



FOREIGN ASSETS CONTROL REGULATIONS FOR THE FINANCIAL COMMUNITY

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I. Introduction

The Office of Foreign Assets Control (OFAC) administers a series of laws that impose economic sanctions against hostile targets to further U.S. foreign policy and national security objectives. Economic sanctions are powerful foreign policy tools. Their success requires the active participation and support of every financial institution. The use of sanctions by the U.S. goes back to the earliest days of the Republic through trade embargoes, blocked assets controls, and other commercial and financial restrictions. Many of them have been multilateralized within the global community against pariah countries, as well as being used against groups, such as narcotics traffickers and terrorists, who threaten the security, economy, and safety of the United States. Management of sanctions on the U.S. side is entrusted to the Secretary of the Treasury.

While OFAC is responsible for promulgating, developing, and administering the sanctions for the Secretary under eight basic statutes, all of the bank regulatory agencies cooperate in ensuring financial institution compliance with the Regulations.

OFAC has designed this brochure to provide convenient, concise, up-to-date, helpful information about its programs, including information on the laws and regulations OFAC administers. We have tried to be complete and accurate. We must caution readers, however, that there is no substitute for reading the actual statutes, regulations, and other documents that apply. Those are controlling in the event of any inconsistency with material in this brochure.

II. OFAC Laws, Embargoed Countries, and Criminal Penalties

A—Trading With the Enemy Act, 50 U.S.C. App. §§ 1-44 (“TWEA”) [North Korea, Cuba, Transaction Control Regulations] provides for ten years imprisonment, a USD1,000,000 fine for corporations, and a \$100,000 fine for individuals, as well as forfeiture of funds or other property involved in violations [In addition, 18 U.S.C. § 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation and that individuals may be fined \$250,000 for felonies];

B—International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06 (“IEEPA”) [Libya, Iraq, Serbia & Montenegro and Bosnia, UNITA, Sierra Leone, Liberia, Sudan, Iran, the Balkans, Terrorism, Narcotics, Nonproliferation, and Burma] provides for ten years imprisonment, and a USD50,000 fine for corporations and individuals [In addition, 18 U.S.C. § 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation, or \$500,000 for felonies and that individuals may be fined \$250,000 for felonies];

C—Iraqi Sanctions Act, Pub.L. 101-513, 104 Stat. 2047-55 (“ISA”) [Iraq] provides for twelve years imprisonment and a USD1,000,000 corporate or personal fine [In addition, 18 U.S.C. § 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation];

D—United Nations Participation Act, 22 U.S.C. § 287c (“UNPA”) [Iraq, Libya (part), UNITA, Serbia & Montenegro, Sierra Leone, and Liberia]

provides for ten years imprisonment, a \$10,000 criminal fine for corporations and individuals, and criminal forfeiture of funds or other property involved in violations [In addition, 18 U.S.C. § 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation, or \$500,000 for felonies and that individuals may be fined \$250,000 for felonies];

E—International Security and Development Cooperation Act (“ISDCA”) codified at 22 U.S.C. 2349 aa-9 (Iran) has no criminal penalties, but general Customs and other relevant penalty provisions may apply to particular circumstances;

F—The Cuban Democracy Act (“CDA”), 22 U.S.C. § 6001-10 [relating to Cuba] has the same fines as TWEA above;

G—The Cuban Liberty and Democratic Solidarity (LIBERTAD) Act, 22 U.S.C. 6021-91, [relating to Cuba] has the same fines as TWEA above and codifies the Cuban Assets Control Regulations;

H—The Antiterrorism and Effective Death Penalty Act, (enacting 8 U.S.C. 219, 18 U.S.C. 2332d and 18 U.S.C. 2339b) [Cuba, North Korea, Iran, Iraq, Libya, Syria and Sudan] provides for criminal penalties of \$500,000 per count against corporations, and ten years imprisonment and/or \$250,000 per count for individuals, for willful violations;

I—The Foreign Narcotics Kingpin Designation Act, Pub L. No. 106-120, tit. VIII, 113 Stat 1606, 1626-1636 (1999) (to be codified at 21 U.S.C. §§ 1901-1908) provides for criminal penalties of \$10,000,000 per count against corporations, and thirty years imprisonment and/or \$5,000,000 per count for individuals, for willful violations;

J—The Criminal Code at 18 U.S.C. § 1001 provides for five years imprisonment and a USD10,000 criminal fine for knowingly making false statements or falsifying or concealing material facts when dealing with OFAC in connection with matters under its jurisdiction.

III. Civil Penalties

OFAC has authority to impose civil penalties for violations under IEEPA (USD11,000), TWEA and the Libertad Act(USD55,000), the Iraqi Sanctions Act (USD275,000), the Antiterrorism Act (USD50,000 or two times the amount that should have been blocked, whichever is greater), and the Foreign Narcotics Kingpin Designation Act (USD1,000,000). Each set of regulations contains procedures for Civil Penalties in Sections 701 through 706 of the pertinent regulations. Over the past several years, OFAC has had to impose millions of dollars in civil penalties involving U.S. banks. The majority of the fines resulted from banks’ failure to block illicit transfers when there was a reference to a targeted country or SDN. When it comes to OFAC’s attention that an illicit transaction was processed through a U.S. bank, without being blocked or rejected, as appropriate, OFAC normally sends an administrative demand for information, called a “602 letter,” to the bank requesting an explanation of how the transaction was processed. Upon receipt of the bank’s response to this letter, the case may be referred to the Civil Penalties Division, which issues a “Prepenalty Notice” citing the violation and stating the amount of the proposed penalty. The bank then has thirty days to make a written presentation as to why a penalty should not be imposed, or, if imposed, why it should be in a lesser amount than proposed. It is critical for banks to answer such “Prepenalty Notices” since failure to respond may result in default judgements levying maximum fines. Mitigating factors in Civil Penalty procedures include self-disclosure, the

use and sophistication of interdict software, and other bank compliance initiatives. TWEA civil penalty and forfeiture proceedings include the opportunity for an administrative hearing and pre-hearing discovery prior to imposition of a penalty or forfeiture.

IV. Compliance Programs and Audit Procedures

The importance of establishing a compliance program and developing internal audit procedures should be obvious to every financial institution. Definite expectations exist with regard to the processing of transactions involving countries under sanctions. Banks are required to report all blockings to OFAC within ten days of occurrence. If your bank does not block and report a transfer and another bank does, then your bank is in trouble. A bank in non-compliance may be opening itself to adverse publicity, fines, and even criminal penalties (if violations are other than inadvertent).

It is often difficult to balance the demands of Federal and State bank examiners with limitations on time, resources, and manpower imposed by bank management. While every financial institution must comply with the same laws and regulations, no one compliance program can be prepackaged for everyone in the open marketplace. Every program must be tailored to meet the needs and structure of individual financial institutions.

Over the past several years, the banking industry has developed special software to “interdict” illicit funds transfers. Many filters contain every name on OFAC’s list of Specially Designated Nationals and Blocked Entities along with generic words for countries and cities. Most of the systems screen every field in incoming payment orders. When such a system identifies a designated name in a transfer, the transfer is automatically rejected and the system directs a reviewer to the illicit reference. Though many of the systems were initially designed to reduce the risk that a clerk might manually process a repair item with an illicit reference, interdict software is now widely used to scan “straight-through” transactions as well. While OFAC does not treat even completely automated processing of violative transactions as a full defense in civil penalty proceedings, it does favorably consider a bank’s business decision to use interdict software as well as other good faith manual and electronic compliance efforts in determining mitigation.

The Federal Bank Regulatory Agencies review financial institutions under their supervision to determine the adequacy of compliance programs with regard to OFAC Regulations.

It is suggested that every bank designate a “Compliance Officer” responsible for monitoring compliance with its programs and an officer responsible for overseeing blocked funds. Formal compliance responsibilities may also be assigned to all operations and systems managers. Internal auditing departments could be charged with assisting in the development of “corporate compliance memoranda” and verifying that procedures, once established, are being followed. One financial institution included the following paragraph in one of its “compliance memoranda:

Areas designated as responsible for implementation of compliance requirements, policies, and procedures which are set forth in this Corporate Compliance Memorandum will incorporate them into new or existing operational procedures. To assure the implementation of this policy, designated units must return the enclosed implementation letter verifying that their area has implemented the necessary procedures. If any unit has any

questions concerning the policies and procedures, it should contact Corporate Compliance.

An in-depth audit of each department in the bank should probably be conducted at least once a year. The compliance audit may either be incorporated into a bank’s standard auditing program or conducted separately. Internal auditing departments ought not be surprised if they are questioned by Federal Bank Examiners about their bank’s compliance procedures regarding OFAC Regulations.

An effective internal communication network is critical for regulatory compliance. Banks might consider including regulatory notices and explanations in staff newsletters. Compliance training programs ought to be initiated—reviewing regulations in staff meetings, incorporating compliance requirements into operating procedures, and joining with other banks to sponsor seminars.

All of OFAC’s program “brochures,” as well as SDN information, are available free in downloadable camera-ready Adobe Acrobat® “*.PDF” format over the Treasury Department’s World Wide Web Server. OFAC’s Home Page site is <<http://www.treas.gov/ofac>>. The Page also contains a self-extracting ASCII file of the SDN list in DOS, delimited, fixed-field, and country-specific versions, a free Adobe Acrobat Reader® to view and print “*.PDF” files, access to all OFAC-related Executive Orders, U.N. Resolutions, statutes, regulations, and the *Code of Federal Regulations* as well as to brochures in ASCII format, and to OFAC’s extended electronic information reading room at GPO (FAC_MISC). All of OFAC’s “forms,” including its Annual Report on Blocked Property, Cuban Remittance Affidavit, and license application are electronically available on the site. Whenever there is a change involving urgent information requiring immediate implementation, the [DATE] changes on the face of the primary Page; users can automate their compliance by structuring their Internet connection to use a Web browser to watch for that date change, check a “Bulletin” file to get the details about changes, and download OFAC’s latest information for incorporation, for example, into interdiction software. There is also a separate date-indicator for OFAC’s SDN list. OFAC has a secondary Page on the site (at <<http://www.treas.gov/ofac/policy.html>>) entitled “Recent OFAC Actions of Interest” which contains a separate “What’s New” file with its own date. Those not directly involved in operations areas can automate their ability to keep current with OFAC’s general information by structuring their Internet connection to use their Web browser to watch for that date change on the secondary Page, check the “What’s New” file to get the details about changes, and download OFAC’s latest information. There may be times when the date on the secondary Page will be later than the date on the primary Page because some OFAC “Actions of Interest” may not rise to the level of an urgent bulletin. Call OFAC Compliance at 1-800-540-6322 with any questions. OFAC also operates a free automated fax-on-demand service, which can be accessed 24 hours a day, seven days a week, by dialing 202/622-0077 from any touchtone phone and following voice prompts. OFAC documents kept up to date on the system include program and general brochures, listings of Specially Designated Nationals and Blocked Persons, including changes to the listings, licensing guidelines, and *Federal Register* notices (including notices filed, but not yet printed in the *Federal Register*). The “Index of Available Documents” is date-specific. Whenever there is an update to any OFAC regulation, an addition or removal of an SDN, or any other announcement from OFAC which affects banks, both the International Financial Services Association in New York (<<http://www.intlbanking.org>>) and the International Banking Operations Association in South Florida (<<http://www.iboa.com>>) are alerted. The U.S. Commerce Department operates a monthly subscription CD-Rom service (the *National Trade Data Bank*) with OFAC data in ASCII format (call 202/482-1986 for information). The free *Federal Bulletin Board* of the U.S. Government Printing Office,

which is linked to the *Federal Register* and *Code of Federal Regulations*, carries all OFAC brochures in ASCII and Adobe/Acrobat “*.PDF” format, as well as the entire *Code of Federal Regulations* containing OFAC regulations, all *Federal Register* notices that OFAC puts out, and OFAC’s extended electronic information reading room (FAC_MISC). For information on the *Federal Bulletin Board* call 202/512-1530 or dial 202/512-1387 to connect. The information is also available over the Internet via GPO ACCESS at <<http://fedbbs.access.gpo.gov>>. The U.S. Maritime Administration’s Web site at <<http://marad.dot.gov>> contains a special link to OFAC’s brochures and information, including a flashing indicator of late-breaking updates. The U.S. Customs Service maintains a free *Customs Electronic Bulletin Board* geared especially toward Customs House Brokers (OFAC’s information is available as a date-specific self-extracting DOS file, “OFAC*.EXE” under “Files,” and then “Customs Extra!,” via the Internet at <<http://209.122.8.97>> or “cebb.customs.treas.gov.” Major announcements are also distributed to U.S. financial institutions through Fedwire bulletins and CHIPS system broadcasts, as well as, from time to time, in printed format through the various Federal bank supervisory agencies. Numerous other industry groups link to OFAC’s website, among them: the National Association of Securities Dealers (<<http://www.nasdr.com>>), the Securities and Exchange Commission (<<http://www.sec.gov>>), the Securities Industry Association (<<http://www.sia.com>>), the American Society of Travel Agents (<<http://www.astanet.com>>), the Institute of Real Estate Management (<<http://www.irem.org>>), and the Commercial Investment Real Estate Institute (<<http://www.cre.org>>).

The Office of Foreign Assets Control has installed a special toll-free telephone number, **1-800-540-OFAC (6322)**, for bank compliance inquiries. The number is specifically for the use of financial institutions and bank examiners. OFAC also has a Miami branch office (909 Southeast First Avenue, Suite 735A) with a special bi-lingual hotline relating to information about the Cuban embargo; that hotline number is 305/810-5170.

V. Terminology

There are a number of key phrases which consistently reappear in Treasury sanctions:

A—Blocking

Also called “freezing,” this is a form of controlling assets under U.S. jurisdiction. While title to blocked property remains with the designated country or national, the exercise of the powers and privileges normally associated with ownership is prohibited without authorization from OFAC. Blocking immediately imposes an across-the-board prohibition against transfers or transactions of any kind with regard to the property.

B—Blocked Account

An account with respect to which payments, transfers, withdrawals or other dealings may not be made except as licensed by OFAC or otherwise authorized by the Treasury Department. Debits are prohibited, however, credits are authorized.

C—General License

A regulatory provision authorizing certain transactions without the filing of an application with OFAC. Its terms are listed in the appropriate Regulations. The concept is similar in meaning to that employed by the U.S. Department of Commerce. Transactions consistent with normal banking practice are frequently permitted by general license. For questions about general licenses, contact OFAC at 202/622-2520

D—Specific License

A permit issued by OFAC on a case-by-case basis to a specific individual or company allowing an activity that would otherwise be prohibited by the embargo or sanctions program. OFAC specific licenses (which may take the form of a letter or a license) are always issued on U.S. Treasury Department stationary. Applications for the release of blocked funds must be presented in an original letter, signed by the applicant, which has been mailed or otherwise physically delivered to OFAC. Fax applications are strongly discouraged and you should notify your correspondent banks accordingly. Each license or letter of authorization bears a control number that can be verified by calling OFAC Licensing at 202/622-2480.

E—Offset

Exercise of the right to net out mutual indebtedness. Offset is a prohibited transfer of frozen assets in situations of blocked property. When foreign assets held by an American company (including a bank) are frozen, the assets and any claims which the American company may have against the foreign owner are kept separate.

F—Property

Anything of value. Examples of property include: money, checks, drafts, debts, obligations, notes, warehouse receipts, bills of sale, evidences of title, negotiable instruments, trade acceptance, contracts, and anything else real, personal, or mixed, tangible or intangible, “or interest or interests therein, present, future, or contingent.” Practically everything that banks do every day involves “property” within the meaning of the regulations. Likewise, “property interest” is defined as any interest whatsoever, direct or indirect.

G—Person Subject to the Jurisdiction of the United States

The universe which must comply with OFAC regulations. It includes American citizens and permanent resident aliens wherever they are located; individuals and entities located in the United States (including all foreign branches, agencies, rep offices, etc.); corporations organized under U.S. law, including foreign branches; and (under TWEA based sanctions) entities owned or controlled by any of the above, the most important being foreign-organized subsidiaries of U.S. corporations.

H—Specially Designated Nationals and Blocked Persons

Individuals and entities which are owned or controlled by, or acting for or on behalf of, the Governments of target countries or are associated with international narcotics trafficking or terrorism. These individuals and entities are listed on the Treasury Department’s Specially Designated Nationals and Blocked Persons list so that persons subject to the jurisdiction of the United States will know that they are prohibited from dealing with them and that they must block all property within their possession or control in which these individuals and entities have an interest.

I—Census

Comprehensive statistical survey of blocked assets conducted from time to time by OFAC. Response is mandated by law. The information obtained from the survey is of vital importance to the U.S. Government for foreign policy planning purposes, to assist Treasury in the preservation of blocked assets, and to enhance their value for U.S. claimants, including financial institutions.

VI. Bank Responsibility by Country

A—CUBA

Cuban Assets Control Regulations (31 C.F.R. Part 515)

The Cuban Assets Control Regulations, 15 CFR Part 515 (the "Regulations") were issued by the U.S. Government on 8 July 1963 under the Trading With the Enemy Act in response to certain hostile actions by the Cuban government. They are still in force today and affect all U.S. citizens and permanent residents wherever they are located, all people and organizations physically in the United States, and all branches and subsidiaries of U.S. organizations throughout the world. The Regulations are administered by the U.S. Treasury Department's Office of Foreign Assets Control. The basic goal of the sanctions is to isolate the Cuban government economically and deprive it of U.S. dollars. Criminal penalties for violating the sanctions range up to 10 years in prison, \$1,000,000 in corporate fines, and \$250,000 in individual fines. Civil penalties up to \$55,000 per violation may also be imposed. Please note that the Regulations require those dealing with Cuba to maintain records and, upon request from the U.S. Treasury Department, to furnish information regarding such dealings.

• **EXPORTING TO CUBA** - Except for publications, other informational materials (such as CDs and works of art), certain donated food, and certain goods licensed for export or re-export by the U.S. Department of Commerce (such as medicine and medical supplies, food, and agricultural commodities), no products, technology, or services may be exported from the United States to Cuba, either directly or through third countries, such as Canada or Mexico. This prohibition includes dealing in or assisting the sale of goods or commodities to or from Cuba, even if done entirely offshore. Such brokering is considered to be dealing in property in which Cuba has an interest. Provision of consulting services is also prohibited. Thus, no U.S. citizen or permanent resident alien, wherever located, and no foreign subsidiary or branch of a U.S. organization may export products, technology, or services to Cuba or to any Cuban national, wherever they may be located, or broker the sale of goods or commodities to or from Cuba or any Cuban national.

Pursuant to provisions of the Cuban Democracy Act of 1992 (the "CDA") and the Trade Sanctions and Export Enhancement Act of 2000 (the "TSRA"), the Commerce Department authorizes the sale and export or re-export of medicine and medical supplies, food and agricultural commodities to Cuba. Those interested in engaging in such exports or reexports must first obtain authorization from the Commerce Department's Bureau of Export Administration. All licensed sales may be financed by cash-in-advance or by third-country banks that are not Specially Designated Nationals. Foreign subsidiaries of U.S. banks are authorized to directly finance licensed sales of agricultural products. All U.S. banks may advise or confirm any of the above.

Section 1705(b) of the CDA provides for donations of food to independent non-governmental organizations or individuals in Cuba. Shipments of food can be donated to non-governmental organizations from the U.S. or from third countries without the need for a license from the U.S. government. The CDA specifically provides that payments to Cuba involving telecommunications may be made pursuant to specific license. In the mid-1970s, Section 515.559 was added to the Regulations to allow OFAC to license foreign subsidiaries of U.S. firms to conduct trade in commodities with Cuba so long as several specific criteria were met. Section 1706(a) of the CDA, however, prohibits the issuance of a license that would have been issued pursuant to § 515.559, except where a contract was entered into prior to enactment of the CDA or where the exports at issue are medicines or medical supplies.

Unless otherwise authorized, no vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has any interest may enter a U.S. port. The prohibition also applies to vessels which enter only to take on fuel and supplies (bunker), whether from U.S. fuel providers within the port limits or at offshore points, as well as vessels discharging or loading merchandise offshore, by lighter or otherwise. In addition, vessels which enter a port or place in Cuba to engage in the trade of goods or services are prohibited from loading or unloading any freight at any place in the U.S. for 180 days. Prohibited entry does not apply to vessels engaging solely in trade with Cuba authorized by license or exempt from the Regulations (e.g., vessels carrying authorized exports of agricultural products, or donations of food to nongovernmental organizations or individuals).

• **IMPORTING CUBAN-ORIGIN GOODS OR SERVICES** - Goods or services of Cuban origin may not be imported into the United States either directly or through third countries, such as Canada or Mexico. The only exceptions are: \$100 worth of Cuban merchandise which may be brought into the United States as accompanied baggage by authorized travelers arriving from Cuba; publications, artwork, or other informational materials; merchandise other than tobacco or alcohol and not in commercial quantities carried as accompanied baggage by foreign persons legally entering the United States; and merchandise for which a specific license has been received.

• **TRANSACTIONS INVOLVING PROPERTY IN WHICH CUBA OR A CUBAN NATIONAL HAS AN INTEREST** - In addition to the prohibitions on exports to and imports from Cuba, the Regulations prohibit any person subject to U.S. jurisdiction from dealing in any property in which Cuba or a Cuban national has an interest. Under the Regulations, "property" includes but is not limited to contracts and services. For example, unless otherwise authorized, persons subject to U.S. jurisdiction (including U.S. overseas subsidiaries) may not purchase Cuban cigars in Mexico; may not sign a contract with a U.K. firm if the contract terms include Cuba-related provisions (even if those provisions are contingent upon the lifting of the embargo); and may not provide accounting, marketing, sales, or insurance services to a Cuban company or to a foreign company with respect to the foreign company's Cuba-related business.

• **SPECIALLY DESIGNATED NATIONALS** -The Regulations prohibit buying from or selling to Cuban nationals whether they are physically located on the island of Cuba or doing business elsewhere on behalf of Cuba. Individuals or organizations who act on behalf of Cuba anywhere in the world are considered by the U.S. Treasury Department to be "Specially Designated Nationals" of Cuba. A non-exhaustive list of their names is published in the Federal Register, an official publication of the U.S. Government. This list may be obtained by calling the Office of Foreign Assets Control at 202/622-2490. The listing, however, is a partial one and any individual or organization subject to U.S. jurisdiction engaging in transactions with foreign nationals must take reasonable care to make certain that such foreign nationals are not acting on behalf of Cuba. Individuals and organizations subject to U.S. jurisdiction who violate the Regulations by transacting business with Specially Designated Nationals of Cuba are subject to criminal prosecution or civil monetary penalties.

