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The White House,
Dated: April 3, 2014.

Barack Obama.

[79 FR 37190, July 1, 2014]

PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS

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AUTHORITY: 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 22 U.S.C. 2349aa–9; 22 U.S.C. 7201–7211; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110–96, 121 Stat. 1011 (50 U.S.C. 1705 note); Pub. L. 111–195, 124 Stat. 1312 (22 U.S.C. 8501–8551); Pub. L. 112–81, 125 Stat. 1298 (22 U.S.C. 8513a); Pub. L. 112–158, 126 Stat. 1214 (22 U.S.C. 8701–8795); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13846, 83 FR 38939.

SOURCE: 77 FR 64666, Oct. 22, 2012, unless otherwise noted.

Subpart A—Relation of This Part to Other Laws and Regulations

§ 560.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, including part 535 of this chapter, ''Iranian Assets Control Regulations,'' part 561 of this chapter, ''Iranian Financial Sanctions Regulations,'' and part 562 of this chapter, ''Iranian Human Rights Abuses Sanctions Regulations,'' with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. Actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. Differing foreign policy and national security circumstances may result in differing interpretations of similar language among the parts of this chapter. No license or authorization contained in or issued pursuant to those other parts authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to any other provision of law or regulation authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations.

Subpart B—Prohibitions

§ 560.201 Prohibited importation of goods or services from Iran.

Except as otherwise authorized pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to May 7, 1995, the importation into the United States of any goods or services of Iranian origin or owned or controlled by the Government of Iran, other than information and informational materials within the meaning of section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)), is prohibited.

§ 560.202 [Reserved]

§ 560.203 Evasions; attempts; causing violations; conspiracies.

(a) Any transaction on or after the effective date that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this part is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this part is prohibited.

§ 560.204 Prohibited exportation, reexportation, sale, or supply of goods, technology, or services to Iran.

Except as otherwise authorized pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to May 7, 1995, the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran is prohibited, including the exportation, reexportation, sale, or supply of any goods, technology, or services to a person in a third country undertaken with knowledge or reason to know that:

(a) Such goods, technology, or services are intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran or the Government of Iran; or

(b) Such goods, technology, or services are intended specifically for use in the production of, for commingling with, or for incorporation into goods, technology, or services to be directly or indirectly supplied, transshipped, or reexported exclusively or predominantly to Iran or the Government of Iran.

§ 560.205 Prohibited reexportation of goods, technology, or services to Iran or the Government of Iran by persons other than United States persons; exceptions.

(a) Except as otherwise authorized pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to May 7, 1995, the reexportation from a third country, directly or indirectly, by a person other than a United States person, of any goods, technology, or services that have been exported from the United States is prohibited, if:

(1) Undertaken with knowledge or reason to know that the reexportation is intended specifically for Iran or the Government of Iran; and

(2) The exportation of such goods, technology, or services from the United States to Iran was subject to export license application requirements under any United States regulations in effect on May 6, 1995, or thereafter is made subject to such requirements imposed independently of this part (see § 560.414).

(b) The prohibitions of paragraph (a) of this section shall not apply to those goods or that technology subject to export license application requirements if such goods or technology have been:

(1) Substantially transformed into a foreign-made product outside the United States; or

(2) Incorporated into a foreign-made product outside the United States if the aggregate value of such goods and technology described in paragraph (a)(2) of this section constitutes less than 10 percent of the total value of the foreign-made product to be exported from a third country (see § 560.420).

NOTE TO § 560.205(b): The reexportation of U.S.-origin goods or technology, including U.S.-origin goods or technology that have been incorporated or substantially transformed into a foreign-made product, not prohibited by this section, may require authorization by the U.S. Department of Commerce under the Export Administration Regulations (15 CFR parts 730–774) or by the U.S. State Department under the International Traffic in Arms Regulations (22 CFR 123.9).

(c) Reexportation by United States persons or from the United States is governed by other sections in this part, including §§ 560.204 and 560.206.

§ 560.206 Prohibited trade-related transactions with Iran; goods, technology, or services.

(a) Except as otherwise authorized pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to May 7, 1995, no United States person, wherever located, may engage in any transaction or dealing in or related to:

(1) Goods or services of Iranian origin or owned or controlled by the Government of Iran; or

(2) Goods, technology, or services for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran.

(b) For purposes of paragraph (a) of this section, the term transaction or dealing includes but is not limited to purchasing, selling, transporting, swapping, brokering, approving, financing, facilitating, or guaranteeing.

§ 560.207 Prohibited investment.

Except as otherwise authorized pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to May 7, 1995, any new investment by a United States person in Iran or in property (including entities) owned or controlled by the Government of Iran is prohibited.

§ 560.208 Prohibited facilitation by United States persons of transactions by foreign persons.

Except as otherwise authorized pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to May 7, 1995, no United States person, wherever located, may approve, finance, facilitate, or guarantee any transaction by a foreign person where the transaction by that foreign person would be prohibited by this part if performed by a United States person or within the United States.

§ 560.209 Prohibited transactions with respect to the development of Iranian petroleum resources.

Except as otherwise authorized, and notwithstanding any contract entered into or any license or permit granted prior to March 16, 1995, the following are prohibited:

(a) The entry into or performance by a United States person, or the approval by a United States person of the entry into or performance by an entity owned or controlled by a United States person, of:

(1) A contract that includes overall supervision and management responsibility for the development of petroleum resources located in Iran, or

(2) A guaranty of another person's performance under such contract; or

(b) The entry into or performance by a United States person, or the approval by a United States person of the entry into or performance by an entity owned or controlled by a United States person, of:

(1) A contract for the financing of the development of petroleum resources located in Iran, or

(2) A guaranty of another person's performance under such a contract.

§ 560.210 Exempt transactions.

(a) *Personal communications.* The prohibitions contained in this part do not apply to any postal, telegraphic, telephonic, or other personal communication that does not involve the transfer of anything of value.

(b) *Humanitarian donations.* The prohibitions of §§ 560.204 and 560.206 do not apply to donations by United States persons of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering.

(c) *Information or informational materials.* (1) The prohibitions contained in this part do not apply to the importation from any country and the exportation to any country of information or informational materials, as defined in § 560.315, whether commercial or otherwise, regardless of format or medium of transmission.

(2) This section does not exempt from regulation or authorize transactions related to information or informational materials not fully created and in existence at the date of the transactions, or to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services. Such prohibited transactions include, but are not limited to, payment of advances for information or informational materials not yet created and completed (with the exception of prepaid subscriptions for widely circulated magazines and other periodical publications); provision of services to market, produce or co-produce, create, or assist in the creation of information or informational materials; and payment of royalties with respect to income received for enhancements or alterations made by U.S. persons to such information or informational materials.

(3) This section does not exempt or authorize transactions incident to the exportation of software subject to the Export Administration Regulations, 15 CFR parts 730 through 774, or to the exportation of goods (including software) or technology for use in the transmission of any data, or to the provision, sale, or leasing of capacity on telecommunications transmission facilities (such as satellite or terrestrial network connectivity) for use in the

transmission of any data. The exportation of such items or services and the provision, sale, or leasing of such capacity or facilities to Iran, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 are prohibited.

NOTE TO PARAGRAPH (c)(3) OF § 560.210: *See* § 560.540 of this part for a general license authorizing the exportation to persons in Iran of certain services and software incident to the exchange of personal communications over the Internet.

(d) *Travel*. The prohibitions contained in this part do not apply to transactions ordinarily incident to travel to or from any country, including importation or exportation of accompanied baggage for personal use, maintenance within any country including payment of living expenses and acquisition of goods or services for personal use, and arrangement or facilitation of such travel including nonscheduled air, sea, or land voyages.

(e) *Official Business*. The prohibitions in § 560.211(a) through (c)(1) do not apply to transactions for the conduct of the official business of the Federal Government by employees, grantees, or contractors thereof.

(f) The prohibitions in § 560.211 do not apply to property and interests in property of the Government of Iran that were blocked pursuant to Executive Order 12170 of November 14, 1979, and thereafter made subject to the transfer directives set forth in Executive Order 12281 of January 19, 1981, and implementing regulations thereunder.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75847, Dec. 26, 2012]

§ 560.211 Prohibited transactions involving blocked property.

(a) All property and interests in property of the Government of Iran, including the Central Bank of Iran, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any foreign branch, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(b) All property and interests in property of any Iranian financial institution, including the Central Bank of Iran, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any foreign branch, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(c)(1) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any foreign branch, of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(i) Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to paragraphs (a) through (c)(1)(i) of this section; or

(ii) Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(A) To have, on or after August 7, 2018, materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the purchase or acquisition of U.S. bank notes or precious metals by the Government of Iran; or

(B) To have, on or after November 5, 2018, materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the National Iranian Oil Company (NIOC); the Naftiran Intertrade Company (NICO); any entity owned or controlled by, or operating for or on behalf of, NIOC or NICO; or the Central Bank of Iran.

(2) Paragraph (c)(1)(ii) of this section shall not apply with respect to any person for conducting or facilitating a transaction involving a project—

(i) For the development of natural gas and the construction and operation of a pipeline to transport natural gas from Azerbaijan to Turkey and Europe;

(ii) That provides to Turkey and countries in Europe energy security and energy independence from the Government of the Russian Federation and the Government of Iran; and

(iii) That was initiated before August 10, 2012 pursuant to a production-sharing agreement, or an ancillary agreement necessary to further a production-sharing agreement, entered into with, or a license granted by, the government of a country other than Iran before August 10, 2012.

NOTE TO PARAGRAPH (c)(2) OF § 560.211: The natural gas development and pipeline project referred to in this paragraph is the project to develop the Shah Deniz natural gas field in Azerbaijan's sector of the Caspian Sea and related pipeline projects to bring the gas from Azerbaijan to Europe and Turkey.

NOTE 1 TO PARAGRAPHS (a) THROUGH (c) OF § 560.211: The names of persons that the Office of Foreign Assets Control (OFAC) has designated or identified pursuant to Executive Order 13599 (E.O. 13599) or sections 1(a)(i) or 1(a)(ii) of Executive Order 13846, whose property and interests in property therefore are blocked pursuant to this section, are published in the FEDERAL REGISTER and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) with the identifier ''[IRAN].'' The SDN List is accessible through the following page on OFAC's website: *www.treasury.gov/sdn*. Additional information pertaining to the SDN List can be found in appendix A to this chapter. *See* § 560.425 concerning entities that may not be listed on the SDN List but whose property and interests in property are nevertheless blocked pursuant to this section. E.O. 13599 blocks the property and interests in property of the Government of Iran and Iranian financial institutions, as defined in § 560.304 and § 560.324, respectively. The property and interests in property of persons who meet the definitions of the terms *Government of Iran* or *Iranian financial institution* are blocked pursuant to this section regardless of whether the names of such persons are published in the FEDERAL REGISTER or incorporated into the SDN List.

NOTE 2 TO PARAGRAPHS (a) THROUGH (c) OF § 560.211: 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 this section also are published in the FEDERAL REGISTER and incorporated into the SDN List with the identifier ''[BPI–IRAN].''

(d) The prohibitions in paragraphs (a) through (c) of this section include, but are not limited to, prohibitions on the following transactions:

(1) The making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to paragraphs (a) through (c) of this section; and

(2) The receipt of any contribution or provision of funds, goods, or services from any person whose property and interests in property are blocked pursuant to paragraphs (a) through (c) of this section.

(e) Unless authorized by this part or by a specific license expressly referring to this section, any dealing in any security (or evidence thereof) held within the possession or control of a U.S. person and either registered or inscribed in the name of, or known to be held for the benefit of, or issued by, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to this section is prohibited. This prohibition includes but is not limited to the transfer (including the transfer on the books of any issuer or agent thereof), disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guaranty of signatures on, any such security on or after the effective date. This prohibition applies irrespective of the fact that at any time (whether prior to, on, or subsequent to the effective date) the registered or inscribed owner of any such security may have or might appear to have assigned, transferred, or otherwise disposed of the security.

(f) The prohibitions in paragraphs (a) through (c) of this section apply except to the extent transactions are authorized by regulations, orders, directives, rulings, instructions, licenses, or otherwise, and notwithstanding any contracts entered into or any license or permit granted prior to the effective date.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75847, Dec. 26, 2012; 81 FR 3332, Jan. 21, 2016; 83 FR 55270, Nov. 5, 2018]

§ 560.212 Effect of transfers violating the provisions of this part.

(a) Any transfer after the effective date that is in violation of any provision of this part or of any regulation, order, directive, ruling, instruction, or license issued pursuant to this part, and that involves any property or interest in property blocked pursuant to § 560.211, is null and void and shall not be the basis for the assertion or recognition of any interest in or right, remedy, power, or privilege with respect to such property or property interests.

(b) No transfer before the effective date shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or any interest in, any property or interest in property blocked pursuant to § 560.211, unless the person who holds or maintains such property, prior to that date, had written notice of the transfer or by any written evidence had recognized such transfer.

(c) Unless otherwise provided, a license or other authorization issued by the Office of Foreign Assets Control before, during, or after a transfer shall validate such transfer or make it enforceable to the same extent that it would be valid or enforceable but for the provisions of this part and any regulation, order, directive, ruling, instruction, or license issued pursuant to this part.

(d) Transfers of property that otherwise would be null and void or unenforceable by virtue of the provisions of this section shall not be deemed to be null and void or unenforceable as to any person with whom such property is or was held or maintained (and as to such person only) in cases in which such person is able to establish to the satisfaction of the Office of Foreign Assets Control each of the following:

(1) Such transfer did not represent a willful violation of the provisions of this part by the person with whom such property is or was held or maintained (and as to such person only);

(2) The person with whom such property is or was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization issued pursuant to this part and was not so licensed or authorized, or, if a license or authorization did purport to cover the transfer, that such license or authorization had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained; and

(3) The person with whom such property is or was held or maintained filed with the Office of Foreign Assets Control a report setting forth in full the circumstances relating to such transfer promptly upon discovery that:

(i) Such transfer was in violation of the provisions of this part or any regulation, ruling, instruction, license, or other directive or authorization issued pursuant to this part;

(ii) Such transfer was not licensed or authorized by the Office of Foreign Assets Control; or

(iii) If a license did purport to cover the transfer, such license had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained.

NOTE TO PARAGRAPH (d) OF § 560.212: The filing of a report in accordance with the provisions of paragraph (d)(3) of this section shall not be deemed evidence that the terms of paragraphs (d)(1) and (d)(2) of this section have been satisfied.

(e) Unless licensed pursuant to this part, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property and interests in property blocked pursuant to § 560.211.

§ 560.213 Holding of funds in interest-bearing accounts; investment and reinvestment.

(a) Except as provided in paragraphs (e) or (f) 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 § 560.211 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) Funds held or placed in a blocked account pursuant to paragraph (a) of this section may not be invested in instruments the maturity of which exceeds 180 days.

(c) 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.

(d) For purposes of this section, if interest is credited to a separate blocked account or subaccount, the name of the account party on each account must be the same.

(e) Blocked funds held in instruments the maturity of which exceeds 180 days at the time the funds become subject to § 560.211 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 (a) or (f) of this section.

(f) Blocked funds held in accounts or instruments outside the United States at the time the funds become subject to § 560.211 may continue to be held in the same type of accounts or instruments, provided the funds earn interest at rates that are commercially reasonable.

(g) 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.

(h) Funds subject to this section may not be held, invested, or reinvested in a manner that provides immediate financial or economic benefit or access to any person whose property and interests in property are blocked pursuant to § 560.211, nor may their holder cooperate in or facilitate the pledging or other attempted use as collateral of blocked funds or other assets.

§ 560.214 Expenses of maintaining blocked physical property; liquidation of blocked property.

