Office of Foreign Assets Control, Treasury

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

(a) Any payment of funds or transfer of credit or other assets, including any payment or transfer by any U.S. person outside the United States, to a blocked account in a U.S. financial institution located in the United States in the name of the Government of Iraq is hereby authorized, including incidental foreign exchange transactions, provided that such payment or transfer shall not be made from any blocked account if such payment or transfer represents, directly or indirectly, a transfer of any interest of the Government of Iraq to any other country or person.

(b) This section authorizes transfer of the funds of a blocked demand deposit account to a blocked interest-bearing account under the same name or designation as was the demand deposit account, as required pursuant to §575.203 or at the instruction of the depositor, at any time. If such transfer is to a blocked account in a different U.S. financial institution such transfer must
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be made to a blocked account in a U.S. financial institution located in the United States, and the transferee financial institution must furnish within 10 business days of the date of transfer, the notification described in paragraph (h) of this section to the Office of Foreign Assets Control, Blocked Assets Section.

(c) This section does not authorize any transfer from a blocked account within the United States to an account held outside the United States.

(d) This section does not authorize any payment or transfer to any blocked account held in a name other than that of the Government of Iraq where such government is the ultimate beneficiary of such payment or transfer.

(e) This section does not authorize any payment or transfer of credit comprising an integral part of a transaction which cannot be effected without the subsequent issuance of a further license.

(f) This section does not authorize the crediting of the proceeds of the sale of securities or other assets, held in a blocked account or a sub-account thereof, or the income derived from such securities or assets, to a blocked account or sub-account, under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such securities or assets were or are held.

(g) This section does not authorize any payment or transfer from a blocked account in a U.S. financial institution to a blocked account held under any name or designation which differs from the name or designation of the specified blocked account or sub-account from which the payment or transfer is made.

NOTE TO §575.503: Please refer to §501.603 of this chapter for mandatory reporting requirements regarding financial transfers.


§§ 575.504–575.532 [Reserved]

§ 575.533 Certain new transactions.

(a) New transactions. Except as provided in paragraph (b) of this section, on or after May 23, 2003 and prior to July 30, 2004, all transactions that are otherwise prohibited by subpart B of this part are authorized.

NOTE TO §575.533(a): This authorization does not eliminate the need to comply with Executive Order 13315, “Blocking Property of the Former Iraqi Regime, Its Senior Officials and Their Family Members, and Taking Certain Other Actions,” or other provisions of 31 CFR chapter V, or with other applicable provisions of law, including any aviation, financial, or trade requirements of agencies other than the Department of the Treasury’s Office of Foreign Assets Control. Such requirements include the Export Administration Regulations (15 CFR parts 730 through 799) administered by the Bureau of Industry and Security, Department of Commerce, and the International Traffic in Arms Regulations (22 CFR parts 120 through 138) administered by the Department of State.

(b) Continued blocking, special provisions for certain exports and reexports, and additional conditions. (1) All property and interests in property that were blocked as of May 23, 2003, pursuant to Executive Orders 12722 or 12724, or subpart B of this part, remain blocked and subject to the prohibitions and requirements of this part.

(2)(i) Any specific license issued by the Treasury Department before July 30, 2004, for the exportation from the United States, or, if subject to U.S. jurisdiction, the exportation or reexportation from a third country to Iraq of any items (including technical data or other information) controlled by the Department of Commerce under the Export Administration Regulations (15 CFR parts 730 through 799) for exportation to Iraq shall expire on the date set forth in that license, or, if no expiration date is provided in that license, on July 30, 2005.

NOTE TO §575.533(b)(2)(i): Effective July 30, 2004, with the termination of the national emergency declared in Executive Order 12722 and the revocation of that Executive order, OFAC’s authority to license exports and reexports to Iraq ceases, and the licensing jurisdiction for exports and reexports to Iraq will be transferred back to the Department of Commerce. All OFAC license applications pending but not acted upon before July 30, 2004, will be returned to applicants and applicants will be required to resubmit them to the Department of Commerce using the appropriate Department of Commerce forms.