• **ACCOUNTS AND ASSETS** -There is a total freeze on Cuban assets, both governmental and private, and on financial dealings with Cuba; all property of Cuba, of Cuban nationals, and of Specially Designated Nationals of Cuba in the possession or control of persons subject to U.S. jurisdiction is "blocked." Any property in which Cuba has an interest

which comes into the United States or into the possession or control of persons subject to U.S. jurisdiction is automatically blocked by operation of law. Banks receiving unlicensed wire transfer instructions in which there is a Cuban interest, or any instrument in which there is a Cuban interest, must freeze the funds on their own books or block the instrument, regardless of origin or destination. "Suspense accounts" are not permitted. Blocking imposes a complete prohibition against transfers or transactions of any kind. No payments, transfers, withdrawals, or other dealings may take place with regard to blocked property unless authorized by the Treasury Department. Banks are permitted to take normal service charges. Blocked deposits of funds must be interest-bearing. "Set-offs" are not allowed.

Persons subject to U.S. jurisdiction are required to exercise extreme caution in order not to knowingly involve themselves in unlicensed transactions in which Cuba has an interest. Except as authorized, no bank in the U.S. or overseas branch or subsidiary of a U.S. bank may advise a letter of credit involving Cuba nor may it process documents referencing Cuba. All such "property" must be blocked as soon as it comes within the bank's possession or control. All persons in possession of blocked property are required to register with the Office of Foreign Assets Control. Persons subject to U.S. jurisdiction who engage in any commercial dealings that involve unauthorized trade with Cuba, either directly or indirectly, risk substantial monetary penalties and criminal prosecution.

• **SENDING GIFTS** - Gift parcels may be sent or carried by an authorized traveler to an individual or to a religious, charitable, or educational organization in Cuba for the use of the recipient or of the recipient's immediate family (and not for resale), subject to the following limitations: the combined total domestic retail value of all items in the parcel must not exceed \$200 (with the exception of donations of food, which are not so restricted); not more than one parcel may be sent or given by the same person in the U.S. to the same recipient in Cuba in any one calendar month; and the content must be limited to food, vitamins, seeds, medicines, medical supplies and devices, hospital supplies and equipment, equipment for the handicapped, clothing, personal hygiene items, veterinary medicines and supplies, fishing equipment and supplies, soap-making equipment, or certain radio equipment and batteries for such equipment. Organizations that consolidate and send multiple gift parcels in single shipments must obtain a validated license from the U.S. Department of Commerce. Each gift parcel in the single shipment must meet commodity, dollar-value, and frequency limitations. If a parcel being shipped or carried to Cuba fails to meet these standards, it is subject to seizure by the U.S. Government.

• **CUBA-RELATED TRAVEL TRANSACTIONS** - Only persons whose travel falls into the categories discussed below may be authorized to spend money related to travel to, from, or within Cuba. Persons licensed to engage in travel-related transactions in Cuba may spend up to the State Department Travel *Per Diem* Allowance for Havana, Cuba for purchases directly related to travel in Cuba, such as hotel accommodations, meals, local transportation, and goods personally used by the traveler in Cuba (travelers can check the current *per diem* rate on the Internet at <<http://www.state.gov/www/perdiems/index.html>>). Most licensed travelers may also spend additional money for transactions directly related to the activities for which they received their license. For example, journalists traveling in Cuba under the journalism general license (described below) may spend money over and above the current *per diem* for extensive local transportation, the hiring of cable layers, and other costs that are directly related to covering a story in Cuba. Licensed travelers may also spend an additional \$100 on the purchase of Cuban merchandise to be brought back with them to the United States as

accompanied baggage, but this \$100 authorization may be used only once in any 6-month period. Purchases of services unrelated to travel or a licensed activity, such as non-emergency medical services, are prohibited. The purchase of publications and other informational materials is not restricted.

General license: The following categories of travelers are permitted to spend money for Cuban travel and to engage in other transactions directly incident to the purpose of their travel under a general license without the need to obtain special permission from the U.S. Treasury Department:

- * Official Government Travelers - U.S. and foreign government officials, including representatives of international organizations of which the United States is a member, who are traveling on official business.
- * Persons regularly employed as journalists by a news reporting organization and persons regularly employed as supporting broadcast or technical personnel who travel to Cuba to engage in journalistic activities.
- * Persons who are traveling to visit close relatives in Cuba in circumstances of humanitarian need. This authorization is valid without a specific license from the Office of Foreign Assets Control only once every twelve months. Persons traveling under this general license may not spend money on transactions that will cause them to exceed the current *per diem* allowance.
- * Full-time professionals whose travel transactions are directly related to professional research in their professional areas, provided that their research (1) is of a noncommercial, academic nature; (2) comprises a full work schedule in Cuba; and (3) has a substantial likelihood of public dissemination.
- * Full-time professionals whose travel transactions are directly related to attendance at professional meetings or conferences in Cuba organized by an international professional organization, institution, or association that regularly sponsors such meetings or conferences in other countries. The organization, institution, or association sponsoring the meeting or conference may not be headquartered in the United States unless it has been specifically licensed to sponsor the meeting. The purpose of the meeting or conference cannot be the promotion of tourism in Cuba or other commercial activities involving Cuba, or to foster production of any biotechnological products.
- * Amateur or semi-professional athletes or teams traveling to participate in Cuba in an athletic competition held under the auspices of the relevant international sports federation. The athletes must have been selected for the competition by the relevant U.S. sports federation, and the competition must be one that is open for attendance, and in relevant situations participation, by the Cuban public.

Specific licenses for educational institutions: Specific licenses authorizing travel transactions related to certain educational activities by any students or employees affiliated with a licensed academic institution may be issued by the Office of Foreign Assets Control. Such licenses are only available to U.S. academic institutions accredited by an appropriate national or regional accrediting association, and such licenses must be renewed after a period of two years. Once an academic institution has applied for and received such a specific license, the following categories of travelers affiliated with that academic institution are authorized to engage in travel-related transactions incident to the following activities without seeking further authorization from the Office of Foreign Assets Control:

- * Undergraduate or graduate students participating in a structured educational program as part of a course offered at a licensed college or uni-

versity. Students planning to engage in such transactions must carry a letter from the licensed institution stating 1) the institution's license number, 2) that the student is enrolled in an undergraduate or graduate degree program at the institution, and 3) that the travel is part of an educational program of the institution.

- * Persons doing noncommercial Cuba-related academic research in Cuba for the purpose of qualifying academically as a professional (e.g., research toward a graduate degree). Students planning to engage in such transactions must carry a letter from the licensed institution stating 1) the institution's license number, 2) that the student is enrolled in a graduate degree program at the institution, and 3) that the Cuba research will be accepted for credit toward that graduate degree.
- * Undergraduate or graduate students participating in a formal course of study at a Cuban academic institution, provided the Cuban study will be accepted for credit toward a degree at the licensed U.S. institution. A student planning to engage in such transactions must carry a letter from the licensed U.S. institution stating 1) the institution's license number, 2) that the student is currently enrolled in an undergraduate or graduate degree program at the institution, and 3) that the Cuban study will be accepted for credit toward that degree.
- * Persons regularly employed in a teaching capacity at a licensed college or university who plan to teach part or all of an academic program at a Cuban academic institution. An individual planning to engage in such transactions must carry a letter from the licensed institution stating 1) the institution's license number, and 2) that the individual is regularly employed by the licensed institution in a teaching capacity.
- * Cuban scholars teaching or engaging in other scholarly activities at a licensed college or university in the United States. Licensed institutions may sponsor such Cuban scholars, including payment of a stipend or salary.
- * Secondary school students participating in educational exchanges sponsored by Cuban or U.S. secondary schools and involving the students' participation in a formal course of study or in a structured educational program offered by a secondary school or other academic institution and led by a teacher or other secondary school official. A reasonable number of adult chaperones may accompany the students to Cuba. A secondary school group planning to engage in such transactions in Cuba must carry a letter from the licensed secondary school sponsoring the trip stating 1) the school's license number, and 2) the list of names of all persons traveling with the group.
- * Full-time employees of a licensed institution organizing or preparing for the educational activities described above. An individual engaging in such transactions must carry a letter from the licensed institution stating 1) the institution's license number, and 2) that the individual is regularly employed there.

Specific licenses for religious organizations: Specific licenses authorizing travel transactions related to religious activities by any individuals or groups affiliated with a religious organization may be issued by the Office of Foreign Assets Control. Such licenses are only available to religious organizations located in the United States, and such licenses must be renewed after a period of two years. Once a religious organization has applied for and received such a specific license, travelers affiliated with that religious organization are authorized to engage in travel-related transactions incident to a full-time program of religious activities in Cuba under the auspices of the licensed religious organization without seeking further authorization from the Office of Foreign Assets Control. Individuals planning to engage in such transactions must carry a letter from the licensed religious organization stating 1) the organization's license number, 2) that they are affiliated with the licensed organization, and 3) that they are traveling to Cuba to

engage in religious activities under the auspices of the licensed organization.

Other specific licenses: Specific licenses may be issued by the Office of Foreign Assets Control on a case-by-case basis authorizing travel transactions by the following categories of persons in connection with the following activities:

- * Humanitarian Travel - (1) persons, and persons traveling with them who share a common dwelling with them, traveling to Cuba more than once in a twelve-month period to visit close relatives in cases involving humanitarian need; (2) persons traveling to Cuba to accompany licensed humanitarian donations (other than gift parcels) or exempt donations of food; (3) persons traveling in connection with activities of recognized human rights organizations investigating specific human rights violations; and (4) persons whose travel transactions are directly related to certain humanitarian projects in or related to Cuba that are designed to directly benefit the Cuban people. Licenses authorizing transactions for multiple trips over an extended period of time are available for travel under (3) and (4) above.
- * Free-Lance Journalism - Persons with a suitable record of publication who are traveling to Cuba to do research for a free-lance article. Licenses authorizing transactions for multiple trips over an extended period of time are available for applicants demonstrating a significant record of free-lance journalism.
- * Professional Research and Professional Meetings - Persons traveling to Cuba to do professional research or to attend a professional meeting that does not meet the requirements of the relevant general license (described above). Licenses authorizing transactions for multiple trips over an extended period of time are available.
- * Educational Activities - Persons traveling to engage in educational activities that are not authorized pursuant to an academic institution's specific license, including educational exchanges not involving academic study pursuant to a degree program when those exchanges take place under the auspices of an organization that sponsors and organizes such programs to promote people-to-people contact.
- * Religious Activities - Persons traveling to Cuba to engage in religious activities that are not authorized pursuant to a religious organization's specific license. Licenses authorizing transactions for multiple trips over an extended period of time are available.
- * Public Performances, Clinics, Workshops, Athletic and Other Competitions, and Exhibitions - Persons traveling to participate in a public performance, clinic, workshop, athletic or other competition (that does not meet the requirements of the general license described above), or exhibition. The event must be open for attendance, and in relevant situations participation, by the Cuban public, and all profits from the event after costs must be donated to an independent nongovernmental organization in Cuba or a U.S.-based charity, with the objective, to the extent possible, of promoting people-to-people contacts or otherwise benefiting the Cuban people.
- * Activities of Private Foundations or Research or Educational Institutions - Persons traveling to Cuba on behalf of private foundations or research or educational institutes that have an established interest in international relations to collect information related to Cuba for non-commercial purposes. Licenses authorizing transactions for multiple trips over an extended period of time are available.
- * Exportation, Importation, or Transmission of Information or Informational Materials - Persons traveling to engage in activities directly related to the exportation, importation, or transmission of information or informational materials.

* Licensed Exportation - Persons traveling to Cuba to engage in activities directly related to marketing, sales negotiation, accompanied delivery, or servicing of exports of health care products or other exports that may be considered for authorization under existing Department of Commerce regulations and guidelines with respect to Cuba or engaged in by U.S.-owned or -controlled foreign firms.

Applying for a specific license: Persons wishing to travel to Cuba under a specific license should send a letter specifying the details of the proposed travel, including any accompanying documentation, to Steven Pinter, Chief of Licensing, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW, Washington, DC 20220. Academic institutions wishing to obtain one of the two-year specific licenses described above should send a letter to the same address requesting such a license and establishing that the institution is accredited by an appropriate national or regional accrediting association. Religious organizations wishing to obtain one of the two-year specific licenses described above should send a letter to the same address requesting such a license and setting forth examples or religious activities to be undertaken in Cuba.

Provision of travel services: U.S. travel service providers, such as travel agents and tour operators, who handle travel arrangements to, from, or within Cuba must hold special authorizations from the Office of Foreign Assets Control to engage in such activities. These authorizations are issued based on written applications from the service providers, subject to appropriate checks by the Treasury Department. A traveler should not use any travel service provider that does not hold valid Treasury authorization. If in doubt about the status of a service provider's authorization, travelers should call the Office of Foreign Assets Control at 305/810-5140. Only carrier service providers that have been authorized by OFAC may operate direct humanitarian passenger charter flights between Miami and Havana.

Unauthorized travel-related transactions: Unless otherwise exempted or authorized, any person subject to U.S. jurisdiction who engages in any travel-related transaction in Cuba violates the Regulations. Persons not licensed to engage in travel-related transactions may travel to Cuba without violating the Regulations only if all Cuba-related expenses are covered by a person not subject to U.S. jurisdiction and provided that the traveler does not provide any service to Cuba or a Cuban national. Such travel is called "fully-hosted" travel. Travel to Cuba may be considered fully hosted even if the traveler pays for a plane ticket provided that the travel is not aboard a Cuban carrier. Travel to Cuba is not fully hosted if a person subject to U.S. jurisdiction pays—before, during, or after the travel—any expenses relating to the travel, including travel to Cuba on a Cuban carrier, even if the payment is made to a third-country person or entity that is not subject to U.S. jurisdiction. Examples of costs commonly incurred by persons traveling to, from, and within Cuba are expenses for meals, lodging, transportation, bunkering of vessels or aircraft, visas, entry or exit fees, and gratuities. Fully-hosted travel to and from Cuba cannot be aboard a direct flight between the United States and Cuba. The authorization for licensed travelers to purchase and return to the United States with \$100 worth of Cuban merchandise does not apply to fully-hosted travelers.

Any person subject to U.S. jurisdiction determined to have traveled to Cuba without an OFAC general or specific license is presumed to have engaged in prohibited travel-related transactions. In order to overcome this presumption, any traveler who claims to have been fully hosted or not to have engaged in any travel-related transactions may be asked by Federal enforcement agencies to provide a signed explanatory statement accompanied by any relevant supporting documentation.

• **SENDING OR CARRYING MONEY TO CUBA** - U.S. persons aged

18 or older may send to the household of any individual in Cuba "individual-to-household" cash remittances of up to \$300 per household in any consecutive three-month period, provided that no member of the household is a senior-level Cuban government or senior-level Cuban communist party official.

U.S. persons aged 18 or older may send to the household of any close relative of the remitter or the remitter's spouse "family" cash remittances of up to \$300 per household in any consecutive three-month period. No more than a combined total of \$300 of individual-to-household and family remittances may be sent by a remitter to any one household in any consecutive three-month period, regardless of the number of close relatives or other persons residing in that household. A close relative means a spouse, child, grandchild, parent, grandparent, great-grandparent, uncle, aunt, brother, sister, nephew, niece, first cousin, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, or spouse, widow, or widower of any of those people.

U.S. persons also may send up to \$1,000 per payee on a one-time basis as an "emigration-related" remittance to a Cuban national to enable the payee to emigrate from Cuba to the United States. Specifically, up to \$500 may be remitted to a Cuban national prior to the payee's receipt of a valid U.S. visa or other U.S. immigration document, and up to \$500 may be remitted to the Cuban national after the payee receives a valid U.S. visa or other U.S. immigration document.

Remittances may be transferred through a financial institution or through an OFAC-licensed remittance forwarder. Service providers, including financial institutions originating transfers on behalf of non-aggregating customers, must obtain an affidavit from the remitter certifying that each individual-to-household and family remittance does not exceed \$300 in any consecutive three month period and that each emigration-related remittance meets the requirements of the Regulations (see TD F 90-22.52 at the end of this brochure). Remitters can expect to have their identity, date of birth, address, and telephone number verified.

Persons licensed to engage in travel-related transactions (this does not include fully-hosted travelers) may carry their own remittances, provided that they may carry no more than a combined total of \$300 of individual-to-household and family remittances, and provided that no emigration-related remittances may be carried before the payee has received a valid U.S. visa or other immigration document and the traveler can supply the visa number and the date of issuance.

Specific licenses may be issued on a case-by-case basis authorizing remittances:

- * to independent nongovernmental organizations in Cuba;
- * by Cuban scholars authorized to teach or engage in scholarly activity at a U.S. college or university who wish to repatriate earnings in excess of \$300;
- * to households of Cuban nationals living outside of Cuba in excess of \$300 per quarter from blocked accounts; or
- * to individuals in Cuba to facilitate their non-immigrant travel to the United States under circumstances where humanitarian need is demonstrated, including illness or medical emergency.

• **FAIR BUSINESS PRACTICES** - Anyone authorized by the U.S. Department of the Treasury to provide Cuban travel services or services in connection with sending money to Cuba is prohibited from participating in discriminatory practices of the Cuban government

against individuals or particular classes of travelers. The assessment of consular fees by the Cuban government, which are applicable worldwide, is not considered to be a discriminatory practice. However, requiring the purchase of services not desired by the traveler is not permitted. Persons wishing to provide information on such activities should call 305/810-5170. All information regarding arbitrary fees, payments for unauthorized purposes, or other possible violations furnished to the U.S. Treasury Department will be handled confidentially.

- **ESTATES AND SAFE DEPOSIT BOXES** - An estate becomes blocked whenever a Cuban national is an heir or is the deceased; money from a life insurance policy is blocked whenever the deceased is a Cuban resident. The heir of a person who died in Cuba, or the beneficiary of a life insurance policy of a person who died in Cuba, may apply for a license from the Office of Foreign Assets Control to unblock the estate or insurance proceeds. Persons administering or interested in a blocked estate should contact the Office of Foreign Assets Control at 202/622-2480 for more information. A safe-deposit box is blocked whenever a Cuban has an interest in the property contained in the box. Access to a blocked safe deposit box for inventory purposes may be granted under certain conditions, but the contents of the box remain blocked and may not be removed without the permission of the Office of Foreign Assets Control.

- **PAYMENTS FOR OVERFLIGHTS** - Private and commercial aviators must obtain a specific license authorizing payments for overflight charges to Cuba. Banks will ask to see the originals of such licenses before executing transfers and keep a copy for their files. Such transfers must be in a currency other than U.S. dollars.

B—NORTH KOREA

Foreign Assets Control Regulations (31 C.F.R. Part 500)

The Foreign Assets Control Regulations, authorized under the Trading with the Enemy Act, established economic sanctions against the Democratic People's Republic of Korea ("North Korea") in 1950. They have been modified on several occasions, most recently on June 19, 2000, as a result of President Clinton's September 17, 1999 decision to ease economic sanctions against North Korea in order to improve relations, to support the Agreed Framework, and to encourage North Korea to continue to refrain from testing long-range missiles. The Regulations affect all U.S. citizens and permanent residents wherever they are located, all people and organizations physically in the United States, and all branches, subsidiaries and controlled affiliates of U.S. organizations throughout the world. They are administered by the U.S. Treasury Department's Office of Foreign Assets Control. Penalties for violating the sanctions range up to 10 years in prison, \$1,000,000 in corporate fines, and \$250,000 in individual fines. Civil penalties of up to \$55,000 per count may also be imposed.

- **SELLING TO NORTH KOREA** - The June 19, 2000 amendments to the Foreign Assets Control Regulations ended the ban on exports to North Korea, provided that any exports or reexports to North Korea are licensed or otherwise authorized by the Department of Commerce or other appropriate agencies.

- **BUYING FROM NORTH KOREA** - Pursuant to Sections 73 and 74 of the Arms Export Control Act (22 U.S.C. 2797b-2797c), goods of North Korean origin may not be imported into the United States either directly

or through third countries, without prior notification to and approval of the Office of Foreign Assets Control.

Importers must provide OFAC with written information as to whether the products to be imported were produced by (a) a foreign person designated by the Secretary of State as having engaged in missile technology proliferation activities; (b) an activity of the North Korean Government relating to the development or production of any missile equipment or technology; or (c) an activity of the North Korean Government affecting the development or production of electronics, space systems or equipment, and military aircraft.

In addition to the information just described, importers seeking an approval letter from OFAC must provide their name, address, telephone, fax, and E-mail addresses; a description of the product to be imported, including quantity and cost; the name and address of the producer of the product; the name of the location where the product was produced; and the name and address of the North Korean exporter. Requests for import review must be submitted by mail to North Korea Unit, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW, Annex, Washington, DC 20220. After reviewing the information, OFAC will issue a letter indicating the results of the review to the person seeking to import the product.

U.S. depository institutions handling letters of credit or documentary collections involving imports from North Korea must obtain a copy of OFAC's approval letter from the importer before proceeding with such transactions. The letter must also be provided to the U.S. Customs Service before imports from North Korea will be allowed into the United States.

- **TRAVELING TO NORTH KOREA** - U.S. passports are valid for travel to North Korea and individuals do not need U.S. Government permission to travel there. All transactions ordinarily incident to travel to, from and within North Korea and to maintenance within North Korea are authorized. U.S. travel service providers are authorized to organize group travel to North Korea, including transactions with North Korean carriers.

- **ACCOUNTS, ASSETS, AND FINANCIAL TRANSACTIONS** - Property blocked as of June 16, 2000 remains blocked. All other transactions are authorized, provided they meet the criteria outlined in the June 19, 2000 amendments to the Foreign Assets Control Regulations described elsewhere in this summary. Remitters and recipients need to know that transfers from the North Korean Government that constitute donations to U.S. persons or with respect to which a U.S. person knows, or has reasonable cause to believe, that the transfer poses a risk of furthering terrorist acts in the United States are still prohibited.