(a) Except as otherwise authorized, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or contract entered into or any license or permit granted prior to the effective date, all expenses incident to the maintenance of physical property blocked pursuant to § 560.211 shall be the responsibility of the owners or operators of such property, which expenses shall not be met from blocked funds.

(b) Property blocked pursuant to § 560.211 may, in the discretion of the Office of Foreign Assets Control, be sold or liquidated and the net proceeds placed in a blocked interest-bearing account in the name of the owner of the property.

§ 560.215 Prohibitions on foreign entities owned or controlled by U.S. persons.

(a) Except as otherwise authorized pursuant to this part, an entity that is owned or controlled by a United States person and established or maintained outside the United States is prohibited from knowingly engaging in any transaction, directly or indirectly, with the Government of Iran or any person subject to the jurisdiction of the Government of Iran that would be prohibited pursuant to this part if engaged in by a United States person or in the United States.

NOTE TO PARAGRAPH (a) OF § 560.215: If a transaction is exempt from the prohibitions of this part if engaged in by a U.S. person, it would not be prohibited for an entity that is owned or controlled by a United States person and established or maintained outside the United States (a ''U.S.-owned or -controlled foreign entity'') to engage in the transaction to the same extent that it would not be prohibited for the U.S. person to engage in the transaction and provided that the U.S.-owned or -controlled foreign entity

satisfies all the requirements of the exemption. *See also* § 560.556 of this part for a general license authorizing a U.S.-owned or -controlled foreign entity to engage in a transaction otherwise prohibited by § 560.215 that would be authorized by a general license set forth in or issued pursuant to this part if engaged in by a U.S. person or in the United States, subject to certain exclusions. Finally, if a transaction prohibited by § 560.215 is one for which a U.S. person might apply for a specific license—for example, the exportation of medical devices to Iran—a U.S.-owned or -controlled foreign entity may apply for a specific license to engage in the transaction.

(b) *Definitions:* (1) For purposes of paragraph (a) of this section, an entity is ''owned or controlled'' by a United States person if the United States person:

(i) Holds a 50 percent or greater equity interest by vote or value in the entity;

(ii) Holds a majority of seats on the board of directors of the entity; or

(iii) Otherwise controls the actions, policies, or personnel decisions of the entity.

(2) For purposes of paragraph (a) of this section, the term *knowingly* means that the person engages in the transaction with actual knowledge or reason to know.

(3) For purposes of paragraph (a) of this section, a person is ''subject to the jurisdiction of the Government of Iran'' if the person is organized under the laws of Iran or any jurisdiction within Iran, ordinarily resident in Iran, or in Iran, or owned or controlled by any of the foregoing.

NOTE TO PARAGRAPH (b) OF § 560.215: *See* § 560.304 of this part for the definition of the term *Government of Iran*.

(c) The prohibition in paragraph (a) of this section does not apply to any activity relating to a project:

(1) For the development of natural gas and the construction and operation of a pipeline to transport natural gas from Azerbaijan to Turkey and Europe;

(2) That provides to Turkey and countries in Europe energy security and energy independence from the Government of the Russian Federation and the Government of Iran; and

(3) That was initiated before August 10, 2012, pursuant to a production-sharing agreement, or an ancillary agreement necessary to further a production-sharing agreement, entered into with, or a license granted by, the government of a country other than Iran before August 10, 2012.

NOTE TO PARAGRAPH (c) OF § 560.215: The exemption in paragraph (c) of this section applies to the Shah Deniz natural gas field in Azerbaijan's sector of the Caspian Sea and related pipeline projects to bring the gas from Azerbaijan to Europe and Turkey.

(d) The prohibition in paragraph (a) of this section does not apply to the authorized intelligence activities of the United States Government.

NOTE TO § 560.215: A U.S. person is subject to the civil penalties provided for in section 206(b) of the International Emergency Economic Powers Act (''IEEPA'') (50 U.S.C. 1705(b)) if any foreign entity that it owns or controls violates the prohibition set forth in this section. *See* § 560.701(a)(3) of this part for civil penalties.

[77 FR 75848, Dec. 26, 2012]

Subpart C—General Definitions

§ 560.301 Effective date.

The term *effective date* refers to the effective date of the applicable prohibitions and directives contained in this part as follows:

(a) With respect to the prohibitions and directives in § 560.201 and §§ 560.204 through 560.209 is 12:01 a.m., Eastern Daylight Time, August 20, 1997. For the effective date of pre-existing regulations and directives, see the Executive orders in the Authority citation for this part and implementing regulations.

(b) With respect to prohibited transfers or other dealings in blocked property and interests in property of the Government of Iran, as defined in § 560.304, and Iranian financial institutions, as defined in § 560.324, 12:01 a.m. eastern standard time, February 6, 2012; and

(c) With respect to a person whose property and interests in property are otherwise blocked pursuant to paragraph (c) of § 560.211, the earlier of the date of actual or constructive notice that such person's property and interests in property are blocked.

§ 560.302 [Reserved]

§ 560.303 Iran; Iranian.

The term *Iran* means the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to an international agreement. The term *Iranian* means pertaining to Iran as defined in this section.

§ 560.304 Government of Iran.

The term *Government of Iran* includes:

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

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

(c) Any person to the extent that such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly, for or on behalf of the foregoing; and

(d) Any other person determined by the Office of Foreign Assets Control to be included within paragraphs (a) through (c) of this section.

NOTE 1 TO § 560.304: The names of persons that the Office of Foreign Assets Control (OFAC) has identified as meeting this definition are published in the FEDERAL REGISTER and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) with the identifier ''[IRAN].'' The SDN List is accessible through the following page on OFAC's website: *www.treasury.gov/sdn*. However, the property and interests in property of any persons meeting the definition of the term *Government of Iran* are blocked pursuant to § 560.211 regardless of whether the names of such persons are published in the FEDERAL REGISTER or incorporated into the SDN List.

NOTE 2 TO § 560.304: Section 501.807 of this chapter describes the procedures to be followed by persons seeking administrative reconsideration of OFAC's determination that they fall within the definition of the term *Government of Iran*.

[77 FR 64666, Oct. 22, 2012, as amended at 81 FR 3332, Jan. 21, 2016; 83 FR 55271, Nov. 5, 2018]

§ 560.305 Person; entity.

(a) The term *person* means an individual or entity.

(b) The term *entity* means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.

§ 560.306 Iranian-origin goods or services; goods or services owned or controlled by the Government of Iran.

(a) Except as provided in paragraph (b) of this section, the terms *goods of Iranian origin* and *Iranian-origin goods* include:

(1) Goods grown, produced, manufactured, extracted, or processed in Iran; and

(2) Goods that have entered into Iranian commerce.

(b) The terms *goods of Iranian origin* and *Iranian-origin goods* do not include the following categories of goods, provided that such goods were not grown, produced, manufactured, extracted, or processed in Iran:

(1) Goods exported or reexported to Iran under an authorization issued pursuant to this part and that have subsequently been reexported from and are located outside of Iran; or

(2) Goods transported on a vessel or aircraft, as well as the vessel or aircraft itself, that passed though Iranian territorial waters or stopped at a port or place in Iran en route to a destination outside of Iran and that have not otherwise come into contact with Iran.

NOTE TO PARAGRAPH (b)(2) OF § 560.306: Pursuant to this section, goods that are temporarily offloaded from a vessel in Iranian territorial waters or at a port or place in Iran and reloaded onto the same vessel or another vessel in the same location en route to a destination outside of Iran and that have not otherwise come into contact with Iran are not considered goods of Iranian origin. Similarly, goods that are offloaded from an aircraft at a place in Iran and reloaded onto the same aircraft or another aircraft in the same location en route to a destination outside of Iran and that have not otherwise come into contact with Iran are not considered goods of Iranian origin.

(c) The terms *services of Iranian origin* and *Iranian-origin services* include:

(1) Services performed in Iran or by an entity organized under the laws of

Iran or any jurisdiction within Iran, or a person residing in Iran; and

(2) Services performed outside Iran by a citizen, national or permanent resident of Iran who is ordinarily resident in Iran, or by an entity organized under the laws of Iran or any jurisdiction within Iran.

(d) The term *goods or services owned or controlled by the Government of Iran* includes:

(1) Goods grown, produced, manufactured, extracted or processed by the Government of Iran or goods in its possession or control; and

(2) Services performed by the Government of Iran.

(e) The terms *services of Iranian-origin*, *Iranian-origin services*, and *services owned or controlled by the Government of Iran* do not include:

(1) Diplomatic and consular services performed by or on behalf of the Government of Iran;

(2) Diplomatic and consular services performed by or on behalf of the Government of the United States; or

(3) Services performed outside Iran by an Iranian citizen or national who is resident in the United States or a third country, provided such services are not performed by or on behalf of the Government of Iran (other than diplomatic and consular services), an entity organized under the laws of Iran or any jurisdiction within Iran, or a person located in Iran.

[77 FR 64666, Oct. 22, 2012, as amended at 81 FR 94257, Dec. 23, 2016]

§ 560.307 United States.

The term *United States* means the United States, its territories and possessions, and all areas under the jurisdiction or authority thereof.

§ 560.308 Importation of goods.

With respect to goods (including software), the term *importation* means the bringing of any goods into the United States, except that in the case of goods transported by vessel, *importation* means the bringing of any goods into the United States with the intent to unlade them.

§ 560.309 [Reserved]

§ 560.310 License.

Except as otherwise specified, the term *license* means any license or authorization contained in or issued pursuant to this part.

§ 560.311 General license.

The term *general license* means any license or authorization the terms of which are set forth in subpart E of this part.

§ 560.312 Specific license.

The term *specific license* means any license or authorization not set forth in subpart E of this part but issued pursuant to this part.

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

The term *entity owned or controlled by the Government of Iran* includes any corporation, partnership, association, or other entity in which the Government of Iran owns a 50 percent or greater interest or a controlling interest, and any entity which is otherwise controlled by that government.

§ 560.314 United States person; U.S. person.

The term *United States person* or *U.S. person* means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

§ 560.315 Information or informational materials.

(a) For purposes of this part, the term *information or informational materials* includes, but is not limited to, publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds.

NOTE TO PARAGRAPH (a) OF § 560.315: To be considered information or informational materials, artworks must be classified under chapter heading 9701, 9702, or 9703 of the Harmonized Tariff Schedule of the United States.

(b) The term *information or informational materials,* with respect to exports, does not include items:

(1) That were, as of April 30, 1994, or that thereafter become, controlled for export pursuant to section 5 of the Export Administration Act of 1979 (50 U.S.C. App. 2401–2420, the ''EAA''), or section 6 of the EAA to the extent that such controls promote the nonproliferation or antiterrorism policies of the United States; or

(2) With respect to which acts are prohibited by 18 U.S.C. chapter 37.

§ 560.316 New investment.

The term *new investment* means a transaction after 12:01 Eastern Daylight Time, May 7, 1995, that constitutes:

(a) A commitment or contribution of funds or other assets; or

(b) A loan or other extension of credit, as defined in § 560.317.

§ 560.317 Credits or loans.

The term *credits* or *loans* means any transfer or extension of funds or credit on a basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit, including but not limited to: Overdrafts; currency swaps; purchases of debt securities issued by the Government of Iran; purchases of a loan made by another person; sales of financial assets subject to an agreement to repurchase; renewals or refinancings whereby funds or credits are transferred to or extended to a prohibited borrower or prohibited recipient; the issuance of standby letters of credit; and drawdowns on existing lines of credit.

§ 560.318 [Reserved]

§ 560.319 United States depository institution.

The term *United States depository institution* means any entity (including its foreign branches) organized under the laws of the United States or any jurisdiction within the United States, or any agency, office, or branch located in the United States of a foreign entity, that is engaged primarily in the business of banking (for example, banks, savings banks, savings associations, credit unions, trust companies, and United States bank holding companies).

§ 560.320 Iranian accounts.

The term *Iranian accounts* means accounts of persons who are ordinarily resident in Iran, except when such persons are not located in Iran, or of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 of this part, maintained on the books of either a United States depository institution or a United States registered broker or dealer in securities.

§ 560.321 United States registered broker or dealer in securities.

The term *United States registered broker or dealer in securities* means any U.S. citizen, permanent resident alien, or entity organized under the laws of the United States or of any jurisdiction within the United States (including its foreign branches), or any agency, office or branch of a foreign entity located in the United States, that:

(a) Is a ''broker'' or ''dealer'' in securities within the meanings set forth in the Securities Exchange Act of 1934;

(b) Holds or clears customer accounts; and

(c) Is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

§ 560.322 Blocked account; blocked property.

The terms *blocked account* and *blocked property* shall mean any account or property subject to the prohibitions in § 560.211 held in the name of the Government of Iran, any Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, or in which the Government of Iran, an Iranian financial institution, or such person has an interest, and with respect to which payments, transfers, exportations, withdrawals, or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control expressly authorizing such action.

NOTE TO § 560.322: See § 560.425 concerning the blocked status of property and interests

in property of an entity that is 50 percent or more owned by a person whose property and interests in property are blocked pursuant to § 560.211.

§ 560.323 Interest.

Except as otherwise provided in this part, the term *interest*, when used with respect to property (*e.g.*, ''an interest in property''), means an interest of any nature whatsoever, direct or indirect.

§ 560.324 Iranian financial institution.

The term *Iranian financial institution* means any entity (including foreign branches), wherever located, organized under the laws of Iran or any jurisdiction within Iran, or owned or controlled by the Government of Iran, or in Iran, or owned or controlled by any of the foregoing, that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, money service businesses, trust companies, insurance companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and holding companies, affiliates, or subsidiaries of any of the foregoing.

NOTE 1 TO § 560.324: The names of persons that the Office of Foreign Assets Control (OFAC) has identified as meeting this definition are published in the FEDERAL REGISTER and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) with the identifier ''[IRAN].'' The SDN List is accessible through the following page on OFAC's website: *www.treasury.gov/sdn*. However, the property and interests in property of any persons meeting the definition of the term *Iranian financial institution* are blocked pursuant to § 560.211 regardless of whether the names of such persons are published in the FEDERAL REGISTER or incorporated into the SDN List.

NOTE 2 TO § 560.324: Section 501.807 of this chapter describes the procedures to be followed by persons seeking administrative reconsideration of OFAC's determination that they fall within the definition of the term *Iranian financial institution*.

[77 FR 64666, Oct. 22, 2012, as amended at 81 FR 3332, Jan. 21, 2016; 83 FR 55271, Nov. 5, 2018]

§ 560.325 Property; property interest.

The terms *property* and *property interest* include, but are not limited to, money, checks, drafts, bullion, bank deposits, savings accounts, debts, indebtedness, obligations, notes, guarantees, debentures, stocks, bonds, coupons, any other financial instruments, bankers acceptances, mortgages, pledges, liens or other rights in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, any other evidences of title, ownership or indebtedness, letters of credit and any documents relating to any rights or obligations thereunder, powers of attorney, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate mortgages, deeds of trust, vendors' sales agreements, land contracts, leaseholds, ground rents, real estate and any other interest therein, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks or copyrights, insurance policies, safe deposit boxes and their contents, annuities, pooling agreements, services of any nature whatsoever, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future, or contingent.

§ 560.326 Transfer.

The term *transfer* means any actual or purported act or transaction, whether or not evidenced by writing, and whether or not done or performed within the United States, the purpose, intent, or effect of which is to create, surrender, release, convey, transfer, or alter, directly or indirectly, any right, remedy, power, privilege, or interest with respect to any property. Without limitation on the foregoing, it shall include the making, execution, or delivery of any assignment, power, conveyance, check, declaration, deed, deed of

trust, power of attorney, power of appointment, bill of sale, mortgage, receipt, agreement, contract, certificate, gift, sale, affidavit, or statement; the making of any payment; the setting off of any obligation or credit; the appointment of any agent, trustee, or fiduciary; the creation or transfer of any lien; the issuance, docketing, filing, or levy of or under any judgment, decree, attachment, injunction, execution, or other judicial or administrative process or order, or the service of any garnishment; the acquisition of any interest of any nature whatsoever by reason of a judgment or decree of any foreign country; the fulfillment of any condition; the exercise of any power of appointment, power of attorney, or other power; or the acquisition, disposition, transportation, importation, exportation, or withdrawal of any security.

