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ACTIONS AND EXPENSES RELATING TO  
NATIONAL EMERGENCY WITH BOSNIAN SERBS

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A REPORT ON ACTIONS AND EXPENSES DIRECTLY RELATED TO  
THE EXERCISE OF POWERS AND AUTHORITIES CONFERRED BY  
THE DECLARATION OF A NATIONAL EMERGENCY IN EXECUTIVE  
ORDER 12808 AS EXPANDED WITH RESPECT TO THE BOSNIAN  
SERBS IN EXECUTIVE ORDER 12934 COVERING THE PERIOD  
FROM MAY 30 THROUGH NOVEMBER 29, 1997, PURSUANT TO 50  
U.S.C. 1641(c)



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WASHINGTON : 1998

THE WHITE HOUSE,  
*Washington, December 3, 1997.*

Hon. NEWT GINGRICH,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

DEAR MR. SPEAKER: On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively.

On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S&M)"), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by the Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 25, 1994, because of the actions and policies of the Bosnian Serbs, I expanded the scope of the national emergency by issuance of Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they controlled within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On November 22, 1995, the United Nations Security Council passed Resolution 1022 (UNSCR or "Resolution 1022"), immediately and indefinitely suspending economic sanctions against the FRY (S&M). Sanctions were subsequently lifted by the United Nations Security Council pursuant to Resolution 1074 on October 1, 1996. Resolution 1022, however, continues to provide for the release of funds and assets previously blocked pursuant to sanctions against the FRY (S&M), provided that such funds and assets that are subject to claims and encumbrances, or that are the property of persons deemed insolvent, remain blocked until "released in accordance with applicable law." This provision was implemented in the United States on December 27, 1995, by Presidential Determination No. 96-7. The Determination, in conformity with Resolution 1022, directed the Secretary of the Treasury, *inter alia*, to suspend the application of sanctions imposed on the FRY (S&M) pursuant to the above-referenced Executive orders and to continue to block property previously blocked until provision is made to ad-

dress claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton on November 21, 1995 (the "Peace Agreement") and signed in Paris on December 14, 1995. The sanctions imposed on the FRY (S&M) and on the United Nations Protected Areas in the Republic of Croatia were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they controlled within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 10, 1996, in conformity with UNSCR 1022. On October 1, 1996, the United Nations passed UNSCR 1074, terminating U.N. sanctions against the FRY (S&M) and the Bosnian Serbs in light of the elections that took place in Bosnia and Herzegovina on September 14, 1996. UNSCR 1074, however, reaffirms the provisions of UNSCR 1022 with respect to the release of blocked assets, as set forth above.

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from May 30 through November 29, 1997. It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 12808 as expanded with respect to the Bosnian Serbs in Executive Order 12934, and against the FRY (S&M) contained in Executive Orders 12810, 12831, and 12846.

1. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and the expansion of that national emergency under the same authorities was reported to the Congress on October 25, 1994. The additional sanctions set forth in related Executive orders were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act (22 U.S.C. 287c).

2. The Office of Foreign Assets Control (OFAC), acting under authority delegated by the Secretary of the Treasury, implemented the sanctions imposed under the foregoing statutes in the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585 (the "Regulations"). To implement Presidential Determination No. 96-7, the Regulations were amended to authorize prospectively all transactions with respect to the FRY (S&M) otherwise prohibited (61 FR 1282, January 19, 1996). Property and interests in property of the FRY (S&M) previously blocked within the jurisdiction of the United States remain

blocked, in conformity with the Peace Agreement and UNSCR 1022, until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia.

On May 10, 1996, OFAC amended the Regulations to authorize prospectively all transactions with respect to the Bosnian Serbs otherwise prohibited, except with respect to property previously blocked (61 FR 24696, May 16, 1996). On December 4, 1996, OFAC amended Appendices A and B to 31 C.F.R. chapter V, containing the names of entities and individuals in alphabetical order and by location that are subject to the various economic sanctions programs administered by OFAC, to remove the entries for individuals and entities that were determined to be acting for or on behalf of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro). These assets were blocked on the basis of these persons' activities in support of the FRY (S&M)—activities no longer prohibited—not because the Government of the FRY (S&M) or entities located in or controlled from the FRY (S&M) had any interest in those assets (61 FR 64289, December 4, 1996).