C—LIBYA

Libyan Sanctions Regulations (31 C.F.R. Part 550)

- **INTRODUCTION** - The Libyan Sanctions Regulations, authorized under the International Emergency Economic Powers Act and the International Security and Development Cooperation Act of 1985, established economic sanctions against Libya in January 1986. Citing terrorist attacks against the Rome and Vienna airports in December 1985, former President Reagan emphasized that he had authorized the sanctions

in response to Libya's repeated use and support of terrorism against the United States, other countries, and innocent persons. The Regulations are still in force and affect all U.S. citizens and permanent residents wherever they are located, all people and organizations physically in the United States, and all branches of U.S. organizations throughout the world. They are administered by the U.S. Treasury Department's Office of Foreign Assets Control.

Criminal penalties for violating the sanctions range up to 10 years in prison, \$500,000 in corporate and \$250,000 in individual fines. In addition, civil penalties of up to \$10,000 per violation may be imposed administratively.

• **BUYING FROM LIBYA** - Goods or services of Libyan origin may not be imported into the United States either directly or through third countries. There are two exceptions: (1) Libyan merchandise up to \$100 in value in non-commercial quantities may be brought into the United States either for strictly personal use as accompanied baggage by an authorized traveler or sent as a gift to a person in the United States and (2) qualifying informational material may be imported without restriction.

• **SELLING TO LIBYA** - Except for informational materials, such as books, magazines, films, and recordings and donated articles such as food, clothing, medicine, and medical supplies intended to relieve human suffering, and the licensed export of agricultural commodities, medicine, and medical devices, no goods, technology, or services may be exported from the United States to Libya, either directly or through third countries. No U.S. bank or foreign branch of a U.S. bank may finance, or arrange offshore financing for, third-country trade transactions where Libya is known to have an interest in the trade as its ultimate beneficiary. The U.S. Treasury Department takes the view that arranging transactions which ultimately benefit Libya (for example, brokering third-country sales of Libyan crude oil or transportation for Libyan cargo) constitutes an exportation of brokerage services to Libya and a dealing in Libyan governmental property in violation of the Regulations. Banks should be careful, for example, not to become involved in transactions relating to shipments to or from South Korea involving ultimate delivery of merchandise to the Great Man-Made River Project in Libya. The only areas of trade that may involve Libya and still be permissible are: (1) the sale of parts and components to third countries, where the U.S. goods will be "substantially transformed" into new and different articles of commerce prior to shipment to Libya, and (2) the sale of goods which come to rest in the inventory of a third-country distributor whose sales are not predominantly to Libya. Even the first of those exceptions is not available if the finished product of the third country is destined for use in any aspect of the Libyan petroleum or petrochemical industries.

• **SPECIALLY DESIGNATED NATIONALS** - Individuals or organizations who act on behalf of the government of Libya anywhere in the world are considered by the U.S. Treasury Department to be "Specially Designated Nationals" of Libya. Their names are published in the Federal Register, an official publication of the U.S. Government. A listing of such Specially Designated Nationals may be obtained by calling the Office of Foreign Assets Control at 202/622-2420. The listing, however, is a partial one and any U.S. individual or organization engaging in transactions with foreign nationals must take reasonable care to make certain that such foreign nationals are not acting on behalf of Libya. The list includes certain banks domiciled in Europe and Africa as well as the names of individuals who are officers and directors of substantial international corporations. U.S. individuals or organizations who violate the Regulations by transacting business Specially Designated Nationals of Libya may be subject to civil or criminal

prosecution.

• **LIBYAN GOVERNMENT ASSETS BLOCKED** - On January 8, 1986, the President blocked all Government of Libya assets in the United States or in the possession or control of U.S. persons anywhere in the world. This action prohibits all transfers of Libyan governmental assets without a specific license from the Office of Foreign Assets Control. All contracts, loans, and financial dealings with Libya are prohibited. The freeze covers all properties of the Libyan Government, and of entities owned or controlled by it, including all Libyan-organized and Libyan-owned or controlled banks (all banks in Libya are considered Government-controlled) and includes deposits held in banks in the United States and in U.S. banks' overseas branches. The prohibition against any transfer of property or interest in the property of Libya includes property that is now or in the future is located in the United States or is in or comes into the possession or control of U.S. persons. Any unlicensed funds transfer involving a direct or indirect interest of the Government of Libya (including any transfer routed through or to Libyan banks which are all considered Specially Designated Nationals of Libya), for which banks subject to U.S. jurisdiction receive instructions, must be deposited into a blocked account on the books of the bank receiving the instructions. Such funds may not be returned to a remitter without a specific license from the Office of Foreign Assets Control. No unlicensed debits may be made to blocked Libyan accounts to pay obligations of U.S. or other persons, whether the obligations arose before or after the sanctions against Libya were imposed. Even payments from blocked accounts for goods, services, or technology exported prior to the sanctions program are prohibited.

• **FINANCIAL DEALINGS WITH LIBYA** - Financial transactions, including trade financing, are generally prohibited. Payments for and financing of licensed sales of agricultural commodities, medicine, and medical devices, may be accomplished by cash in advance, sales on open account (provided the account receivable is not transferred by the person extending the credit), or by third country financial institutions that are neither U.S. persons nor government of Libya entities. Any other arrangements must be specifically authorized by OFAC. U.S. banks may advise and confirm letters of credit issued by third country banks covering licensed sales.

Payments for licensed sales of agricultural commodities, medicine, and medical devices, which must reference an appropriate OFAC license, may not involve a debit to a blocked account on the books of a U.S. depository institution. Before a U.S. bank initiates a payment, or credits its customer for a licensed transaction, it must determine that the transfer is authorized.

• **CONTRACTS BENEFITTING LIBYA** - No U.S. person may perform any contract in support of an industrial or other commercial or governmental project in Libya. The prohibition includes sales or service agreements with non-Libyan persons located anywhere in the world, if it is known that Libya or a Libyan project will benefit from the transaction. Banks subject to U.S. jurisdiction must exercise extreme caution not to operate accounts for even non-U.S. companies which use those accounts for transactions connected with Libyan projects or commercial activities. Any such accounts must be blocked under U.S. law.

• **TRANSACTIONS INVOLVING U.S. SUBSIDIARIES** - Independent transactions with Libya by foreign subsidiaries of U.S. firms are permitted if no U.S. person or permanent resident has a role. It should be emphasized that the facilitating actions of the U.S. parent, or of U.S. citizens (wherever resident) who manage or work for the subsidiary, are

fully subject to the prohibitions of the Regulations.

• **STANDBY LETTERS OF CREDIT** - A number of companies were required to open bid, performance, advance payment, or warranty bonds in the form of standby letters of credit to do business with Libya before the Libyan sanctions were imposed. Special procedures have been established with regard to payment demands under standby letters of credit in favor of Libya. Banks must “give prompt notice” to the party who opened the letter of credit (the account party) when there is an attempted drawing. The account party then has five days to apply to the Office of Foreign Assets Control for a specific license to prevent “payment” of the letter of credit into a blocked account. A bank may not make any payment, even into a blocked account, on behalf of a Libyan beneficiary unless the account party fails to secure a Treasury license within 10 business days of notification from the bank. If the account party receives a license from the Treasury Department, the original of the license should be presented to the bank and a special blocked reserve account must be established on the account party’s corporate books to reflect its outstanding obligation to Libya in lieu of the bank “paying” the letter of credit. The account party must certify to the Treasury Department that it has established the blocked reserve account. Neither the bank nor the account party are relieved from giving any notice of defense against payment or reimbursement that is required by applicable law. Moreover, the issuing bank must continue to maintain the letter of credit as a contingent liability on its own books, despite any reserve account established by the account party and, in the event the embargo is lifted, both the bank and the account party will be expected to negotiate concerning their outstanding obligation.

• **TRAVEL TO LIBYA** - All transportation-related transactions involving Libya by U.S. persons are prohibited, including the sale in the United States of any transportation by air which includes any stop in Libya. All travel-related transactions are prohibited for U.S. citizens or residents with regard to Libya, except for (1) travel by close family members of Libyan nationals when the U.S. citizen or resident has registered with Treasury’s Office of Foreign Assets Control or with the Embassy of Belgium in Tripoli, or (2) travel by journalists regularly employed in such capacity by a newsgathering organization, or (3) travel transactions pertaining to arranging exports of licensed sales of agricultural commodities, medicine, and medical devices. Travel transactions related to the installation or servicing of medical devices exported pursuant to license may be authorized by specific license.

D—IRAQ

Iraqi Sanctions Regulations (31 C.F.R. Part 575)

• **INTRODUCTION** - On August 2, 1990, upon Iraq’s invasion of Kuwait, former President Bush issued Executive Order No. 12722 declaring a national emergency with respect to Iraq. The order, issued under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701), the National Emergencies Act (50 U.S.C. 1601), and section 301 of title 3 of the U.S. Code, imposed economic sanctions, including a complete trade embargo, against Iraq. In keeping with United Nations Security Council Resolution 661 of August 6, 1990 and the United Nations Participation Act (22 U.S.C. 287c), the President also issued Executive Order 12724 on August 9, 1990, which imposed additional restrictions. Similar sanctions were imposed on Kuwait to ensure that no benefit from the United States flowed to the Government of

Iraq in military-occupied Kuwait. The Iraqi Sanctions Regulations implement Executive Orders No. 12722 and 12724. They were issued and are administered by the Treasury Department’s Office of Foreign Assets Control. Criminal penalties for violating the Iraqi Sanctions Regulations range up to 12 years in jail and \$1,000,000 in fines. In addition, civil penalties of up to \$250,000 per violation may be imposed administratively.

• **ASSETS BLOCKED** - Effective August 2, 1990, the President blocked all property and interests in property of the Government of Iraq, its agencies, instrumentalities, and controlled entities, in the United States or within the possession or control of U.S. persons. Persons and organizations determined by the Secretary of the Treasury to fall within any of those categories are subject to treatment as if they were the government of Iraq itself. This enables Treasury to designate Iraqi “front” organizations that may be operating in third countries as “Specially Designated Nationals of Iraq,” thus subjecting them to the Iraqi sanctions. Blocked accounts in U.S. financial institutions must earn interest at commercially reasonable rates; funds are not to be held in instruments with a maturity exceeding 90 days. Setoffs against blocked accounts are prohibited.

The following activities are prohibited, unless licensed by the Office of Foreign Assets Control:

• **BUYING FROM IRAQ** - Except as provided for under UNSC Resolution 986 (see below) goods or services cannot be imported into the United States either directly or through third countries. Any activity that promotes or is intended to promote such importation is prohibited.

• **SELLING TO IRAQ** - Goods, technology or services cannot be exported from the United States, or, if subject to U.S. jurisdiction, exported or reexported from a third country, to Iraq (notwithstanding authorization from another government agency) with the exception of OFAC-licensed food, medical supplies intended to relieve human suffering and certain other humanitarian goods. In no circumstances has the use of blocked funds been authorized for humanitarian sales. Any activity that promotes or is intended to promote a prohibited exportation or reexportation, or the transshipment of goods, services, or technology subject to U.S. jurisdiction through a third country, is also prohibited.

An exporter who shipped merchandise to Iraq prior to August 2, 1990 and who is the beneficiary of a letter of credit, issued or confirmed by a U.S. bank, or a letter of credit involving a reimbursement confirmed by a U.S. bank may apply to OFAC for a specific license authorizing payment under the letter of credit. A specific license authorizing payment under such a letter of credit will only be issued for a delivery to Iraq which occurred after August 2 if the exporter made a good faith effort to divert the delivery. A debit to a blocked account is not authorized to accomplish such a payment unless specifically licensed. Specific licenses for debits to blocked accounts are only granted in instances where a transactionally specific pre-August 2 authenticated contract (including a pledge agreement) exists for the debit of the account.

• **OFFSHORE TRANSACTIONS** - Generally, U.S. persons are prohibited from dealing in Iraqi-origin goods or in any other goods exported from Iraq to any country after August 6, 1990. U.S. persons are also prohibited from dealing in property intended for exportation to Iraq from any country.

Performance of contracts in support of industrial, commercial, public utility or governmental projects in Iraq is also generally prohibited.

Provisions prohibiting performance are very broadly construed to prohibit any financial, sales, or service contract that will have an impact on projects in Iraq. U.S. persons may not, for example, provide financing or consulting services to a third-country company, where those services would inure to the benefit of a project in Iraq. Banks need to be very careful that their foreign corporate accounts are not used in connection with Iraqi projects or commercial activities.

While foreign subsidiaries of U.S. firms are not subject to the Regulations, U.S. parent corporations and all U.S. citizens or residents, wherever located, are strictly prohibited from approving or providing financial assistance, advice, consulting services, goods, or any other support to subsidiaries in connection with Iraqi projects.

• **UNSC RESOLUTION 986** - On April 14, 1995, the United Nations Security Council adopted Resolution 986 (“UNSCR 986”) which, subject to certain conditions, established a program to allow the Government of Iraq a six month window in which to sell \$2 billion of petroleum and petroleum products, the proceeds of which would be used to purchase humanitarian supplies. Proceeds are to be deposited into a special account at Banque Nationale de Paris’ New York branch which will be used to fund the purchases. The Secretary General of the United Nations has now announced the implementation of the program and the Regulations have been amended accordingly.

U.S. persons are authorized to enter into executory contracts with the Government of Iraq relating to the following authorized transactions: the purchase and exportation from Iraq of Iraqi-origin petroleum and petroleum products; the trading, importation, exportation or other dealings in or related to Iraqi-origin petroleum and petroleum products outside Iraq; the sale and exportation to Iraq of parts and equipment that are essential for the safe operation of the Kirkuk-Yumurtalik pipeline system in Iraq; and the sale and exportation to Iraq of medicines, health supplies, foodstuffs, and materials and supplies for essential civilian needs.

All executory contracts must meet the following requirements: the executory contracts and all other related contracts must be consistent with the requirements of UNSCR 986, any other applicable UNSC Resolutions, memoranda, and any further guidance issued by the 661 Sanctions Committee and executory contracts involving any transactions subject to license application requirements by another Federal agency must be contingent upon prior authorization of such agency. Actual performance under any executory contract requires the issuance of a separate specific license by OFAC (see below). The authorization for executory contracts by U.S. persons includes contracts with third parties incidental to permissible executory contracts with the Government of Iraq.

Section 575.523 of the Regulations now provides a statement of licensing policy for U.S. persons seeking to purchase petroleum and petroleum products from the Government of Iraq or Iraq’s State Oil Marketing Organization (“SOMO”) pursuant to UNSCR 986. A specific license must be issued by OFAC to authorize a licensee to deal directly with the United Nations 661 Committee or its designee (the “overseers”) appointed by the UN Secretary-General. Applications for specific licenses from OFAC must include the following information: (1) applicant’s full legal name; (2) applicant’s mailing and street addresses; (3) name of the individual(s) responsible for the license application and related commercial transactions and the individual’s telephone and facsimile numbers; (4) if the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business; (5) a written certification that the applicant has entered into an executory contract for the purchase of Iraqi-origin petroleum or petroleum products with the

Government of Iraq, that the contract accords with normal arms-length commercial practice, and that the applicant is familiar with the Regulations, particularly Sections 575.601 and 575.602, and will make its executory contract and other documents related to the purchase of Iraqi-origin petroleum or petroleum products available to OFAC; and (6) a written certification that the applicant understands that issuance of a license does not authorize a licensee to provide goods, services, or compensation of any kind to the Government of Iraq other than that specifically provided in contracts entered into by the applicant and the Government of Iraq and submitted to and approved by the UN 661 Committee or its designee. Following the issuance of a specific license OFAC will coordinate with the U.S. State Department the provision of a list of licensed “national oil purchasers” to the UN 661 Committee. OFAC licensees whose contracts are ultimately approved by UN overseers will be permitted to perform those contracts in accordance with their terms. Section 575.526 of the Regulations provides a general license for dealing in, and importation into the United States of, Iraqi-origin petroleum and petroleum products, the purchase and exportation of which have been authorized in accordance with UNSCR 986.

Section 575.524 of the Regulations provides a statement of licensing policy for the exportation to Iraq of pipeline parts and equipment necessary for the safe operation of the Iraqi portion of the Kirkuk-Yumurtalik pipeline system. Applications for such specific licenses must be made to OFAC in advance of the proposed sale and exportation and provide the following information: (1) identification of the applicant, including full legal name, mailing and street addresses, the name of the individual(s) responsible for the application and related commercial transactions and the individual’s telephone and facsimile numbers, and, if the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business; (2) the name and address of all parties involved in the transactions and their role, including financial institutions and any Iraqi broker, purchasing agent, or other participant in the purchase of the pipeline parts or equipment; (3) the nature, quantity, value and intended use of the pipeline parts and equipment; (4) the intended point(s) of entry into Iraq, proposed dates of entry and delivery, and the final destination in Iraq of the pipeline parts and equipment; (5) a copy of the concluded contract with the Government of Iraq and other relevant documentation, all of which must comply with the provisions of UNSC Resolution 986, other applicable Security Council resolutions, the Memorandum of Understanding, and applicable guidance issued by the 661 Committee; and (6) a statement that the applicant is familiar with the requirements of the above-referenced documents, particularly Memorandum of Understanding paragraph 24 and Guidelines paragraphs 35 and 45, and will conform the letter of credit and related financing documents to their terms.

Section 575.525 of the Regulations provides a statement of licensing policy for the sale of humanitarian items to Iraq. Applications for specific licenses must be made to OFAC in advance of the proposed sale and exportation and provide the following information: (1) identification of the applicant, including full legal name, mailing and street addresses, the name of the individual(s) responsible for the application and related commercial transactions and the individual’s telephone and facsimile numbers, and, if the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business; (2) the name and address of all parties involved in the transactions and their role, including financial institutions and any Iraqi broker, purchasing agent, or other participant in the purchase of the humanitarian aid; (3) the nature, quantity, value and the intended use of the humanitarian aid; (4) the intended point(s) of entry into Iraq, proposed dates of entry and delivery, and the final destination in Iraq of the humanitarian aid; (5) a copy of the concluded contract with the Government of Iraq or the United Nations Inter-Agency Humanitarian Programme and other relevant documentation, all of which must comply with the provisions of UNSCR

986, other applicable Security Council resolutions, the Memorandum of Understanding, and applicable guidance issued by the 661 Committee; and (6) a statement that the applicant is familiar with the requirements of UNSCR 986, other applicable Security Council resolutions, the Memorandum of Understanding, and applicable guidance issued by the 661 Committee, particularly Memorandum of Understanding paragraph 24 and Guidelines paragraphs 35 and 45, and will conform the letter of credit and related financing documents to their terms.

Transactions related to travel to Iraq or activities within Iraq by U.S. persons are not authorized by the Regulations nor are debits to blocked accounts or direct financial transactions with the Government of Iraq. U.S. persons may, however, enlist and pay the expenses of non-U.S. nationals to travel to Iraq on their behalf for the purpose of assisting in obtaining an executory contract under UNSCR 986. Banking transfers into Iraq to persons in Iraq continue to be prohibited by Section 575.210 of the Regulations.

• **TRAVEL** - All transportation-related transactions and services, or the use by U.S. persons of vessels or aircraft registered in Iraq, are prohibited. All travel-related transactions by U.S. persons are also prohibited, with narrow exceptions related to journalistic activity, official U.S. Government or United Nations business, reimbursement for the UNSCR 986 activities referenced above, or one's own departure from Iraq.

• **FINANCIAL** - All transfers of funds by U.S. persons to the Government of Iraq or to persons in Iraq are prohibited, as are all commitments or transfers of credit, financial transactions, or contracts. Banks may not execute transfer instructions involving sending money to persons in Iraq, except as licensed, and must block any funds coming into their possession in which there is an interest of the Government of Iraq, including Specially Designated Nationals of Iraq or Iraqi financial institutions located anywhere in the world. "Suspense accounts" are not permitted. If banks receive instructions to transfer funds involving an interest of the Government of Iraq, they must block them on their own books.

Among other items, the Regulations provide the following guidance:

• **STANDBY LETTERS OF CREDIT** - A number of companies were required to open bid, performance, or warranty bonds in the form of standby letters of credit to do business in or with Iraq before the Iraqi invasion of Kuwait. Special procedures have been established with regard to payment demands under standby letters of credit in favor of Iraq. Banks must "give prompt notice" to the party who opened the letter of credit (the account party) when there is an attempted drawing. The account party then has five days to apply to the Office of Foreign Assets Control for a specific license to prevent "payment" of the letter of credit into a blocked account. A bank may not make any payment, even into a blocked account, on behalf of an Iraqi beneficiary unless the account party fails to secure a Treasury Department license within 10 business days of notification from the bank. If the account party receives a license from the Treasury Department, the original of the license should be presented to the bank and a special blocked reserve account must be established on the account party's corporate ledger to reflect its outstanding obligation to Iraq in lieu of the bank "paying" the letter of credit. The account party must certify to the Treasury Department that it has established the blocked reserve account. Nothing in this procedure precludes the account party or any other person from at any time contesting the legality of the demand from the beneficiary or raising any other legal defense to payment. Moreover, the issuing bank must continue to maintain the letter of credit as a contingent liability on its own books,

despite any reserve account established by the account party. The obligations of the various parties under the letter of credit remain in effect as long as the Iraqi assets are blocked. They may be reevaluated and renegotiated to the extent permitted by law once the assets have been unblocked.

• **SPECIAL REPORTS** - All parties engaging in transactions involving Iraq must keep accurate and comprehensive records. The Office of Foreign Assets Control may require reports on such activities at any time. The Treasury Department has required the filing of special census data on claims by U.S. nationals against Iraq (TDF 90-22.41) and on blocked Iraqi government property (TDF 90-22.40).

E—YUGOSLAVIA

A summary involving the Federal Republic of Yugoslavia (Serbia & Montenegro) [including the amended Federal Republic of Yugoslavia (Serbia and Montenegro) Kosovo Sanctions Regulations, 31 C.F.R. Part 586, and Federal Republic of Yugoslavia Milosevic Regulations, 31 C.F.R. Part 587]

U.S. sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) ("FRY (S&M)") date back to May 30, 1992, when the President issued the first in a series of Executive orders that collectively blocked assets and prohibited trade and other transactions involving the Governments of the Republics of Serbia and Montenegro, the former Government of the Socialist Federal Republic of Yugoslavia, the then recently constituted FRY (S&M), and the Bosnian Serb controlled areas of the Republic of Bosnia and Herzegovina. These sanctions, which were implemented by regulations set forth in 31 C.F.R. Part 585, were suspended with respect to prospective transactions in 1996 after the signing of the Dayton peace agreement. However, FRY (S&M) assets blocked prior to December 27, 1995, and assets of the Serb forces in Bosnia and Herzegovina that were blocked prior to May 10, 1996, remain blocked today due to the need to address claims or encumbrances involving such assets.