§ 560.327 U.S. financial institution.

The term *U.S. financial institution* means any U.S. entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions' foreign branches, offices, or agencies.

Subpart D—Interpretations

§ 560.401 Reference to amended sections.

Except as otherwise specified, reference to 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.

§ 560.402 Effect of amendment.

Unless otherwise specifically provided, any amendment, modification, or revocation of any provision in or appendix to this part or chapter or of any order, regulation, ruling, instruction, or license issued by the Office of Foreign Assets Control does not affect any act done or omitted, or any civil or criminal proceeding commenced or pending, prior to such amendment, modification, or revocation. All penalties, forfeitures, and liabilities under any such order, regulation, ruling, instruction, or license continue and may be enforced as if such amendment, modification, or revocation had not been made.

§ 560.403 Transshipment or transit through Iran.

The prohibitions in §§ 560.204, 560.206, and 560.208 apply to export, reexport or supply transactions which require a transshipment or transit of goods or technology through Iran to third countries.

§ 560.404 [Reserved]

§ 560.405 Transactions ordinarily incident to a licensed transaction authorized.

Any transaction ordinarily incident to a licensed transaction and necessary to give effect thereto is also authorized, except:

(a) An ordinarily incident transaction, not explicitly authorized within the terms of the license, involving a debit to a blocked account or a transfer of blocked property;

(b) Payments or transfers of funds;

NOTE TO PARAGRAPH (b) OF § 560.405: *See* § 560.516 for a general license authorizing United States depository institutions or United States registered brokers or dealers in securities to process transfers of funds if the transfer arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction authorized by a specific or general license issued pursuant to, or set forth in, this part.

(c) Provision of any transportation services to or from Iran not explicitly

authorized in or pursuant to this part other than loading, transporting, and discharging licensed or exempt cargo there;

(d) Distribution or leasing in Iran of any containers or similar goods owned or controlled by United States persons after the performance of transportation services to Iran;

(e) Financing of sales for the exportation or reexportation of agricultural commodities, medicine, and medical devices that is authorized by general or specific license pursuant to § 560.530; and

NOTE TO PARAGRAPH (e) OF § 560.405: *See* § 560.530(a)(2) through (4) for general licenses authorizing, with certain exceptions, the exportation or reexportation of agricultural commodities, medicine, medical supplies, and replacement parts for certain medical devices to the Government of Iran, individuals or entities in Iran, or persons in third countries purchasing specifically for resale to any of the foregoing. These general licenses also authorize the conduct of related transactions, including, but not limited to, financing and payment, provided that payment terms and financing are limited to, and consistent with, § 560.532, which sets forth payment terms for sales authorized by one of the general licenses set forth in paragraphs (a)(2) through (4) of § 560.530 or by a specific license issued pursuant to paragraph (a)(1) of the same section.

(f) Letter of credit services relating to transactions authorized in § 560.534. See § 560.535(a).

[77 FR 64666, Oct. 22, 2012, as amended at 79 FR 18993, Apr. 7, 2014; 81 FR 3332, Jan. 21, 2016]

§ 560.406 Transshipment or transit through the United States.

(a) The prohibitions in § 560.201 apply to the importation into the United States, for transshipment or transit, of Iranian-origin goods or goods owned or controlled by the Government of Iran which are intended or destined for third countries.

(b) The prohibitions in § 560.204 apply to the transshipment or transit of foreign goods through the United States which are intended or destined for Iran or the Government of Iran, including entities owned or controlled by the Government of Iran.

(c) Goods in which the Government of Iran, any Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 has an interest which are imported into or transshipped through the United States are subject to the prohibitions in § 560.211.

§ 560.407 Transactions related to Iranian-origin goods.

(a) Importation into the United States from third countries of goods containing Iranian-origin raw materials or components and transactions relating to such goods are not prohibited by § 560.201 or § 560.206 if those raw materials or components have been incorporated into manufactured products or substantially transformed in a third country by a person other than a United States person.

(b) Transactions relating to Iranian-origin goods that have not been incorporated into manufactured products or substantially transformed in a third country are prohibited.

§ 560.408 Importation into and release from a bonded warehouse or foreign trade zone.

The prohibitions in § 560.201 apply to importation into a bonded warehouse or a foreign trade zone of the United States.

§ 560.409 [Reserved]

§ 560.410 Provision of services.

(a) The prohibition on the exportation, reexportation, sale or supply of services contained in § 560.204 applies to services performed on behalf of a person in Iran or the Government of Iran or where the benefit of such services is otherwise received in Iran, if such services are performed:

(1) In the United States, or

(2) Outside the United States by a United States person, including by an overseas branch of an entity located in the United States.

(b) The benefit of services performed anywhere in the world on behalf of the Government of Iran is presumed to be received in Iran.

(c) The prohibitions on transactions involving blocked property contained in § 560.211 apply to services performed in the United States or by U.S. persons,

wherever located, including by an overseas branch of an entity located in the United States:

(1) On behalf of or for the benefit of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211; or

(2) With respect to property interests of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

(d) *Example*. A United States person is engaged in a prohibited exportation of services to Iran when it extends credit to a third-country firm specifically to enable that firm to manufacture goods for sale to Iran or for an entity of the Government of Iran. *See also* § 560.416.

§ 560.411 [Reserved]

§ 560.412 Extensions of credit or loans to Iran.

(a) The prohibitions contained in §§ 560.204 and 560.207 apply to but are not limited to the unauthorized renewal or rescheduling of credits or loans in existence as of May 6, 1995, such as the extension of a standby letter of credit.

(b) The prohibitions contained in § 560.209 apply, among other things, to the unauthorized renewal or rescheduling of credits or loans in existence as of March 15, 1995.

(c) The prohibitions contained in §§ 560.204, 560.207 and 560.209 apply to, among other things, credits or loans in any currency.

§ 560.413 [Reserved]

§ 560.414 Reexportation of certain U.S.-origin goods exported prior to May 7, 1995.

The prohibitions on reexportation in § 560.205 do not apply to United States-origin goods or technology that were exported from the United States prior to 12:01 a.m., Eastern Daylight Time, May 7, 1995, if:

(a) Such goods or technology were not the property of a United States person as of 12:01 a.m. Eastern Daylight Time, May 7, 1995; and

(b) The reexportation of the U.S.-origin goods or technology to Iran or the Government of Iran was not subject to reexport (as opposed to export) license application requirements under U.S. regulations in effect prior to May 6, 1995.

NOTE 1 TO § 560.414: The exclusion in this section applies, among other things, to goods that were as of May 6, 1995, classified under the U.S. Department of Commerce's Export Administration Regulations (15 CFR parts 730 through 774) as ECCNs 2A994; 3A993; 5A992; 5A995; 6A990; 6A994; 7A994; 8A992; 8A994; 9A990; 9A992; and 9A994, that were exported from the United States prior to 12:01 a.m. Eastern Daylight Time, May 7, 1995, and were not the property of a United States person as of 12:01 a.m. Eastern Daylight Time, May 7, 1995. As of April 26, 1999, items covered by this note are classified under ECCNs 2A994; 3A992.a; 5A991.f; 5A992.a and .c; 6A991; 6A998.a; 7A994; 8A992.d, .e, .f and .g; 9A990.a and .b; and 9A991.d and .e.

NOTE 2 TO § 560.414: A reexportation of U.S.-origin goods or technology which meets the conditions of paragraph (a) of this section, or which is not within the scope of § 560.205, nevertheless may require specific authorization by other agencies of the U.S. Government for reexportation to Iran or the Government of Iran. For example, items which meet the conditions of paragraph (a) may nevertheless require an export license under the End User and End Use Control Policies found in provisions of the Export Administration Regulations (15 CFR part 744).

§ 560.415 [Reserved]

§ 560.416 Brokering services.

(a) For purposes of the prohibitions in §§ 560.201, 560.204, 560.205, 560.206, and 560.208, the term *services* includes performing a brokering function.

(b) *Examples*. A person within the United States, or a United States person, wherever located, may not:

(1) Act as broker for the provision of goods, services or technology, from whatever source, to or from Iran or the Government of Iran;

(2) Act as broker for the purchase or swap of crude oil of Iranian origin or owned or controlled by the Government of Iran;

(3) Act as broker for the provision of financing, a financial guarantee or an extension of credit by any person to Iran or the Government of Iran;

(4) Act as a broker for the provision of financing, a financial guarantee or

an extension of credit to any person specifically to enable that person to construct or operate a facility in Iran or owned or controlled by the Government of Iran; or

(5) Act as a broker for the provision of financing, a financial guarantee, or an extension of credit to any person specifically to enable that person to provide goods, services, or technology intended for Iran or the Government of Iran.

§ 560.417 Facilitation; change of policies and procedures; referral of business opportunities offshore.

With respect to § 560.208, a prohibited facilitation or approval of a transaction by a foreign person occurs, among other instances, when a United States person:

(a) Alters its operating policies or procedures, or those of a foreign affiliate, to permit a foreign affiliate to accept or perform a specific contract, engagement or transaction involving Iran or the Government of Iran without the approval of the United States person, where such transaction previously required approval by the United States person and such transaction by the foreign affiliate would be prohibited by this part if performed directly by a United States person or from the United States;

(b) Refers to a foreign person purchase orders, requests for bids, or similar business opportunities involving Iran or the Government of Iran to which the United States person could not directly respond as a result of the prohibitions contained in this part; or

(c) Changes the operating policies and procedures of a particular affiliate with the specific purpose of facilitating transactions that would be prohibited by this part if performed by a United States person or from the United States.

§ 560.418 Release of technology or software in the United States or a third country.

The release of technology or software in the United States, or by a United States person wherever located, to any person violates the prohibitions of this part if made with knowledge or reason to know the technology is intended for Iran or the Government of Iran, unless that technology or software meets the definition of information and informational materials in § 560.315.

NOTE 1 TO § 560.418: The release of technology or software in the United States, or the release of U.S. origin technology or software in a third country, to a foreign national may require a license from the U.S. Department of Commerce's Bureau of Industry and Security under the Export Administration Regulations, 15 CFR parts 730 through 774 (the ''EAR''). The EAR require a license for such release if both of the following conditions are met:

(a) That technology or software would require a license for exportation (or reexportation) to the home country of the foreign national; and

(b) The foreign national is not a citizen or permanent resident of the United States (or of the third country) or is not a protected individual under the Immigration and Naturalization Act (8 U.S.C. Sec. 1324(b)(a)(3)). *See* 15 CFR 734.2(b)(2)(ii) and 734.2(b)(5).

NOTE 2 TO § 560.418: The transfer to a foreign national of technology subject to regulations administered by the U.S. Department of State or other agencies of the U.S. Government may require authorization by those agencies.

§ 560.419 U.S. employment of persons ordinarily resident in Iran.

The prohibitions in § 560.201 make it unlawful to hire an Iranian national ordinarily resident in Iran to come to the United States solely or for the principal purpose of engaging in employment on behalf of an entity in Iran or as the employee of a U.S. person, unless authorized pursuant to § 560.505. *See also* § 560.418 with respect to the release of technology and software.

§ 560.420 Reexportation by non-U.S. persons of certain foreign-made products containing U.S.-origin goods or technology.

For purposes of satisfying the de minimis content rule in § 560.205(b)(2):

(a) U.S.-origin goods (excluding software) falling within the definition in § 560.205 must comprise less than 10 percent of the total value of the foreign-made good (excluding software);

(b) U.S.-origin software falling within the definition in § 560.205 must comprise less than 10 percent of the total value of the foreign-made software;

(c) U.S.-origin technology falling within the definition in § 560.205 must

comprise less than 10 percent of the total value of the foreign-made technology; and,

(d) In cases involving a complex product made of a combination of U.S.-origin goods (including software) and technology falling within the definition in § 560.205, the aggregate value of all such U.S.-origin goods (including software) and such technology contained in the foreign-made product must be less than 10 percent of the total value of the foreign-made product.

NOTE 1 TO § 560.420: Notwithstanding the exceptions contained in § 560.205(b)(1) and (b)(2) and this section, a reexportation to Iran or the Government of Iran of U.S.-origin items falling within the definition in § 560.205 is prohibited if those U.S.-origin goods (including software) or that technology have been substantially transformed or incorporated into a foreign-made end product which is destined to end uses or end users prohibited under regulations administered by other U.S. Government agencies. See, e.g., the Export Administration Regulations (31 CFR 736.2(b)(5), 744.2, 744.3, 744.4, 744.7, and 744.10); International Traffic in Arms Regulations (22 CFR 123.9).

NOTE 2 TO § 560.420: A reexportation not prohibited by § 560.205 may nevertheless require authorization by the U.S. Department of Commerce, the U.S. Department of State or other agencies of the U.S. Government.

NOTE 3 TO § 560.420: The provisions of § 560.205 and this section apply only to persons other than United States persons.

§ 560.421 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 § 560.211 if effected after the effective date.

§ 560.422 Termination and acquisition of an interest in blocked property.

(a) Whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) away from the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, such property shall no longer be deemed to be property blocked pursuant to § 560.211, unless there exists in the property another interest that is blocked pursuant to § 560.211, the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization issued pursuant to this part, if property (including any property interest) is transferred or attempted to be transferred to the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, such property shall be deemed to be property in which the Government of Iran, an Iranian financial institution, or that person has an interest and therefore blocked.

§ 560.423 Offshore transactions involving blocked property.

The prohibitions in § 560.211 on transactions or dealings involving blocked property apply to transactions by any U.S. person in a location outside the United States with respect to property held in the name of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, or property in which the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 has or has had an interest since the effective date.

§ 560.424 Payments from blocked accounts to satisfy obligations prohibited.

Pursuant to § 560.211, no debits may be made to a blocked account to pay obligations to U.S. persons or other persons, except as authorized by or pursuant to this part.

NOTE TO § 560.424: *See also* § 560.502(f), which provides that no license or other authorization contained in or issued pursuant to this part authorizes transfers of or payments from blocked property or debits to blocked accounts unless the license or other authorization explicitly authorizes the transfer of or payment from blocked property or the debit to a blocked account.

§ 560.425 Entities owned by a person whose property and interests in property are blocked.

A person whose property and interests in property are blocked pursuant

to § 560.211 has an interest in all property and interests in property of an entity in which it owns, directly or indirectly, a 50 percent or greater interest. The property and interests in property of such an entity, therefore, are blocked, and such an entity is a person whose property and interests in property are blocked pursuant to § 560.211, regardless of whether the entity itself is designated pursuant to § 560.211.

NOTE TO § 560.425: This section, which deals with the consequences of ownership of entities, in no way limits the definition of the Government of Iran in § 560.304.

§ 560.426 Charitable contributions.

Unless specifically authorized by the Office of Foreign Assets Control pursuant to this part, no charitable contribution of funds, goods, services, or technology, including contributions to relieve human suffering, such as food, clothing or medicine, may be made by, to, or for the benefit of, or received from, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211. For the purposes of this part, a contribution is made by, to, or for the benefit of, or received from, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 if made by, to, or in the name of, or received from or in the name of, such a person; if made by, to, or in the name of, or received from or in the name of, an entity or individual acting for or on behalf of, or owned or controlled by, such a person; or if made in an attempt to violate, to evade, or to avoid the bar on the provision of contributions by, to, or for the benefit of such a person, or the receipt of contributions from any such person.

§ 560.427 Exportation, reexportation, sale or supply of financial services to Iran or the Government of Iran.