On April 18, 1997, the Regulations were amended by adding new section 585.528, authorizing all transactions after 30 days with respect to the following vessels that remained blocked pursuant to the Regulations, effective at 10:00 a.m. local time in the location of the vessel on May 19, 1997: the M/V *Moslavina*, M/V *Zeta*, M/V *Lovcen*, M/V *Durmitor* and M/V *Bar* (a/k/a M/V *Inviken*) (62 FR 19672, April 23, 1997). During the 30-day period, United States persons were authorized to negotiate settlements of their outstanding claims with respect to the vessels with the vessels' owners or agents and were generally licensed to seek and obtain judicial warrants of maritime arrest. If claims remained unresolved 10 days prior to the vessels' unblocking (May 8, 1997), service of the warrants could be effected at that time through the U.S. Marshal's Office in the district where the vessel was located to ensure that U.S. creditors of a vessel had the opportunity to assert their claims. Appendix C to 31 CFR, chapter V, containing the names of vessels blocked pursuant to the various economic sanctions programs administered by OFAC (61 FR 32936, June 26, 1996), was also amended to remove these vessels from the list effective May 19, 1997.

There has been one amendment to the Regulations since my report of May 30, 1997. The Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585, were amended on August 25, 1997. General reporting, recordkeeping, licensing, and other procedural regulations were moved from the Regulations to a separate part (31 CFR part 501) dealing solely with such procedural matters. (62 FR 45098, August 25, 1997). No substantive changes to the Regulations were made. A copy of the amendment is attached to this report.

3. Over the past year and a half, the Departments of State and the Treasury have worked closely with European Union member states and other U.N. member nations to implement the provisions of UNSCR 1022. In the United States, retention of blocking authority pursuant to the extension of a national emergency provides a

framework for administration of an orderly claims settlement. This accords with past policy and practice with respect to the suspension of sanctions regimes.

4. During this reporting period, OFAC issued six specific licenses regarding transactions pertaining to the FRY (S&M) or property in which it has an interest. Specific licenses were issued (1) to authorize the unblocking of certain funds and other administrative transactions involving assets previously blocked; (2) to authorize the transfer of presanctions ownership interests in certain blocked property from one U.S. person to another; and (3) to authorize litigation against the Government of the FRY (S&M) by a United States person for recovery of presanctions obligations.

During the past 6 months, OFAC has continued to oversee the maintenance of blocked FRY (S&M) accounts; and records with respect to: (1) liquidated tangible assets and personalty of the 15 blocked U.S. subsidiaries of entities organized in the FRY (S&M); (2) the blocked personalty, files, and records of the two Serbian banking institutions in New York previously placed in secure storage; (3) remaining blocked FRY (S&M) tangible property, including real estate; and (4) the five Yugoslav-owned vessels recently unblocked in the United States.

On September 29, 1997, the United States filed Statements of Interest in cases being litigated in the Southern District of New York: *Beogradska Banka A.D. Belgrade v. Interenergo, Inc.*, 97 Civ. 2065 (JGK) and *Jugobanka A.D. Belgrade v. U.C.F. International Trading, Inc. et al.*, 97 Civ. 3912, 3913 and 6748 (LAK). These cases involve actions by blocked New York Serbian bank agencies and their parent offices in Belgrade, Serbia, to collect on defaulted loans made prior to the imposition of economic sanctions and dispensed, in one case, to the U.S. subsidiary of a Bosnian firm and, in the other cases, to various foreign subsidiaries of a Slovenian firm. Because these loan receivables are a form of property that was blocked prior to December 27, 1995, any funds collected as a consequence of these actions would remain blocked and subject to United States jurisdiction. Defendants asserted that the loans had been made from the currency reserves of the central bank of the former Yugoslavia to which all successor states had contributed, and that the loan funds represent assets of the former Yugoslavia and are therefore subject to claims by all five successor states. The Department of State, in consultation with the Department of the Treasury, concluded that the collection of blocked receivables through the actions by the bank and the placement of those collected funds into a blocked account did not prejudice the claims of successor states nor compromise outstanding claims on the part of any creditor of the bank, since any monies collected would remain in a blocked status and available to satisfy obligations to United States and foreign creditors and other claimants—including possible distribution to successor states under a settlement arising from the negotiations on the division of assets and liabilities of the former Yugoslavia.

