

§ 595.510 Payment of taxes and incidental fees to the Palestinian Authority.

Effective April 12, 2006, U.S. persons are authorized to pay taxes or fees to, and purchase or receive permits or public utility services from, the Palestinian Authority where such transactions are necessary and ordinarily incident to such persons' day-to-day operations. Nothing in this license authorizes a debit to an account of the Palestinian Authority on the books of a U.S. financial institution or to any account blocked pursuant to this part.

[71 FR 27201, May 10, 2006]

§ 595.511 Transactions with entities under the control of the Palestinian President and certain other entities.

(a) Effective April 12, 2006, U.S. persons are authorized to engage in all transactions otherwise prohibited under this part with the following entities and individuals:

(1) The Palestinian Authority Presidency, including only the Office of the President, Presidential Security, General Intelligence Apparatus, Governors and Governorate staff, the Attorney General's Office, the Palestine Investment Fund (PIF), the Border Crossings Administration, and the Palestine Broadcasting Corporation (including the Voice of Palestine, Wafa News Agency, and the General Public Information Agency/State Information Services);

(2) The Palestinian Judiciary, including the Higher Judicial Council;

(3) Members of the Palestinian Legislative Council (PLC) who were not elected to the PLC on the party slate of Hamas or any other Foreign Terrorist Organization (FTO), Specially Designated Terrorist (SDT), or Specially Designated Global Terrorist (SDGT); and

(4) The following independent agencies: The Central Elections Commission; the Independent Citizens Rights Commission; the General Audit Authority/External Audit Agency; and the Palestinian Monetary Authority.

(b) Effective April 12, 2006, U.S. financial institutions are authorized to reject transactions with members of the Palestinian Legislative Council (PLC)

who were elected to the PLC on the party slate of Hamas or any other Foreign Terrorist Organization (FTO), Specially Designated Terrorist (SDT), or Specially Designated Global Terrorist (SDGT), provided that any such individuals are not named on OFAC's list of Specially Designated Nationals and Blocked Persons.

(c) Nothing in this license authorizes a debit to an account of the Palestinian Authority on the books of a U.S. financial institution or to any account blocked pursuant to this part.

[71 FR 27201, May 10, 2006]

§ 595.512 Concluding activities with the Palestinian Authority.

Effective April 12, 2006, all transactions and activities with the Palestinian Authority otherwise prohibited under this part are authorized through May 12, 2006, provided that they are necessary to conclude ongoing contracts or programs with the Palestinian Authority, and further provided that no payment pursuant to this license may involve a debit to an account of the Palestinian Authority on the books of a U.S. financial institution or to any account blocked pursuant to this part.

[71 FR 27201, May 10, 2006]

§ 595.513 In-kind donations of medicine, medical devices, and medical services.

(a) Effective July 6, 2006, nongovernmental organizations that are U.S. persons are authorized to provide in-kind donations of medicine, medical devices, and medical services to the Palestinian Authority Ministry of Health, provided that such donations are strictly for distribution in the West Bank or Gaza and not intended for resale, and provided further that no payment pursuant to this license may involve a debit to an account of the Palestinian Authority on the books of a U.S. financial institution or to any account blocked pursuant to this part.

(b) For the purposes of this section only, the term medical device has the meaning given the term "device" in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321), including medical supplies, but does not

§ 595.514

include any item listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement no. 1.

NOTE TO PARAGRAPH (b): Nongovernmental organizations that are interested in providing items listed on the Commerce Control List to the Palestinian Authority Ministry of Health must apply for a specific license from the Office of Foreign Assets Control.

[71 FR 58744, Oct. 5, 2006]

§ 595.514 Transactions with the Palestinian Authority authorized.

(a) As of June 20, 2007, U.S. persons are authorized to engage in all transactions otherwise prohibited under this part with the Palestinian Authority.

(b) For purposes of this section only, the term *Palestinian Authority* means the Palestinian Authority government of Prime Minister Salam Fayyad and President Mahmoud Abbas, including all branches, ministries, offices, and agencies (independent or otherwise) thereof.

[72 FR 61518, Oct. 31, 2007]

§ 595.515 Payments from funds originating outside the United States and the formation of legal defense funds authorized.

(a) *Payments from funds originating outside the United States.* Effective December 7, 2010, receipts of payment of professional fees and reimbursement of incurred expenses for the provision of legal services authorized pursuant to § 595.506(a) are authorized from funds originating outside the United States, provided that:

(1) Prior to receiving payment for legal services authorized pursuant to § 595.506(a) rendered to persons whose property and interests in property are blocked pursuant to § 595.201(a), the U.S. person that is an attorney, law firm, or legal services organization provides to the Office of Foreign Assets Control a copy of a letter of engagement or a letter of intent to engage specifying the services to be performed and signed by the individual to whom such services are to be provided or, where services are to be provided to an entity, by a legal representative of the entity. The copy of a letter of engagement or a letter of intent to engage, accompanied by correspondence ref-

31 CFR Ch. V (7-1-13 Edition)

erencing this paragraph (a), is to be mailed to: Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW., Annex, Washington, DC 20220;

(2) The funds received by U.S. persons as payment of professional fees and reimbursement of incurred expenses for the provision of legal services authorized pursuant to § 595.506(a) must not originate from:

(i) A source within the United States;

(ii) Any source, wherever located, within the possession or control of a U.S. person; or

(iii) Any individual or entity, other than the person on whose behalf the legal services authorized pursuant to § 595.506(a) are to be provided, whose property and interests in property are blocked pursuant to any part of this chapter or any Executive order;

NOTE TO PARAGRAPH (a)(2) OF § 595.515: This paragraph authorizes the blocked person on whose behalf the legal services authorized pursuant to § 595.506(a) are to be provided to make payments for authorized legal services using funds originating outside the United States that were not previously blocked. Nothing in this paragraph authorizes payments for legal services using funds in which any other person whose property and interests in property are blocked pursuant to § 595.201(a) or any other part of this chapter holds an interest.

(3) *Reports.* (i) U.S. persons who receive payments in connection with legal services authorized pursuant to § 595.506(a) must submit quarterly reports no later than 30 days following the end of the calendar quarter during which the payments were received providing information on the funds received. Such reports shall specify:

(A) The individual or entity from whom the funds originated and the amount of funds received; and

(B) If applicable:

(1) The names of any individuals or entities providing related services to the U.S. person receiving payment in connection with authorized legal services, such as private investigators or expert witnesses;

(2) A general description of the services provided; and

(3) The amount of funds paid in connection with such services.