58 FR 51005, 3 CFR, 1993 Comp., p. 636.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 590.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 590.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

3. Subpart F is revised to read as follows:

Subpart F—Reports**§ 590.601 Records and reports.**

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties**§ 590.701 [Amended]**

4. Section 590.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

Subpart H—Procedures

5. Section 590.801 is revised to read as follows:

§ 590.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 590.802 through 590.804 and 590.806 [Removed]

5a. Sections 590.802 through 590.804 and 590.806 are removed.

§ 590.805 [Redesignated as § 590.802]

5b. Section 590.805 is redesignated as § 590.802.

Subpart I—Paperwork Reduction Act

6. Section 590.901 is added to read as follows:

§ 590.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information

unless it displays a valid control number assigned by OMB.

PART 595—TERRORISM SANCTIONS REGULATIONS

1. The authority citation for part 595 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 319.

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 595.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 595.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. * * *

Subpart B—Prohibitions

3. Section 595.201 is amended by designating the existing paragraph as paragraph (a) and by adding new paragraph (b) to read as follows:

§ 595.201 Prohibited transactions involving blocked property.

(b) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

Subpart C—General Definitions

4. The note at the end of § 595.311 is amended by adding a sentence to the end of the note to read as follows:

§ 595.311 Specially designated terrorist.

Note to § 595.311: * * * Section 501.607 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

5. Section 595.503 is amended by revising paragraph (a) and by adding a

note to the end of the section to read as follows:

§ 595.503 Payments and transfers to blocked accounts in U.S. financial institutions.

(a) Any payment of funds or transfer of credit or other financial or economic resources or assets into a blocked account in a U.S. financial institution is authorized, provided that a transfer from a blocked account pursuant to this authorization may only be made to another blocked account held in the same name on the books of the same U.S. financial institution.

Note to § 595.503: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

Subpart F—Reports**§ 595.601 Records and reports.**

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties**§ 595.701 [Amended]**

7. Section 595.701(a) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

Subpart H—Procedures

8. Section 595.801 is revised to read as follows:

§ 595.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

§§ 595.802–595.804 and 595.806 [Removed]

8a. Sections 595.802 through 595.804 and 595.806 are removed.

§ 595.805 [Redesignated as § 595.802]

8b. Section 595.805 is redesignated as § 595.802.

Subpart I—Paperwork Reduction Act

9. Section 595.901 is revised to read as follows:

§ 595.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act of

information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PART 596—TERRORISM LIST GOVERNMENTS SANCTIONS REGULATIONS

1. The authority citation for part 596 is revised to read as follows:
Authority: 18 U.S.C. 2332d; 31 U.S.C. 321(b).

Subpart A—Relation of This Part to Other Laws and Regulations

2. Section 596.101 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 596.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license

application and other procedures of which apply to this part. . . .

3. Subpart F is revised to read as follows:

Subpart F—Reports

§ 596.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart H—Procedures

4. Section 596.801 is revised to read as follows:

§ 596.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see subpart D of part 501 of this chapter.

~~§§ 596.802–596.804 and 596.806~~
(Removed)

4a. Sections 596.802 through 596.804 and 596.806 are removed.

~~§ 596.805~~ (Redesignated as § 596.802)

4b. Section 596.805 is redesignated as § 596.802.

Subpart I—Paperwork Reduction Act

5. Section 596.901 is revised to read as follows:

§ 596.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget (“OMB”) under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

Dated: August 7, 1997.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: August 11, 1997.

John P. Simpson,
Acting Assistant Secretary (Enforcement).

Note: The following Form will not appear in the Code of Federal Regulations.

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