5. Despite the prospective authorization of transactions with the FRY (S&M), OFAC has continued to work closely with the U.S. Customs Service and other cooperating agencies to investigate alleged violations that occurred while sanctions were in force. On

February 13, 1997, a Federal grand jury in the Southern District of Florida, Miami, returned a 13-count indictment against one U.S. citizen and two nationals of the FRY (S&M). The indictment charges that the subjects participated and conspired to purchase three Cessna propeller aircraft, a Cessna jet aircraft, and various aircraft parts in the United States and to export them to the FRY (S&M) in violation of U.S. sanctions and the Regulations. Timely interdiction action prevented the aircraft from being exported from the United States. A trial date has not yet been scheduled but is anticipated in late October.

Since my last report, OFAC has collected four civil monetary penalties totaling nearly \$176,000 for violations of the sanctions. These violations involved prohibited exports of goods and services, contract dealings, and payments either to the Government of the FRY (S&M), persons in the FRY (S&M), or to blocked entities owned or controlled by the FRY (S&M). The violators include two U.S. companies, one law firm, and a U.S. financial institution.

6. The expenses incurred by the Federal Government in the 6-month period from May 30 through November 29, 1997, that are directly attributable to the declaration of a national emergency with respect to the FRY (S&M) and the Bosnian Serb forces and authorities are estimated at approximately \$400,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, and the Department of Commerce.

7. In the last 2 years, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. UNSCR 1074 terminates sanctions in view of the first free and fair elections to occur in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement. In reaffirming Resolution 1022, however, UNSCR 1074 contemplates the continued blocking of assets potentially subject to conflicting claims and encumbrances until provision is made to address them under applicable law, including claims of the other successor states of the former Yugoslavia.

The resolution of the crisis and conflict in the former Yugoslavia that has resulted from the actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and of the Bosnian Serb forces and the authorities in the territory that they controlled, will not be complete until such time as the Peace Agreement is implemented and the terms of UNSCR 1022 have been met. Therefore, I have continued for another year the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and will continue to enforce the measures adopted pursuant thereto.

I shall continue to exercise the powers at my disposal with respect to the measures against the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Bosnian Serb forces, civil authorities, and entities, as long as these measures are appropriate, and will continue to report periodically to the

Congress on significant developments pursuant to 50 U.S.C.  
1703(c).

Sincerely,

WILLIAM J. CLINTON.

**DEPARTMENT OF THE TREASURY****Office of Foreign Assets Control**

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

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

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule; amendments.

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

**EFFECTIVE DATE:** August 25, 1997.

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

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

**SUPPLEMENTARY INFORMATION:****Electronic and Facsimile Availability**

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**Background**

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

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

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

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

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



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

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

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

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

business organizations, and legal representatives.

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

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

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

#### List of Subjects

##### 31 CFR Part 500

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

##### 31 CFR Part 501

Administrative practice and procedure, Banks, banking, Blocking of

assets, Foreign trade, Reporting and recordkeeping requirements

##### 31 CFR Part 505

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

##### 31 CFR Part 515

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

##### 31 CFR Part 535

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

##### 31 CFR Part 536

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

##### 31 CFR Part 550

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

##### 31 CFR Part 560

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

##### 31 CFR Part 575

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

501.606 Reporting and recordkeeping requirements applicable to economic sanctions programs.

**Subpart D—Procedures**

501.601 Licensing.

501.602 Decisions.

501.603 Amendment, modification, or revocation.

501.604 Rulemaking.

501.605 Rules governing availability of information.

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

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

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

**Subpart E—Paperwork Reduction Act**

501.601 Paperwork Reduction Act notice.

Authority: 22 U.S.C. 287c; 31 U.S.C.

321(b); 50 U.S.C. 1701–1706; 50 U.S.C. App.

1–44.

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

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

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

**Subpart B—Definitions**

§ 501.301 Definitions.

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

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

**Subpart C—Reports**

§ 501.601 Records and recordkeeping requirements.

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

§ 501.602 Reports to be furnished on demand.

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

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

§ 501.603 Reports on blocked property.

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

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

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

(b) *What must be reported*—(1) *Initial reports*—(i) *When reports are due.* Reports are required to be filed within 10 business days from the date that property becomes blocked. This reporting requirement includes payments or transfers that are received and blocked by financial institutions.