In response to the actions and policies of the Governments of the FRY (S&M) and the Republic of Serbia with respect to Kosovo, President Clinton issued Executive Order 13088 on June 9, 1998, imposing sanctions on the Government of the FRY (S&M) and the Governments of the Republics of Serbia and Montenegro. The sanctions were implemented by the "Federal Republic of Yugoslavia (Serbia and Montenegro) Kosovo Sanctions Regulations" (the "KSR") set forth in 31 C.F.R. Part 586. On April 30, 1999, the President imposed further trade restrictions in Executive Order 13121 because of the continuing human rights and humanitarian crises in Kosovo.

Following the peaceful democratic transition begun in the FRY (S&M), President Clinton issued Executive Order 13192 effective January 19, 2001, lifting prospectively the economic sanctions against the FRY (S&M), blocking the property and interests in property of specified parties, and prohibiting certain transactions or dealings involving such blocked property. The Executive Order has been implemented through amendments to the KSR and the newly promulgated Federal Republic of Yugoslavia (Serbia and Montenegro) Milosevic Regulations, 31 C.F.R. Part 587.

• **PREVIOUSLY BLOCKED PROPERTY** - All transactions on or after January 19, 2001, involving the assets of persons other than those who are targeted by Executive Order 13192 are permitted. However, unless otherwise authorized by OFAC, all assets blocked under

Executive Order 13088 and the KSR before that date must remain blocked due to the need to address claims or encumbrances involving such assets. A comprehensive list of “[FRYK]” persons whose property and interests in property continue to be blocked pursuant to the KSR is available to the public upon request from OFAC’s Compliance Programs Division at (202) 622-2490. Similar lists are available with respect to “[FRY(S&M)]” and “[SRBH]” persons whose property and interests in property continue to be blocked pursuant to 31 C.F.R. Part 585, as discussed above.

- **CERTAIN DEBT UNBLOCKED** - Notwithstanding the continued blocking of previously blocked property, a general license set forth at Section 586.517 of the KSR authorizes the unblocking of debt obligations included within the rescheduling of Yugoslav debt pursuant to the New Financing Agreement of September 20, 1988, negotiated between the Socialist Federal Republic of Yugoslavia and the London Club of commercial banks. Requests to unblock all other previously blocked debt will be reviewed on a case-by-case basis.

- **CERTAIN BLOCKED TRANSFERS UNBLOCKED** - Also notwithstanding the continued blocking of previously blocked property, under a general license set forth at Section 586.518 of the KSR, U.S. financial institutions are authorized to unblock and return to the remitting party certain funds that came into their possession or control through wire transfers or check remittances. However, such funds may not be unblocked and returned if they were originally destined for an account established on the books of a U.S. financial institution by a person whose property or interests in property were blocked immediately prior to January 19, 2001, or if they were remitted by or destined for any person targeted for sanctions under Executive Order 13192. See discussion of New Targets below. Funds destined for an account established by a blocked person on the books of a U.S. financial institution must be forwarded to that blocked account.

- **NEW TARGETS** - Transactions involving assets of persons who are targeted by Executive Order 13192 and the FRY(S&M)MR must continue to be interdicted and need to be blocked on an ongoing basis. Those parties appear as “[FRYM]” entries on OFAC’s alphabetical master list of Specially Designated Nationals and Blocked Persons. These targets are designated family members, supporters and members of the regime of former President Slobodan Milosevic, as well as certain persons under open indictment by the International Criminal Tribunal for the former Yugoslavia (“ICTY”), and other specified parties. Exempt from the prohibitions imposed by the Order and the FRY(S&M)MR are certain transactions relating to personal communications, donations of articles to relieve human suffering, the importation or exportation of information or informational materials, and travel. See Section 587.206 of the FRY(S&M)MR.

F—UNITA (Angola)

UNITA (Angola) Sanctions Regulations (31 C.F.R. Part 590)

In coordination with international sanctions adopted by the United Nations Security Council, the President signed Executive Order 12865 on September 26, 1993, initiating sanctions against the “*Uniao Nacional para a Independencia Total de Angola*” and the “*Forces Armadas para a Liberacao de Angola*” (“FALA”), known in English as the “National Union for the Total Independence of Angola” and the “Armed Forces for the Liberation of Angola.” UNITA includes any person acting or purporting to act for or on behalf of either of these organizations. In

response to UN Security Council Resolutions 1127 of August 28, 1997 and 1130 of September 29, 1997, the President signed Executive Order 13069 on December 12, 1997, further tightening the sanctions against UNITA. On August 18, 1998, the President signed Executive Order 13098 imposing additional sanctions in accordance with UN Security Council Resolutions 1173 of June 12, 1998, and 1176 of June 24, 1998.

- **ASSETS BLOCKED** - In the latest Executive Order, the President has blocked all property within the possession or control of a U.S. person in which UNITA or its senior officials (including adult members of their immediate families) have an interest. These individuals will be designated by OFAC. Their property cannot be transferred or otherwise dealt in without a license from OFAC.

- **IMPORT RESTRICTIONS ON DIAMONDS EXPORTED FROM ANGOLA** - Diamonds exported from Angola on or after August 19, 1998, 12:01 a.m. EDT, may not be imported, directly or indirectly, into the United States unless they are controlled through the Certificate of Origin regime of the Angolan Government of Unity and National Reconciliation. Any documentation that demonstrates to the satisfaction of the United States Customs Service that the diamonds were legally exported from Angola with approval of the Angolan Government of Unity and National Reconciliation is acceptable.

- **EXPORTING GOODS TO ANGOLA** - U.S. persons, wherever located, cannot export the following types of goods, regardless of origin, to the territory of Angola other than through points of entry designated by the United States Treasury Department (see **APPENDIX** below in this section), nor can U.S.-registered vessels or aircraft be used for such exports: mining equipment, arms and related material of all types, including weapons and ammunition, military vehicles and equipment and related spare parts, petroleum and petroleum products, aircraft or aircraft components, and motorized vehicles or watercraft, and spare parts for them. Appendices to the UNITA (Angola) Sanctions Regulations should be consulted for greater detail.

- **EXPORTING SERVICES TO ANGOLA** - U.S. persons cannot sell or supply mining services or ground or waterborne transportation services, regardless of origin, to persons in areas of Angola to which State administration has not been extended. The UNITA (Angola) Sanctions Regulations should be consulted for areas designated by OFAC.

- **TRANSACTIONS RELATED TO AIRCRAFT SERVICES AND AIR TRAVEL TO ANGOLA** - The following types of transactions are prohibited from being performed by U.S. persons or from the United States: the insurance, engineering or servicing of any aircraft owned or controlled by UNITA; the granting of permission to any aircraft to take off from, land in, or overfly the United States if the aircraft, as part of the same flight or as a continuation of that flight, is destined to land in or has taken off from a place in the territory of Angola other than one specified by the U.S. Department of the Treasury; the provision or making available of engineering and maintenance servicing, the certification of airworthiness, the payment of new claims against existing insurance contracts, or the provision, renewal or making available of direct insurance with respect to any aircraft registered in Angola other than those specified by the U.S. Department of the Treasury, or that has flown into Angola other than through a port of entry specified by the U.S. Department of the Treasury.

APPENDIX - POINTS OF ENTRY TO THE TERRITORY OF ANGOLA DESIGNATED BY THE SECRETARY OF THE TREASURY

Airports:

Luanda

Katumbela, Benguela Province

Ports:

Luanda

Lobito, Benguela Province

Namibe, Namibe Province

Entry Points:

Malongo, Cabinda Province

G—IRAN

An overview of Regulations involving Sanctions against Iran

Iranian Transactions Regulations (31 C.F.R. Part 560)

• **INTRODUCTION** - As a result of Iran's support for international terrorism and its aggressive actions against non-belligerent shipping in the Persian Gulf, President Reagan, on October 29, 1987, issued Executive Order 12613 imposing a new import embargo on Iranian-origin goods and services. Section 505 of the International Security and Development Cooperation Act of 1985 ("ISDCA") was utilized as the statutory authority for the embargo which gave rise to the Iranian Transactions Regulations, Title 31 Part 560 of the U.S. Code of Federal Regulations (the "ITR").

Effective March 16, 1995, as a result of Iranian sponsorship of international terrorism and Iran's active pursuit of weapons of mass destruction, President Clinton issued Executive Order 12957 prohibiting U.S. involvement with petroleum development in Iran. On May 6, 1995, he signed Executive Order 12959, pursuant to the International Emergency Economic Powers Act ("IEEPA") as well as the ISDCA, substantially tightening sanctions against Iran.

On August 19, 1997, the President signed Executive Order 13059 clarifying Executive Orders 12957 and 12959 and confirming that virtually all trade and investment activities with Iran by U.S. persons, wherever located, are prohibited.

On March 17, 2000, the Secretary of State announced that sanctions against Iran would be eased to allow U.S. persons to purchase and import carpets and food products such as dried fruits, nuts, and caviar from Iran. This change was implemented through amendments to the ITR at the end of April 2000.

• **IMPORTS FROM IRAN** - Goods or services of Iranian origin may not be imported into the United States, either directly or through third countries, with the following exceptions:

* Gifts valued at \$100 or less;

* Information or informational materials;

* Foodstuffs intended for human consumption that are classified under chapters 2-23 of the Harmonized Tariff Schedule of the United States; and

* Carpets and other textile floor coverings and carpets used as wall hangings that are classified under chapter 57 or heading 9706.00.0060 of the Harmonized Tariff Schedule of the United States.

U.S. persons are prohibited from providing financing for prohibited import transactions. There are restrictions on letter of credit transactions involving the Government of Iran (see **FINANCIAL DEALINGS WITH IRAN, FINANCING PURCHASES FROM IRAN OR ITS GOVERNMENT, and FINANCING IRANIAN-ORIGIN FOODSTUFFS AND CARPETS OTHER THAN PURCHASES FROM IRAN OR ITS GOVERNMENT** below).

• **EXPORTS TO IRAN** - In general, unless licensed by OFAC, goods, technology (including technical data or other information subject to Export Administration Regulations), or services may not be exported, reexported, sold or supplied, directly or indirectly, from the United States or by a U.S. person, wherever located, to Iran or the Government of Iran. The ban on providing services includes any brokering function from the United States or by U.S. persons, wherever located. For example, a U.S. person, wherever located, or any person acting within the United States, may not broker offshore transactions that benefit Iran or the Government of Iran, including sales of foreign goods or arranging for third-country financing or guarantees.

In general, a person may not export from the U.S. any goods, technology or services, if that person knows or has reason to know such items are intended specifically for supply, transshipment or reexportation to Iran. Further, such exportation is prohibited if the exporter knows or has reason to know the U.S. items are intended specifically for use in the production of, for commingling with, or for incorporation into goods, technology or services to be directly or indirectly supplied, transshipped or reexported exclusively or predominately to Iran or the Government of Iran. A narrow exception is created for the exportation from the United States or by U.S. persons wherever located of low-level goods or technology to third countries for incorporation or substantial transformation into foreign-made end products, provided the U.S. content is insubstantial, as defined in the regulations, and certain other conditions are met.

Donations of articles intended to relieve human suffering (such as food, clothing, and medicine), gifts valued at \$100 or less, licensed exports of agricultural commodities, medicine, and medical devices, and trade in "informational materials" are permitted. "Informational materials" are defined to include publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds, although certain Commerce Department restrictions still apply to some of those materials. To be considered informational material, artworks must be classified under chapter subheadings 9701, 9702, or 9703 of the Harmonized Tariff Schedule of the United States.

With certain exceptions, foreign persons who are not U.S. persons are prohibited from reexporting to Iran sensitive U.S.-origin goods, technology or services to Iran or the Government of Iran. Foreign persons involved in such reexports may be placed on the U.S. Commerce Department's "Export Denial Orders" list.

U.S. persons may not approve, finance, facilitate or guarantee any transaction by a foreign person where that transaction by a foreign person would be prohibited if performed by a U.S. person or from the United States.

cannot be party to a letter of credit.

• DEALING IN IRANIAN-ORIGIN GOODS OR SERVICES -

Except as authorized by amendments to the ITR relating to foodstuffs and carpets, which were issued at the end of April 2000, U.S. persons, including foreign branches of U.S. depository institutions and trading companies, are prohibited from engaging in any transactions, including purchase, sale, transportation, swap, financing, or brokering transactions related to goods or services of Iranian origin or goods or services owned or controlled by the Government of Iran.

Services provided in the United States by an Iranian national already resident in the United States are not considered services of Iranian origin.

These prohibitions apply to transactions by United States persons in locations outside the United States with respect to goods or services which the United States person knows, or has reason to know, are of Iranian origin or are owned or controlled by the Government of Iran. U.S. persons may not import such goods or services into or export them from foreign locations. A U.S. person may, however, engage in transactions in third countries necessary to sell, dispose of, store, or maintain goods located in a third country which were legally acquired by that U.S. person prior to May 7, 1995 on the condition that the transactions do not result in an importation into the United States of goods of Iranian origin.

• FINANCIAL DEALINGS WITH IRAN - New investments by U.S. persons, including commitments of funds or other assets, loans or any other extensions of credit, in Iran or in property (including entities) owned or controlled by the Government of Iran are prohibited. For your information, Appendix A contains a list of banks owned or controlled by the Government of Iran. While U.S. persons may continue to charge fees and accrue interest on existing Iranian loans, a specific license must be obtained to reschedule or otherwise extend the maturities of existing loans.

Payments for licensed sales of agricultural commodities, medicine and medical devices must reference an appropriate OFAC license and may not involve a debit or credit to an account of a person in Iran or the Government of Iran maintained on the books of a U.S. depository institution. Payments for and financing of such licensed sales may be accomplished by cash in advance, sales on open account (provided the account receivable is not transferred by the person extending the credit), or by third country financial institutions that are neither U.S. persons nor government of Iran entities. Any other arrangements must be specifically authorized by OFAC. U.S. depository institutions may advise and confirm letters of credit issued by third country banks covering licensed sales of agricultural commodities, medicine, and medical devices.

• FINANCING PURCHASES FROM IRAN OR ITS GOVERNMENT -

Payments for authorized imports of foodstuffs and carpets must reference the relevant section of the ITR. While U.S. depository institutions may deal with Iranian banks on a documentary collection basis [URC 522] for authorized purchases of foodstuffs or carpets, neither payments under collections, nor any other payments, may involve a debit or credit to the account of a person in Iran or the Government of Iran on the books of a U.S. depository institution. U.S. depository institutions may issue letters of credit for purchases provided that the letters of credit are not advised, negotiated, paid, or confirmed by a bank that is included within the definition of the term Government of Iran. A bank that is included in the definition of the term Government of Iran may forward letter of credit documents strictly on a documentary collection basis, either directly to a U.S. depository institution or to a third country bank that is not included within the definition of the term Government of Iran, but cannot send them on an "approval" basis since it

• FINANCING IRANIAN-ORIGIN FOODSTUFFS AND CARPETS OTHER THAN PURCHASES FROM IRAN OR ITS GOVERNMENT -

U.S. depository institutions are authorized to issue, advise, negotiate, pay, or confirm letters of credit to pay for transactions in or related to foodstuffs and carpets as referenced in amendments to the ITR issued at the end of April 2000, other than purchases from Iran or its Government, provided that such letters of credit are not issued, advised, negotiated, paid, or confirmed by a bank that is included within the definition of the term Government of Iran.

• "PRE-ZERO CONTRACTS" - Letters of credit and other financing arrangements with respect to trade contracts in force as of May 6, 1995, may be performed pursuant to their terms provided that the underlying trade transaction was completed prior to June 6, 1995 (February 2, 1996 for "agricultural commodities"), or as specifically licensed by OFAC. Standby letters of credit that serve as performance guarantees for services to be rendered after June 6, 1995, cannot be renewed and payment may not be made after that date without authorization by OFAC.

• OTHER BANKING SERVICES - U.S. depository institutions, including foreign branches, are prohibited from servicing accounts of the Government of Iran, including banks owned or controlled by the Government of Iran (as in Appendix A) or persons in Iran. However, they are authorized to pay interest, deduct reasonable and customary service charges, process transfers related to exempt transactions, such as the exportation of information or informational material, a travel-related remittance, or a payment for the shipment of a donation of articles to relieve human suffering or, at the request of an account holder, effect a lump sum closure of an account by payment to its owner. They may not otherwise directly credit or debit Iranian accounts.

U.S. depository institutions may handle "U-turn" transactions—cover payments involving Iran that are by order of a third country bank for payment to another third country bank—provided they do not directly credit or debit an Iranian account. They are also permitted to handle non-commercial family remittances involving Iran and non-commercial remittances involving humanitarian relief (such as for the victims of the earthquake in Khorasan), provided the transfers are routed to or from non-U.S., non-Iranian offshore banks.

U.S. depository institutions initiating or receiving payment orders involving Iran on behalf of customers must determine prior to processing such payments that they do not involve transactions prohibited by the Iranian Transactions Regulations.

• TRAVEL - All transactions ordinarily incident to travel to or from Iran, including the importation of accompanied baggage for strictly personal use, payment of maintenance and living expenses and acquisition of goods or services for personal use are permitted.

• OVERFLIGHTS PAYMENTS - Payments to Iran for services rendered by the Government of Iran in connection with the overflight of Iran or emergency landing in Iran of aircraft owned by United States persons or registered in the U.S. are authorized.

• PERSONAL COMMUNICATIONS, INFORMATION AND INFORMATIONAL MATERIALS -

The receipt or transmission of postal, telegraphic, telephonic or other personal communications, which

does not involve the transfer of anything of value, between the United States and Iran is authorized. The exportation from the United States to Iran of information and informational materials, whether commercial or otherwise, regardless of format or medium of transmission, and any transaction incident to such exportation is authorized.

• **TRANSACTIONS INVOLVING U.S. AFFILIATES** - No U.S. person may approve or facilitate the entry into or performance of transactions or contracts with Iran by a foreign subsidiary of a U.S. firm that the U.S. person is precluded from performing directly. Similarly, no U.S. person may facilitate such transactions by unaffiliated foreign persons.

• **IRANIAN PETROLEUM INDUSTRY** - U.S. persons may not trade in Iranian oil or petroleum products refined in Iran, nor may they finance such trading. Similarly, U.S. persons may not perform services, including financing services, or supply goods or technology, that would benefit the Iranian oil industry.

APPENDIX - BANKS OWNED OR CONTROLLED BY THE GOVERNMENT OF IRAN

AGRICULTURAL COOPERATIVE BANK OF IRAN (a.k.a. BANK TAAVON KESHAVARZI IRAN), No. 129 Patrice Lumumba Street, Jalal-Al-Ahmad Expressway, P.O. Box 14155/6395, Tehran, Iran

AGRICULTURAL DEVELOPMENT BANK OF IRAN (a.k.a. BANK JOSIAIYI KESHAVARZI), Farahzad Expressway, Tehran, Iran

BANK JOSIAIYI KESHAVARZI (a.k.a. AGRICULTURAL DEVELOPMENT BANK OF IRAN), Farahzad Expressway, Tehran, Iran

BANK MARKAZI JOMHOURI ISLAMI IRAN (a.k.a. THE CENTRAL BANK OF IRAN), Ferdowsi Avenue, P.O. Box 11365-8551, Tehran, Iran

BANK MASKAN (a.k.a. HOUSING BANK (of Iran)), Ferdowsi St., Tehran, Iran

BANK MELLAT, Park Shahr, Varzesh Avenue, P.O. Box 11365/5964, Tehran, Iran, and all offices worldwide, including, but not limited to:

- BANK MELLAT (Branch), Ziya Gokalp Bulvari No. 12, Kizilay, Ankara, Turkey
- BANK MELLAT (Branch), Binbir Cicek Sokak, Buyukdere Caddesi, P.O. Box 67, Levant, Istanbul, Turkey
- BANK MELLAT (Branch), 48 Gresham Street, London EC2V 7AX, England

BANK MELLI, P.O. Box 11365-171, Ferdowsi Avenue, Tehran, Iran, and all offices worldwide, including, but not limited to:

- BANK MELLI (Branch), 4 Moorgate, London EC2R 6AL, England
- BANK MELLI (Branch), Schadowplatz 12, 4000 Dusseldorf 1, Germany
- BANK MELLI (Branch), Friedenstrasse 4, P.O. Box 160 154, 6000 Frankfurt am Main, Germany
- BANK MELLI (Branch), P.O. Box 112129, Holzbruecke 2, 2000 Hamburg 11, Germany
- BANK MELLI (Branch), Odeonsplatz 18, 8000 Munich 22, Germany
- BANK MELLI (Branch), 43 Avenue Montaigne, 75008 Paris, France
- BANK MELLI (Branch), 601 Gloucester Tower, The Landmark, 11 Pedder Street, P.O. Box 720, Hong Kong
- BANK MELLI (Representative Office), 333 New Tokyo Building, 3-1 Marunouchi, 3-chome, Chiyoda-ku, Tokyo, Japan
- BANK MELLI (Representative Office), 818 Wilshire Boulevard, Los Angeles, California 90017, U.S.A
- BANK MELLI (Representative Office), 767 Fifth Avenue, 44th Floor, New York, New York 10153, U.S.A
- BANK MELLI (Representative Office), Smolensky Boulevard 22/14, Kv. S., Moscow, Russia

- BANK MELLI (Branch), Flat No. 1, First Floor, 8 Al Sad El-Aaly, Dokki, P.O. Box 2654, Cairo, Egypt
- BANK MELLI (Branch), Ben Yas Street, P.O. Box No. 1894, Riga Deira, Dubai, U.A.E
- BANK MELLI (Branch), P.O. Box 2656, Shaikha Maryam Building, Liwa Street, Abu Dhabi, U.A.E
- BANK MELLI (Branch), B.P.O. Box 1888, Clock Tower, Industrial Road, Al-Ain Club Building in from Emertel Al Ain, Al Ain, Abu Dhabi, U.A.E
- BANK MELLI (Branch), P.O. Box 1894, Riqa, Ban Yas Street, Deira, Dubai, U.A.E
- BANK MELLI (Branch), Mohd-Habib Building, Al-Fahidi Street, P.O. Box 3093, Bur Dubai, Dubai, U.A.E
- BANK MELLI (Branch), P.O. Box 248, Fujairah, U.A.E
- BANK MELLI (Branch), Sami Sagar Building Oman Street Al-Nakheel, P.O. Box 5270, Ras-Al Khaimah, U.A.E
- BANK MELLI (Branch), P.O. Box 459, Al Bory Street, Sharjah, U.A.E.
- BANK MELLI (Branch), P.O. Box 785, Government Road, Shaikh Mubarak Building, Manama, Bahrain
- BANK MELLI (Branch), P.O. Box 23309, Shaikh Salman Street, Road No. 1129, Muharraq 211, Bahrain
- BANK MELLI (Branch), P.O. Box 5643, Mossa Abdul Rehman Hassan Building, 238 Al Burj St., Ruwi, Muscat, Oman

