Office of Foreign Assets Control, Treasury § 561.327

(a) The state and the Government of Iran, as well as any political subdivision, agency, or instrumentality thereof;

(b) Any entity owned or controlled directly or indirectly by the foregoing;

(c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, acting or purporting to act directly or indirectly on behalf of any of the foregoing; and

(d) Any person or entity identified by the Secretary of the Treasury to be the Government of Iran under 31 CFR part 560.

§ 561.322 Entity owned or controlled by the Government of Iran.

The phrase entity owned or controlled by the Government of Iran means any entity, including a financial institution, in which the Government of Iran owns a 50 percent or greater interest or a controlling interest, and any entity, including a financial institution, which is otherwise controlled by that government.

§ 561.323 Foreign financial institution owned or controlled by the government of a foreign country.

The phrase foreign financial institution owned or controlled by the government of a foreign country means any foreign financial institution, including a central bank of a foreign country, in which a government of a foreign country owns a 50 percent or greater interest and any foreign financial institution which is otherwise controlled by a government of a foreign country.

§ 561.324 Designated Iranian financial institution.

The term designated Iranian financial institution means any Iranian financial institution whose property and interests in property are blocked solely pursuant to Executive Order 13599 of February 5, 2012.

Note to § 561.324: Facilitating significant transactions or providing significant financial services for a financial institution whose property and interests in property are blocked pursuant to parts 544 or 594 of this chapter in connection with Iran’s proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction or Iran’s support for international terrorism has, since the enactment of CISADA on July 1, 2010, constituted an activity that could subject a foreign financial institution to prohibitions or strict conditions on correspondent accounts or payable-through accounts in the United States. See § 561.201.

§ 561.325 Financial transaction.

The term financial transaction means any transfer of value involving a financial institution.

§ 561.326 Privately owned foreign financial institution.

The phrase privately owned foreign financial institution means any foreign financial institution that is not owned or controlled by the government of a foreign country.

§ 561.327 Food, medicine, and medical devices.

(a) The term food means items that are intended to be consumed by and provide nutrition to humans or animals in Iran, including vitamins and minerals, food additives and supplements, and bottled drinking water, and seeds that germinate into items that are intended to be consumed by and provide nutrition to humans or animals in Iran. For purposes of this definition, the term food does not include:

(1) Alcoholic beverages, cigarettes, gum, or fertilizer; and

(2) The following excluded food items: castor beans, castor bean seeds, raw eggs, fertilized eggs (other than fish and shrimp roe), dried egg albumin, live animals, Rosary/Jequirity peas, non-food-grade gelatin powder, and peptones and their derivatives.

(b) The term medicine has the same meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) but does not include any item listed on the
§ 561.401 Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement no. 1 (excluding items classified as EAR 99).

(c) The term medical devices has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) but does not include any item listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement no. 1 (excluding items classified as EAR 99).

§ 561.402 Effect of amendment.

Unless otherwise specifically provided, any amendment, modification, or revocation of any provision in or appendix to this part or chapter or to any regulation, ruling, order, instruction, directive, or license issued pursuant to this part refers to the same as currently amended.

§ 561.403 Facilitation of certain efforts, activities, or transactions by foreign financial institutions.

For purposes of §§561.201 and 561.203 of this part, the term facilitate or facilitated used with respect to certain efforts, activities, or transactions refers to the provision of assistance by a foreign financial institution for those efforts, activities, or transactions, including, but not limited to, the provision of currency, financial instruments, securities, or any other transmission of value; purchasing; selling; transporting; swapping; brokering; financing; approving; guaranteeing; or the provision of other services of any kind; or the provision of personnel; or the provision of software, technology, or goods of any kind.

§ 561.404 Significant transaction or transactions; significant financial services; significant financial transaction.

In determining, for purposes of §561.201(a)(5), whether a transaction is significant, whether transactions are significant, or whether financial services are significant, or, for purposes §561.203(a), whether a financial transaction is significant, the Secretary of the Treasury may consider the totality of the facts and circumstances. As a general matter, the Secretary may consider some or all of the following factors:

(a) Size, number, and frequency. The size, number, and frequency of transactions, financial services, or financial transactions performed over a period of time, including whether the transactions, financial services, or financial transactions are increasing or decreasing over time and the rate of increase or decrease.

(b) Nature. The nature of the transaction(s), financial services, or financial transaction, including the type, complexity, and commercial purpose of the transaction(s), financial services, or financial transaction.

(c) Level of Awareness; Pattern of Conduct. (1) Whether the transaction(s), financial services, or financial transaction is performed with the involvement or approval of management or only by clerical personnel; and (2) Whether the transaction(s), financial services, or financial transaction is part of a pattern of conduct or the result of a business development strategy.

(d) Nexus. The proximity between the foreign financial institution engaging in the transaction(s) or providing the financial services and a blocked person described in §561.201(a)(5), or between the foreign financial institution conducting or facilitating the financial transaction described in §561.203 and the Central Bank of Iran or a designated Iranian financial institution.