OFAC intends to supplement this part with a more comprehensive set of regulations, which may include additional interpretive and definitional guidance and additional general licenses and statements of licensing policy.

Subpart B—Prohibitions

§ 510.201 Prohibited transactions.

(a) All transactions prohibited pursuant to Executive Order 13466 are also prohibited pursuant to this part.

NOTE TO § 510.201(a): The property and interests in property of North Korea or a North Korean national blocked pursuant to this paragraph are referred to throughout this part as "property and interests in property blocked pursuant to § 510.201(a)."

(b) All transactions prohibited pursuant to Executive Order 13551 are also prohibited pursuant to this part.

NOTE 1 TO § 510.201(b): The names of persons listed in or designated pursuant to Executive Order 13551, whose property and interests in property therefore are blocked pursuant to paragraph (b) of this section, are published in the Federal Register and incorporated into the Office of Foreign Assets Control’s Specially Designated Nationals and Blocked Persons List ("SDN List") with the identifier "[DPRK]." The SDN List is accessible through the following page on the Office of Foreign Assets Control’s Web site: http://www.treasury.gov/sdn. Additional information pertaining to the SDN List can be found in appendix A to this chapter. See § 510.406 concerning entities that may not be listed on the SDN List but whose property and interests in property are nevertheless blocked pursuant to paragraph (b) of this section.

NOTE 2 TO § 510.201(b): The International Emergency Economic Powers Act (50 U.S.C. 1701–1706), in Section 203 (50 U.S.C. 1702), authorizes the blocking of property and interests in property of a person during the pendency of an investigation. The names of persons whose property and interests in property are blocked pending investigation pursuant to paragraph (b) of this section also are published in the Federal Register and incorporated into the SDN List with the identifier "[BPI–DPRK]."

(c) All transactions prohibited pursuant to Executive Order 13570 are also prohibited pursuant to this part.

NOTE TO § 510.201: Sections 501.806 and 501.807 of this chapter describe the procedures to be followed by persons seeking, respectively, the unblocking of funds that they believe were blocked due to mistaken identity, or administrative reconsideration of the status of their property and interests in property as blocked pursuant to § 501.201(a) or of their status as persons whose property and interests in property are blocked pursuant to § 510.201(b).
§ 510.203 Holding of funds in interest-bearing accounts; investment and reinvestment.

(a) Except as provided in paragraphs (c) or (d) of this section, or as otherwise directed by the Office of Foreign Assets Control, any U.S. person holding funds, such as currency, bank deposits, or liquidated financial obligations, subject to §510.201 shall hold or place such funds in a blocked interest-bearing account located in the United States.

(b)(1) For purposes of this section, the term blocked interest-bearing account means a blocked account:
   (i) In a federally insured U.S. bank, thrift institution, or credit union, provided the funds are earning interest at rates that are commercially reasonable; or
   (ii) With a broker or dealer registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), provided the funds are invested in a money market fund or in U.S. Treasury bills.

(2) For purposes of this section, a rate is commercially reasonable if it is the rate currently offered to other depositors on deposits or instruments of comparable size and maturity.

(3) Funds held or placed in a blocked account pursuant to this paragraph (b) may not be invested in instruments the maturity of which exceeds 180 days. If interest is credited to a separate blocked account or subaccount, the name of the account party on each account must be the same.

(c) Blocked funds held in instruments the maturity of which exceeds 180 days at the time the funds become subject to §510.201 may continue to be held until maturity in the original instrument, provided any interest, earnings, or other proceeds derived therefrom are paid into a blocked interest-bearing account in accordance with paragraphs (b) or (d) of this section.

(d) Blocked funds held in accounts or instruments outside the United States at the time the funds become subject to §510.201 may continue to be held in the same type of accounts or instruments, provided the funds earn interest at rates that are commercially reasonable.

(e) This section does not create an affirmative obligation for the holder of blocked tangible property, such as chattels or real estate, or of other blocked property, such as debt or equity securities, to sell or liquidate such property. However, the Office of Foreign Assets Control may issue licenses permitting or directing such sales or liquidation in appropriate cases.