$ 560.424 Payments from blocked accounts to satisfy obligations prohibited.

Pursuant to §560.211, no debits may be made to a blocked account to pay obligations to U.S. persons or other persons, except as authorized by or pursuant to this part.

NOTE TO §560.424: See also §560.502(f), which provides that no license or other authorization contained in or issued pursuant to this part authorizes transfers of or payments from blocked property or debits to blocked accounts unless the license or other authorization explicitly authorizes the transfer of or payment from blocked property or the debit to a blocked account.

§ 560.425 Entities owned by a person whose property and interests in property are blocked.

A person whose property and interests in property are blocked pursuant to §560.211 has an interest in all property and interests in property of an entity in which it owns, directly or indirectly, a 50 percent or greater interest. The property and interests in property of such an entity, therefore, are blocked, and such an entity is a person whose property and interests in property are blocked pursuant to §560.211, regardless of whether the entity itself is designated pursuant to §560.211.

NOTE TO §560.425: This section, which deals with the consequences of ownership of entities, in no way limits the definition of the Government of Iran in §560.304.

§ 560.426 Charitable contributions.

Unless specifically authorized by the Office of Foreign Assets Control pursuant to this part, no charitable contribution of funds, goods, services, or technology, including contributions to relieve human suffering, such as food, clothing or medicine, may be made by, to, or for the benefit of, or received from, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to §560.211. For the purposes of this part, a contribution is made by, to, or for the benefit of, or received from, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to §560.211 if made by, to, or in the name of, or received from or in the name of, such a person; if made by, to, or in the name of, or received from or in the name of, an entity or individual acting for or on behalf of, or owned or controlled by, such a person; or if made in an attempt to violate, to evade, or to avoid the bar on the provision of contributions by, to, or for the benefit of such a person, or the receipt of contributions from any such person.

§ 560.427 Exportation, reexportation, sale or supply of financial services to Iran or the Government of Iran.

(a) The prohibition on the exportation, reexportation, sale or supply of financial services to Iran or the Government of Iran contained in §560.204 applies to:

(1) The transfer of funds, directly or indirectly, from the United States or by a U.S. person, wherever located, to Iran or the Government of Iran; and

(2) The provision, directly or indirectly, to Iran or the Government of Iran of insurance services, investment or brokerage services (including but not limited to brokering or trading services regarding securities, debt, commodities, options, or foreign exchange), banking services, money remittance services; loans, guarantees, letters of credit, or other extensions of credit; or the service of selling or redeeming traveler’s checks, money orders, and prepaid access products.

NOTE TO PARAGRAPH (a) OF §560.427: See §560.516 of this part, which authorizes only United States depository institutions and United States registered brokers or dealers in securities to process certain transfers of funds to or from Iran.

(b) Pursuant to the prohibition in §560.204 on the exportation, reexportation, sale or supply of financial services to Iran or the Government of Iran, United States depository institutions and United States registered brokers or dealers in securities are prohibited from performing services with respect to Iranian accounts, as defined in §560.320.

NOTE TO PARAGRAPH (b) OF §560.427: See §560.517 of this part for general licenses authorizing United States depository institutions and United States registered brokers or
dealers in securities to operate Iranian accounts in certain limited circumstances.

§ 560.428 Credit extended and cards issued by U.S. financial institutions.

The prohibition in § 560.211 on dealing in property subject to that section prohibits U.S. financial institutions from performing under any existing credit agreements, including, but not limited to, charge cards, debit cards, or other credit facilities issued by a U.S. financial institution to the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

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

§ 560.501 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. General licenses and statements of licensing policy relating to this part also may be available through the Iran sanctions page on the Office of Foreign Assets Control’s Web site (www.treasury.gov/ofac).

§ 560.502 Effect of license or authorization.

(a) No license or other authorization contained in this part, or otherwise issued by the Office of Foreign Assets Control, authorizes or validates any transaction effected prior to the issuance of such license or other authorization, unless specifically provided in such license or authorization.

(b) No regulation, ruling, instruction, or license authorizes any transaction prohibited under 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 shall be deemed to authorize any transaction prohibited by any other part of this chapter unless the regulation, ruling, instruction, or license specifically refers to such part.

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited under this part has the effect of removing a prohibition contained in this part from the transaction, 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 in, or with respect to, any property which would not otherwise exist under ordinary principles of law.

(d) All transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under specific licenses issued pursuant to this part prior to February 6, 2012, are authorized, and such specific licenses shall remain in effect according to their terms, provided that such specific licenses have an expiration date. If a specific license issued pursuant to this part but not part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013.