BANK OF INDUSTRY AND MINE (of Iran) (a.k.a. BANK SANAT VA MADAN), Hafez Avenue, P.O. Box 11365/4978, Tehran, Iran

BANK REFAH KARGARAN (a.k.a. WORKERS WELFARE BANK (of Iran)), Mofteffah No. 125, P.O. Box 15815 1866, Tehran, Iran

BANK SADERAT IRAN, Bank Saderat Tower, P.O. Box 15745-631, Somayeh Street, Tehran, Iran, and all offices worldwide, including, but not limited to:

- BANK SADERAT IRAN (Branch), Hamdam Street, Airport Road Intersection, P.O. Box 700, Abu Dhabi, U.A.E
- BANK SADERAT IRAN (Branch), Al-Am Road, P.O. Box 1140, Al Ein, Abu Dhabi, U.A.E
- BANK SADERAT IRAN (Branch), Liwara Street, P.O. Box 16, Ajman, U.A.E
- BANK SADERAT IRAN (Branch), 3rd Floor Dom Dasaf Building, Mejloka Street 7A, Ashkhabad, Turkmenistan
- BANK SADERAT IRAN (Branch), 25-29 Panepistimiou Street, P.O. Box 4308, GR-10210, Athens 10672, Greece
- BANK SADERAT IRAN (Branch), Imam Ali Street, Sahat Yaghi, Ras Elain-Alektisad Building 2nd Floor, Baalbeck, Lebanon
- BANK SADERAT IRAN (Branch and Offshore Banking Unit), 106 Government Road, P.O. Box 825, Manama Town 316, Bahrain
- BANK SADERAT IRAN (Branch), Hamra Pavillion Street, Savvagh and Daaboul Building 1st Floor, P.O. Box 113-6717, Beirut, Lebanon
- BANK SADERAT IRAN (Branch), Alghobairi Boulevard, Beirut, Lebanon
- BANK SADERAT IRAN (Branch), 28 Sherif Street, P.O. Box 462, Cairo, Egypt
- BANK SADERAT IRAN (Branch), Old Ben-Ghanem Street (next to God Market), P.O. Box 2256, Doha, Qatar
- BANK SADERAT IRAN (Branch), Almaktoom Road, P.O. Box 4182, Deira, Dubai, U.A.E
- BANK SADERAT IRAN (Branch), Bazar Murshid, P.O. Box 4182, Deira, Dubai, U.A.E
- BANK SADERAT IRAN (Branch), Alfahid Road, P.O. Box 4182, Bur Dubai, Dubai, U.A.E
- BANK SADERAT IRAN (Branch), Sherea Shekikh Zayad Street, P.O. Box 55, Fujairah, U.A.E
- BANK SADERAT IRAN (Branch), Wilhelm Leuschner Strasse 41, P.O. Box 160151, W-6000 Frankfurt am Main, Germany
- BANK SADERAT IRAN (Branch), P.O. Box 112227, Hopfenhof Passage, Kleiner Bustah 6-10, W-2000 Hamburg 11, Germany
- BANK SADERAT IRAN (Branch), Lothbury, London EC2R 7HD, England
- BANK SADERAT IRAN (Representative Office), 707 Wilshire Boulevard, Suite 4880, Los Angeles, California 90017, U.S.A
- BANK SADERAT IRAN (Representative Office), 55 East 59th Street, 16th Floor, New York, New York 10022, U.S.A

- BANK SADERAT IRAN (Branch), P.O. Box 4269, Mutrah, Muscat, Oman
- BANK SADERAT IRAN (Branch), 16 rue de la Paix, Paris 2eme, 75002 Paris, France
- BANK SADERAT IRAN (Branch), Alaroba Road, P.O. Box 316, Sharjah, U.A.E

BANK SANAT VA MADAN (a.k.a. BANK OF INDUSTRY AND MINE (of Iran)), Hafez Avenue, P.O. Box 11365/4978, Tehran, Iran

BANK SEPAH, Emam Khomeini Square, P.O. Box 11364, Tehran, Iran, and all offices worldwide, including, but not limited to:

- BANK SEPAH (Branch), Muenchener Strasse 49, P.O. Box 10 03 47, W-6000 Frankfurt am Main 1, Germany
- BANK SEPAH (Branch), 5/7 Eastcheap, EC3M 1JT London, England
- BANK SEPAH (Representative Office), 650 Fifth Avenue, New York, New York 10019, U.S.A
- BANK SEPAH (Branch), 17 Place Vendome, 75001 Paris, France.
- BANK SEPAH (Branch), Via Barberini 50, 00187 Rome, Italy
- BANK SEPAH (Representative Office), Ufficio di Rappresentanza, Via Ugo Foscolo 1, 20121 Milan, Italy

BANK TAAVON KESHAVARZI IRAN (a.k.a. AGRICULTURAL COOPERATIVE BANK OF IRAN) No. 129 Patrice Lumumba Street, Jalal-AI-Ahmad Expressway, P.O. Box 14155/6395, Tehran, Iran

BANK TEJARAT, 130 Taleghani Avenue, Nejatollahie, P.O. Box 11365-5416, Tehran, Iran, and all offices worldwide, including, but not limited to:

- BANK TEJARAT (Branch), 6/8 Clements Lane, London EC4N 7AP, England
- BANK TEJARAT (Branch), 44 Avenue des Champs Elysees, 75008 Paris, France

DEUTSCH-IRANISCHE HANDELSBANK AG (n.k.a. EUROPAEISCH-IRANISCHE HANDELSBANK AG) Depenau 2, W-2000 Hamburg 1, Germany, and all offices worldwide, including, but not limited to:

- DEUTSCH-IRANISCHE HANDELSBANK AG (n.k.a. EUROPAEISCH-IRANISCHE HANDELSBANK AG) (Representative Office), 23 Argentine Square, Beihaghi Bulvard, P.O. Box 15815/1787, Tehran 15148, Iran

EUROPAEISCH-IRANISCHE HANDELSBANK AG (f.k.a. DEUTSCH-IRANISCHE HANDELSBANK AG) Depenau 2, W-2000 Hamburg 1, Germany, and all offices worldwide, including, but not limited to:

- EUROPAEISCH-IRANISCHE HANDELSBANK AG (f.k.a. DEUTSCH-IRANISCHE HANDELSBANK AG) (Representative Office), 23 Argentine Square, Beihaghi Bulvard, P.O. Box 15815/1787, Tehran 15148, Iran

HOUSING BANK (of Iran) (a.k.a. BANK MASKAN), Ferdowsi St., Tehran, Iran

IRAN OVERSEAS INVESTMENT BANK LIMITED (f.k.a. IRAN OVERSEAS INVESTMENT CORPORATION LIMITED), 120 Moorgate, London EC2M 6TS, England, and all offices worldwide, including, but not limited to:

- IRAN OVERSEAS INVESTMENT BANK LIMITED (Representative Office), 1137 Avenue Vali Asr off Park-e-Sa'li, P.O. Box 15115/531, Tehran, Iran
- IRAN OVERSEAS INVESTMENT BANK LIMITED (Agency), Suite 3c Olympia House, 61/63 Dame Street, Dublin 2, Ireland
- IRAN OVERSEAS INVESTMENT BANK LIMITED (Agency), Improgetti, Via Germanico 24, 00192 Rome, Italy
- IRAN OVERSEAS TRADING COMPANY LIMITED (Subsidiary), 120 Moorgate, London EC2M 6TS, England

IRAN OVERSEAS INVESTMENT CORPORATION LIMITED (n.k.a. IRAN OVERSEAS INVESTMENT BANK LIMITED), 120 Moorgate, London EC2M 6TS, England

THE CENTRAL BANK OF IRAN (a.k.a. BANK MARKAZI JOMHOURI ISLAMI IRAN), Ferdowsi Avenue, P.O. Box 11365-8551, Tehran, Iran

WORKERS WELFARE BANK (of Iran) (a.k.a. BANK REFAH KARGARAN), Mofettah No. 125, P.O. Box 15815 1866, Tehran, Iran

Iranian Assets Control Regulations (31 C.F.R Part 535)

Separate Iranian sanctions regulations appear at 31 C.F.R. Part 535. On November 14, 1979, the assets of the Government of Iran in the United States were blocked in accordance with IEEPA, following the seizure of the American Embassy in Teheran and the taking of U.S. diplomats as hostages. Under the Iranian Assets Control Regulations (Title 31 Part 535 of the U.S. Code of Federal Regulations), some US\$12 billion in Iranian Government bank deposits, gold, and other properties were frozen, including \$5.6 billion in deposits and securities held by overseas branches

of U.S. banks. The assets freeze was eventually expanded to a full trade embargo, which remained in effect until the Algiers Accords were signed with Iran on January 19, 1981. Pursuant to the Accords, most Iranian assets in the United States were unblocked and the trade embargo was lifted. The U.S. Government also canceled any attachments that U.S. parties had secured against Iranian assets in the United States, so that the assets could be returned to Iran or transferred to escrow accounts in third countries pursuant to the Accords. This action was upheld by the Supreme Court in 1981 in *Dames & Moore v. Regan*. Although greatly modified in scope, the old Iranian Assets Control Regulations remain in effect. Many U.S. nationals have claims against Iran or Iranian entities for products shipped or services rendered before the onset of the 1979 embargo or for losses sustained in Iran due to expropriation during that time. These claims are still being litigated in the Iran-United States Claims Tribunal at The Hague established under the Algiers Accords. Certain assets related to these claims remain blocked in the United States and consist mainly of military and dual-use property.

H—TERRORISM

Terrorism Sanctions Regulations (31 C.F.R. Part 595) Terrorism List Governments Sanctions Regulations (31 C.F.R. Part 596) Foreign Terrorist Organizations Sanctions Regulations (31 C.F.R. Part 597) and Executive Order 13224

On January 23, 1995, President Clinton signed Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process." The Order blocked all property subject to U.S. jurisdiction in which there is any interest of 12 Middle East terrorist organizations included in an Annex to the Order. On August 20, 1998, the President signed Executive Order 13099 to amend Executive Order 12947, adding additional names. Executive Order 12947 blocks the property and interests in property 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 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. The Order further 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"). SDTs are integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons with an identifier of "[SDT]." They have also been separately listed in a special OFAC brochure entitled *Terrorism: What You Need to Know About U.S. Sanctions*. 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. It has been implemented by the Terrorism Sanctions Regulations.

On April 24, 1996, President Clinton signed into law the Antiterrorism and Effective Death Penalty Act of 1996, Public Law 104-132, 110 Stat. 1214-1319. Section 321 of the Act makes it a criminal offense for U.S. persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in financial transactions with the governments of countries designated under section 6(j) of the Export Administration Act of 1979, 50 U.S.C. App. 2405, as

supporting international terrorism. U.S. persons who engage in such transactions are subject to criminal penalties under title 18, United States Code. In implementation of section 321, the Treasury Department has issued the Terrorism List Governments Sanctions Regulations.

The countries currently designated under section 6(j) of the Export Administration Act are Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria. The provisions of existing OFAC regulations governing Cuba, Iran, Iraq, Libya, North Korea, and Sudan continue in effect with the added authority of section 321. Financial transactions of U.S. persons with the governments of those six countries are governed by the separate parts of Title 31 Chapter V of the U.S. Code of Federal Regulations imposing economic sanctions on those countries and information about those programs is available in separate OFAC brochures. Regarding the governments of countries designated under section 6(j) that are not otherwise subject to economic sanctions administered by OFAC, at present the government of Syria, the Terrorism List Governments Sanctions Regulations prohibit U.S. persons from receiving unlicensed donations and from engaging in financial transactions with respect to which the U.S. person knows or has reasonable cause to believe that the financial transaction poses a risk of furthering terrorist acts in the United States. Banks located in the United States and U.S. banks located offshore must reject transfers in the form of gifts or charitable contributions from the government of Syria, or from entities owned or controlled by the government of Syria, unless the bank knows or has reasonable cause to believe that the transaction poses a risk of furthering terrorism in the United States, in which case the funds must be retained by the bank. Banks should immediately notify OFAC Compliance about any retained items. Reject items must be reported within 10 business days of rejection. For the purposes of this program only, a financial transaction not originated by the government of Syria (including its central bank and government owned-or-controlled banks acting for their own accounts), but transferred to the United States through one of those banks, is not considered to be a prohibited financial transaction with the government of Syria.

Section 302 of the Antiterrorism and Effective Death Penalty Act of 1996 also authorizes the Secretary of State to designate organizations as "Foreign Terrorist Organizations" ("FTOs"). The Act makes it a criminal offense for U.S. persons to provide material support or resources to FTOs and requires financial institutions to block all funds in which FTOs or their agents have an interest. The term "financial institutions" comes from 31 U.S.C. 5312(a)(2) and is defined very broadly. Among the types of businesses covered by Treasury's Foreign Terrorist Organizations Sanctions Regulations, which implement Sections 302 and 303 of the Act, are banks, securities and commodities broker/dealers, investment companies, currency exchanges, issuers, redeemers, and cashiers of traveler's checks, checks, money orders, or similar instruments, credit card system operators, insurance companies, dealers in precious metals, stones or jewels, pawnbrokers, loan and finance companies, travel agencies, licensed money transmitters, telegraph companies, businesses engaged in vehicle sales, including automobile, airplane or boat sales, persons involved in real estate closings or settlements, and casinos. Such "financial institutions" must notify OFAC Compliance about any blocked funds within ten days of blocking. The Act provides for civil penalties to be assessed against financial institutions for failing to block or report the blocking of FTO funds in an amount equal to \$50,000 per violation or twice the amount which ought to have been blocked or reported, whichever is greater. Foreign Terrorist Organizations and their agents are integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons with an identifier of "[FTO]." They have been separately listed in OFAC's *Terrorism: What You Need to Know* brochure.

EXECUTIVE ORDER 13224 - BLOCKING PROPERTY AND PROHIBITING TRANSACTIONS WITH PERSONS WHO COMMIT, THREATEN TO COMMIT, OR SUPPORT TERRORISM

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and in view of United Nations Security Council Resolution (UNSCR) 1214 of December 8, 1998, UNSCR 1267 of October 15, 1999, UNSCR 1333 of December 19, 2000, and the multilateral sanctions contained therein, and UNSCR 1363 of July 30, 2001, establishing a mechanism to monitor the implementation of UNSCR 1333,

I, GEORGE W. BUSH, President of the United States of America, find that grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist attacks in New York, Pennsylvania, and the Pentagon committed on September 11, 2001, acts recognized and condemned in UNSCR 1368 of September 12, 2001, and UNSCR 1269 of October 19, 1999, and the continuing and immediate threat of further attacks on United States nationals or the United States constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and in furtherance of my proclamation of September 14, 2001, Declaration of National Emergency by Reason of Certain Terrorist Attacks, hereby declare a national emergency to deal with that threat. I also find that because of the pervasiveness and expansiveness of the financial foundation of foreign terrorists, financial sanctions may be appropriate for those foreign persons that support or otherwise associate with these foreign terrorists. I also find that a need exists for further consultation and cooperation with, and sharing of information by, United States and foreign financial institutions as an additional tool to enable the United States to combat the financing of terrorism.

I hereby order:

Section 1. Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of the following persons that are in the United States or that hereafter come within the United States, or that hereafter come within the possession or control of United States persons are blocked:

- (a) foreign persons listed in the Annex to this order;
- (b) foreign persons determined by the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States;
- (c) persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order;

(d) except as provided in section 5 of this order and after such consultation, if any, with foreign authorities as the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, deems appropriate in the exercise of his discretion, persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General;

(i) to assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of, such acts of terrorism or those persons listed in the Annex to this order or determined to be subject to this order; or

(ii) to be otherwise associated with those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order.

Sec. 2. Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date:

(a) any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to this order is prohibited, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons listed in the Annex to this order or determined to be subject to this order;

(b) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited; and

(c) any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. For purposes of this order:

(a) the term “person” means an individual or entity;

(b) the term “entity” means a partnership, association, corporation, or other organization, group, or subgroup;

(c) the term “United States 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; and

(d) the term “terrorism” means an activity that —

(i) involves a violent act or an act dangerous to human life, property, or infrastructure; and

(ii) appears to be intended —

(A) to intimidate or coerce a civilian population; (B) to influence the policy of a government by intimidation or coercion; or (C) to affect the conduct of a government by mass destruction, assassination, kidnapping, or hostage-taking.

Sec. 4. I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons determined to be subject to this order would seriously impair my ability to deal with the national emergency

declared in this order, and would endanger Armed Forces of the United States that are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances, and hereby prohibit such donations as provided by section 1 of this order. Furthermore, I hereby determine that the Trade Sanctions Reform and Export Enhancement Act of 2000 (title IX, Public Law 106_387) shall not affect the imposition or the continuation of the imposition of any unilateral agricultural sanction or unilateral medical sanction on any person determined to be subject to this order because imminent involvement of the Armed Forces of the United States in hostilities is clearly indicated by the circumstances.

Sec. 5. With respect to those persons designated pursuant to subsection 1(d) of this order, the Secretary of the Treasury, in the exercise of his discretion and in consultation with the Secretary of State and the Attorney General, may take such other actions than the complete blocking of property or interests in property as the President is authorized to take under IEEPA and UNPA if the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, deems such other actions to be consistent with the national interests of the United States, considering such factors as he deems appropriate.

Sec. 6. The Secretary of State, the Secretary of the Treasury, and other appropriate agencies shall make all relevant efforts to cooperate and coordinate with other countries, including through technical assistance, as well as bilateral and multilateral agreements and arrangements, to achieve the objectives of this order, including the prevention and suppression of acts of terrorism, the denial of financing and financial services to terrorists and terrorist organizations, and the sharing of intelligence about funding activities in support of terrorism.

Sec. 7. The Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 8. Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders, licenses, or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under 31 C.F.R. chapter V, except as expressly terminated, modified, or suspended by or pursuant to this order.

Sec. 9. Nothing contained in this order is intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, employees or any other person.

Sec. 10. For those persons listed in the Annex to this order or determined to be subject to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to this order.

Sec. 11.(a) This order is effective at 12:01 a.m. eastern daylight time on September 24, 2001.

(b) This order shall be transmitted to the Congress and published in the *Federal Register*.

I—NARCOTICS

An overview of U.S. sanctions against Drug Traffickers

Foreign Narcotics Kingpin Designation Act

On December 3, 1999, the President signed into law the Foreign Narcotics Kingpin Designation Act (the “Kingpin Act”), 21 U.S.C. § 1901-1908, 8 U.S.C § 1182.

The Kingpin Act blocks all property and interests in property, subject to U.S. jurisdiction, owned or controlled by significant foreign narcotics traffickers as identified by the President. In addition, the Kingpin Act blocks the property and interests in property, subject to U.S. jurisdiction, of foreign persons designated by the Secretary of Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, who are found to be: (1) materially assisting in, or providing financial or technological support for or to, or providing goods or services in support of, the international narcotics trafficking activities of a person designated pursuant to the Kingpin Act; (2) owned, controlled, or directed by, or acting for or on behalf of, a person designated pursuant to the Kingpin Act; or (3) playing a significant role in international narcotics trafficking.

Significant foreign narcotics traffickers and foreign persons designated by the Secretary of the Treasury are referred to collectively as Specially Designated Narcotics Traffickers. Foreign persons designated under the Kingpin Act are referred to as “[SDNTK]s” on OFAC’s listing of “Specially Designated Nationals and Blocked Persons” to differentiate them from the Specially Designated Narcotics Traffickers named under Executive Order 12978 (see below).

U.S. persons are prohibited from engaging in any transaction or dealing in property or interests in property of [SDNTK]s and from engaging in any transaction that evades or avoids the prohibitions of the Kingpin Act. These prohibitions affect trade transactions as well as accounts, securities, and other assets.

On June 1, 2000, the President identified the following twelve foreign persons as significant foreign narcotics traffickers under the Kingpin Act:

- (1) AMEZCUA-CONTRERAS, Jose de Jesus
- (2) AMEZCUA-CONTRERAS, Luis Ignacio
- (3) ARELLANO-FELIX, Benjamin Alberto
- (4) ARELLANO-FELIX, Ramon Eduardo
- (5) CARO-QUINTERO, Rafael
- (6) CARRILLO-FUENTES, Vicente
- (7) CHANG Chi Fu
- (8) HEATH, Noel Timothy
- (9) MATTHEWS, Glenroy Vingrove
- (10) OGUNGBUYI, Abeni O.
- (11) OGUNGBUYI, Oluwole A.
- (12) WEI Hsueh Kang

On June 1, 2001, more names were added:

- (13) ALVAREZ TOSTADO, Jose
- (14) AFGHAN, Sher
- (15) CARDENAS GUILLEN, Osiel

- (16) CARO QUINTERO, Miguel Angel
- (17) CHANG, Ping Yun
- (18) GILBOA, Joseph
- (19) GUZMAN LOERA, Joaquin
- (20) HAMIEH, Jamiel
- (21) HIGUERA GUERRERO, Ismael
- (22) KHAN, Nasir Ali
- (23) MALHERBE DE LEON, Oscar
- (24) RAMON MAGANA, Alcides

On January 30, 2002, OFAC identified the following 27 foreign entities and foreign individuals as derivative designations of significant foreign narcotics traffickers named under the Kingpin Act:

Entities:

- (1) ACCESOS ELECTRONICOS, S.A. de C.V.
- (2) ADMINISTRADORA DE INMUEBLES VIDA, S.A. de C.V.
- (3) ADP, S.C.
- (4) COMPLEJO TURISTICO OASIS, S.A. de C.V.
- (5) DHL WORLDWIDE EXPRESS [Office in St Kitts & Nevis ONLY]
- (6) DISTRIBUIDORA IMPERIAL DE BAJA CALIFORNIA, S.A. de C.V.
- (7) FARMACIA VIDA SUPREMA, S.A. de C.V.
- (8) FORPRES, S.C.
- (9) FREIGHT MOVERS INTERNATIONAL [Office in St Kitts & Nevis ONLY]
- (10) GEX EXPLORE, S. de R.L. de C.V.
- (11) OPERADORA VALPARK, S.A. de C.V.
- (12) VALPARK, S.A. de C.V.

