of goods and 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 the FRY (S&H), is being specifically manufactured to fill an order from the FRY (S&H), or if the manufacturer’s sales of the particular product are predominantly to the FRY (S&H).

§ 585.412 Release of goods originating in the FRY (S&H) from a bonded warehouse or foreign trade zone. Section 585.204 does not prohibit the release from a bonded warehouse or foreign trade zone of goods originating in the FRY (S&H) imported into a bonded warehouse or a foreign trade zone either prior to the effective date or in a transaction authorized pursuant to this part after the effective date. (NOTE: property blocked pursuant to §585.201 may not be released unless authorized or licensed by the Office of Foreign Assets Control.)

§ 585.413 Imports of goods originating in the FRY (S&H), and purchases of goods from the FRY (S&H). Goods originating in the FRY (S&H) imported into the United States pursuant to an authorization or license are not blocked by the provisions of §585.201. However, any payment in connection with such importation is subject to the prohibitions contained in §§585.201 and 585.210. (58 FR 13201, Mar. 10, 1993, as amended at 60 FR 34146, June 30, 1995)

§ 585.414 Services performed in the Federal Republic of Yugoslavia (Serbia and Montenegro) or by the Government of the FRY (S&H). Services performed in the FRY (S&H), or by the Government of the FRY (S&H), as defined in §585.312, are imported into the United States when the benefit of such services is received in the United States. Services performed in the FRY (S&H) by a U.S. person outside the United States are prohibited pursuant to §§585.201 and 585.206. Services provided in the United States by a national of the FRY (S&H) resident in the United States and not acting on behalf of the Government of the FRY (S&H) are not imported into the United States.

§ 585.415 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 §585.201 if effected after May 30, 1992.

§ 585.416 Exportation of services; performance of service contracts; legal services.

(a) The prohibition on the exportation of services contained in §585.205 applies to services performed:

(1) In the United States;

(2) Outside the United States by an entity located in the United States, including its overseas branches; or

(3) Outside the United States by an individual U.S. person ordinarily resident in the United States; on behalf of the Government of the FRY (S&H), or where the benefit of such services is otherwise received in the FRY (S&H).

(b) The prohibitions contained in §§585.201 and 585.209 apply to services performed by U.S. persons, wherever located:

(1) On behalf of the Government of the FRY (S&H);

(2) With respect to property interests of the Government of the FRY (S&H); or

(3) In support of an industrial or other commercial or governmental project in the FRY (S&H).

(c) Example: U.S. persons may not, without specific authorization from the Office of Foreign Assets Control, represent an individual or entity with respect to contract negotiations, contract performance, commercial arbitration, or other business dealings with the Government of the FRY (S&H). See §585.317 on licensing policy with regard