(a) The prohibition on the exportation, reexportation, sale or supply of financial services to Iran or the Government of Iran contained in § 560.204 applies to:

(1) The transfer of funds, directly or indirectly, from the United States or by a U.S. person, wherever located, to Iran or the Government of Iran; and

(2) The provision, directly or indirectly, to Iran or the Government of Iran of insurance services, investment or brokerage services (including but not limited to brokering or trading services regarding securities, debt, commodities, options, or foreign exchange), banking services, money remittance services; loans, guarantees, letters of credit, or other extensions of credit; or the service of selling or redeeming traveler's checks, money orders, and prepaid access products.

NOTE TO PARAGRAPH (a) OF § 560.427: See § 560.516 of this part, which authorizes only United States depository institutions and United States registered brokers or dealers in securities to process certain transfers of funds to or from Iran.

(b) Pursuant to the prohibition in § 560.204 on the exportation, reexportation, sale or supply of financial services to Iran or the Government of Iran, United States depository institutions and United States registered brokers or dealers in securities are prohibited from performing services with respect to Iranian accounts, as defined in § 560.320.

NOTE TO PARAGRAPH (b) OF § 560.427: *See* § 560.517 of this part for general licenses authorizing United States depository institutions and United States registered brokers or dealers in securities to operate Iranian accounts in certain limited circumstances.

§ 560.428 Credit extended and cards issued by U.S. financial institutions.

The prohibition in § 560.211 on dealing in property subject to that section prohibits U.S. financial institutions from performing under any existing credit agreements, including, but not limited to, charge cards, debit cards, or other credit facilities issued by a U.S. financial institution to the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

§ 560.501 General and specific licensing procedures.

For provisions relating to licensing procedures, see part 501, subpart E of this chapter. Licensing actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. General licenses and statements of licensing policy relating to this part also may be available through the Iran sanctions page on the Office of Foreign Assets Control's Web site (*www.treasury.gov/ofac*).

§ 560.502 Effect of license or authorization.

(a) No license or other authorization contained in this part, or otherwise issued by the Office of Foreign Assets Control, authorizes or validates any transaction effected prior to the issuance of such license or other authorization, unless specifically provided in such license or authorization.

(b) No regulation, ruling, instruction, or license authorizes any transaction prohibited under this part unless the regulation, ruling, instruction, or license is issued by the Office of Foreign Assets Control and specifically refers to this part. No regulation, ruling, instruction, or license referring to this part shall be deemed to authorize any transaction prohibited by any other part of this chapter unless the regulation, ruling, instruction, or license specifically refers to such part.

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited under this part has the effect of removing a prohibition contained in this part from the transaction, but only to the extent specifically stated by its terms. Unless the regulation, ruling, instruction, or license otherwise specifies, such an authorization does not create any right, duty, obligation, claim, or interest in, or with respect to, any property which would not otherwise exist under ordinary principles of law.

(d) All transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under specific licenses issued pursuant to this part prior to February 6, 2012, are authorized, and such specific licenses shall remain in effect according to their terms, provided that such specific licenses have an expiration date. If a specific license issued pursuant to this part but not part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license were authorized until April 6, 2012, and such a specific license shall otherwise expire in its entirety on January 22, 2013. If a specific license issued pursuant to this part and part 535 has no expiration date, then all transactions involving property and interests in property of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 authorized under such a specific license are authorized, and such a specific license shall remain in effect according to its terms. Nothing in this paragraph authorizes payments from blocked funds or debits to blocked accounts, except for payments from funds or debits to accounts blocked pursuant to part 535 that are authorized by specific licenses issued pursuant to this part and part 535 of this chapter.

(e) Nothing contained in this part shall be construed to supersede the requirements established under any other provision of law or to relieve a person from any requirement to obtain a license or other authorization from another department or agency of the U.S. Government in compliance with applicable laws and regulations subject to the jurisdiction of that department or agency. For example, exports of goods, services, or technical data which are not prohibited by this part or which do not require a license by the Office of Foreign Assets Control, nevertheless may require authorization by the U.S. Department of Commerce, the

U.S. Department of State, or other agencies of the U.S. Government. *See also* § 560.701(d).

(f) No license or other authorization contained in or issued pursuant to this part authorizes transfers of or payments from blocked property or debits to blocked accounts unless the license or other authorization explicitly authorizes the transfer of or payment from blocked property or the debit to a blocked account.

(g) Any payment relating to a transaction authorized in or pursuant to this part that is routed through the U.S. financial system should reference the relevant Office of Foreign Assets Control general or specific license authorizing the payment to avoid the blocking or rejection of the transfer.

§ 560.503 Exclusion from licenses.

The Office of Foreign Assets Control reserves the right to exclude any person, property, transaction, or class thereof from the operation of any license or from the privileges conferred by any license. The Office of Foreign Assets Control also reserves the right to restrict the applicability of any license to particular persons, property, transactions, or classes thereof. Such actions are binding upon actual or constructive notice of the exclusions or restrictions.

§ 560.504 [Reserved]

§ 560.505 Activities and services related to certain nonimmigrant and immigrant categories authorized.

(a)(1) Persons otherwise eligible for non-immigrant classification under categories A–3 and G–5 (attendants, servants and personal employees of aliens in the United States on diplomatic status), D (crewmen), F (students), I (information media representatives), J (exchange visitors), M (nonacademic students), O (aliens with extraordinary ability), P (athletics, artists and entertainers), Q (international cultural exchange visitors), R (religious workers), or S (witnesses) are authorized to carry out in the United States those activities for which such a visa has been granted by the U.S. State Department or such nonimmigrant status or related benefit has been granted by the U.S. Department of Homeland Security.

(2) U.S. persons are authorized to export services to Iran in connection with the filing of an individual's application for the non-immigrant visa categories listed in paragraph (a)(1) of this section.

(b)(1) Persons otherwise eligible for nonimmigrant classification under categories E–2 (treaty investor), H (temporary worker), or L (intra-company transferee) and all immigrant classifications are authorized to carry out in the United States those activities for which such a visa has been granted by the U.S. State Department or such nonimmigrant or immigrant status, or related benefit, has been granted by the U.S. Department of Homeland Security, provided that the persons are not coming to the United States to work as an agent, employee, or contractor of the Government of Iran or a business entity or other organization in Iran.

(2) U.S. persons are authorized to export services to Iran in connection with the filing of an individual's application for the visa categories listed in paragraph (b)(1) of this section.

(c)(1) U.S. persons are authorized to engage in all transactions necessary to export financial services to Iran in connection with an individual's application for a non-immigrant visa under category E–2 (treaty investor) or an immigrant visa under category EB–5 (immigrant investor), provided that any transfer of funds pursuant to the authorization set forth in this paragraph is effected in accordance with § 560.516.

(2) In the event services are exported under paragraph (c)(1) of this section in connection with an application for an E–2 or EB–5 visa that is denied, withdrawn, or otherwise does not result in the issuance of such visa, U.S. persons are authorized to transfer, in a lump sum back to Iran or to a third country, any funds belonging to the applicant that are held in an escrow account during the pendency of, and in connection with, such visa application, provided that any transfer of funds pursuant to the authorization set forth in this paragraph is effected in accordance with § 560.516.

(3) Paragraph (c)(1) of this section does not authorize:

(i) The exportation of financial services by U.S. persons other than in connection with funds used in pursuit of an E–2 or EB–5 visa;

(ii) Any investment in Iran by a U.S. person;

(iii) The exportation or reexportation to Iran of any goods (including software) or technology; or

(iv) The provision of services to any persons coming to the United States to work as an agent, employee, or contractor of the Government of Iran or a business entity or other organization in Iran.

(d) Paragraph (a)(1) of this section authorizes the release of technology or software to students ordinarily resident in Iran who are attending school in the United States as authorized by that paragraph, provided that all of the following requirements are met:

(1) Such release is ordinarily incident and necessary to the educational program in which the student is enrolled;

(2) The technology or software being released is designated as EAR99 under the Export Administration Regulations, 15 CFR parts 730 through 774 (the ''EAR''), or constitutes Educational Information not subject to the EAR, as set forth in 15 CFR 734.9;

(3) The release does not otherwise require a license from the Department of Commerce; and

(4) The student to whom the release is made is not enrolled in school or participating in the educational program as an agent, employee, or contractor of the Government of Iran or a business entity or other organization in Iran.

NOTE TO § 560.505: *See* § 560.554 of this part for general licenses authorizing the importation and exportation of services related to conferences in the United States or third countries.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75848, Dec. 26, 2012]

§ 560.506 Importation and exportation of certain gifts authorized.

The importation into the United States of Iranian-origin goods from Iran or a third country, and the exportation from the United States to Iran of goods, are authorized for goods sent as gifts to persons provided that the value of each gift is not more than $100; the goods are of a type and in quantities normally given as gifts between individuals; and the goods are not controlled for chemical and biological weapons (CB), missile technology (MT), national security (NS), or nuclear proliferation (NP). See Commerce Control List, Export Administration Regulations (15 CFR part 774).

§ 560.507 [Reserved]

§ 560.508 Telecommunications and mail transactions authorized.

(a) All transactions with respect to the receipt and transmission of telecommunications involving Iran are authorized. This section does not authorize the provision, sale, or lease to Iran, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 of telecommunications equipment or technology; nor does it authorize the provision, sale, or leasing of capacity on telecommunications transmission facilities (such as satellite or terrestrial network connectivity).

(b) Paragraph (a) of this section does not authorize any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

(c) All transactions by U.S. persons, including payment and transfers to common carriers, incident to the receipt or transmission of mail between the United States and Iran are authorized, provided that mail is limited to personal communications not involving a transfer of anything of value. For purposes of this section, the term *mail* includes parcels only to the extent the parcels contain goods exempted from the prohibitions contained in this part or otherwise eligible for importation from or exportation to Iran under a general or specific license.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75848, Dec. 26, 2012]

§ 560.509 Certain transactions related to patents, trademarks, and copyrights authorized.

(a) All of the following transactions in connection with patent, trademark, copyright or other intellectual property protection in the United States or Iran are authorized, including importation of or dealing in Iranian-origin services, payment for such services, and payment to persons in Iran directly connected to such intellectual property protection:

(1) The filing and prosecution of any application to obtain a patent, trademark, copyright or other form of intellectual property protection;

(2) The receipt of a patent, trademark, copyright or other form of intellectual property protection;

(3) The renewal or maintenance of a patent, trademark, copyright or other form of intellectual property protection; and

(4) The filing and prosecution of opposition or infringement proceedings with respect to a patent, trademark, copyright or other form of intellectual property protection, or the entrance of a defense to any such proceedings.

(b) This section authorizes the payment of fees currently due to the United States Government or the Government of Iran, or of the reasonable and customary fees and charges currently due to attorneys or representatives within the United States or Iran, in connection with the transactions authorized in paragraph (a) of this section, except that payment effected pursuant to the terms of this paragraph may not be made from a blocked account.

(c) This section does not authorize any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012]

§ 560.510 Transactions related to the resolution of disputes between the United States or United States nationals and the Government of Iran.

(a) Except as otherwise authorized, specific licenses may be issued on a case-by-case basis to authorize transactions in connection with awards, decisions or orders of the Iran-United States Claims Tribunal in The Hague, the International Court of Justice, or other international tribunals (collectively, ''tribunals''); agreements settling claims brought before tribunals; and awards, orders, or decisions of an administrative, judicial, or arbitral proceeding in the United States or abroad, where the proceeding involves the enforcement of awards, decisions, or orders of tribunals, or is contemplated under an international agreement, or involves claims arising before 12:01 a.m. Eastern Daylight Time, May 7, 1995, that resolve disputes between the Government of Iran and the United States or United States nationals, including the following transactions:

(1) Importation into the United States of, or any transaction related to, goods and services of Iranian origin or owned or controlled by the Government of Iran;

(2) Exportation or reexportation to Iran or the Government of Iran of any goods, technology, or services, except to the extent that such exportation or reexportation is also subject to export licensing application requirements of another agency of the United States Government and the granting of such a license by that agency would be prohibited by law;

(3) Financial transactions related to the resolution of disputes at tribunals, including transactions related to the funding of proceedings or of accounts related to proceedings or to a tribunal; participation, representation, or testimony before a tribunal; and the payment of awards of a tribunal; and

(4) Other transactions otherwise prohibited by this part which are necessary to permit implementation of the foregoing awards, decisions, orders, or agreements.

(b) Specific licenses may be issued on a case-by-case basis to authorize payment of costs related to the storage or

maintenance of goods in which the Government of Iran has title, and to authorize the transfer of title to such goods, provided that such goods are in the United States and that such goods are the subject of a proceeding pending before a tribunal.

(c)(1) All transactions are authorized with respect to the importation of Iranian-origin goods and services necessary to the initiation and conduct of legal proceedings, in the United States or abroad, including administrative, judicial, and arbitral proceedings and proceedings before tribunals.

(2) Specific licenses may be issued on a case-by-case basis to authorize the exportation to Iran or the Government of Iran of goods, and of services not otherwise authorized by § 560.525, necessary to the initiation and conduct of legal proceedings, in the United States or abroad, including administrative, judicial, and arbitral proceedings and proceedings before tribunals, except to the extent that the exportation is also subject to export licensing application requirements of another agency of the United States Government and the granting of such a license by that agency would be prohibited by law.

(3) Representation of United States persons or of third country persons in legal proceedings, in the United States or abroad, including administrative, judicial, and arbitral proceedings and proceedings before tribunals, against Iran or the Government of Iran is not prohibited by this part. The exportation of certain legal services to a person in Iran or the Government of Iran is authorized in § 560.525.

NOTE TO PARAGRAPH (c)(3) OF § 560.510: The entry of any judgment or order, or entry into a settlement agreement, that effects a transfer of blocked property or interests in property, or the execution of any judgment against property or interests in property blocked pursuant to § 560.211 is prohibited, unless specifically licensed in accordance with § 560.212(e). *See* § 560.525(c).

(d) The following are authorized:

(1) All transactions related to payment of awards of the Iran-United States Claims Tribunal in The Hague against Iran.

(2) All transactions necessary to the payment and implementation of awards (other than exports or reexports subject to export license application requirements of other agencies of the United States Government) in a legal proceeding to which the United States Government is a party, or to payments pursuant to settlement agreements entered into by the United States Government in such a legal proceeding.

(e) This section does not authorize any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012]

§ 560.511 [Reserved]

§ 560.512 Iranian Government missions in the United States.

(a) The importation of goods or services into the United States by, and the provision of goods or services in the United States to, the diplomatic missions of the Government of Iran to international organizations in the United States, and the Iranian Interests Section of the Embassy of Pakistan (or any successor protecting power) in the United States are authorized, provided that:

(1) The goods or services are for the conduct of the official business of the missions or the Iranian Interests Section, or for personal use of the employees of the missions or the Iranian Interests Section, and are not for resale;

(2) The transaction does not involve the purchase, sale, financing, or refinancing of real property;

(3) The transaction is not otherwise prohibited by law; and

(4) The transaction is conducted through an account at a U.S. financial institution specifically licensed by the Office of Foreign Assets Control.

NOTE TO PARAGRAPH (a)(4) OF § 560.512: U.S. financial institutions are required to obtain specific licenses to operate accounts for, or extend credit to, the diplomatic missions of the Government of Iran to international organizations in the United States, or the Iranian Interests Section of the Embassy of Pakistan (or any successor protecting power) in the United States.

(b) The importation of goods or services into the United States by, and the provision of goods or services in the United States to, the employees of the diplomatic missions of the Government of Iran to international organizations in the United States, and the employees of the Iranian Interests Section of the Embassy of Pakistan (or any successor protecting power) in the United States, are authorized, provided that:

(1) The goods or services are for personal use of the employees of the missions or the Iranian Interests Section, and are not for resale; and

(2) The transaction is not otherwise prohibited by law.