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

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

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

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

**Subpart D—Procedures**

**§ 501.601 Licensing.**

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

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

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

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

(3) *Information to be supplied.* The applicant must supply all information specified by relevant instructions and/or forms, and must fully disclose the names of all parties who are concerned with or interested in the proposed transaction. If the application is filed by an agent, the agent must disclose the name of his principal(s). Such documents as may be relevant shall be attached to each application as a part of such application, except that documents previously filed with the Office of Foreign Assets Control may, where appropriate, be incorporated by reference in such application.

Applicants are required to supply their taxpayer identifying number pursuant to 31 U.S.C. 7701, which number may be used for purposes of collecting and reporting on any delinquent amounts arising out of the applicant's relationship with the United States Government. Applicants may be required to furnish such further information as is deemed necessary to a proper determination by the Office of Foreign Assets Control. Any applicant or other party in interest desiring to present additional information may do so at any time before or after decision. Arrangements for oral presentation should be made with the Office of Foreign Assets Control.

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

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

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

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

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

**§ 501.602 Decisions.**

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

**§ 501.603 Amendment, modification, or revocation.**

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

**§ 501.604 Rulemaking.**

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

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

**§ 501.605 Rules governing availability of information.**

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

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

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

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

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

Authority: 31 U.S.C. 321(b); 50 U.S.C. App. 1-44; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9888, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 744.

**§ 505.40 [Amended]**

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

3. Section 505.60 is revised to read as follows:

**§ 505.60 Procedures.**

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

**PART 515—CUBAN ASSETS CONTROL REGULATIONS**

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

Authority: 18 U.S.C. 2332d; 22 U.S.C. 2370(a), 6001-6010; 31 U.S.C. 321(b); 50 U.S.C. App. 1-44; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1147; E.O. 9889, 13 FR 4891, 3 CFR, 1943-48 Comp., p. 748; Proc. 3447, 27 FR 1085, 3 CFR 1955-1963 Comp., p. 137; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 514.

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

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

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

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

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

**Subpart B—Prohibitions**

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

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

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

**Subpart C—General Definitions**

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

§ 515.306 Specially designated national.

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

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

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

§ 515.508 Payments to blocked accounts in domestic banks.

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

6. Subpart F is revised to read as follows:

**Subpart F—Reports**

**§ 515.601 Records and reports.**

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

**Subpart G—Penalties**

**§ 515.701 [Amended]**

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

**Subpart H—Procedures**

8. Section 515.801 is revised to read as follows:

**§ 515.801 Procedures.**

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

**§§ 515.802-500.808 and § 515.809 [Removed]**

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

**§§ 515.807 and § 515.808 [Redesignated as §§ 515.802 and § 515.809]**

8b. Sections 515.807 and 515.808 are redesignated as §§ 515.802 and 515.809, respectively.

**Subpart I—Miscellaneous Provisions**

9. Section 515.901 is revised to read as follows:

**§ 515.901 Paperwork Reduction Act notice**

Collection of information on TDF 90-22.39, "Declaration, Travel to Cuba," has been approved by the Office of Management and Budget ("OMB") under the Paperwork Reduction Act (44 U.S.C. 3507(j)) and assigned control number 1505-0118. For approval by OMB under the Paperwork Reduction Act of information collections relating to recordkeeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

**PART 535—IRANIAN ASSETS CONTROL REGULATIONS**

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

Authority: 18 U.S.C. 2332d; 31 U.S.C. 321(b); 50 U.S.C. 1701-1708; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12170, 44 FR 65729, 3 CFR, 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR, 1980 Comp., p. 248; E.O. 12211, 45 FR 26685, 3 CFR, 1980 Comp., p. 253; E.O. 12276, 46 FR 7913, 3 CFR 1981 Comp., p. 194; E.O. 12279, 46 FR 7915, 3 CFR, 1981 Comp., p. 109; E.O. 12280, 46 FR 7921, 3 CFR, 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR, 1981 Comp., p. 110; E.O. 12282, 46 FR 7925, 3 CFR, 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR, 1981 Comp., p. 114; and E.O.

**§§ 536.802–536.804 and 536.806**  
[Removed]

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

**§ 536.805** [Redesignated as § 536.802]

7b. Section 536.805 is redesignated as § 536.802.

