

DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS

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MESSAGE

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS THAT WAS DECLARED IN EXECUTIVE ORDER 12947 OF JANUARY 23, 1995, PURSUANT TO 50 U.S.C. 1641(c)



JANUARY 28, 1998.—Message and accompanying papers referred to the Committee on International Relations and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

*To the Congress of the United States:*

I hereby report to the Congress on the developments concerning the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process that was declared in Executive Order 12947 of January 23, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c).

1. On January 23, 1995, I signed Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process" (the "Order") (60 *Fed. Reg.* 5079, January 25, 1995). The Order blocks all property subject to U.S. jurisdiction in which there is any interest of 12 terrorist organizations that threaten the Middle East peace process as identified in an Annex to the Order. The Order also blocks the property and interests in property subject to U.S. jurisdiction of persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, who are found (1) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or (2) to assist in, sponsor, or provide financial, material, or technological support for, or services in support of, such acts of violence. In addition, the Order blocks all property and interests in property subject to U.S. jurisdiction in which there is any interest of persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any other person designated pursuant to the Order (collectively, "Specially Designated Terrorists" or "SDTs").

The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDTs, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons. This prohibition includes donations that are intended to relieve human suffering.

Designations of persons blocked pursuant to the Order are effective upon the date of determination by the Secretary of State or her delegate, or the Director of the Office of Foreign Assets Control (OFAC) 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.

Because terrorist activities continue to threaten the Middle East peace process and vital interests of the United States in the Middle East, on January 21, 1998, I continued for another year the national emergency declared on January 23, 1995, and the measures that took effect on January 24, 1995, to deal with that emergency.

This action was taken in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)).

2. On January 25, 1995, the Department of the Treasury issued a notice listing persons blocked pursuant to Executive Order 12947 who have been designated by the President as terrorist organizations threatening the Middle East peace process or who have been found to be owned or controlled by, or to be acting for or on behalf of, these terrorist organizations (60 *Fed. Reg.* 5084, January 25, 1995). The notice identified 31 entities that act for or on behalf of the 12 Middle East terrorist organizations listed in the Annex to Executive Order 12947, as well as 18 individuals who are leaders or representatives of these groups. In addition, the notice provided 9 name variations or pseudonyms used by the 18 individuals identified. The list identifies blocked persons who have been found to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process or to have assisted in, sponsored, or provided financial, material, or technological support for, or services in support of, such acts of violence, or are owned or controlled by, or act for or on behalf of other blocked persons. The Department of the Treasury issued three additional notices adding the names of three individuals, as well as their pseudonyms, to the List of SDTs (60 *Fed. Reg.* 41152, August 11, 1995; 60 *Fed. Reg.* 44932, August 29, 1995; and 60 *Fed. Reg.* 58435, November 27, 1995).

3. On February 2, 1996, OFAC issued the Terrorism Sanctions Regulations (the "TSRs" or the "Regulations") (61 *Fed. Reg.* 3805, February 2, 1996). The TSRs implement the President's declaration of a national emergency and imposition of sanctions against certain persons whose acts of violence have the purpose or effect of disrupting the Middle East peace process. There has been one amendment to the TSRs, 31 C.F.R. Part 595 administered by the Office of Foreign Assets Control of the Department of the Treasury, since my report of August 5, 1997. The Regulations were amended on August 25, 1997. General reporting, recordkeeping, licensing, and other procedural regulations were moved from the Regulations to a separate part (31 C.F.R. Part 501) dealing solely with such procedural matters (62 *Fed. Reg.* 45098, August 25, 1997). A copy of the amendment is attached.

4. Since January 25, 1995, OFAC has issued three licenses pursuant to the Regulations. These licenses authorize payment of legal expenses of individuals and the disbursement of funds for normal expenditures for the maintenance of family members of individuals designated pursuant to Executive Order 12947, and for secure storage of tangible assets of Specially Designated Terrorists.

5. The expenses incurred by the Federal Government in the 6-month period from July 22, 1997, through January 22, 1998, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to organizations that disrupt the Middle East peace process are estimated at approximately \$165,000. These data do not reflect certain costs of operations by the intelligence and law enforcement communities.

6. Executive Order 12947 provides this Administration with a tool for combating fundraising in this country on behalf of organi-

zations that use terror to undermine the Middle East peace process. The Order makes it harder for such groups to finance these criminal activities by cutting off their access to sources of support in the United States and to U.S. financial facilities. It is also intended to reach charitable contributions to designated organizations and individuals to preclude diversion of such donations to terrorist activities.

Executive Order 12947 demonstrates the United States determination to confront and combat those who would seek to destroy the Middle East peace process, and our commitment to the global fight against terrorism. I shall continue to exercise the powers at my disposal to apply economic sanctions against extremists seeking to destroy the hopes of peaceful coexistence between Arabs and Israelis as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 27, 1998.*



**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), Iraqi 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), Unita (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 590, 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 202/622-0077, 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/fbs/fac\\_misc.htm](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 TLCSR 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 §§ 501.501-501.602 and 501.601-501.605. 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 501.601-501.605 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. 690 (28 U.S.C. 2461 note); E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9898, 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** Specialty 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(e) introductory text is amended by removing the words "as amended by" and adding in their place the words "as adjusted by".

