transfers to or from an account of a financial institution whose property or interests in property are blocked pursuant to §537.201(a), provided that the account is not on the books of a financial institution that is a U.S. person.

§ 537.405 Provision of services.
(a) Except as provided in §537.210, the prohibitions on transactions involving blocked property contained in §537.201 apply to services performed in the United States or by U.S. persons, wherever located, including by an overseas branch of an entity located in the United States:
(1) On behalf of or for the benefit of a person whose property or interests in property are blocked pursuant to §537.201(a); or
(2) With respect to property interests subject to §537.201.
(b) Example: U.S. persons may not, except as authorized by or pursuant to this part, provide legal, accounting, financial, brokering, freight forwarding, transportation, public relations, or other services to a person whose property or interests in property are blocked pursuant to §537.201(a).

NOTE TO §537.405: See §§537.507 and 537.508 on licensing policy with regard to the provision of certain legal or medical services, respectively.

§ 537.406 Offshore transactions.
The prohibitions in §537.201 on transactions involving blocked property apply to transactions by any U.S. person in a location outside the United States with respect to property that the U.S. person knows, or has reason to know, is held in the name of a person whose property or interests in property are blocked pursuant to §537.201(a) or in which the U.S. person knows, or has reason to know, a person whose property or interests in property are blocked pursuant to §537.201(a) has or has had an interest since the effective date.

§ 537.407 Payments from blocked accounts to satisfy obligations prohibited.
Pursuant to §537.201, no debits may be made to a blocked account to pay obligations to U.S. persons or other persons, except as authorized by or pursuant to this part.

§ 537.408 Setoffs prohibited.
A setoff against blocked property (including a blocked account), whether by a U.S. bank or other U.S. person, is a prohibited transfer under §537.201 if effected after the effective date.

§ 537.409 Activities under pre-May 21, 1997 agreements.
Section 537.210(c) exempts from all prohibitions contained in this part, except those contained in §537.203, activities undertaken by a U.S. person pursuant to an agreement entered into prior to May 21, 1997, between a U.S. person and the Government of Burma or a nongovernmental entity in Burma. A U.S. person who is a party to a pre-May 21, 1997 agreement falling outside the scope of §537.203 may enter into subsequent agreements with foreign persons where such agreements are pursuant to, or in exercise of rights under, the pre-May 21, 1997 agreement and are specifically contemplated by the pre-May 21, 1997 agreement. The exercise of rights under a pre-May 21, 1997 agreement falling outside the scope of §537.203 may include the exercise of options to extend the contract, depending on such factors as the degree of specificity with which the option to extend is described in the pre-May 21, 1997 agreement, and the degree to which the party wishing to renew can enforce its decision to exercise the option.

§ 537.410 Contracts and subcontracts regarding economic development of resources in Burma.
Section 537.204 prohibits new investment in Burma by U.S. persons. Section 537.311 defines the term new investment to include certain contracts providing for the general supervision and guarantee of another person’s performance of a contract that includes the economic development of resources located in Burma. With respect to entry into such contracts, only the following will be considered new investment in Burma:
(a) Entry into contracts for supervision and guarantee at the highest level of project management, such as
Office of Foreign Assets Control, Treasury

§ 537.502 Effect of license or authorization.

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

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

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited by this part has the effect of removing a prohibition or prohibitions contained in this part from the transaction, but only to the extent specifically stated by its terms. Unless the regulation, ruling,