§§ 560.513–560.515 [Reserved]

§ 560.516 Transfers of funds involving Iran.

(a) United States depository institutions are authorized to process transfers of funds to or from Iran, or for the direct or indirect benefit of persons in Iran or the Government of Iran, if the transfer arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction that has been authorized by a specific or general license issued pursuant to, or set forth in, this part and does not involve debiting or crediting an Iranian account.

(b) United States registered brokers or dealers in securities are authorized to process transfers of funds to or from Iran, or for the direct or indirect benefit of persons in Iran or the Government of Iran, if the transfer arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction that has been authorized by a specific or general license issued pursuant to, or set forth in, this part and does not involve debiting or crediting an Iranian account.

§ 560.517 Exportation of services: Iranian accounts at United States depository institutions or United States registered brokers or dealers in securities.

(a) United States depository institutions are authorized to provide and be compensated for the following services and incidental transactions with respect to Iranian accounts other than blocked accounts, as defined in § 560.322:

(1) The maintenance of Iranian accounts other than blocked accounts, including the payment of interest and the debiting of service charges; and

(2) At the request of the account party, who may not be the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, the closing of Iranian accounts other than blocked accounts and the lump sum transfer only to the account party of all remaining funds and other assets in the account.

(b) United States registered brokers or dealers in securities are authorized to provide and be compensated for the following services and incidental transactions with respect to Iranian accounts other than blocked accounts, as defined in § 560.322:

(1) The limited maintenance of an Iranian account other than a blocked account, including only the payment into such account of interest, cash dividends, and stock dividends; the debiting of service charges; and the execution of stock splits and dividend reinvestment plans; and

(2) At the request of the account party, who may not be the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, the closing of Iranian accounts other than blocked accounts through the one-time liquidation of all assets in the account at fair market value and the lump sum transfer only to the account party of all proceeds derived therefrom and all remaining funds in the account.

NOTE TO PARAGRAPHS (a) AND (b) OF § 560.517: *See* § 560.547, which authorizes U.S. financial institutions to debit blocked accounts for normal service charges, and § 560.213, concerning the obligation to hold blocked funds in interest-bearing accounts.

(c) Specific licenses may be issued with respect to the operation of Iranian accounts that constitute accounts of:

(1) Foreign government missions and their personnel in Iran; or

(2) Diplomatic missions of the Government of Iran to international organizations in the United States or the

Iranian Interests Section of the Embassy of Pakistan in the United States.

§ 560.518 Transactions in Iranian-origin and Iranian government property.

Except for transactions involving the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, and provided that paragraph (a) of this section does not affect the status of property blocked pursuant to part 535 or this part or detained or seized, or subject to detention or seizure, pursuant to this part, the following transactions are authorized:

(a) All domestic transactions with respect to Iranian-origin goods located in the United States other than goods blocked pursuant to § 560.211.

(b) Transactions by a United States person with third-country nationals incidental to the storage and maintenance in third countries of Iranian-origin goods owned prior to May 7, 1995, by that United States person or acquired thereafter by that United States person consistent with the provisions of this part;

(c) Exportation of Iranian-origin household and personal effects from the United States incident to the relocation of United States persons outside the United States; and

(d) The use or disposition by a United States person of Iranian-origin household and personal effects that are located outside the United States and that have been acquired by the United States person in transactions not prohibited by part 535 or this part.

NOTE TO § 560.518: *See* § 560.543 for an authorization to engage in all transactions necessary and ordinarily incident to the sale of certain real and personal property located in Iran.

[77 FR 64666, Oct. 22, 2012, as amended at 83 FR 55271, Nov. 5, 2018]

§ 560.519 Journalistic activities and establishment of news bureaus in Iran.

(a) Subject to the limitations and conditions set forth in paragraph (c) of this section, news reporting organizations that are United States persons, and individuals who are United States persons regularly employed by a news reporting organization either as journalists (including photojournalists) or as supporting broadcast or technical personnel, are authorized to engage in the following transactions in Iran to the extent such transactions are ordinarily incident to their journalistic activities in Iran:

(1) Hiring and compensating support staff in Iran (e.g., stringers, translators, interpreters, camera operators, technical experts, freelance producers, or drivers), or persons to handle logistics, or other office personnel as needed;

(2) Leasing or renting office space;

(3) Purchasing, leasing, or renting Iranian-origin goods and services (e.g., mobile phones and related air time), selling such goods when no longer needed to persons other than the Government of Iran, or importing them into the United States;

(4) Renting and using telecommunications facilities in Iran and paying fees related to the dissemination of information and transmission of news feeds (e.g., fees for satellite uplink facilities, live news feeds, taxes);

(5) Exporting and reexporting to Iran, and subsequently reexporting from Iran, equipment necessary for and ordinarily incident to journalistic activities, provided such equipment is designated as EAR99 under the Export Administration Regulations, 15 CFR parts 730 through 774 (the ''EAR''), and further provided that such equipment is reexported from Iran to the United States or a third country when no longer needed for journalistic activities in Iran; and

(6) Paying for all expenses ordinarily incident to journalistic activities, including sales or employment taxes to the Government of Iran.

(b) Subject to the limitations and conditions set forth in paragraph (c) of this section, news reporting organizations that are United States persons are authorized to establish and operate news bureaus in Iran and to engage in the transactions set forth in paragraph (a) of this section to the extent such transactions are ordinarily incident to the establishment and operation of a news bureau in Iran.

(c) The authorizations set forth in paragraphs (a) and (b) of this section are subject to the following limitations and conditions:

(1) No goods, technology, or software listed on the Commerce Control List in the EAR, 15 CFR part 774, supplement No. 1 (CCL), or that requires a license under part 744 of the EAR, or controlled by the United States Department of State under the International Traffic in Arms Regulations, 22 CFR parts 120 through 130, may be exported or reexported to Iran without separate authorization from the Office of Foreign Assets Control.

NOTE TO PARAGRAPH (c)(1) OF § 560.519: The Commerce Control List in the EAR, 15 CFR part 774, supplement No. 1, includes items such as many laptop computers, personal computers, cell phones, personal digital assistants and other wireless handheld devices/blackberries, and other similar items. The exportation or reexportation of these items to Iran, even on a temporary basis, is prohibited, unless specifically authorized in a license issued pursuant to this part in a manner consistent with the Iran-Iraq Arms Nonproliferation Act of 1992 and other relevant law.

(2) Any United States person exporting or reexporting to Iran EAR99 equipment pursuant to paragraphs (a) or (b) of this section:

(i) Must maintain ownership and control of such equipment at all times while it is in Iran; and

(ii) Must submit a report to the Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue NW., Annex, Washington, DC 20220 within 10 business days of the export or reexport specifying the items exported or reexported and confirming that they are EAR99, and another report confirming that such items have been reexported from Iran to the United States or a third country within 10 business days of the date of reexportation from Iran.

(3) This section does not authorize the exportation or reexportation to Iran of any goods, technology, or services that are not necessary and ordinarily incident to journalistic activities in Iran or to the establishment and operation of a news bureau in Iran.

(d) For the purposes of this section, the term *news reporting organization* means an entity whose primary purpose is the gathering and dissemination of news to the general public.

NOTE TO § 560.519: For a specific licensing policy governing the establishment and operation of news bureaus in the United States by Iranian news organizations, see § 560.549.

§ 560.520 [Reserved]

§ 560.521 Diplomatic pouches.

The following transactions are authorized:

(a) The importation into the United States from Iran, or the exportation from the United States to Iran, of diplomatic pouches and their contents; and

(b) The exportation, reexportation, sale, or supply, directly or indirectly, from the United States or by a U.S. person, wherever located, of any goods or technology to a third-country government, or to its contractors or agents, for shipment to Iran via a diplomatic pouch. To the extent necessary, this section also authorizes the shipment of such goods or technology by the third-country government to Iran via a diplomatic pouch.

NOTE TO PARAGRAPH (b) OF § 560.521: The exportation or reexportation of certain U.S.-origin goods or technology to a third-country government, or to its contractors or agents, may require authorization by the U.S. Department of Commerce under the Export Administration Regulations (15 CFR parts 730 through 774).

§ 560.522 Allowable payments for overflights of Iranian airspace.

(a) Payments to Iran of charges for services rendered by the Government of Iran in connection with the overflight of Iran or emergency landing in Iran of aircraft owned by a United States person or registered in the United States are authorized.

(b) This section does not authorize any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012]

§ 560.523 Exportation of equipment and services relating to information and informational materials.

Specific licenses may be issued on a case-by-case basis for the exportation of equipment and services necessary for the establishment of news wire feeds or other transmissions of information and informational materials.

§ 560.524 Household goods and personal effects.

(a) The exportation from the United States to Iran of household and personal effects, including baggage and articles for family use, of persons departing the United States to relocate in Iran is authorized provided the articles included in such effects have been actually used by such persons or by family members accompanying them, are not intended for any other person or for sale, and are not otherwise prohibited from exportation. *See also* § 560.518(c).

(b) The importation of Iranian-origin household and personal effects, including baggage and articles for family use, of persons arriving in the United States is authorized; to qualify, articles included in such effects must have been actually used abroad by such persons or by other family members from the same foreign household, must not be intended for any other person or for sale, and must not be otherwise prohibited from importation. For purposes of this paragraph, household and personal effects include all articles meeting the criteria stated in this paragraph regardless of the time elapsed since the importer's arrival in the United States from Iran.

§ 560.525 Provision of certain legal services.

(a) The provision of the following legal services to or on behalf of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, or to or on behalf of a person in Iran, or in circumstances in which the benefit is otherwise received in Iran is authorized, provided that receipt of payment of professional fees and reimbursement of incurred expenses are authorized by or pursuant to paragraph (d) of this section or otherwise authorized pursuant to this part:

(1) Provision of legal advice and counseling on the requirements of and compliance with the laws of the United States or any jurisdiction within the United States, provided that such advice and counseling is not provided to facilitate transactions in violation of this part;

(2) Representation of persons named as defendants in or otherwise made a party to domestic United States legal, arbitration, or administrative proceedings;

(3) Initiation and conduct of domestic United States legal, arbitration, or administrative proceedings;

(4) Representation of persons before any federal or state agency with respect to the imposition, administration, or enforcement of United States sanctions against Iran;

(5) Initiation and conduct of legal proceedings, in the United States or abroad, including administrative, judicial, and arbitral proceedings and proceedings before international tribunals (including the Iran-United States Claims Tribunal in The Hague and the International Court of Justice):

(i) To resolve disputes between the Government of Iran or an Iranian national and the United States or a United States national;

(ii) Where the proceeding is contemplated under an international agreement; or

(iii) Where the proceeding involves the enforcement of awards, decisions, or orders resulting from legal proceedings within the scope of paragraph (a)(5)(i) or (a)(5)(ii) of this section, provided that any transaction, unrelated to the provision of legal services or the payment therefor, that is necessary or related to the execution of an award, decision, or order resulting from such legal proceeding, or otherwise necessary for the conduct of such proceeding, and which would otherwise be prohibited by this part requires a specific license in accordance with §§ 560.510 and 560.801;

(6) Provision of legal advice and counseling in connection with settlement or other resolution of matters described in paragraph (a)(5) of this section; and

(7) Provision of legal services in any other context in which prevailing United States law requires access to legal counsel at public expense.

(b) The provision of any other legal services to the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, or to or on behalf of a person in Iran, or in circumstances in which the benefit is otherwise received in Iran, not otherwise authorized in this part, requires the issuance of a specific license.

(c) Entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property blocked pursuant to § 560.211 is prohibited unless specifically licensed in accordance with § 560.212(e).

(d)(1) All receipts of payment of professional fees and reimbursement of incurred expenses for the provision of legal services authorized pursuant to paragraph (a) of this section to or on behalf of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 must be specifically licensed or otherwise authorized pursuant to § 560.553 of this part.

(2) All receipts of payment of professional fees and reimbursement of incurred expenses for the provision of legal services authorized pursuant to paragraph (a) of this section to or on behalf of a person in Iran, or in circumstances in which the benefit is otherwise received in Iran, other than those described in paragraph (d)(1) of this section, are authorized, except that nothing in this section authorizes the debiting of any blocked account or the transfer of any blocked property.

(e) This section does not authorize any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012]

§ 560.526 [Reserved]

§ 560.527 Rescheduling existing loans.

Specific licenses may be issued on a case-by-case basis for rescheduling loans or otherwise extending the maturities of existing loans, and for charging fees or interest at commercially reasonable rates, in connection therewith, provided that no new funds or credits are thereby transferred or extended to Iran or the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

§ 560.528 Aircraft safety.

Specific licenses may be issued on a case-by-case basis for the exportation or reexportation of goods, services, and technology to insure the safety of civil aviation and safe operation of U.S.-origin commercial passenger aircraft.

§ 560.529 Bunkering and emergency repairs.

(a) Except as provided in paragraph (b) of this section, goods or services provided in the United States to a non-Iranian carrier transporting passengers or goods to or from Iran are permissible if they are:

(1) Bunkers or bunkering services;

(2) Supplied or performed in the course of emergency repairs; or

(3) Supplied or performed under circumstances which could not be anticipated prior to the carrier's departure for the United States.

(b) This section does not authorize the provision of goods or services in connection with the transport of any goods to or from the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

§ 560.530 Commercial sales, exportation, and reexportation of agricultural commodities, medicine, medical devices, and certain related software and services.

(a)(1) *One-year license requirement.* (i) The exportation or reexportation of agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section (as set forth in paragraph (a)(1)(ii) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, shall only be made pursuant to a one-year specific license issued by the Office of Foreign Assets Control (''OFAC'') for contracts entered into during the one year period of the license and shipped within the 12-month period beginning on the date of the signing of the contract. No specific license will be granted for the exportation or reexportation of the items set forth in paragraph (a)(1)(ii) of this section to any entity or individual in Iran promoting international terrorism, to any individual or entity designated pursuant to Executive Order 12947 (60 FR 5079, 3 CFR, 1995 Comp., p. 356), Executive Order 13224 (66 FR 49079, 3 CFR, 2001 Comp., p. 786), or Public Law 104–132, to any narcotics trafficking entity designated pursuant to Executive Order 12978 of October 21, 1995 (60 FR 54579, 3 CFR, 1995 Comp., p. 415) or the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901–1908), or to any foreign organization, group, or persons subject to any restriction for its or their involvement in weapons of mass destruction or missile proliferation. Executory contracts entered into pursuant to paragraph (b)(2) of this section prior to the issuance of a one-year license described in this paragraph shall be deemed to have been signed on the date of issuance of that one-year license (and, therefore, the exporter is authorized to make shipments under that contract within the 12-month period beginning on the date of issuance of the one-year license).

(ii) For the purposes of this part, ''agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section'' are:

(A) The excluded agricultural commodities specified in paragraph (a)(2)(ii) of this section;

(B) The excluded medicines specified in paragraph (a)(3)(iii) of this section;

(C) The excluded medical devices specified in paragraph (a)(3)(ii) of this section; and

(D) Agricultural commodities (as defined in paragraph (e)(1) of this section), medicine (as defined in paragraph (e)(2) of this section), and medical devices (as defined in paragraph (e)(3) of this section) to military, intelligence, or law enforcement purchasers or importers.

(2)(i) *General license for the exportation or reexportation of agricultural commodities.* Except as provided in paragraphs (a)(2)(ii) and (iii) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) of agricultural commodities (as defined in paragraph (e)(1) of this section) (including bulk agricultural commodities listed in appendix B to this part) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, and the conduct of related transactions, including, but not limited to, the making of shipping and cargo inspection arrangements, the obtaining of insurance, the arrangement of financing and payment, shipping of the goods, receipt of payment, and the entry into contracts (including executory contracts), are hereby authorized, provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532 of this part; and further provided that all such exports and reexports are shipped within the 12-month period beginning on the date of the signing of the contract for export or reexport.