**Subpart M—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 500.808** [Removed]

9a. Sections 500.802 through 500.806 and 500.809 are removed.

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

9b. 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**

501.801 Licensing.

501.802 Decisions.

501.803 Amendment, modification, or revocation.

501.804 Rulemaking.

501.805 Rules governing availability of information.

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

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

501.808 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 § 596.504(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*—(1) *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/libe/fac\\_misc.htm](http://fedbbs.access.gpo.gov/libe/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 transfer, and a photocopy 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.**

(a) The records of the Office of Foreign Assets Control which are required by 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

**§ 501.601** 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 Procedure.**

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. 9989, 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 515.506 is amended by removing paragraph (f) and by adding a note to the end of the section to read as follows:

**§ 515.506** Payments to blocked accounts in domestic banks.

Note to § 515.506: 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**

**§ 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** Procedure.

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 515.806~~  
(Removed)

9a. Sections 515.802 through 515.806 and 515.809 are removed.

~~§§ 515.807 and 515.808~~ (Redesignated as §§ 515.802 and 515.803)

9b. 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 1505-0116. 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, 46 FR 65729, 3 CFR, 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR, 1980 Comp., p. 248; E.O. 12211, 45 FR 28685, 3 CFR, 1980 Comp., p. 253; E.O. 12276, 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, 1701-1708; 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. 267c, 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) 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 § 501.803 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 550.806**  
**[Removed]**

8a. Sections 550.802 through 550.804 and 550.806 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. 12813, 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 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 560.601 is revised to read as follows:  
**§ 560.601** *Records and reports.*  
 For provisions relating to records and reports, see subpart C of part 501 of this chapter.  
**§ 560.602** [Removed and reserved]  
 3a. Section 560.602 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.  
**§§ 560.805 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. 2047–85 (50 U.S.C. 1701 note); 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. 12722, 55 FR 31803, 3 CFR, 1990 Comp., p. 294; E.O. 12724, 55 FR 33089, 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 (h) 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. 690 (28 U.S.C. 2461 note); E.O. 12866, 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. 12846, 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 (c) 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—Licensees, 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. 690 (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 (26 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** *Specialty designated terrorist.*

Note to § 595.311: \* \* \* 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 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. 521(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**

§ 596.801 *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 Newsom,  
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.

MLLWA 0008 496-01-0

## DEPARTMENT OF STATE

## Office of the Coordinator for Counterterrorism

(Public Notice 2612)

## Designation of Foreign Terrorist Organizations

AGENCY: Department of State.

ACTION: Designation of Foreign Terrorist Organizations.

Pursuant to Section 219 of the Immigration and Nationality Act ("INA"), as added by the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. No. 104-132, § 302, 110 Stat. 1214, 1248 (1996), and amended by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Pub. L. No. 104-208, 110 Stat. 3009 (1996), I hereby designate, effective October 8, 1997, the following organizations as foreign terrorist organizations:

*Abu Nidal Organization*

also known as the ANO, also known as Black September, also known as Fatah Revolutionary Council, also known as the Arab Revolutionary Council, also known as the Arab Revolutionary Brigades, also known as the Revolutionary Organization of Socialist Muslims

*Abu Sayyaf Group*

also known as Al Harakat Al Islamiyya

*Armed Islamic Group*

also known as CIA, also known as Groupement Islamique Arme, also known as AIG, also known as Al-Jama'ah al-Islamiyah al-Musallah

*Aum Shinrikyo*

also known as Aum Supreme Truth, also known as A.I.C. Sogo Kenkyusho, also known as A.I.C. Comprehensive Research Institute

*Democratic Front for the Liberation of Palestine-Hawatah Faction*

also known as the Democratic Front for the Liberation of Palestine, also known as the DFLP, also known as the Red Star Forces, also known as the Red Star Battalions

*Euzkadi Ta Askatasuna*

also known as Basque Fatherland and Liberty, also known as ETA

*Gama'a al-Islamiyya*

also known as the Islamic Group, also known as IG, also known as al-Gama'at, also known as Islamic Gama'at, also known as Egyptian al-Gama'at al-Islamiyya

## HAMAS

also known as the Islamic Resistance Movement, also known as Harakat al-Muqawama al-Islamiya, also known as Students of Ayyash, also known as Students of the Engineer, also known as Yahya Ayyash Units, also known as Izz Al-Din Al-Qassim Brigades, also known as Izz Al-Din Al-Qassim Forces, also known as Izz Al-Din Al-Qassim Battalions, also known as Izz al-Din Al Qassam Brigades, also known as Izz al-Din Al Qassam Forces, also known as Izz al-Din Al Qassam Battalions

*Harakat ul-Ansar*

also known as HUA, also known as al-Hadid, also known as al-Hadith, also known as al-Faran

*Hizballah*

also known as Party of God, also known as Islamic Jihad, also known as Islamic Jihad Organization, also known as Revolutionary Justice Organization, also known as Organization of the Oppressed on Earth, also known as Islamic Jihad for the Liberation of Palestine, also known as Organization of Right Against Wrong, also known as Ansar Allah, also known as Followers of the Prophet Muhammad