**Subpart I—Paperwork Reduction Act**

8. Section 536.901 is revised to read as follows:

**§ 536.901 Paperwork Reduction Act notice.**

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

**PART 550—LIBYAN SANCTIONS REGULATIONS**

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

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 287c, 2349aa–8 and 2349aa–9; 31 U.S.C. 321(b); 49 U.S.C. App. 1514; 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12543, 51 FR 675, 3 CFR, 1986 Comp., p. 181; E.O. 12544, 51 FR 1235, 3 CFR, 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR, 1992 Comp., p. 294.

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

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

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

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

**Subpart B—Prohibitions**

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

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

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

**Subpart C—Definitions**

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

§ 550.304 Government of Libya.

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

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

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

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

Note to § 550.511: Please refer to § 501.803 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

**Subpart F—Reports**

**§ 550.601 Records and reports.**

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

**Subpart G—Penalties**

**§ 550.701 [Amended]**

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

**Subpart H—Procedures**

8. Section 550.801 is revised to read as follows:

**§ 550.801 Procedures.**

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

§§ 550.802–550.804 and 500.806 [Removed]

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

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

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

**Subpart I—Miscellaneous**

9. Section 550.901 is revised to read as follows:

**§ 550.901 Paperwork Reduction Act notice.**

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

**PART 560—IRANIAN TRANSACTIONS REGULATIONS**

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

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 2349aa–9; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12857, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 358.

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

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

**Subpart I—Paperwork Reduction Act**

8. Section 575.901 is revised to read as follows:

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

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

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

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 48 U.S.C. 4910a; 50 U.S.C. 1602-1651, 1701-1705; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2481 note; E.O. 12606, 57 FR 23299, 3 CFR, 1992 Comp., p. 305; E.O. 12810, 57 FR 16247, 3 CFR, 1992 Comp., p. 307; E.O. 12811, 58 FR 5253, 3 CFR, 1993 Comp., p. 376; E.O. 12848, 58 FR 25771, 3 CFR, 1993 Comp., p. 501; E.O. 12934, 58 FR 54117, 3 CFR, 1994 Comp., p. 830.

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

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

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

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 801 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. \* \* \*

**Subpart B—Prohibitions**

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

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

(c) \* \* \*

(c) \* \* \*

Note to § 585.301(c): \* \* \* Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or that of a vessel or blocked, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

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

**Subpart C—General Definitions**

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

**§ 585.311 Government of the FRY (SAB).**

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

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

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

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

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

Note to § 585.503: Please refer to § 501.803 of this chapter for mandatory reporting requirements regarding financial transfers.

6. Subpart F is revised to read as follows:

**Subpart F—Reports**

**§ 585.601 Records and reports.**

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

**Subpart G—Penalties**

**§ 585.701 [Amended]**

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

**Subpart H—Procedures**

8. Section 585.801 is revised to read as follows:

**§ 585.801 Procedures.**

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Act (5 U.S.C. 552 and 552a), see subpart D of part 502 of this chapter.

~~§ 585.802-585.804 and 585.805 [Reserved]~~

~~9a. Sections 585.802 through 585.804 and 585.805 are removed.~~

~~§ 585.806 [Redesignated as § 585.805]~~

~~9b. Section 585.805 is redesignated as § 585.802.~~

**Subpart I—Paperwork Reduction Act**

9. Section 585.901 is revised to read as follows:

**§ 585.901 Paperwork Reduction Act notice.**

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

**PART 590—UNITA (ANGOLA) SANCTIONS REGULATIONS**

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

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1602-1651, 1701-1705; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2481 note); E.O. 12606, 58 FR 51605, 3 CFR, 1993 Comp., p. 830.

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

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

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

**PART 596—TERRORISM LIST  
GOVERNMENTS SANCTIONS  
REGULATIONS**

1. The authority citation for part 596 is revised to read as follows:

Authority: 18 U.S.C. 2332d; 31 U.S.C. 321(b).

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

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

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

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

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

3. Subpart F is revised to read as follows:

**Subpart F—Reports**

§ 596.801 Records and reports.

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

**Subpart H—Procedures**

4. Section 596.801 is revised to read as follows:

§ 596.801 Procedures.

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

§§ 596.802–596.804 and 596.806  
[Removed]

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

§ 596.806 [Redesignated as § 596.802]

4b. Section 596.805 is redesignated as § 596.802.

**Subpart I—Paperwork Reduction Act**

5. Section 596.901 is revised to read as follows:

§ 596.901 Paperwork Reduction Act notice.

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

Dated: August 7, 1997.

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

Approved: August 11, 1997.

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

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

BILLING CODE 4910-25-0