

must be classified under chapter heading 9701, 9702, or 9703 of the Harmonized Tariff Schedule of the United States.

§ 539.309 License.

Except as otherwise specified, the term *license* means any license or authorization contained in or issued pursuant to this part.

§ 539.310 Person.

The term *person* means an individual or entity.

§ 539.311 Specific license.

The term *specific license* means any license not set forth in this part but issued pursuant to this part.

§ 539.312 United States.

The term *United States* means the United States, its territories and possessions, and all areas under the jurisdiction or authority thereof.

§ 539.313 United States person; U.S. person.

The term *United States person* or *U.S. person* means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States.

Subpart D—Interpretations

§ 539.401 Reference to amended sections.

Except as otherwise specified, reference to any provision in or appendix to this part or chapter or to any regulation, ruling, order, instruction, direction, or license issued pursuant to this part refers to the same as currently amended.

§ 539.402 Effect of amendment.

Unless otherwise specifically provided, any amendment, modification, or revocation of any provision in or appendix to this part or chapter or of any order, regulation, ruling, instruction, or license issued by or under the direction of the Director of the Office of Foreign Assets Control does not affect any act done or omitted, or any civil or criminal suit or proceeding commenced or pending prior to such amendment,

modification, or revocation. All penalties, forfeitures, and liabilities under any such order, regulation, ruling, instruction, or license continue and may be enforced as if such amendment, modification, or revocation had not been made.

§ 539.403 Transactions incidental to a licensed transaction.

Any transaction ordinarily incident to a licensed transaction and necessary to give effect to the licensed transaction is also authorized by the license. Except as specifically authorized by the terms of the license, prohibited transactions involving designated foreign persons not named in the license are not considered incidental to a licensed transaction and therefore remain prohibited.

§ 539.404 Transshipments through the United States prohibited.

(a) The prohibitions in §§ 539.201 and 539.202 apply to the importation into the United States, for transshipment or transit, of goods, technology, or services produced or provided by a designated foreign person that are intended or destined for third countries.

(b) In the case of goods or technology transported by vessel, the prohibitions in §§ 539.201 and 539.202 apply to the unlading in the United States and the intent to unlade in the United States of goods or technology produced or provided by a designated foreign person that is intended or destined for third countries.

§ 539.405 Importation of goods or technology from third countries.

Importation into the United States from third countries of goods or technology is prohibited if undertaken with knowledge or reason to know that those goods contain raw materials or components produced or provided by a designated foreign person or technology produced or provided by a designated foreign person.

§ 539.406 Importation into and release from a bonded warehouse or foreign trade zone.

The prohibitions in §§ 539.201 and 539.202 apply to importation into a

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bonded warehouse or a foreign trade zone of the United States.

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

§ 539.501 General and specific licensing procedures.

For provisions relating to licensing procedures, see part 501, subpart E, of this chapter. Licensing actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part.

[64 FR 8716, Feb. 23, 1999, as amended at 68 FR 53658, Sept. 11, 2003]

§ 539.502 Effect of license.

(a) No license contained in this part, or otherwise issued by or under the direction of the Director of the Office of Foreign Assets Control pursuant to this part, authorizes or validates any transaction effected prior to the issuance of the license, unless the prior transaction is specifically authorized in such license.

(b) No regulation, ruling, instruction, or license authorizes any transaction prohibited by this part unless the regulation, ruling, instruction, or license is issued by the Office of Foreign Assets Control and specifically refers to this part. No regulation, ruling, instruction, or license referring to this part authorizes any transaction prohibited by any provision of this chapter unless the regulation, ruling, instruction, or license specifically refers to such provision.

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited by this part has the effect of removing from the transaction a prohibition or prohibitions contained in this part, but only to the extent specifically stated by its terms. Unless the regulation, ruling, instruction, or license otherwise specifies, such an authorization does not create any right, duty, obligation, claim, or interest that would not otherwise exist under ordinary principles of law in or with respect to any property.

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§ 539.503 Exclusion from licenses.

The Director of the Office of Foreign Assets Control reserves the right to exclude any person, property, or transaction from the operation of any license or from the privileges conferred by any license. The Director of the Office of Foreign Assets Control also reserves the right to restrict the applicability of any license to particular persons, property, transactions, or classes thereof. Such actions are binding upon all persons receiving actual or constructive notice of the exclusions or restrictions.

§ 539.504 Departments and agencies of the United States Government.

(a) Departments and agencies of the United States Government may by written authorization signed by the head of the Department or Agency or his designee provide for:

(1) Procurement contracts necessary to meet U.S. operational military requirements or requirements under defense production agreements; intelligence requirements; sole source suppliers, spare parts, components, routine servicing and maintenance of products for the United States Government; and medical and humanitarian items; and

(2) Performance pursuant to contracts in force as of 12:01 a.m. EDT, July 29, 1998, under appropriate circumstances.

(b) Such written authorization shall:

(1) Include details about the goods, technology, and services which have been approved for importation; the rationale for such approval; and 24-hour-a-day contact information for the approving official or designee for use by the U.S. Customs Service should questions arise about an approved import;

(2) Be in the form of license, regulation, order, directive, or exception;

(3) Include information about the results of prior written consultation with the Under Secretary of State for Arms Control and International Security Affairs (through the Office of Chemical, Biological and Missile Nonproliferation and the Office of the Assistant Legal Adviser for Political-Military Affairs); and

(4) Be provided to U.S. Customs Service officials upon the importation of