*Japanese Red Army*

also known as Nippon Sekigun, also known as Nihon Sekigun, also known as the Anti-Imperialist International Brigade, also known as the Holy War Brigade, also known as the Anti-War Democratic Front, also known as the JRA, also known as the AIB

*al-Jihad*

also known as Egyptian al-Jihad, also known as Vanguard of Conquest, also known as Vanguard of Victory, also known as Talal'i al-Fatih, also known as Tala'ah al-Fatah, also known as Tala' al al-Fateh, also known as Tala' al-Fateh, also known as Talaah al-Fatah, also known as New Jihad, also known as Egyptian Islamic Jihad, also known as Jihad Group

*Kach*

also known as the Repression of Traitors, also known as Dikuy Bogdim, also known as DOV, also known as the State of Judea, also known as the Committee for the Safety of the Roads, also known as the Sword of David, also known as Judea Police

*Kahane Chai*

also known as Kahane Livus, also known as the Kfar Tapuah Fund, also known as The Judean Voice

*Khmer Rouge*

also known as the Party of Democratic Kampuchea, also known as the National Army of Democratic Kampuchea

*Kurdistan Workers' Party*

also known as the PKK, also known as the Partiya Karkeran Kurdistan

*Liberation Tigers of Tamil Eelam*

also known as LTTE, also known as Tamil Tigers, also known as Eelam Force

*Manuel Rodriguez Patriotic Front Dissidents*

also known as the FPMR/D, also known as the Frente Patriotico Manuel Rodriguez—Autonomos, also known as the FPMR/A, also known as the Manuel Rodriguez Patriotic Front, also known as the Frente Patriotico Manuel Rodriguez, also known as the FPMR

*Mujahedin-e Khalq Organization*

also known as MEK, also known as MKO, also known as Mujahedin-e Khalq, also known as People's Mujahedin Organization of Iran, also known as PMOI, also known as Organization of the People's Holy Warriors of Iran, also known as Sazeman-e Mujahedin-e Khalq-e Iran

*National Liberation Army*

also known as the ELN, also known as the Ejercito de Liberacion Nacional

*Palestine Islamic Jihad-Shaqaqi Faction*

also known as PIJ-Shaqaqi Faction, also known as PIJ, also known as Islamic Jihad in Palestine, also known as Islamic Jihad of Palestine, also known as Abu Chunaym Squad of the Hizballah Bayt Al-Maqdis

*Palestine Liberation Front—Abu Abbas Faction*

also known as the Palestine Liberation Front, also known as the PLF, also known as the PLF-Abu Abbas

*Popular Front for the Liberation of Palestine*

also known as the PFLP, also known as the Red Eagles, also known as the Red Eagle Group, also known as the Red Eagle Gang, also known as the Halhul Gang, also known as the Halhul Squad

<p><i>Popular Front for the Liberation of Palestine—General Command</i> also known as PFLP-GC</p> <p><i>Revolutionary Armed Forces of Colombia</i> also known as FARC, also known as Fuerzas Armadas Revolucionarias de Colombia</p> <p><i>Revolutionary Organization 17 November</i> also known as 17 November, also known as Epanastatiki Organosi 17 Noemvri</p> <p><i>Revolutionary People's Liberation Party/Front</i> also known as Devrimci Halk Kurtulus Partisi-Cephesi, also known as the DHKP/C, also known as Devrimci Sol, also known as Revolutionary Left, also known as Dev Sol, also known as</p>	<p>Dev Sol Silahlı Devrimci Birlikleri, also known as Dev Sol SDB, also known as Dev Sol Armed Revolutionary Units</p> <p><i>Revolutionary People's Struggle</i> also known as Epanastatikes Laikos Agonas, also known as ELA, also known as Revolutionary Popular Struggle, also known as Popular Revolutionary Struggle</p> <p><i>Shining Path</i> also known in Spanish as Sendero Luminoso, also known as SL, also known as the Partido Comunista del Peru en el Sendero Luminoso de Jose Carlos Mariategui (Communist Party of Peru on the Shining Path of Jose Carlos Mariategui), also known as Partido Comunista del Peru (Communist Party of Peru), also known as PCP, also known as Socorro</p>	<p>Popular del Peru (People's Aid of Peru), also known as SPP, also known as Ejercito Guerrillero Popular (People's Guerrilla Army), also known as EGP, also known as Ejercito Popular de Liberacion (People's Liberation Army), also known as the EPL</p> <p><i>Tupac Amaru Revolutionary Movement</i> also known as the Movimiento Revolucionario Tupac Amaru, also known as the MRTA</p> <p>I further direct that these designations be published in the Federal Register on October 8, 1997, as required by section 219(a)(2)(A)(i) of the INA.</p> <p>Dated: October 2, 1997. Madeleine K. Albright, Secretary of State. (FR Doc. 97-27030 Filed 10-7-97; 5:00 pm) BILLING CODE 4710-25-P</p>
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