(ii) *Excluded agricultural commodities.* Paragraph (a)(2)(i) of this section does not authorize the exportation or reexportation of the following items: Castor beans, castor bean seeds, certified pathogen-free eggs (unfertilized or fertilized), dried egg albumin, live

animals (excluding live cattle, shrimp, and shrimp eggs), embryos (excluding cattle embryos), Rosary/Jequirity peas, non-food-grade gelatin powder, peptones and their derivatives, super absorbent polymers, western red cedar, or all fertilizers.

(iii) *Excluded persons.* Paragraph (a)(2)(i) of this section does not authorize the exportation or reexportation of agricultural commodities to military, intelligence, or law enforcement purchasers or importers.

(iv) *General license for related training.* The provision by a covered person (as defined in paragraph (e)(4) of this section) of training necessary and ordinarily incident to the safe and effective use of agricultural commodities exported or reexported pursuant to paragraph (a)(2) of this section to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing such goods specifically for resale to any of the foregoing is authorized, provided that:

(A) Unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532;

(B) Any technology released pursuant to this authorization is designated as EAR99; and

(C) Such training is not provided to any military, intelligence, or law enforcement entity, or any official or agent thereof.

NOTE TO PARAGRAPH (a)(2) OF § 560.530: Consistent with section 906(a)(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7205), each year OFAC will determine whether to revoke this general license. Unless revoked, the general license will remain in effect.

(3)(i) *General license for the exportation or reexportation of medicine and medical devices.* Except as provided in paragraphs (a)(3)(ii) through (iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) of medicine (as defined in paragraph (e)(2) of this section) and medical devices (as defined in paragraph (e)(3) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, and the conduct of related transactions, including the making of shipping and cargo inspection arrangements, obtaining of insurance, arrangement of financing and payment, shipping of the goods, receipt of payment, and entry into contracts (including executory contracts), are hereby authorized, provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532; and further provided that all such exports or reexports are shipped within the 12-month period beginning on the date of the signing of the contract for export or reexport.

(ii) *Excluded medical devices.* Paragraph (a)(3)(i) of this section does not authorize the exportation or reexportation of medical devices on the List of Medical Devices Requiring Specific Authorization, which is maintained on OFAC's Web site (*www.treasury.gov/ofac*) on the Iran Sanctions page.

(iii) *Excluded medicines.* Paragraph (a)(3)(i) of this section does not authorize the exportation or reexportation of the following medicines: non-NSAID analgesics, cholinergics, anticholinergics, opioids, narcotics, benzodiazapenes, and bioactive peptides.

(iv) *Excluded persons.* Paragraph (a)(3)(i) of this section does not authorize the exportation or reexportation of medicine or medical devices to military, intelligence, or law enforcement purchasers or importers.

(v) *General license for related training.* The provision by a covered person (as defined in paragraph (e)(4) of this section) of training necessary and ordinarily incident to the safe and effective use of medicine and medical devices exported or reexported pursuant to paragraph (a)(3) of this section to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing such goods specifically for resale to any of the foregoing is authorized, provided that:

(A) Unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532;

(B) Any technology released pursuant to this authorization is designated as EAR99; and

(C) Such training is not provided to any military, intelligence, or law enforcement entity, or any official or agent thereof.

NOTE TO PARAGRAPH (a)(3) OF § 560.530: Consistent with section 906(a)(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7205), each year, OFAC will determine whether to revoke this general license. Unless revoked, the general license will remain in effect.

(4) *General license for the exportation or reexportation of replacement parts for certain medical devices.* (i) Except as provided in paragraph (a)(4)(ii) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) of replacement parts to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, for medical devices (as defined in paragraph (e)(3) of this section) exported or reexported pursuant to paragraph (a)(1) or (a)(3)(i) of this section, and the conduct of related transactions, including the making of shipping and cargo inspection arrangements, obtaining of insurance, arrangement of financing and payment, shipping of the goods, receipt of payment, and entry into contracts (including executory contracts), are hereby authorized, provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532; and further provided that:

(A) Such replacement parts are designated as EAR99, or, in the case of replacement parts that are not subject to the Export Administration Regulations, 15 CFR parts 730 *through 774* (EAR), would be designated as EAR99 if they were located in the United States;

(B) Such replacement parts are exported or reexported to replace a broken or nonoperational component of a medical device that previously was exported or reexported pursuant to paragraph (a)(3)(i) of this section, or the exportation or reexportation of such replacements parts is necessary and ordinarily incident to the proper preventative maintenance of such a medical device;

(C) The number of replacement parts that are exported or reexported and stored in Iran does not exceed the number of corresponding operational parts currently in use in relevant medical devices in Iran; and

(D) The broken or non-operational replacement parts that are being replaced are promptly exported, reexported, or otherwise provided to a non-Iranian entity located outside of Iran selected by the supplier of the replacement parts.

(ii) *Excluded persons.* Paragraph (a)(4)(i) of this section does not authorize the exportation or reexportation of replacement parts for medical devices to military, intelligence, or law enforcement purchasers or importers.

NOTE TO PARAGRAPH (a)(4) OF § 560.530: Consistent with section 906(a)(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7205), each year, OFAC will determine whether to revoke this general license. Unless revoked, the general license will remain in effect.

(5) *General license for services and software necessary for the operation, maintenance, and repair of medical devices*—(i) *Operational software.* Except as provided in paragraph (a)(5)(iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing specifically for resale to any of the foregoing, of software necessary for the installation and operation of medical devices or replacement parts exported or reexported pursuant to this section, and the conduct of related transactions, are hereby authorized, provided that such software is designated as EAR99, or in the case of software that is not subject to the EAR, would be designated as EAR99 if it were located in the United States, and further provided that, unless otherwise authorized by specific license,

payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532.

(ii) *Software updates.* Except as provided in paragraph (a)(5)(iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing specifically for resale to any of the foregoing, of software intended for and limited to the provision of safety and service updates and the correction of system or operational errors in medical devices, replacement parts, and associated software that previously were exported, reexported, or provided pursuant to this part, and the conduct of related transactions, are hereby authorized, provided that such software is designated as EAR99, or in the case of software that is not subject to the EAR, would be designated as EAR99 if it were located in the United States, and further provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532. Such software updates may be exported or reexported only to the same end user to whom the original software was exported or reexported.

(iii) *Maintenance and Repair Services.* Except as provided in paragraph (a)(5)(iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing specifically for resale to any of the foregoing, of services necessary to maintain and repair medical devices that previously were exported or reexported pursuant to this section, including inspection, testing, calibration, or repair services to ensure patient safety or effective operation, and the conduct of related transactions, are hereby authorized, provided that such services do not substantively alter the functional capacities of the medical device as originally authorized for export or reexport, and further provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by § 560.532.

(iv) *Excluded persons.* Paragraphs (a)(5)(i) through (iii) of this section do not authorize the exportation or reexportation of software, software updates, or maintenance and repair services for medical devices to military, intelligence, or law enforcement purchasers or importers.

(6)(i) *General license for the importation of certain U.S.-origin agricultural commodities, medicine, and medical devices.* Except as provided in paragraph (a)(6)(ii) of this section, the importation into the United States of U.S.-origin agricultural commodities, medicine, and medical devices, including parts, components, or accessories thereof, that previously were exported or reexported pursuant to the authorizations in this section and that are broken, defective, or non-operational, or are connected to product recalls, adverse events, or other safety concerns, and the conduct of related transactions, are hereby authorized.

(ii) *Excluded persons.* Paragraph (a)(6)(i) of this section does not authorize the importation into the United States of U.S.-origin agricultural commodities, medicine, and medical devices that previously were exported or reexported pursuant to the authorizations in this section as broken, defective, or non-operational, or in connection with product recalls, adverse events, or other safety concerns, from military, intelligence, or law enforcement purchasers or importers.

(b) *General license for arrangement of exportation and reexportation of covered products that require a specific license.* (1) With respect to sales authorized pursuant to paragraph (a)(1)(i) of this section, the making of shipping arrangements, cargo inspections, obtaining of insurance, and arrangement of financing (consistent with § 560.532) for the exportation or reexportation of agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section (as set forth in paragraph (a)(1)(ii) of this section) to the Government of Iran, to any

individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, are authorized.

(2) Entry into executory contracts (including executory pro forma invoices, agreements in principle, or executory offers capable of acceptance such as bids in response to public tenders) for the exportation or reexportation of agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section (as set forth in paragraph (a)(1)(ii) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, is authorized, provided that the performance of an executory contract is expressly made contingent upon the prior issuance of a one-year specific license described in paragraph (a)(1)(i) of this section.

(c) *Instructions for obtaining one-year licenses.* In order to obtain the one-year specific license described in paragraph (a)(1)(i) of this section, the exporter must provide to OFAC:

(1) The applicant's full legal name (and, if the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business);

(2) The applicant's mailing and street address (and, so that OFAC may reach a responsible point of contact, the applicant should also include the name of the individual(s) responsible for the application and related commercial transactions, along with their telephone and fax numbers and, if available, email addresses);

(3) The names, mailing addresses, and, if available, fax and telephone numbers and email addresses of all parties with an interest in the transaction. If the goods are being exported or reexported to a purchasing agent in Iran, the exporter must identify the agent's principals at the wholesale level for whom the purchase is being made. If the goods are being exported or reexported to an individual, the exporter must identify any organizations or entities with which the individual is affiliated that have an interest in the transaction;

(4) A description of all items to be exported or reexported pursuant to the requested one-year license, including a statement that the items are designated as EAR99, or would be designated as EAR99 if they were located in the United States, and, if necessary, documentation sufficient to verify that the items to be exported or reexported are designated as EAR99, or would be designated as EAR99 if they were located in the United States, and do not fall within any of the limitations contained in paragraph (d) of this section; and

(5) For items subject to the EAR, an Official Commodity Classification of EAR99 issued by the Department of Commerce's Bureau of Industry and Security (BIS), certifying that the product is designated as EAR99, is required to be submitted to OFAC with the request for a license authorizing the exportation or reexportation of all fertilizers, live horses, western red cedar, or the excluded medical devices specified in paragraph (a)(3)(ii) of this section. *See* 15 CFR 748.3 for instructions for obtaining an Official Commodity Classification of EAR99 from BIS.

(d) *Limitations.* (1) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section relieves the exporter from compliance with the export license application requirements of another Federal agency.

(2) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section authorizes the exportation or reexportation of any agricultural commodity, medicine, or medical device controlled on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778); controlled on any control list established under the Export Administration Act of 1979 or any successor statute (50 U.S.C. App. 2401 *et seq.*); or used to facilitate the development or production of a chemical or biological weapon or weapon of mass destruction.

(3) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section affects prohibitions on the sale or supply of U.S. technology or

software used to manufacture agricultural commodities, medicine, or medical devices, such as technology to design or produce biotechnological items or medical devices.

(4) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section affects U.S. nonproliferation export controls, including the end-user and end-use controls maintained under part 744 of the Export Administration Regulations, 15 CFR part 744.

(5) Nothing in this section authorizes any transaction or dealing with a person whose property and interests in property are blocked under, or who is designated or otherwise subject to any sanctions under, the terrorism, proliferation of weapons of mass destruction, or narcotics trafficking programs administered by OFAC, 31 CFR parts 536, 544, 594, 595, 597, and 598, or with any foreign organization, group, or person subject to any restriction for its involvement in weapons of mass destruction or missile proliferation, or involving property blocked pursuant to this chapter or any other activity prohibited by this chapter not otherwise authorized in or pursuant to this part.

(6) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section authorizes the exportation or reexportation of any agricultural commodity, medicine, or medical device that is not designated as EAR99 or, in the case of any agricultural commodity, medicine, or medical device not subject to the EAR, would not be designated as EAR99 if it were located in the United States.

(e) *Covered items*. For the purposes of this part, agricultural commodities, medicine, and medical devices are defined below.

(1) *Agricultural commodities*. For the purposes of this part, agricultural commodities are:

(i) In the case of products subject to the EAR, 15 CFR part 774, products that are designated as EAR99, and, in the case of products not subject to the EAR, products that would be designated as EAR99 under the EAR if they were located in the United States, in each case that fall within the term ''agricultural commodity'' as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602); and

(ii) In the case of products subject to the EAR, products that are designated as EAR99, and in the case of products not subject to the EAR, products that would be designated as EAR99 if they were located in the United States, in each case that are intended for ultimate use in Iran as:

(A) Food for humans (including raw, processed, and packaged foods; live animals; vitamins and minerals; food additives or supplements; and bottled drinking water) or animals (including animal feeds);

(B) Seeds for food crops;

(C) Fertilizers or organic fertilizers; or

(D) Reproductive materials (such as live animals, fertilized eggs, embryos, and semen) for the production of food animals.

(2) *Medicine*. For the purposes of this part, *medicine* is an item that falls within the definition of the term ''drug'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) and that, in the case of an item subject to the EAR, is designated as EAR99 or, in the case of an item not subject to the EAR, that would be designated as EAR99, if it were located in the United States.

NOTE TO § 560.530(e)(2): The Department of Commerce's Bureau of Industry and Security provides a list on its Web site of medicines that are not designated as EAR99 and therefore not eligible for any general or specific license under this section.

(3) *Medical device*. For the purposes of this part, a *medical device* is an item that falls within the definition of ''device'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) and that, in the case of an item subject to the EAR, is designated as EAR99, or in the case of an item not subject to the EAR, that would be designated as EAR99 if it were located in the United States.

(4) *Covered person*. For purposes of this part, a *covered person* is, with respect to the exportation or reexportation of items subject to the EAR, a U.S. person or a non-U.S. person, and for purposes of items not subject to the EAR, a U.S. person, wherever located, or an entity owned or controlled by a

U.S. person and established or maintained outside the United States.

(f) *Excluded items.* (1) For the purposes of this part, agricultural commodities do not include furniture made from wood; clothing manufactured from plant or animal materials; agricultural equipment (whether hand tools or motorized equipment); pesticides, insecticides, or herbicides; or cosmetics (unless derived entirely from plant materials).

(2) For the purposes of this part, the term *medicine* does not include cosmetics.

(g) *Excluded transactions by U.S.-owned or -controlled foreign entities.* Nothing in this section or in any general license set forth in or issued pursuant to this section authorizes any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012; 79 FR 18993, Apr. 7, 2014; 81 FR 94257, Dec. 23, 2016]

§ 560.531 [Reserved]

§ 560.532 Payment for and financing of exports and reexports of agricultural commodities, medicine, and medical devices, and certain related software and services.

(a) *General license for payment terms.* The following payment terms are authorized for sales pursuant to § 560.530(a):

(1) Payment of cash in advance;

(2) Sales on open account, provided that the account receivable may not be transferred by the person extending the credit;

(3) Financing by third-country financial institutions that are not United States persons, entities owned or controlled by United States persons and established or maintained outside the United States, Iranian financial institutions, or the Government of Iran. Such financing may be confirmed or advised by U.S. financial institutions and by financial institutions that are entities owned or controlled by United States persons and established or maintained outside the United States; or

(4) Letter of credit issued by an Iranian financial institution whose property and interests in property are blocked solely pursuant to this part. Such letter of credit must be initially advised, confirmed, or otherwise dealt in by a third-country financial institution that is not a United States person, an entity owned or controlled by a United States person and established or maintained outside the United States, an Iranian financial institution, or the Government of Iran before it is advised, confirmed, or dealt in by a U.S. financial institution or a financial institution that is an entity owned or controlled by a United States person and established or maintained outside the United States.

(b) *Specific licenses for alternate payment terms.* Specific licenses may be issued on a case-by-case basis for payment terms and trade financing not authorized by the general license in paragraph (a) of this section for sales pursuant to § 560.530(a).