Individuals:

- (13) AGUILAR AMAO, Miguel
- (14) AGUIRRE GALINDO, Manuel
- (15) ALBA CERDA, Salvador
- (16) ARELLANO FELIX, Enedina
- (17) FREGOSO AMEZQUITA, Maria Antonieta
- (18) GALINDO LEYVA, Esperanza
- (19) GIL GARCIA, Jose Alejandro
- (20) HERNANDEZ PULIDO, Maria Elda
- (21) MATTHEW, Karen
- (22) MIJARES TRANCOSO, Gilberto
- (23) MORENO MEDINA, Luis Ignacio
- (24) OROPEZA MEDRANO, Francisco Javier
- (25) OROZCO CARDENAS, Adrian
- (26) RAMIREZ AGUIRRE, Sergio Humberto
- (27) TOLEDO CARREJO, Luis Raul

In addition to being integrated into OFAC’s alphabetized master list of Specially Designated Nationals and Blocked Persons, [SDNT]s have also been separately listed in a special OFAC brochure entitled *Narcotics: What You Need to Know About U.S. Sanctions Against Drug Traffickers – An Overview of the Foreign Narcotics Kingpin Designation Act (21 U.S.C. § 1901_1908, 8 U.S.C § 1182) and Executive Order 12978 of October 21, 1995*.

Executive Order 12978 of October 21, 1995

On October 21, 1995, President Clinton signed Executive Order 12978 entitled "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers" (the "Order"), which imposes sanctions with respect to narcotics traffickers centered in Colombia. Executive Order 12978 has been implemented by the "Narcotics Trafficking Sanctions Regulations" at 31 CFR Part 536.

The Order blocks all property subject to U.S. jurisdiction in which there is any interest of four principal figures in the Cali drug cartel who are listed in the annex to the Order. Those four individuals are named as "Principal Individuals." In addition, the Order blocks the property and interests in property of foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, (a) to play a significant role in international narcotics trafficking centered in Colombia, or (b) to materially assist in or provide financial or technological support for, or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to the Order. In addition, the Order blocks all property and interests in property subject to U.S. jurisdiction of persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order (collectively "Specially Designated Narcotics Traffickers"). Those designated are referred to as "[SDNT]s" on OFAC's listing of "Specially Designated Nationals and Blocked Persons" to differentiate them from the Specially Designated Narcotics Traffickers named under the Kingpin Act. In addition to being integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons, [SDNT]s have also been separately listed in a special OFAC brochure entitled *Narcotics: What You Need to Know About U.S. Sanctions Against Drug Traffickers – An Overview of the Foreign Narcotics Kingpin Designation Act (21 U.S.C. § 1901-1908, 8 U.S.C. § 1182) and Executive Order 12978 of October 21, 1995*.

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 [SDNT]s, and any transaction that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, the prohibitions contained in the Order. This obviously impacts trade transactions (involving, for example, letters of credit) as well as accounts and other assets.

Designations of persons blocked pursuant to the Order are effective upon the date of determination by the Director of the Office of Foreign Assets Control, acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

J—BURMA (MYANMAR)

Burmese Sanctions Regulations (31 C.F.R. Part 537)

• **INTRODUCTION** - On May 20, 1997, in response to the Burmese Government's large scale repression of and violence against the Democratic opposition, President Clinton issued Executive Order No. 13047 declaring a national emergency with respect to Burma. The order, issued under the authority § 570(b) of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1997 (Public Law 104-208) (the "Act") and the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) ("IEEPA"), prohibits new investment in Burma by U.S. persons, and their facilitation of new investment in Burma

by foreign persons. The summary which follows is intended as a broad overview of the Regulations.

Criminal penalties for violating the Burmese Sanctions Regulations range up to 10 years in jail, \$500,000 in corporate, and \$250,000 in individual fines. In addition, civil penalties of up to \$11,000 per violation may be imposed administratively.

• **NEW INVESTMENT** - The sanctions prohibit new investment in Burma (Myanmar) by U.S. persons on or after May 21, 1997, unless such investment is pursuant to an agreement in place prior to May 21, 1997. A number of criteria are used to determine whether or not a specific activity is "grandfathered." Factors taken into account include the clarity of the scope of the agreement, the degree of specificity with which the activity is described, and the extent to which the terms of the agreement are legally enforceable. U.S. persons with pre-effective date agreements for the economic development of resources located in Burma should contact the Office of Foreign Assets Control for a determination as to whether or not their project is exempted from the sanctions.

New investment in Burma is defined as a contract with the Government of Burma or a nongovernmental entity in Burma for the development of resources (including natural, agricultural, commercial, financial, industrial and human resources) located in Burma. The prohibition includes purchasing a share of ownership (an equity interest) in a project or entering into an agreement which provides for a participation in royalties, earnings, and profits from the economic development of resources located in Burma. The Executive order also prohibits a U.S. company from entering into a contract which provides for the general supervision and guarantee of another person's performance of an agreement for the economic development of resources located in Burma.

Some examples of prohibited new investment are as follows:

- A U.S. company wishes to build a new factory in Burma where its products will be produced. This is likely to involve an agreement for the development of industrial, commercial, and human resources located in Burma and is prohibited.
- A U.S. contractor has been asked by a foreign oil company to be the general contractor for its oil exploration project in Burma. The U.S. company would not only supervise the sub-contractors, but also guarantee their performance. This activity is considered new investment and is prohibited.
- A U.S. sub-contractor has been asked to perform a service for the general contractor in the previous example, but will have no supervisory functions. The sub-contractor is merely providing a service and its activities in Burma are *not* prohibited (see "**General Exemptions**" below).
- A U.S. company has been asked by a European company to provide on-going technical support for its factory in Burma. The contract calls for the U.S. company to be paid a percentage of the profits generated by the Burmese factory. This is a prohibited new investment in Burma.

• **FACILITATION** - A U.S. person is prohibited from approving, aiding or supporting a foreign person's investment in Burma, if the foreign person's activity would constitute prohibited new investment if engaged in by a U.S. person. Exception: While contracting to sell to a foreign person a U.S. person's equity or income interest in a development project in Burma constitutes facilitation of that foreign person's investment in Burma, such a divestiture is authorized by general license to proceed. If the transaction is valued at more than \$10,000, a report must be filed for

statistical purposes with the Office of Foreign Assets Control, within ten business days of the signing of such an agreement.

Examples of prohibited facilitation of a foreign person's new investment in Burma follow:

- The foreign subsidiary of a U.S. company wishes to bid on a project to develop a coal mine in Burma. The U.S. parent cannot approve, supervise, or otherwise be involved in the foreign subsidiary's negotiations with regard to this project.
- A U.S. oil company holds a pre-effective date contract to develop a Burmese oil field. It wishes to sell its rights under the contract to a foreign company. It is authorized to sell an interest without prior authorization from OFAC, but if the agreement is valued at more than \$10,000, the seller must file a report with OFAC within ten days of the signing of the agreement.

• **INVESTMENT IN THIRD COUNTRY COMPANIES** - U.S. persons are prohibited from purchasing shares in a third-country company where the company's profits are predominantly derived from the company's economic development of resources located in Burma. If a person holds shares in an entity that subsequently engages exclusively or predominantly in the economic development of resources in Burma, or subsequently derives its income exclusively or predominantly from such activity, the U.S. person is not required to relinquish its shares, but may not purchase additional shares. If the U.S. person sells off shares valued at more than \$10,000, the seller must file a report with OFAC for statistical purposes within ten days of the sale.

• **GENERAL EXEMPTIONS** - The sale or purchase of goods or services to or from Burma is exempt from these sanctions, provided the transaction does not result in a U.S. person's acquisition of an equity or income interest in a project for the development of resources located in Burma. (Services constituting the general supervision and guarantee of another person's agreement for the economic development of resources located in Burma are not exempt.) This trade exemption includes financial services, such as funds transfers, letters of credit, and financing contracts, provided that the instrument is not collateralized by a project for the development of resources located in Burma.

Investment in Burma in not-for-profit, educational, health or other humanitarian programs or activities is authorized.

K—SUDAN

Sudanese Sanctions Regulations (31 C.F.R. Part 538)

• **INTRODUCTION** - On November 3, 1997, after finding that the policies and actions of the Government of Sudan, including continued support for international terrorism, ongoing efforts to destabilize neighboring governments, and the prevalence of human rights violations, including slavery and the denial of religious freedom, constituted an unusual and extraordinary threat to the national security and foreign policy of the United States, President Clinton issued Executive Order No. 13067, declaring a national emergency to deal with that threat. The order, issued under the authority of International Emergency Economic Powers Act (50 U.S.C. 1701-1706) ("IEEPA"), the National Emergencies Act (50 U.S.C. 1601 et seq.) and section 301 of title 3, United States Code, imposed a trade embargo against Sudan and a total asset freeze against the Government of Sudan. The Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (the "Regulations") implement Executive Order No. 13067.

Criminal penalties for violating the Regulations range up to 10 years in jail, \$500,000 in corporate, and \$250,000 in individual fines. Civil penalties of up to \$11,000 per violation may also be imposed administratively.

• **BUYING FROM SUDAN** - Goods or services of Sudanese origin may not be imported into the United States either directly or through third countries without a license. Exceptions include: (1) Sudanese merchandise up to \$100 in value in non-commercial quantities may be brought into the United States either for strictly personal use as accompanied baggage or sent as a gift to a person in the United States and (2) information or informational materials may be imported without restriction. All other imports of Sudanese origin must be authorized by the Office of Foreign Assets Control.

Importation into the United States from third countries of goods containing raw materials or components of Sudanese origin is not prohibited if those raw materials or components have been incorporated into manufactured products or otherwise substantially transformed in a third country.

• **SELLING TO SUDAN** - Except for information or informational materials and donated articles intended to relieve human suffering, such as food, clothing and medicine, and the licensed export of agricultural commodities, medicine, and medical devices, no goods, technology, or services may be exported from the United States to Sudan, either directly or through third countries, without a license. Exportation of goods or technology from the United States to third countries is prohibited if the exporter knows, or has reason to know, that the goods or technology are intended for transshipment to Sudan. The exportation of goods or technology intended specifically for incorporation or substantial transformation into a third-country product is also prohibited if the particular product is to be used in Sudan, is being specifically manufactured to fill a Sudanese order, or if the manufacturer's sales of the particular product are predominantly to Sudan.

No U.S. bank, including its foreign branches, may finance, or arrange offshore financing for, third-country trade transactions where Sudan is known to be the ultimate destination of, or the Government of Sudan is the purchaser of, the goods. Arranging transactions which ultimately benefit Sudan (for example, brokering third-country sales to Sudan) constitutes an exportation of brokerage services to Sudan in violation of the Regulations. The Regulations also prohibit non-U.S. persons from unauthorized re-exportation of U.S. origin goods to Sudan.

• **SPECIALLY DESIGNATED NATIONALS** - Individuals or organizations that are owned or controlled by, or act on behalf of, the Government of Sudan anywhere in the world may be named by the U.S. Treasury Department as "Specially Designated Nationals" ("SDNs") of Sudan. U.S. persons are prohibited from transacting business with these individuals and entities, and all of their property in the United States or in the possession or control of a U.S. person is blocked. Their names are published in the Federal Register, an official publication of the U.S. Government. A listing of such SDNs may be obtained by calling the Office of Foreign Assets Control ("OFAC") at 202/622-2490. The listing, however, is a partial one and any U.S. individual or organization engaging in transactions with foreign nationals must take reasonable care to make certain that such foreign nationals are not owned or controlled by or acting on behalf of Sudan. U.S. individuals or organizations who violate the Regulations by transacting business with Specially Designated Nationals may be subject to civil or criminal prosecution.

• **SUDANESE GOVERNMENT ASSETS BLOCKED** - Effective November 4, 1997, all property and interests in property of the Government of Sudan, including its agencies, instrumentalities and controlled entities and SDNs, in the United States or in the possession or control of a U.S. person, including their overseas branches, are blocked. All transfers of such property must be authorized by the OFAC. Any unlicensed funds transfer involving a direct or indirect interest of the Government of Sudan (including any transfer routed to a Sudanese Government-controlled bank) for which banks subject to U.S. jurisdiction receive instructions must be deposited into a blocked account on the books of the bank receiving the instructions. Such funds may not be returned to a remitter without a specific license from the OFAC. No unlicensed debits may be made to blocked accounts to pay obligations of U.S. or other persons, whether the obligations arose before or after the sanctions against Sudan were imposed. Setoffs against blocked accounts are prohibited.

• **FINANCIAL DEALINGS WITH SUDAN** - Payments for and financing of licensed sales of agricultural commodities, medicine, and medical devices may be accomplished by cash in advance, sales on open account (provided the account receivable is not transferred by the person extending the credit), or by third country financial institutions that are neither U.S. persons nor government of Sudan entities. U.S. banks may advise and confirm letters of credit issued by third country banks covering such licensed sales.

Payments for licensed sales of agricultural commodities, medicine, and medical devices, which must reference an appropriate OFAC license, may not involve a debit to a blocked account on the books of a U.S. depository institution. Before a U.S. bank initiates a payment, or credits its customer for a licensed transaction, it must determine that the transfer is authorized.

As a rule, all other financial dealings with Sudan are prohibited, including the performance by any U.S. person of any contract, including a financing contract, in support of an industrial, commercial, public utility, or governmental project in Sudan.

U.S. persons are authorized to send and receive personal remittances to and from Sudan, provided that such transfers are not processed through a bank owned or controlled by the Government of Sudan. Financing related to trade contracts involving Sudan which were in place prior to November 4, 1997, and for which underlying transactions were completed by December 4, 1997, may be completed in accordance with their terms, provided that no debits are made to a blocked account.

• **PROHIBITED FACILITATION** - The Regulations prohibit the facilitation by a U.S. person of the direct or indirect exportation or reexportation of goods, technology or services to or from Sudan. Facilitation of a trade or financial transaction that could be lawfully engaged in directly by a U.S. person or from the United States is not prohibited. Likewise, performance of services of a purely clerical or reporting nature that does not further trade or financial transactions with Sudan or the Government of Sudan will not violate the prohibition on exportation of services to Sudan.

• **NON-GOVERNMENTAL ORGANIZATIONS** - Registration numbers may be issued by OFAC on a case-by-case basis to non-governmental organizations (“NGOs”) involved in humanitarian or religious activities in Sudan. A registration number authorizes certain transactions by or on behalf of the registered NGO that would be otherwise prohibited, such as the exportation of goods or services, or the

transfer of funds directly into Sudan, for the purpose of relieving human suffering. Applications for registration must include the following information (names of individuals and organizations should be provided in English, in the language of origin, or transliterated when not possible and should include any acronym or other names used to identify the individuals or organizations):

- (a) Organization name;
- (b) Address and phone number of the organization’s headquarters location;
- (c) Full name, nationality, citizenship, current country of residence, birth dates and places of birth for key staff at the organization’s headquarters, such as the chairman and board members, president, director, etc.;
- (d) Identification of field offices or partner offices elsewhere, including addresses, phone numbers, and organizational names used, as well as the identification of the senior officer(s) at these locations, including their name, nationality, citizenship, position, and date of birth;
- (e) Identification of subcontracting organizations, if any, to the extent known or contemplated at the time of the proposal;
- (f) Existing sources of income, such as official grants, private endowments, commercial activities, etc.;
- (g) Financial institutions that hold deposits on behalf of or extend lines of credit to the organization;
- (h) Independent accounting firms (if employed in the production of the organization’s financial statements);
- (i) Most recent official registry documents, annual reports, and annual filings with the local government, as applicable / available;
- (j) Names and addresses of organizations that the applicant currently provides or proposes to provide funding, services or material support to, as applicable;
- (k) A detailed description of the organization’s humanitarian or religious activities and projects in Sudan.

Registrants conducting transactions for their Sudanese operations should reference their registration number on all funds transfer, purchase, shipping, and financing documents. Registration numbers are valid for three years; OFAC records must be updated by Registrants with any changes to (a) - (j) that take place within the three-year period.

L—NONPROLIFERATION

Weapons of Mass Destruction Trade Control Regulations (31 C.F.R. Part 539)

Executive Order 13159 dealing with Highly Enriched Uranium

• **WMD Trade Control Regulations**

In 1994, President Clinton issued Executive Order 12938 declaring a

national emergency with respect to the proliferation of nuclear, biological, and chemical weapons (“weapons of mass destruction”) and the means for delivering them. On July 28, 1998, he amended that Order by issuing Executive Order 13094, imposing, among other measures, an import ban on foreign persons determined by the Secretary of State to have engaged in activities related to the proliferation of weapons of mass destruction on or after November 16, 1990. The new import ban has been implemented by the Weapons of Mass Destruction Trade Control Regulations (the “Regulations”).

• **IMPORT BAN** - The Regulations prohibit the direct or indirect importation into the United States, including for transshipment or transit, of any goods, technology, or services produced or provided by the foreign persons designated by the Secretary of State. Importation into the United States of goods or technology is prohibited if undertaken with the knowledge or reason to know that such goods contain raw materials, components, or technology produced or provided by a designated foreign person. No U.S. person (which includes any person within the United States) may finance, act as a broker for, transport, or otherwise participate in the importation into the United States of prohibited goods, technology, or services. Publications, artwork, and other informational materials are exempted from the import ban.

Services are considered to be imported into the United States where either the services or their benefit are received in the United States. The benefit of services is received in the United States if the services are: (1) performed on behalf of or for the benefit of a person located in the United States; (2) received by a person located in the United States; (3) received by a person located outside the United States on behalf of or for the benefit of an entity organized in the United States; or (4) received by an individual temporarily located outside the United States for the purpose of obtaining such services for use in the United States.

• **FOREIGN PERSONS DESIGNATED BY THE SECRETARY OF STATE** - The following eight foreign persons (with name variations as shown) have been designated by the Secretary of State as subject to the import ban. Along with any entities owned or controlled by them, they are the current targets of these restrictions. The applicable effective date of the restrictions and citation to the *Federal Register* notice designating the foreign person is given in brackets after that person’s name and identifying information.

BALTIC STATE TECHNICAL UNIVERSITY, wherever located, including 1/21, 1-ya Krasnoarmeiskaya Ul., 198005 St. Petersburg, Russia [63 FR 42089, July 30, 1998]

D. MENDELEYEV UNIVERSITY OF CHEMICAL TECHNOLOGY OF RUSSIA, wherever located, including 9 Miusskaya Sq., Moscow 125047, Russia [64 FR 2935, January 8, 1999]

ENTEK (a.k.a. NIKIET; a.k.a. RESEARCH AND DEVELOPMENT INSTITUTE OF POWER ENGINEERING [RDIPE]; a.k.a. THE SCIENTIFIC RESEARCH AND DESIGN INSTITUTE OF POWER TECHNOLOGY), wherever located, including 101000, P.O. Box 788, Moscow, Russia [64 FR 2935, January 8, 1999]

EUROPALACE 2000, wherever located, including Moscow, Russia [63 FR 42089, July 30, 1998]

GLAVKOSMOS, wherever located, including 9 Krasno proletarskaya St., 103030 Moscow, Russia [63 FR 42089, July 30, 1998]

GRAFIT (a.k.a. NIIGRAFIT; a.k.a. STATE SCIENTIFIC RESEARCH INSTITUTE OF GRAPHITE), wherever located, including 2 Ulitsa Elektrodnyaya, 111524 Moscow, Russia [63 FR 42089, July 30, 1998]

MAI (a.k.a. MOSCOW AVIATION INSTITUTE), wherever located, including 4 Volokolamskoye Shosse, Moscow 125871, Russia [64 FR 2935, January 8, 1999]

MOSCOW AVIATION INSTITUTE (a.k.a. MAI), wherever located, including 4 Volokolamskoye Shosse, Moscow 125871, Russia [64 FR 2935, January 8, 1999]

MOSO COMPANY, wherever located, including Moscow, Russia [63 FR 42089, July 30, 1998]

NIIGRAFIT (a.k.a. GRAFIT; a.k.a. STATE SCIENTIFIC RESEARCH INSTITUTE OF GRAPHITE), wherever located, including 2 Ulitsa Elektrodnyaya, 111524 Moscow, Russia [63 FR 42089, July 30, 1998]

NIKIET (a.k.a. ENTEK; a.k.a. RESEARCH AND DEVELOPMENT INSTITUTE OF POWER ENGINEERING [RDIPE]; a.k.a. THE SCIENTIFIC RESEARCH AND DESIGN INSTITUTE OF POWER TECHNOLOGY), wherever located, including 101000, P.O. Box 788, Moscow, Russia [64 FR 2935, January 8, 1999]

RDIPE [RESEARCH AND DEVELOPMENT INSTITUTE OF POWER ENGINEERING] (a.k.a. ENTEK; a.k.a. NIKIET; a.k.a. THE SCIENTIFIC RESEARCH AND DESIGN INSTITUTE OF POWER TECHNOLOGY), wherever located, including 101000, P.O. Box 788, Moscow, Russia [64 FR 2935, January 8, 1999]

RESEARCH AND DEVELOPMENT INSTITUTE OF POWER ENGINEERING [RDIPE] (a.k.a. ENTEK; a.k.a. NIKIET; a.k.a. THE SCIENTIFIC RESEARCH AND DESIGN INSTITUTE OF POWER TECHNOLOGY), wherever located, including 101000, P.O. Box 788, Moscow, Russia [64 FR 2935, January 8, 1999]

STATE SCIENTIFIC RESEARCH INSTITUTE OF GRAPHITE (a.k.a. GRAFIT; a.k.a. NIIGRAFIT), wherever located, including 2 Ulitsa Elektrodnyaya, 111524 Moscow, Russia [63 FR 42089, July 30, 1998]

THE SCIENTIFIC RESEARCH AND DESIGN INSTITUTE OF POWER TECHNOLOGY (a.k.a. ENTEK; a.k.a. NIKIET; a.k.a. RESEARCH AND DEVELOPMENT INSTITUTE OF POWER ENGINEERING [RDIPE]), wherever located, including 101000, P.O. Box 788, Moscow, Russia [64 FR 2935, January 8, 1999]

• Executive Order 13159 dealing with HEU

A major national security goal of the United States is to ensure that fissile material removed from Russian nuclear weapons pursuant to various arms control and disarmament agreements is dedicated to peaceful uses and protected from diversion to activities of proliferation. In 1993, the United States and the Russian Federation entered into an international agreement for the conversion of highly enriched uranium (“HEU”) extracted from Russian nuclear weapons into low enriched uranium for use in commercial nuclear reactors. Under these agreements, 500 metric tons of highly enriched uranium will be converted to low enriched uranium over a 20 year period; this is the equivalent of 20,000 nuclear warheads.

On June 21, 2000, President Clinton issued Executive Order 13159 “blocking property of the Russian Federation relating to the disposition of highly enriched uranium extracted from nuclear weapons.” This Order is explicitly directed at the property used to implement the agreements and prevents attachment or garnishment in the United States. It is meant to protect a very specific set of assets, which will be clearly defined by regulations, orders, directives, or licenses issued by the U.S. Treasury Department’s Office of Foreign Assets Control and does not block any property or interests in property of the government of the Russian Federation not directly related to the implementation of the agreements. The Office of Foreign Assets Control has issued the Highly Enriched Uranium (HEU) Agreement Assets Control Regulations, 31 C.F.R. Part 540, in connection with this Executive Order.

M—SIERRA LEONE

Prohibition on Importation of Rough Diamonds (Executive Order 13194)

Executive Order 13194 was issued effective 12:01a.m. eastern time on January 19, 2001:

“By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency

Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and in view of United Nations Security Council Resolution 1306 of July 5, 2000,

I, WILLIAM J. CLINTON, President of the United States of America, take note that the people of Sierra Leone have suffered the ravages of a brutal civil war for nearly 10 years, and that the United Nations Security Council has determined that the situation in Sierra Leone constitutes a threat to international peace and security in the region and also has expressed concerns regarding the role played by the illicit trade in diamonds in fueling the conflict in Sierra Leone. Sierra Leone's insurgent Revolutionary United Front's (RUF's) illicit trade in diamonds from Sierra Leone to fund its operations and procurement of weapons, the RUF's flagrant violation of the Lome Peace Agreement of July 7, 1999, and its attacks on personnel of the United Nations Mission in Sierra Leone are direct challenges to the United States foreign policy objectives in the region as well as a direct challenge to the rule-based international order which is crucial to the peace and prosperity of the United States. Therefore, I find these actions constitute an unusual and extraordinary threat to the foreign policy of the United States and hereby declare a national emergency to deal with that threat. In order to implement United Nations Security Council Resolution 1306 and to ensure that the direct or indirect importation into the United States of rough diamonds from Sierra Leone will not contribute financial support to aggressive actions by the RUF or to the RUF's procurement of weapons, while at the same time seeking to avoid undermining the legitimate diamond trade or diminishing confidence in the integrity of the legitimate diamond industry, I hereby order:

Section 1. Except to the extent provided in section 2 of this order and to the extent provided in regulations, orders, directives, or licenses issued pursuant to this order, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted prior to the effective date of this order, the direct or indirect importation into the United States of all rough diamonds from Sierra Leone on or after the effective date of this order is prohibited.

Sec. 2. The prohibition in section 1 of this order shall not apply to the importation of rough diamonds controlled through the Certificate of Origin regime of the Government of Sierra Leone.

Sec. 3. Any transaction by a United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited.

Sec. 4. For the purposes of this order:

- (a) the term 'person' means an individual or entity;
- (b) the term 'entity' means a partnership, association, trust, joint venture, corporation, or other organization;
- (c) the term 'United States person' means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States;
- (d) the term 'rough diamond' means all unworked diamonds classifiable in heading 7102 of the Harmonized Tariff Schedule of the United States; and
- (e) the term 'controlled through the Certificate of Origin regime of the Government of Sierra Leone' means accompanied by a Certificate of Origin or other documentation that demonstrates to the satisfaction of the United

States Customs Service (or analogous officials of a United States territory or possession with its own customs administration) that the rough diamonds were legally exported from Sierra Leone with the approval of the Government of Sierra Leone.

Sec. 5. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 6. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, or any other person."

A new Executive Order 13213 was issued effective 12:01a.m. eastern daylight time on May 23, 2001:

"By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and in view of the national emergency described and declared in Executive Order 13194 of January 18, 2001, and United Nations Security Council Resolutions 1306 of July 5, 2000, and 1343 of March 7, 2001,

I, GEORGE W. BUSH, President of the United States of America, take note that in Executive Order 13194, the President responded to, among other things, the insurgent Revolutionary United Front's (RUF) illicit trade in diamonds to fund its operations in the civil war in Sierra Leone by declaring a national emergency and, consistent with United Nations Security Council Resolution 1306, by prohibiting the importation into the United States of all rough diamonds from Sierra Leone except for those importations controlled through the Certificate of Origin regime of the Government of Sierra Leone. United Nations Security Council Resolution 1343 takes note that the bulk of RUF diamonds leaves Sierra Leone through Liberia and that such illicit trade cannot be conducted without the permission and involvement of Liberian government officials at the highest levels; determines that the active support provided by the Government of Liberia for the RUF and other armed rebel groups in neighboring countries constitutes a threat to international peace and security in the region; and decides that all states shall take the necessary measures to prevent the importation of all rough diamonds from Liberia, whether or not such diamonds originated in Liberia. The Government of Liberia's complicity in the RUF's illicit trade in diamonds and its other forms of support for the RUF are direct challenges to United States foreign policy objectives in the region as well as to the rule-based international order that is crucial to the peace and prosperity of the United States. Therefore, I find these actions by the Government of Liberia contribute to the unusual and extraordinary threat to the foreign policy of the United States described in Executive Order 13194 with respect to which the President declared a national emergency. In order to deal with that threat and to ensure further that the direct or indirect importation into the United States of rough diamonds from Sierra Leone will not contribute financial support to further aggressive actions by the RUF or to the RUF's procurement of weapons; to implement United Nations Security Council Resolution 1343; and to counteract, among other things, the Government of Liberia's facilitation of and participation in the RUF's illicit trade in diamonds through Liberia, I hereby order the following additional measures be taken with respect to prohibiting the importation of rough diamonds from Sierra Leone:

Section 1. Except to the extent provided in regulations, orders, directives, or licenses issued pursuant to this order, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted prior to the effective date of this order, the direct or indirect importation into the United

States of all rough diamonds from Liberia, whether or not such diamonds originated in Liberia, on or after the effective date of this order is prohibited.

Sec. 2. Any transaction by a United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited. Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. The definitions contained in section 4 of Executive Order 13194 apply to the terms used in this order.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including modification, suspension, or termination of licenses or authorizations in effect as of the date of this order.

Sec. 5. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, or any other person.

Sec. 6.(a) This order is effective at 12:01 a.m. Eastern Daylight Time on May 23, 2001.

(b) This order shall be transmitted to the Congress and published in the Federal Register.”

N—LIBERIA

Prohibition on Importation of Rough Diamonds (Executive Order 13213):

“By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and in view of the national emergency described and declared in Executive Order 13194 of January 18, 2001, and United Nations Security Council Resolutions 1306 of July 5, 2000, and 1343 of March 7, 2001,

I, GEORGE W. BUSH, President of the United States of America, take note that in Executive Order 13194, the President responded to, among other things, the insurgent Revolutionary United Front’s (RUF) illicit trade in diamonds to fund its operations in the civil war in Sierra Leone by declaring a national emergency and, consistent with United Nations Security Council Resolution 1306, by prohibiting the importation into the United States of all rough diamonds from Sierra Leone except for those importations controlled through the Certificate of Origin regime of the Government of Sierra Leone. United Nations Security Council Resolution 1343 takes note that the bulk of RUF diamonds leaves Sierra Leone through Liberia and that such illicit trade cannot be conducted without the permission and involvement of Liberian government officials at the highest levels; determines that the active support provided by the Government of Liberia for the RUF and other armed rebel groups in neighboring countries constitutes a threat to international peace and security in the region; and decides that all states shall take the necessary measures to prevent the importation of all rough diamonds from Libe-

ria, whether or not such diamonds originated in Liberia. The Government of Liberia’s complicity in the RUF’s illicit trade in diamonds and its other forms of support for the RUF are direct challenges to United States foreign policy objectives in the region as well as to the rule-based international order that is crucial to the peace and prosperity of the United States. Therefore, I find these actions by the Government of Liberia contribute to the unusual and extraordinary threat to the foreign policy of the United States described in Executive Order 13194 with respect to which the President declared a national emergency. In order to deal with that threat and to ensure further that the direct or indirect importation into the United States of rough diamonds from Sierra Leone will not contribute financial support to further aggressive actions by the RUF or to the RUF’s procurement of weapons; to implement United Nations Security Council Resolution 1343; and to counteract, among other things, the Government of Liberia’s facilitation of and participation in the RUF’s illicit trade in diamonds through Liberia, I hereby order the following additional measures be taken with respect to prohibiting the importation of rough diamonds from Sierra Leone:

Section 1. Except to the extent provided in regulations, orders, directives, or licenses issued pursuant to this order, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted prior to the effective date of this order, the direct or indirect importation into the United States of all rough diamonds from Liberia, whether or not such diamonds originated in Liberia, on or after the effective date of this order is prohibited.

Sec. 2. Any transaction by a United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited. Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. The definitions contained in section 4 of Executive Order 13194 apply to the terms used in this order.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including modification, suspension, or termination of licenses or authorizations in effect as of the date of this order.

Sec. 5. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, or any other person.

Sec. 6.(a) This order is effective at 12:01 a.m. Eastern Daylight Time on May 23, 2001.

(b) This order shall be transmitted to the Congress and published in the Federal Register.”

See also Executive Order 13194 under Sierra Leone above.

O—THE BALKANS

Executive Order 13219 blocking property of persons who threaten international stabilization efforts in the Western Balkans:

Executive Order 13219 was issued effective 12:01 a.m. eastern daylight time on June 27, 2001:

"By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)(IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code,

I, GEORGE W. BUSH, President of the United States of America, have determined that the actions of persons engaged in, or assisting, sponsoring, or supporting, (i) extremist violence in the former Yugoslav Republic of Macedonia, in southern Serbia, the Federal Republic of Yugoslavia, and elsewhere in the Western Balkans region, or (ii) acts obstructing the implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999 in Kosovo, threaten the peace in or diminish the security and stability of those areas and the wider region, undermine the authority, efforts, and objectives of the United Nations, the North Atlantic Treaty Organization (NATO), and other international organizations and entities present in those areas and the wider region, and endanger the safety of persons participating in or providing support to the activities of those organizations and entities, including United States military forces and government officials. I find that such actions constitute an unusual and extraordinary threat to the national security and foreign policy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. (a) Except to the extent provided in section 203(b)(1), (3), and (4) of IEEPA (50 U. S. C. 1702(b)(1), (3), and (4)), the Trade Sanctions Reform and Export Enhancement Act of 2000 (Title IX, Pub. L. No. 106_387), and in regulations, orders, directives, or licenses that may hereafter be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, all property and interests in property of:

(i) the persons listed in the Annex to this order; and

(ii) persons designated by the Secretary of the Treasury, in consultation with the Secretary of State, because they are found:

(A) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of threatening the peace in or diminishing the stability or security of any area or state in the Western Balkans region, undermining the authority, efforts, or objectives of international organizations or entities present in the region, or endangering the safety of persons participating in or providing support to the activities of those international organizations or entities, or

(B) to have actively obstructed, or to pose a significant risk of actively obstructing, implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 in Kosovo, or

(C) materially to assist in, sponsor, or provide financial or technological support for, or goods or services in support of, such acts of violence or obstructionism, or

(D) to be owned or controlled by, or acting or purporting to act directly or indirectly for or on behalf of, any of the foregoing persons,

that are or hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(b) I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons designated in or pursuant to paragraph (a) of this section would seriously impair my ability to deal with the national emergency declared in this order. Accordingly, the blocking of property and interests in property pursuant to paragraph (a) of this section includes, but is not limited to, the prohibition of the making by a United States person of any such donation to any such designated person, except as otherwise authorized by the Secretary of the Treasury.

(c) The blocking of property and property interests in or pursuant to paragraph (a) of this section includes, but is not limited to, the prohibition of the making or receiving by a United States person of any contribution or provision of funds, goods, or services to or for the benefit of a person designated in or pursuant to paragraph (a) of this section.

Sec. 2. Any transaction by a United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited. Any conspiracy formed to violate the prohibitions of this order is prohibited.

Sec. 3. For the purposes of this order:

(a) The term "person" means an individual or entity;

(b) The term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization; and

(c) The term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by IEEPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken.

Sec. 5. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, or any other person.

Sec. 6. (a) This order is effective at 12:01 a.m. eastern daylight time on June 27, 2001;

(b) This order shall be transmitted to the Congress and published in the *Federal Register*."

ANNEX (in OFAC SDN list format):

ADEMI, Xhevat, Member of National Liberation Army (NLA); DOB 8 Dec 1962; POB Tetovo, FYROM (individual) [BALKANS]

AHMETI, Ali, Member of National Liberation Army (NLA); DOB 4 Jan 1959; POB Kicevo, FYROM (individual) [BALKANS]

BEXHETI, Nuri, Member of National Liberation Army (NLA); DOB 1962; POB Tetovo, FYROM (individual) [BALKANS]

DALIPI, Tahir, Member of Political Council of Presevo, Medvedja, and Bujanovac (PCPMB); DOB 1958; POB Ilince, Presevo mun., FRY (individual) [BALKANS]

ELSHANI, Gafur, Member of Popular Movement of Kosovo (LPK); DOB 29 Mar 1958; POB Suva Reka, FRY (individual) [BALKANS]

GASHI, Sabit, Member of National Movement for the Liberation of Kosovo (LKCK); DOB 30 Dec 1967; POB Suva Reka, FRY (individual) [BALKANS]

HABIBI, Skender, Member of Party for Democratic Progress for Kosovo (PDK); DOB 13 Jul 1968; POB Ljubiste, FRY (individual) [BALKANS]

HARADINAJ, Daut, Chief of Staff of Kosovo Protection Corps (KPC); DOB 6 Apr 1978; POB Goldane, FRY (individual) [BALKANS]

HASANI, Xhavit, Member of National Liberation Army (NLA); DOB 5 May 1957; POB Tanishec, FYROM (individual) [BALKANS]

LIBERATION ARMY OF PRESEVO, MEDVEDJA, AND BUJANOVAC (a.k.a. PMBLA; a.k.a. UCPMB) [BALKANS]

LKCK (a.k.a. NATIONAL MOVEMENT FOR THE LIBERATION OF KOSOVO) [BALKANS]

LLADROVICI, Ramiz, Deputy Commander of Guard and Rapid Reaction Group of Kosovo Protection Corps (KPC); DOB 3 Jan 1966 (individual) [BALKANS]

LPK (a.k.a. POPULAR MOVEMENT OF KOSOVO) [BALKANS]

LUSHTAKU, Sami, Regional Task Group 2 Commander of Kosovo Protection Corps (KPC); DOB 20 Feb 1961; POB Srbica, FRY (individual) [BALKANS]

MUSLIU, Jonusz, Member of Political Council of Presevo, Medvedja, and Bujanovac (PCPMB); DOB 5 Jan 1959; POB Konculj, FRY (individual) [BALKANS]

MUSLIU, Shefqet, Member of Liberation Army of Presevo, Medvedja, and Bujanovac (UCPMB); DOB 12 Feb 1963; POB Konculj, FRY (individual) [BALKANS]

MUSTAFA, Rrustem, Regional Task Group 6 Commander of Kosovo Protection Corps (KPC); DOB 27 Feb 1971; POB Podujevo, FRY (individual) [BALKANS]

NATIONAL LIBERATION ARMY (a.k.a. NLA; a.k.a. UCK) [BALKANS]

NATIONAL MOVEMENT FOR THE LIBERATION OF KOSOVO (a.k.a. LKCK) [BALKANS]

NLA (a.k.a. NATIONAL LIBERATION ARMY; a.k.a. UCK) [BALKANS]

OSTREMI, Gezim, Member of National Liberation Army (NLA); DOB 1 Nov 1942; POB Debar, Macedonia (individual) [BALKANS]

PCPMB (a.k.a. POLITICAL COUNCIL OF PRESEVO, MEDVEDJA, AND BUJANOVAC) [BALKANS]

PMBLA (a.k.a. LIBERATION ARMY OF PRESEVO, MEDVEDJA, AND BUJANOVAC; a.k.a. UCPMB) [BALKANS]

POLITICAL COUNCIL OF PRESEVO, MEDVEDJA, AND BUJANOVAC (a.k.a. PCPMB) [BALKANS]

POPULAR MOVEMENT OF KOSOVO (a.k.a. LPK) [BALKANS]

SEIMI, Rexhep, Commander of Guard and Rapid Reaction Group of Kosovo Protection Corps (KPC); DOB 15 Mar 1971; POB Iglarevo, FRY (individual) [BALKANS]

SHAKIRI, Hisni, Member of National Liberation Army (NLA); DOB 1 Mar 1949; POB Otlja, FYROM (individual) [BALKANS]

SHAQIRI, Shaqir, Member of Liberation Army of Presevo, Medvedja, and Bujanovac (UCPMB); DOB 1 Sep 1964; POB FRY (individual) [BALKANS]

SUMA, Emrush, Member of National Liberation Army (NLA); DOB 27 May 1974; POB Dimce, FRY (individual) [BALKANS]

SYLA, Azem, Member of Party for Democratic Progress for Kosovo (PDK); DOB 5 Apr 1951; POB FRY (individual) [BALKANS]

UCK (a.k.a. NATIONAL LIBERATION ARMY; a.k.a. NLA) [BALKANS]

UCPMB (a.k.a. LIBERATION ARMY OF PRESEVO, MEDVEDJA, AND BUJANOVAC; a.k.a. PMBLA) [BALKANS]

VELIU, Fazli, Member of National Liberation Army (NLA); DOB 4 Jan 1945; POB Kercove, FYROM (individual) [BALKANS]

XHEMAJLI, Emrush, Member of Popular Movement of Kosovo (LPK); DOB 5 May 1959; POB Urosevac, FRY (individual) [BALKANS]

XHEMAJLI, Muhamet, Member of Liberation Army of Presevo, Medvedja, and Bujanovac (UCPMB); DOB 8 Feb 1958; POB Muhovac, FRY (individual) [BALKANS]

The following were designated as of 12/2001:

AKSH (a.k.a. ALBANIAN NATIONAL ARMY; a.k.a. ANA) [BALKANS]
ALBANIAN NATIONAL ARMY (a.k.a. ANA; a.k.a. AKSH) [BALKANS]

ANA (a.k.a. AKSH; a.k.a. ALBANIAN NATIONAL ARMY) [BALKANS]
KKCMTSH (a.k.a. NATIONAL COMMITTEE FOR THE LIBERATION AND PROTECTION OF ALBANIAN LANDS) [BALKANS]
NATIONAL COMMITTEE FOR THE LIBERATION AND PROTECTION OF ALBANIAN LANDS (a.k.a. KKCMTSH) [BALKANS]

The following were also designated as of 7/03/2002:

ADILI, Gafur, Malters-Lucerne, Switzerland; DOB 5 Jan 1959 (individual) [BALKANS]
HALILI, Nevzat, Macedonia; DOB 15 Sep 1946; POB Poroj, Macedonia (individual) [BALKANS]
HAXHIREXHA, Kastriot, Macedonia; DOB 9 May 1961 (individual) [BALKANS]

VII. Reporting and Procedures

Reporting and Procedures Regulations (31 C.F.R. Part 501)

OFAC now has a uniform requirement across all of its sanctions programs that records be maintained for five years.

Reports have also been standardized:

Reports on Blockings and Reject Items - Blocking reports must be filed within 10 days of blocking. They preferably should be teletransmitted to OFAC's Compliance Programs Division at 202/622-2426 and must identify: the owner or account party, the property, the property's location, any existing or new account number or similar reference necessary to identify the property, actual or estimated value, the date it was blocked, a photocopy of the payment or transfer instructions (if the blocking labeled has been deposited into a new or existing blocked account which is clearly identifying the interest of, the individual or entity subject to blocking, the name and address of the holder, and the name and telephone number of a contact person from whom compliance information can be obtained. Reports on reject items also must be filed within 10 days and include: the name and address of the transferee financial institution, the date and amount of the transfer, a photocopy of the payment or transfer instructions received, the basis for rejection, and the name and telephone number of a contact person at the transferee financial institution from whom compliance information can be obtained.

Annual reports on Blocked Property - OFAC requires the filing of a comprehensive annual report on blocked property held as of June 30 by September 30 each year. The report is to be filed using Form TDF 90-22.50 which is available from OFAC's fax-on-demand service or electronically by clicking on the GPO ACCESS button on OFAC's Home Page or going directly to The Federal Bulletin Board and accessing OFAC's extended electronic information reading room, the FAC_MISC file library. Requests to submit the information in an alternative format or for an extension of the reporting deadline are invited and will be considered on a case-by-case basis by OFAC.

Reports on litigation, arbitration and dispute resolution proceedings - U.S. persons involved in litigation, arbitration, or other binding alternative dispute resolution proceedings regarding blocked property must: provide notice of such proceedings to OFAC Chief Counsel, submit copies of all documents associated with such proceedings within 10 days of their filing to OFAC Chief Counsel at U.S. Treasury Department, 1500 Pennsylvania Ave., NW - 3123 Annex, Washington, DC 20220, and fax information about the scheduling of any hearing or status conference to OFAC Chief Counsel at 202/622-1911.

Licensing requests - License applications are not accepted by fax or electronically, unless specifically authorized. Most applications may be submitted in letter format, with the exception of license applications for the unblocking of funds transfers. Applications for the unblocking of funds transfers must be submitted using TD-F 90-22.54, "Application for the Release of Blocked Funds," accompanied by two complete copies of the entire submission. The form, which requires information regarding the date of the blocking, the financial institutions involved in the transfer, and the beneficiary and amount of the transfer, may be obtained from the OFAC Internet Home Page: <<http://www.treas.gov/ofac>> and the OFAC fax-on-demand service: 202/622-0077. Any person having an interest in

a transaction or proposed transaction may file an application for a license authorizing the transaction. For individuals, if U.S., inclusion of a social security number is recommended but not required. For corporations or other entities, the application should include a principal place of business, the state of incorporation or organization, and, if U.S., a taxpayer identification number. Applications should be sent to the Licensing Division, Office of Foreign Assets Control, 1500 Pennsylvania Avenue, N.W., Annex 2, Washington, D.C. 20220.