(c)(1) *No debits to blocked accounts.* Nothing in this section authorizes payment terms or trade financing involving a debit to an account blocked pursuant to this part.

(2) *No debits or credits to Iranian accounts on the books of U.S. depository institutions.* Nothing in this section authorizes payment terms or trade financing involving debits or credits to Iranian accounts, as defined in § 560.320.

(d) Notwithstanding any other provision of this part, no commercial exportation to Iran may be made with United States Government assistance, including United States foreign assistance, United States export assistance, and any United States credit or guarantees absent a Presidential waiver.

(e) Nothing in this section authorizes any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012; 81 FR 94259, Dec. 23, 2016]

§ 560.533 Brokering sales of agricultural commodities, medicine, and medical devices.

(a) *General license for brokering sales by U.S. persons.* United States persons are authorized to provide brokerage services on behalf of U.S. persons for the sale and exportation or reexportation by U.S. persons of agricultural commodities, medicine, and medical devices, provided that the sale and exportation or reexportation is authorized, as applicable, by a one-year specific license issued pursuant to paragraph (a)(1)(i) of § 560.530 or by one of the general licenses set forth in paragraphs (a)(2), (a)(3), and (a)(4) of § 560.530.

(b) *Specific licensing for brokering sales by non-U.S. persons of agricultural commodities.* Specific licenses may be issued on a case-by-case basis to permit U.S. persons to provide brokerage services on behalf of non-U.S., non-Iranian persons for the sale and exportation or reexportation of agricultural commodities to the Government of Iran, entities in Iran, or individuals in Iran. Specific licenses issued pursuant to this section will authorize the brokering only of sales that are to purchasers permitted pursuant to § 560.530.

NOTE TO PARAGRAPH (b) OF § 560.533: Requests for specific licenses to provide brokerage services under this paragraph must include all of the information described in § 560.530(c).

(c) *No debits or credits to Iranian accounts on the books of U.S. depository institutions.* Payment for any brokerage fee earned pursuant to this section may not involve debits or credits to Iranian accounts, as defined in § 560.320.

(d) *Recordkeeping and reporting requirements.* Attention is drawn to the recordkeeping, retention, and reporting requirements of §§ 501.601 and 501.602 of this chapter.

[77 FR 64666, Oct. 22, 2012, as amended at 79 FR 18995, Apr. 7, 2014]

§ 560.534 Winding down of transactions related to the importation into the United States of, and dealings in, certain foodstuffs and carpets.

(a) Except as provided in paragraphs (b) and (c) of this section, all transactions and activities that are ordinarily incident and necessary to the wind down of the following activities are authorized through 11:59 p.m. eastern daylight time on August 6, 2018:

(1) The importation into the United States, from Iran or a third country, of the following goods of Iranian origin:

(i) Foodstuffs intended for human consumption that are classified under chapters 2–23 of the Harmonized Tariff Schedule of the United States; and

(ii) Carpets and other textile floor coverings and carpets used as wall hangings that are classified under chapter 57 or heading 9706.00.0060 of the Harmonized Tariff Schedule of the United States.

(2) United States persons, wherever located, engaging in transactions or dealings in or related to the categories of Iranian-origin goods described in paragraph (a)(1) of this section, provided that the transaction or dealing does not involve or relate to goods, technology, or services for exportation, reexportation, sale, or supply, directly or indirectly, to Iran, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, other than services described in § 560.405 (''Transactions ordinarily incident to a licensed transaction authorized'') and transfers of funds described in § 560.516 (''Transfers of funds involving Iran'').

(b) This general license does not authorize the importation into the United States of goods that were under seizure or detention by the Department of Homeland Security, as of January 21, 2016, pursuant to Customs regulations or other applicable provisions of law, until any applicable penalties, charges, duties, or other conditions are satisfied. This general license does not authorize the importation into the United States of goods for which forfeiture proceedings have commenced or of goods that have been forfeited to the U.S. Government, other than through U.S. Customs and Border Protection disposition, including by selling at auction.

(c) Nothing in this section authorizes debits or credits to Iranian accounts, as defined in § 560.320.

[83 FR 30337, June 28, 2018]

§ 560.535 Winding down of transactions related to letters of credit and brokering services relating to certain foodstuffs and carpets.

(a) *Wind down.* Except as provided in paragraph (b) of this section, all transactions and activities that are ordinarily incident and necessary to the wind down of the following activities are authorized through 11:59 p.m. eastern daylight time on August 6, 2018:

(1) *Purchases from Iran or the Government of Iran or certain other blocked persons.* United States depository institutions issuing letters of credit in favor of a beneficiary in Iran, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 to pay for purchases from Iran or the Government of Iran of the categories of Iranian-origin goods described in § 560.534(a)(1), provided that such letters of credit are not advised, negotiated, paid, or confirmed by the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

(2) *Transactions or dealings in Iranian-origin goods located in third countries, other than purchases from the Government of Iran or certain other blocked persons.* United States depository institutions issuing, advising, negotiating, or confirming letters of credit to pay for transactions in or related to Iranian-origin goods described in § 560.534(a)(1) and located in a third-country, other than purchases from the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, provided that such letters of credit are not issued, advised, negotiated, paid, or confirmed by the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

(3) *Brokering.* United States persons, wherever located, acting as brokers for the purchase or sale of the categories of Iranian-origin goods described in § 560.534(a)(1), provided that the goods are not for exportation, reexportation, sale, or supply, directly or indirectly, to Iran, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

(b) *Iranian accounts.* Nothing in this section authorizes debits or credits to Iranian accounts, as defined in § 560.320.

NOTE 1 TO § 560.535: See §§ 560.304 and 560.313 for information relating to individuals and entities that are included within the definition of the term *Government of Iran* and § 560.324 regarding entities included within the definition of the term *Iranian financial institution.* See § 560.516 for information relating to authorized transfers to Iran by U.S. depository institutions relating to licensed transactions.

[83 FR 30337, June 28, 2018]

§ 560.536 Winding down of transactions related to the negotiation of contingent contracts for activities eligible for authorization under the Statement of Licensing Policy for Activities Related to the Export or Re-export to Iran of Commercial Passenger Aircraft and Related Parts and Services.

(a) All transactions and activities that are ordinarily incident and necessary to the wind down of the following activities are authorized through 11:59 p.m. eastern daylight time on August 6, 2018: U.S. persons engaging in all transactions ordinarily incident to the negotiation of contingent contracts for activities that were, at the time of the negotiation, eligible for authorization under the now-rescinded *Statement of Licensing Policy for Activities Related to the Export or Re-export to Iran of Commercial Passenger Aircraft and Related Parts and Services* (JCPOA SLP).

NOTE 1 TO PARAGRAPH (a): OFAC has posted an archived copy of the JCPOA SLP on its website (*www.treasury.gov/ofac*) for reference purposes.

(b) Nothing in paragraph (a) of this section authorizes the exportation, reexportation, sale, or supply, directly or indirectly, of any goods or technology to Iran, the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211.

(c) For purposes of this section, the term ''contingent contract'' means a

contract where the performance of the contract is made expressly contingent upon the issuance of a specific license by the Office of Foreign Assets Control authorizing the activities to be performed. For purposes of this section, the term ''contingent contract'' includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

[83 FR 30337, June 28, 2018]

§ 560.537 Winding down of transactions relating to foreign entities owned or controlled by a U.S. person.

(a) Except as provided in paragraph (c) of this section, all transactions and activities that are ordinarily incident and necessary to the wind down of the following activities are authorized through 11:59 p.m. eastern standard time on November 4, 2018: an entity owned or controlled by a United States person and established or maintained outside the United States (a ''U.S.-owned or -controlled foreign entity'') engaging in transactions, directly or indirectly, with the Government of Iran or any person subject to the jurisdiction of the Government of Iran that would otherwise be prohibited by § 560.215.

(b) All transactions and activities that are ordinarily incident and necessary to the wind down of the following activities are authorized through 11:59 p.m. eastern standard time on November 4, 2018: A United States person engaging in the following:

(1) Activities related to the establishment or alteration of operating policies and procedures of a United States entity or a U.S.-owned or -controlled foreign entity, to the extent necessary to allow a U.S.-owned or -controlled foreign entity to engage in transactions authorized in paragraph (a) of this section; and

(2) Activities to make available to those foreign entities that the U.S. person owns or controls any automated and globally integrated computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server necessary to store, collect, transmit, generate, or otherwise process documents or information related to transactions authorized in paragraph (a) of this section.

NOTE 1 TO PARAGRAPH (b): See § 560.208 for prohibitions on facilitation by United States persons, which remain in effect, with the exception of activities authorized in paragraph (b) of this section.

(c) Paragraph (a) of this section does not authorize transactions involving:

(1) The exportation, reexportation, sale, or supply, directly or indirectly, from the United States of any goods, technology, or services prohibited by § 560.204 or the reexportation from a third country of any goods, technology, or services prohibited by § 560.205;

(2) Any transfer of funds to, from, or through a United States depository institution or a United States-registered broker or dealer in securities;

(3) Any person on OFAC's list of Specially Designated Nationals and Blocked Persons (SDN List), or any activity that would be prohibited by any part of 31 CFR chapter V other than part 560 if engaged in by a United States person or in the United States;

(4) Any person identified on the List of Foreign Sanctions Evaders pursuant to Executive Order 13608;

(5) Any activity involving any item (including information) subject to the Export Administration Regulations, 15 CFR parts 730 through 774 (EAR), that is prohibited by, or otherwise requires a license under, part 744 of the EAR; or participation in any transaction involving a person whose export privileges have been denied pursuant to part 764 or 766 of the EAR, without authorization from the Department of Commerce;

(6) Any military, paramilitary, intelligence, or law enforcement entity of the Government of Iran, or any official, agent, or affiliate thereof;

(7) Any activity that is sanctionable under Executive Order 12938 or 13382 (relating to Iran's proliferation of weapons of mass destruction and their means of delivery, including ballistic missiles); Executive Order 13224 (relating to international terrorism); Executive Order 13572 or 13582 (relating to

Syria); Executive Order 13611 (relating to Yemen); or Executive Order 13553 or 13606, or section 2 or 3 of Executive Order 13628 (relating to Iran's commission of human rights abuses against its citizens); or

(8) Any nuclear activity involving Iran that is subject to the procurement channel established pursuant to paragraph 16 of the United Nations Security Council Resolution 2231 (2015) and Section 6 of Annex IV to the Joint Comprehensive Plan of Action of July 14, 2015 and that has not been approved through that procurement channel process.

(d)(1) For purposes of paragraph (b)(2) of this section, the term ''automated'' refers to a computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server that operates passively and without human intervention to facilitate the flow of data between and among the United States person and its owned or controlled foreign entities.

(2) For purposes of paragraph (b)(2) of this section, the term ''globally integrated'' refers to a computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server that is available to, and in general use by, the United States person's global organization, including the United States person and its owned or controlled foreign entities.

(3) Paragraph (b)(2) of this section does not authorize the use of any automated computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server in connection with any transfer of funds to, from, or through a United States depository institution or a United States-registered broker or dealer in securities.

[83 FR 30338, June 28, 2018]

§ 560.538 Authorized transactions necessary and ordinarily incident to publishing.

(a) To the extent that such activities are not exempt from this part, and subject to the restrictions set forth in paragraphs (b) through (d) of this section, U.S. persons are authorized to engage in all transactions necessary and ordinarily incident to the publishing and marketing of manuscripts, books, journals, and newspapers in paper or electronic format (collectively, ''written publications''). This section does not apply if the parties to the transactions described in this paragraph include the Government of Iran. For the purposes of this section, the term ''Government of Iran'' includes the state and the Government of Iran, as well as any political subdivision, agency, or instrumentality thereof, which includes the Central Bank of Iran, and any person acting or purporting to act directly or indirectly on behalf of any of the foregoing with respect to the transactions described in this paragraph. For the purposes of this section, the term ''Government of Iran'' does not include any academic and research institutions and their personnel. Pursuant to this section, the following activities are authorized, provided that U.S. persons ensure that they are not engaging, without separate authorization, in the activities identified in paragraphs (b) through (d) of this section:

(1) Commissioning and making advance payments for identifiable written publications not yet in existence, to the extent consistent with industry practice;

(2) Collaborating on the creation and enhancement of written publications;

(3)(i) Augmenting written publications through the addition of items such as photographs, artwork, translation, explanatory text, and, for a written publication in electronic format, the addition of embedded software necessary for reading, browsing, navigating, or searching the written publication; and

(ii) Exporting embedded software necessary for reading, browsing, navigating, or searching a written publication in electronic format, provided that the software is designated as ''EAR99'' under the Export Administration Regulations, 15 CFR parts 730 through 774 (the ''EAR''), or is not subject to the EAR;

(4) Substantive editing of written publications;

(5) Payment of royalties for written publications;

(6) Creating or undertaking a marketing campaign to promote a written publication; and

(7) Other transactions necessary and ordinarily incident to the publishing and marketing of written publications as described in this paragraph (a).

(b) This section does not authorize transactions involving the provision of goods or services not necessary and ordinarily incident to the publishing and marketing of written publications as described in paragraph (a) of this section. For example, this section does not authorize U.S. persons:

(1) To provide or receive individualized or customized services (including, but not limited to, accounting, legal, design, or consulting services), other than those necessary and ordinarily incident to the publishing and marketing of written publications, even though such individualized or customized services are delivered through the use of information or informational materials;

(2) To create or undertake for any person a marketing campaign with respect to any service or product other than a written publication, or to create or undertake a marketing campaign of any kind for the benefit of the Government of Iran;

(3) To engage in the exportation or importation of goods to or from Iran other than the exportation of embedded software described in paragraph (a)(3)(ii) of this section; or

(4) To operate a publishing house, sales outlet, or other office in Iran.

NOTE TO PARAGRAPH (b) OF § 560.538: The importation from Iran and the exportation to Iran of information or informational materials, as defined in § 560.315, whether commercial or otherwise, regardless of format or medium of transmission, are exempt from the prohibitions and regulations of this part. *See* § 560.210(c).

(c) This section does not authorize U.S. persons to engage the services of publishing houses or translators in Iran unless such activity is primarily for the dissemination of written publications in Iran.

(d) This section does not authorize:

(1) The exportation from or importation into the United States of services for the development, production, or design of software;

(2) Transactions for the development, production, design, or marketing of technology specifically controlled by the International Traffic in Arms Regulations, 22 CFR parts 120 through 130 (the ''ITAR''), the EAR, or the Department of Energy Regulations set forth at 10 CFR part 810;

(3) The exportation of information or technology subject to the authorization requirements of 10 CFR part 810, or Restricted Data as defined in section 11 y. of the Atomic Energy Act of 1954, as amended, or of other information, data, or technology the release of which is controlled under the Atomic Energy Act and regulations therein;

(4) The exportation of any item (including information) subject to the EAR where a U.S. person knows or has reason to know that the item will be used, directly or indirectly, with respect to certain nuclear, missile, chemical, or biological weapons or nuclear-maritime end-uses as set forth in part 744 of the EAR. In addition, U.S. persons are precluded from exporting any item subject to the EAR to certain restricted end-users, as set forth in part 744 of the EAR, as well as certain persons whose export privileges have been denied pursuant to parts 764 or 766 of the EAR, without authorization from the Department of Commerce; or

(5) The exportation of information subject to licensing requirements under the ITAR or exchanges of information that are subject to regulation by other government agencies.

§ 560.539 Official activities of certain international organizations.