CUBAN REMITTANCE AFFIDAVIT

Form approved
OMB #1505-0167
expires 01/31/02

This affidavit is to be completed by the remitter, pursuant to the Cuban Assets Control Regulations, 31CFR Part 515, under the Trading with the Enemy Act, 50 U.S.C. App. 1-44, and the Cuban Liberty and Democratic Solidarity Act, 22 U.S.C. 6001-6010. It is to be submitted to the remittance service provider and kept on file for five years, subject to audit by the U.S. Department of the Treasury.

Esta declaración jurada tiene que ser llenada por el remitente, en conformidad con el "Control y Regulaciones de Bienes Cubanos," 31 CFR Parte 515, bajo la "Ley Sobre Comercio con el Enemigo," 50 U.S.C. App. 1-44, y bajo la "Ley Relativa a Cuba Sobre la Libertad y la Solidaridad Democrática," 22 U.S.C. 6001-6010. Dicha declaración jurada debe ser presentada a la agencia remitente y mantenerse en los archivos por cinco años y esta sujeta a auditoría por el Departamento del Tesoro de los EE.UU.

I, _____, DECLARE AND STATE THAT
(Print name)
THE FOLLOWING IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE:

YO, _____, DECLARO, Y AFIRMO QUE,
(Su nombre en letra de molde)
A MI CONOCIMIENTO, LO SIGUIENTE ES VERIDICO Y CORRECTO:

EMIGRATION REMITTANCE

1. I understand that I may send two \$500 emigration remittances per payee to enable the payee to emigrate to the United States. Only one of these remittances may be sent before the payee has received a valid visa from the U.S. State Department. I certify that my total emigration remittances to this payee will not be greater than \$1000.

Name of Payee: _____

Payee's Date of Birth: _____

2. I am sending more than \$500, **OR** I have already sent a pre-visa emigration remittance to this payee. I certify that the payee has received an immigration visa from the U.S. State Department as follows:

Number of Payee's Visa: _____

Date of Payee's Visa: _____

PERSONAL REMITTANCE

I understand that I may send up to \$300 per payee's household in a 3-month period provided that no member of that household is a senior-level Cuban government or Communist party official. The total combined amount of Personal and Family Remittances I send may not exceed \$300 per payee's household in a 3-month period. I certify that I am 18 or older, that no member of the payee's household is a senior-level Cuban government or Communist party official, and that this payment will not exceed the combined Personal and Family Remittance limit of \$300 per payee's household in a 3-month period.

FAMILY REMITTANCE

I understand that I may send up to \$300 per payee's household in a 3-month period to any household inhabited by my close relative(s) or those of my spouse for their support. The total combined amount of Personal and Family Remittances I send may not exceed \$300 per payee's household in a 3-month period. I certify that I am 18 or older and that this payment will not exceed the combined Personal and Family Remittance limit of \$300 per payee's household in a 3-month period.

Name of Payee: _____

Payee's Address: _____

REMESA DE EMIGRACION

1. Entiendo que yo puedo enviar dos remesas de emigración de US\$500 por beneficiario para ayudarlo a emigrar a los EE.UU. Solo una de estas remesas puede ser enviada antes de que el beneficiario haya recibido una visa válida del Departamento del Estado de los EE.UU. Yo afirmo que el total de las remesas de emigración a este beneficiario no será mayor de US\$1000.

Nombre del beneficiario: _____

Fecha de Nacimiento del beneficiario: _____

2. Estoy enviando mas de US\$500, **o** ya he enviado una remesa de emigración pre-visa a este beneficiario. Yo afirmo que el beneficiario ha recibido del Departamento del Estado de los Estados Unidos la visa de inmigración siguiente:

Número de Visa del beneficiario: _____

Fecha de Visa del beneficiario: _____

REMESA PERSONAL

Entiendo que puedo enviar hasta US\$300 por hogar de beneficiario en un período de tres meses siempre y cuando ningún miembro del hogar del beneficiario sea oficial mayor del gobierno de Cuba o un oficial mayor del partido comunista. La cantidad total de Remesas Familiar y Personal combinadas que envío no debe exceder los US\$300 por hogar de beneficiario en un período de tres meses. Yo afirmo que soy mayor de 18 años y que ningún miembro del hogar del beneficiario es oficial mayor del gobierno de Cuba o un oficial mayor del partido comunista y que este pago no excederá la cantidad total de Remesas Familiar y Personal combinadas de US\$300 por hogar de beneficiario en un período de tres meses.

REMESA FAMILIAR

Entiendo que yo puedo enviar hasta US\$300 por hogar de beneficiario en un período de tres meses para manutención a cualquier hogar en el cual habiten mis familiares cercanos o los de mi esposo(a). La cantidad total de Remesas Familiar y Personal combinadas que envío no debe exceder los US\$300 por hogar de beneficiario en un período de tres meses. Yo afirmo que soy mayor de 18 años y que este pago no excederá la cantidad total de Remesas Familiar y Personal combinadas de US\$300 por hogar de beneficiario en un período de tres meses.

Nombre del Beneficiario: _____

Dirección del Beneficiario: _____

SIGNATURE OF REMITTER (FIRMA DEL REMITANTE):

Street Address (Dirección):

City, State and Zip Code (Ciudad, Estado, Zona Postal):

Telephone Number (Número de Teléfono):

Mother's Maiden Name (Apellido de soltera de su madre):

Date of birth of remitter (fecha de nacimiento del remitente):

Witnessed by employee of remitting agency (Firma de Testigo del Empleado de la Agencia Remitente):

Signature (Firma)

Name of Remitting Agency (Nombre de la Agencia Remitente)

Date (Fecha)

ANNUAL REPORT OF BLOCKED PROPERTY

TD F 90-22.50

Office of Foreign Assets Control
Department of the Treasury
Washington, D.C. 20220

The Office of Foreign Assets Control (OFAC) requires an annual report of all property blocked or funds retained under OFAC Regulations found in Title 31 of the Code of Federal Regulations, Parts 500 through 599. This information is needed by the United States Government for planning purposes and to verify compliance with OFAC Regulations. The report is to be submitted annually by September 30 to the Compliance Programs Division, OFAC, Department of the Treasury, Washington, D.C. 20220.

General Instructions

Any person holding property blocked or funds retained under OFAC Regulations is required to submit a report on this form concerning such property. Reports filed in accordance with OFAC Regulations are regarded as containing commercial and financial information which is privileged and confidential. Requests to submit reports in alternative formats will be considered on a case-by-case basis. For additional copies of the form, as well as other information of interest to holders of blocked property, call OFAC's fax-on-demand service at (202) 622-0077.

Part A - U.S. Person Holding Property.

State reporter's corporate name and address and the name and telephone number of an individual corporate official to contact regarding this report.

Name: _____

Address: _____

Individual to contact regarding this report:

(name) (title) (telephone number)

Total number of accounts or items reported on Part B: _____

Complete the certification where applicable. The report is not valid without the certification.

I, _____, certify that I am the _____
(name) (title)

of the _____, that I am authorized to make this
(corporate name)

certification, and that, to the best of my knowledge and belief, the statements set forth in this report, including any papers attached hereto or filed herewith, are true and accurate, and that all material facts in connection with said report have been set forth herein.

(signature) (date)

PAPERWORK REDUCTION ACT STATEMENT: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control of the Department of the Treasury requires this information be furnished pursuant to 50 U.S.C. 1701, and CFR Parts 500 to 600. The information collected will be used for U.S. Government planning purposes and to verify compliance with OFAC Regulations. The information will be held confidential. The estimated burden associated with this collection of information is 4 hours per respondent or record keeper. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Compliance Programs Division, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220 and the Office of Management and Budget, paperwork Reduction Project (1505-0164), Washington, D.C. 20503. 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.



OFFICE OF FOREIGN ASSETS CONTROL LICENSING DIVISION

LICENSE APPLICATION GUIDELINES FOR EXPORTS TO IRAN, LIBYA AND SUDAN OF AGRICULTURAL COMMODITIES, MEDICINE, AND MEDICAL DEVICES

Ag/Med Program

The following information is intended to serve as guidance to persons applying for licenses authorizing Ag/Med exports to Iran, Libya, and Sudan pursuant to, respectively, the Iranian Transactions Regulations, 31 C.F.R. Part 560, the Libyan Sanctions Regulations, 31 C.F.R. Part 550, and the Sudanese Sanctions Regulations, 31 C.F.R. Part 538. Applicants are encouraged to consult the regulations for a complete statement of the rules applicable to Ag/Med exports.

Applications not containing all of the required information will be considered incomplete and returned without action and without prejudice. A new application will be accepted upon resubmission of a **complete** application.

To apply for a license to export agricultural commodities, medicine, or medical devices to Iran, Libya, or Sudan under the Ag/Med Program, applicants must submit a license request, in writing, to the Office of Foreign Assets Control (OFAC). The following items must be included in clear and legible form:

- Identification of the country and program for which the applicant is requesting a license on the top of the first page of the application and on the front of the envelope . (Example: **Iran – Ag/Med Program**). If the applicant wishes to submit applications for two or more countries, **a separate application** must be submitted for each country;
- Applicant's full legal name (If the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business);
- Applicant's mailing and street address;
- Name of the individual(s) responsible for the application and related commercial transactions, including the individual's/individuals' telephone number, fax number, and if available, email address so that we may reach a responsible point of contact should there be any questions about the application;
- Applicant's signature;
- Names and addresses of all parties involved in the transactions and their roles, including financial institutions, and any Iranian, Libyan, or Sudanese broker, purchasing agent, end-user, or other participant in the purchase of the agricultural commodities, medicine, or medical devices;

- A description of all products to be exported, including a statement that the product(s) is/are classified as EAR99, and documentation and information sufficient to verify that the product(s) to be exported are classified as EAR99 and are eligible for exportation under the Ag/Med program. This would typically include the name of the product(s), a short description of the product(s) in layperson's terms (for medical devices, also include technical specifications), the intended use of the agricultural commodities, medicine, or medical devices, and a statement explaining how the product(s) to be exported qualifies/qualify as an agricultural commodity, medicine, or medical device as those terms are defined in the regulations.
- Exporters must have a commodity classification of EAR99 for all products that are eligible in this Ag/Med program. Exporters of all fertilizers, live horses, and western red cedar must submit to OFAC a copy of an Official BXA Commodity Classification of EAR99 as part of the license application (because certain of these items are controlled on the Commerce Control List and thus are not eligible for this program). Exporters of medical devices also must provide OFAC with an Official BXA Commodity Classification of EAR99, unless the proposed export is for a medical supply and that medical supply is specifically listed as eligible for export under the Ag/Med program on BXA's website at <http://www.bxa.doc.gov/Regulations/TradeSanctionsReformExportEnhancementAct.html> BXA will also provide a list of medicines on its website that are **not** eligible for export under the Ag/Med program. Exporters of agricultural commodities may wish to consult the following USDA website: www.fas.usda.gov for a list of agricultural commodities that qualify for export under the Ag/Med program.
- **Please note:** Payment by cash in advance, open account financing, or third-country bank letter of credit is authorized by general license. A special request will have to be made to use a letter of credit issued by an Iranian, Libyan, or Sudanese bank. Upon such a request, payment by letter of credit issued by an Iranian, Libyan, or Sudanese bank may be authorized by specific license on a case-by-case basis, provided that such letter of credit may not be advised, confirmed or otherwise dealt in by any financial institution that is a United States person (see, 31 C.F.R. §§ 560.314, 560.532; 31 C.F.R. §§ 550.308, 550.571; 31 C.F.R. §§ 538.315, 538.525).

The application should be mailed to the address below.

**Attn: Licensing Division
Office of Foreign Assets Control
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220**

In order to expedite the process, applicants may also send a complete copy of their application in Adobe Acrobat PDF format to the following email address:

agmed@do.treas.gov

Applicants who choose to send a copy of their application via Internet **must** also send a hard copy of their application in order for OFAC to process their application. Applicants should note that the official date of receipt for their application will be the date the hard copy of the application is received by OFAC via mail.

The hard copy of all licenses will be mailed to applicants. Upon request, applicants may receive via email a copy of their license in Adobe Acrobat PDF format.

U.S. DEPARTMENT OF THE TREASURY

OFFICE OF FOREIGN ASSETS CONTROL

APPLICATION FOR THE RELEASE OF BLOCKED FUNDS

(WHEN APPROVED, THIS DOCUMENT BECOMES A SPECIFIC LICENSE AUTHORIZING THE UNBLOCKING OF THE SUBJECT FUNDS AND THEIR RELEASE ACCORDING TO THE TERMS HEREOF)

DO NOT WRITE IN THIS BOX – LICENSE APPROVAL ONLY VALID WITH OFAC SEAL

THIS APPLICATION IS HEREBY: FAC/LICENSE NO. _____

G APPROVED, AND FUNDS MAY BE UNBLOCKED AND RELEASED, WITH VALUE:
 G TO ORIGINATOR OR ORIGINATING BANK
 G IN ACCORDANCE WITH ORIGINAL PAYMENT INSTRUCTIONS

G DENIED (SEE ATTACHED EXPLANATION)

G RETURNED WITHOUT ACTION (SEE ATTACHED CHECKLIST)

TYPE OF REQUEST [CHECK APPROPRIATE BOX]

LICENSE APPLICATION

REQUEST FOR RECONSIDERATION [PROVIDE

FAC NO. OF PREVIOUS AGENCY ACTION (IF KNOWN): _____

APPLICANT INFORMATION

APPLICANT		ADDRESS LINE 1		ADDRESS LINE 2	
CITY	STATE	CONTACT PERSON		TELEPHONE	FAX NUMBER
POSTAL CODE	COUNTRY	SOCIAL SECURITY/TAXPAYER I.D. NO. (Required for US Persons)		E-MAIL ADDRESS	

CORPORATIONS AND OTHER ENTITIES

PRINCIPAL PLACE OF BUSINESS	STATE OF INCORPORATION OR ORGANIZATION	EMPLOYER IDENTIFICATION NUMBER
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THE FOLLOWING INFORMATION, IF KNOWN, SHOULD BE PROVIDED CONCERNING THE BLOCKED FUNDS (USE PAGE 2 AS NEEDED)

NAME & ADDRESS OF FINANCIAL INSTITUTION WHICH BLOCKED FUNDS	AMOUNT BLOCKED	DATE OF THE BLOCKING
REMITTER NAME & ADDRESS	REMITTING FINANCIAL INSTITUTION NAME & ADDRESS	
INTERMEDIARY FINANCIAL INSTITUTION(S) NAME & ADDRESS	BENEFICIARY FINANCIAL INSTITUTION NAME & ADDRESS	
BENEFICIARY NAME & ADDRESS	DESCRIPTION OF UNDERLYING TRANSACTION (ATTACH SEPARATE SHEET AS NEEDED)	

APPLICATION CERTIFICATION: I, THE UNDERSIGNED, HEREBY DECLARE THAT, TO THE BEST OF MY KNOWLEDGE, THE INFORMATION PROVIDED ON THIS APPLICATION AND ANY ACCOMPANYING DOCUMENTATION IS TRUTHFUL AND COMPLETE.

SIGNATURE	NAME OF SIGNER	TITLE OF SIGNER	DATE PREPARED
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ADDITIONAL COPIES OF THIS FORM MAY BE OBTAINED FROM OFAC'S WEBSITE AT NO CHARGE: <<http://www.treas.gov/ofac>>

ADDITIONAL INFORMATON

A large, empty rectangular box with a thin black border, occupying most of the page below the header. It is intended for providing additional information.

INSTRUCTIONS:

WHERE FUNDS HAVE BEEN BLOCKED AT A U.S. FINANCIAL INSTITUTION DUE TO U.S. GOVERNMENT SANCTIONS, A PARTY WITH AN INTEREST IN THE FUNDS MAY SUBMIT THIS APPLICATION TO THE OFFICE OF FOREIGN ASSETS CONTROL FOR A SPECIFIC LICENSE TO REQUEST THEIR RELEASE.

- C TYPE OR PRINT CLEARLY, COMPLETING ALL APPLICABLE SECTIONS.
- C ATTACH COPIES OF ANY DOCUMENTS RELATED TO THE UNDERLYING TRANSACTION (E.G., INVOICES, BILLS OF LADING, PHOTOCOPY OF THE ORIGINAL PAYMENT OR TRANSFER INSTRUCTIONS, ETC.).
- C ALL DOCUMENTS MUST BE IN ENGLISH OR INCLUDE AN ENGLISH TRANSLATION.
- C FAILURE TO PROVIDE ADEQUATE INFORMATION MAY RESULT IN YOUR APPLICATION BEING RETURNED WITHOUT ACTION.
- C MAIL THE COMPLETED AND SIGNED APPLICATION, TOGETHER WITH ACCOMPANYING DOCUMENTATION AND TWO COPIES OF THE ENTIRE SUBMISSION, TO THE OFFICE OF FOREIGN ASSETS CONTROL, 1500 PENNSYLVANIA AVENUE, NW-ANNEX, WASHINGTON, D.C. 20220, ATTN: BLOCKED FUNDS APPLICATION
- C APPLICATIONS WILL NOT BE ACCEPTED BY FAX.
- C UNLESS OTHERWISE PROVIDED, A COPY OF THIS APPLICATION AND ALL RELATED DOCUMENTATION MUST BE RETAINED BY THE APPLICANT FOR AT LEAST FIVE YEARS AFTER THE DATE OF THE UNDERLYING TRANSACTION.
- C UNLESS AUTHORIZED BY OFAC, APPLICATIONS MADE BY ANY OTHER METHOD WILL NOT BE CONSIDERED.

TERMS AND CONDITIONS:

- C GRANTED UNDER THE AUTHORITY OF 50 U.S.C. APP. § 5(B), 22 U.S.C § 2370(A), 22 U.S.C. § 6001, AND 31CFR. PARTS 501, AND THE RELEVANT PART OF 31 CFR PERTAINING TO THE LICENSE
- C AN APPLICATION THAT HAS BEEN APPROVED, SIGNED BY THE AUTHORIZING OFAC OFFICIAL, AND IMPRESSED WITH AN OFFICIAL OFAC SEAL IS A SPECIFIC LICENSE.
- C LICENSEES SHALL FURNISH AND MAKE AVAILABLE FOR INSPECTION ANY RELEVANT INFORMATION, RECORDS OR REPORTS REQUESTED BY THE SECRETARY OF THE TREASURY OR ANY DULY AUTHORIZED OFFICER OR AGENCY OF THE SECRETARY.
- C A SPECIFIC LICENSE IS NOT TRANSFERABLE, IS NON-PRECEDENTIAL AND IS SUBJECT TO THE PROVISIONS OF 31CFR PART 501, THE RELEVANT PART OF 31CFR (PART 500, 515, 535, 536, 538, 550, 575, 585, 586, 595, 597) PERTAINING TO THE SANCTIONS PROGRAM UNDER WHICH THE TRANSFER WAS BLOCKED AND ANY REGULATIONS OR RULINGS ISSUED PURSUANT THERETO; A LICENSE MAY BE REVOKED OR MODIFIED AT ANY TIME AT THE DISCRETION OF THE SECRETARY OF THE TREASURY ACTING DIRECTLY OR THROUGH THE AGENCY THROUGH WHICH THE LICENSE WAS ISSUED, OR ANY OTHER AGENCY DESIGNATED BY THE SECRETARY OF THE TREASURY. IF A SPECIFIC LICENSE WAS ISSUED AS A RESULT OF WILLFUL MISREPRESENTATION ON THE PART OF THE APPLICANT OR HIS AGENT, IT MAY, AT THE DISCRETION OF THE SECRETARY OF THE TREASURY, BE DECLARED VOID FROM THE DATE OF ITS ISSUANCE, OR FROM ANY OTHER DATE.
- C A SPECIFIC LICENSE DOES NOT EXCUSE COMPLIANCE WITH ANY LAW OR REGULATION ADMINISTERED BY THE OFFICE OF FOREIGN ASSETS CONTROL OR ANOTHER AGENCY (INCLUDING REPORTING REQUIREMENTS) APPLICABLE TO THE TRANSACTIONS AND ACTIVITIES THEREIN LICENSED, NOR DOES IT RELEASE THE LICENSEES OR THIRD PARTIES FROM CIVIL OR CRIMINAL LIABILITY FOR VIOLATION OF ANY LAW OR REGULATION.
- C A SPECIFIC LICENSE IS ISSUED BY DIRECTION AND ON BEHALF OF THE SECRETARY OF THE TREASURY.
- C ATTENTION IS DIRECTED TO 19 U.S.C. §§ 1592 AND 1595A, 18 U.S.C. § 545, 18 U.S.C. § 1001, 50 U.S.C. APP. § 16, AND SECTION 701 *ET SEQ* (PENALTIES) OF THE RELEVANT PART OF 31CFR. PERTAINING TO THE ATTACHED LICENSE.

WARNING!

MAKING FALSE OR MISLEADING STATEMENTS ON OR IN CONNECTION WITH THIS APPLICATION, ALTERING THE DETERMINATION, OR FORGING THE SIGNATURE OF THE AUTHORIZING OFFICIAL OR THE OFAC SEAL MAY CONSTITUTE SERIOUS CRIMINAL AND/OR CIVIL VIOLATIONS OF FEDERAL LAW AND MAY RESULT IN SUBSTANTIAL FINES

PAPERWORK REDUCTION ACT STATEMENT: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control (OFAC) of the Department of the Treasury requires this information to be furnished pursuant to 31 CFR Part 501. The information collected will be used for U.S. Government to evaluate and process license applications submitted by applicants whose money has been blocked pursuant to OFAC sanctions. It is the policy of OFAC to protect the confidentiality of information in appropriate cases pursuant to the exemptions from disclosure provided under the Freedom of Information Act and the Privacy Act. The estimated burden associated with this collection of information is 30 minutes per respondent. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Compliance Programs Division, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220 and the Office of Management and Budget, Paperwork Reduction Project (OMB NUMBER WILL BE INSERTED HERE), Washington, D.C. 20503. 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.