(a) *General license*. Except as provided in paragraph (b) of this section, all transactions otherwise prohibited by this part that are for the conduct of the official business of the United Nations, the World Bank, the International Monetary Fund, the International Atomic Energy Agency, the International Labor Organization, or the World Health Organization by employees, contractors, or grantees thereof are authorized. Authorized transactions include, but are not limited to:

(1) The provision of services involving Iran necessary for carrying out the official business;

(2) Purchasing Iranian-origin goods and services for use in carrying out the official business;

(3) Leasing office space and securing related goods and services;

(4) Funds transfers to or from accounts of the international organizations covered in this section, provided that funds transfers to or from Iran are not routed through an account of an Iranian bank on the books of a U.S. financial institution or a financial institution that is an entity owned or controlled by a United States person and established or maintained outside the United States; and

(5) The operation of accounts for employees, contractors, and grantees located in Iran of the international organizations covered in this section. Transactions conducted through these accounts must be solely for the employee's, contractor's, or grantee's personal use and not for any commercial purposes in or involving Iran. Any funds transfers to or from an Iranian bank must be routed through a third-country bank that is not a United States person or an entity owned or controlled by a United States person and established or maintained outside the United States.

(b) *Limitations.* This section does not authorize:

(1) The exportation from the United States to Iran of any goods or technology listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement No. 1 (CCL);

(2) The reexportation to Iran of any U.S.-origin goods or technology listed on the CCL;

(3) The exportation or reexportation from the United States or by a U.S. person, wherever located, to Iran of any services not necessary and ordinarily incident to the official business in Iran. Such transactions require separate authorization from OFAC; or

(4) Any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

NOTE TO PARAGRAPH (b) OF § 560.539: The CCL includes items such as many laptop computers, personal computers, cell phones, personal digital assistants and other wireless handheld devices/blackberries, and other similar items. The exportation of these items to Iran, even on a temporary basis, is prohibited, unless specifically authorized in a license issued pursuant to this part in a manner consistent with the Iran-Iraq Arms Nonproliferation Act of 1992 and other relevant law.

NOTE TO § 560.539: The general license set forth in this section does not relieve any persons authorized thereunder from compliance with any other U.S. legal requirements applicable to the transactions authorized pursuant to paragraph (a) of this section.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012]

§ 560.540 Exportation of certain services and software incident to Internet-based communications.

(a) To the extent that such transactions are not exempt from the prohibitions of this part and subject to the restrictions set forth in paragraph (b) of this section, the following transactions are authorized:

(1) The exportation from the United States or by U.S. persons, wherever located, to persons in Iran of services incident to the exchange of personal communications over the Internet, such as instant messaging, chat and email, social networking, sharing of photos and movies, web browsing, and blogging, provided that such services are publicly available at no cost to the user.

(2) The exportation from the United States or by U.S. persons, wherever located, to persons in Iran of software necessary to enable the services described in paragraph (a)(1) of this section, provided that such software is designated as EAR99 under the Export Administration Regulations, 15 CFR parts 730 through 774 (the ''EAR''), is not subject to the EAR, or is classified by the U.S. Department of Commerce (''Commerce'') as mass market software under export control classification number (''ECCN'') 5D992 of the EAR, and provided further that such software is publicly available at no cost to the user.

(b) This section does not authorize:

(1) The direct or indirect exportation of services or software with knowledge

or reason to know that such services or software are intended for the Government of Iran;

(2) The direct or indirect exportation of any goods or technology listed on the Commerce Control List in the EAR, 15 CFR part 774, supplement No. 1 (''CCL''), except for software necessary to enable the services described in paragraph (a)(1) of this section that is classified by Commerce as mass market software under ECCN 5D992 of the EAR;

(3) The direct or indirect exportation of Internet connectivity services or telecommunications transmission facilities (such as satellite or terrestrial network connectivity); or

(4) The direct or indirect exportation of web-hosting services that are for purposes other than personal communications (e.g., web-hosting services for commercial endeavors) or of domain name registration services.

(c) Specific licenses may be issued on a case-by-case basis for the exportation of other, including fee-based, services and software incident to the sharing of information over the Internet, provided the software is designated as EAR99, is not subject to the EAR, or is classified by Commerce as mass market software under ECCN 5D992 of the EAR.

§ 560.541 Third-country diplomatic and consular funds transfers.

United States depository institutions and United States registered brokers or dealers in securities are authorized to process funds transfers, in a manner consistent with § 560.516, for the operating expenses or other official business of third-country diplomatic or consular missions in Iran.

§ 560.542 Importation and exportation of human remains for burial, cremation, or interment authorized.

(a) The importation into the United States of human remains for burial, cremation, or interment, as well as of coffins or other receptacles containing such human remains, from Iran is authorized.

(b) The importation into the United States for non-commercial purposes of finished tombstones or grave markers of Iranian origin is authorized.

(c) The direct or indirect exportation from the United States, or by a United States person, wherever located, of human remains for burial, cremation, or interment, as well as of coffins or other receptacles containing such human remains, to Iran is authorized.

(d) This section does not authorize the importation into the United States of Iranian-origin cultural property or other items of archaeological, historical, or rare scientific importance.

§ 560.543 Sale of certain real and personal property in Iran and transfer of related funds to the United States.

(a) Individuals who are U.S. persons are authorized to engage in transactions necessary and ordinarily incident to the sale of real and personal property in Iran and to transfer the proceeds to the United States, provided that such real and personal property was acquired before the individual became a U.S. person or inherited from persons in Iran. Authorized transactions include engaging the services of any persons in Iran necessary for the sale, such as an attorney, funds agent, or broker.

(b) This section does not authorize:

(1) The wind-down of commercial enterprises in Iran;

(2) The re-investment in Iran of the proceeds from the real or personal property sales authorized in paragraph (a) of this section; or

(3) The exportation or reexportation to Iran of any goods (including software) or technology.

[77 FR 64666, Oct. 22, 2012, as amended at 83 FR 55271, Nov. 5, 2018]

§ 560.544 Certain educational activities by U.S. persons in third countries authorized.

(a) Subject to the restriction set forth in paragraph (c) of this section, accredited undergraduate degree-granting academic institutions organized under the laws of the United States or any jurisdiction within the United States or located in the United States (''U.S. undergraduate institutions'') with undergraduate educational programs or undergraduate exchange programs in countries other than the United States or Iran are authorized to

engage in the following activities with respect to such programs in the humanities, social sciences, law, and business:

(1) Recruit, hire, and employ faculty and staff who are ordinarily resident in Iran;

(2) Recruit, enroll, and educate students who are ordinarily resident in Iran;

(3) Enter into and perform exchange agreements with Iranian universities;

(4) Provide scholarships to students ordinarily resident in Iran; and

(5) Recruit individuals ordinarily resident in Iran, such as scholars, artists, performers, speakers, alumni, and students, to participate in events, such as conferences, lectures, film series, research workshops, exhibitions, theatrical and musical performances, and continuing education courses. U.S. undergraduate institutions are authorized to provide compensation, including honoraria, to such individuals.

(b) Subject to the restriction set forth in paragraph (c) of this section:

(1) Paragraph (a)(2) of this section authorizes the release of technology or software to students ordinarily resident in Iran, provided that all of the following requirements are met:

(i) Such release is ordinarily incident and necessary to the undergraduate educational program or the undergraduate exchange program at the U.S. undergraduate institution in which the student is enrolled;

(ii) The technology or software being released is designated as EAR99 under the Export Administration Regulations, 15 CFR parts 730 through 774 (the ''EAR''), or constitutes Educational Information not subject to the EAR, as set forth in 15 CFR 734.9;

(iii) The release does not otherwise require a license from the Department of Commerce; and

(iv) The student to whom the release is made is not enrolled in the undergraduate educational program, or participating in the undergraduate exchange program, as an agent, employee, or contractor of the Government of Iran or a business entity or other organization in Iran.

(2) This section authorizes enrollment in undergraduate courses in math, sciences, and engineering that are required or electives for undergraduate programs in the humanities, social sciences, law, or business provided the following conditions are met:

(i) The undergraduate courses are required for the completion of the humanities, social sciences, law, or business program and are for ''introductory,'' non-major, freshman or sophomore equivalent courses only; or

(ii) The undergraduate courses are required for the completion of the humanities, social sciences, law, or business program and are math-related accounting or economics classes at any undergraduate level, not to include courses allowing for any post-graduate work.

(c) This section does not authorize the exportation or reexportation to Iran or the Government of Iran of any goods (including software) or technology, including any release of technology or software described in § 560.418 of this part, except as expressly authorized in paragraph (b) of this section.

(d) Specific licenses may be issued on a case-by-case basis authorizing accredited graduate degree-granting academic institutions organized under the laws of the United States or any jurisdiction within the United States or located in the United States with graduate educational programs or graduate exchange programs in third countries to recruit, hire, and employ faculty and staff who are ordinarily resident in Iran for such third-country graduate educational programs in the humanities, social sciences, law, and business or graduate exchange programs in the humanities, social sciences, law, and business, and to recruit, enroll, and educate students who are ordinarily resident in Iran in such third-country graduate educational programs in the humanities, social sciences, law, and business or graduate exchange programs in the humanities, social sciences, law, and business.

§ 560.545 Democracy and human rights in Iran and academic and cultural exchange programs.

(a) Specific licenses may be issued on a case-by-case basis to authorize nongovernmental organizations and other entities organized under the laws of the

United States or any jurisdiction within the United States or located in the United States to engage in the following projects or activities in or related to Iran that are designed to directly benefit the Iranian people:

(1) Projects, including conferences and training, to support human rights, democratic freedoms, and democratic institutions and to meet basic human needs; and

(2) The establishment or support of independent civic organizations.

(b) Specific licenses may be issued on a case-by-case basis to authorize U.S. persons to engage in the following projects or activities in or related to Iran that are designed to directly benefit the Iranian people:

(1) The provision of donated professional medical services;

(2) Certain targeted educational, cultural, and sports exchange programs, provided such programs are not in furtherance of Iranian military, industrial, or technological infrastructure or potential;

(3) Environmental projects, provided such projects are not in furtherance of Iranian military or industrial infrastructure or potential; and

(4) Projects, including exchanges and technical training, to improve the flow of public information through independent media available to the Iranian public.

(c) Specific licenses issued pursuant to this section generally will not authorize the exportation or reexportation to Iran of goods (including software) and technology listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement No. 1 (CCL).

NOTE 1 TO § 560.545: The CCL includes items such as many laptop computers, personal computers, cell phones, personal digital assistants and other wireless handheld devices/blackberries, and other similar items. The exportation or reexportation of these items to Iran, even on a temporary basis, is prohibited, unless specifically authorized in a license issued pursuant to this part in a manner consistent with the Iran-Iraq Arms Nonproliferation Act of 1992 and other relevant law.

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

Any payment of funds or transfer of credit in which the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 has any interest that comes within the possession or control of a U.S. financial institution must be blocked in an account on the books of that financial institution. A transfer of funds or credit by a U.S. financial institution between blocked accounts in its branches or offices is authorized, provided that no transfer is made from an account within the United States to an account held outside the United States, and further provided that a transfer from a blocked account may be made only to another blocked account held in the same name.

NOTE TO § 560.546: *See* § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers. *See also* § 560.213 of this part concerning the obligation to hold blocked funds in interest-bearing accounts.

§ 560.547 Entries in certain accounts for normal service charges authorized.

(a) A U.S. financial institution is authorized to debit any blocked account held at that financial institution in payment or reimbursement for normal service charges owed it by the owner of that blocked account.

(b) As used in this section, the term *normal service charges* shall include charges in payment or reimbursement for interest due; cable, telegraph, Internet, or telephone charges; postage costs; custody fees; small adjustment charges to correct bookkeeping errors; and, but not by way of limitation, minimum balance charges, notary and protest fees, and charges for reference books, photocopies, credit reports, transcripts of statements, registered mail, insurance, stationery and supplies, and other similar items.

NOTE TO § 560.547: *See* § 560.517, which authorizes U.S. depository institutions and U.S. registered brokers or dealers in securities to provide and be compensated for services with respect to the limited maintenance of Iranian accounts other than blocked accounts, including the payment of interest

and dividends and the debiting of service charges.

§ 560.548 Investment and reinvestment of certain funds.

Subject to the requirements of § 560.213, U.S. financial institutions are authorized to invest and reinvest assets blocked pursuant to § 560.211, subject to the following conditions:

(a) The assets representing such investments and reinvestments are credited to a blocked account or subaccount that is held in the same name at the same U.S. financial institution, or within the possession or control of a U.S. person, but funds shall not be transferred outside the United States for this purpose;

(b) The proceeds of such investments and reinvestments shall not be credited to a blocked account or subaccount under any name or designation that differs from the name or designation of the specific blocked account or subaccount in which such funds or securities were held; and

(c) No immediate financial or economic benefit accrues (*e.g.*, through pledging or other use) to a person whose property and interests in property are blocked pursuant to § 560.211.

§ 560.549 Policy governing Iranian news organizations' offices in the United States.

Specific licenses may be issued on a case-by-case basis authorizing transactions necessary for the establishment and operation of news bureaus in the United States by Iranian organizations whose primary purpose is the gathering and dissemination of news to the general public.

§ 560.550 Certain noncommercial, personal remittances to or from Iran authorized.

(a) In cases in which the transfer involves a noncommercial, personal remittance, the transfer of funds to or from Iran or for or on behalf of an individual ordinarily resident in Iran, other than an individual whose property and interests in property are blocked pursuant to § 560.211, is authorized, provided that the transfer is processed by a United States depository institution or a United States registered broker or dealer in securities and not by any other U.S. person; does not involve debiting or crediting an Iranian account; and is not by, to, or through the Government of Iran, as defined in § 560.304.

(b) Noncommercial, personal remittances do not include charitable donations to or for the benefit of an entity or funds transfers for use in supporting or operating a business, including a family-owned enterprise.

NOTE TO PARAGRAPH (b) OF § 560.550: Charitable donations of funds to or for the benefit of an entity in Iran require a specific license.

(c) The transferring institutions identified in paragraph (a) of this section may rely on the originator of a funds transfer with regard to compliance with paragraph (a) of this section, provided that the transferring institution does not know or have reason to know that the funds transfer is not in compliance with paragraph (a) of this section.

(d) An individual who is a U.S. person is authorized to carry funds as a noncommercial, personal remittance, as described in paragraphs (a) and (b) of this section, to an individual in Iran or ordinarily resident in Iran, other than an individual whose property and interests in property are blocked pursuant to § 560.211, provided that the individual who is a U.S. person is carrying the funds on his or her behalf, but not on behalf of another person.

§ 560.551 Student loan payments from persons in Iran authorized.

United States depository institutions and private loan companies are authorized to engage in all transactions necessary to collect, accept, and process student loan payments from persons in Iran or ordinarily resident in Iran.

§ 560.552 Transactions related to U.S. citizens residing in Iran.

(a) Except as provided by paragraph (b) of this section, U.S. persons are authorized to engage in transactions in Iran ordinarily incident to the routine and necessary maintenance and other personal living expenses of U.S. citizens who reside on a permanent basis in Iran.

(b) Nothing in this section authorizes transactions related to employment by U.S. persons in Iran.

§ 560.553 Payments from funds originating outside the United States authorized.

Effective October 22, 2012, receipts of payment of professional fees and reimbursement of incurred expenses for the provision of legal services authorized pursuant to § 560.525(a) to or on behalf of the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211 are authorized from funds originating outside the United States, provided that:

(a) Prior to receiving payment for legal services authorized pursuant to § 560.525(a) rendered to the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, 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 referencing 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;

(b) 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 § 560.525(a) must not originate from:

(1) A source within the United States;

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

(3) Any individual or entity, other than the person on whose behalf the legal services authorized pursuant to § 560.525(a) are to be provided, whose property and interests in property are blocked pursuant to any part of this chapter or any Executive order; and

NOTE TO PARAGRAPH (b) OF § 560.553: This paragraph authorizes the blocked person on whose behalf the legal services authorized pursuant to § 560.525(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 any part of this chapter or any Executive order holds an interest.

(c) *Reports.* (1) U.S. persons who receive payments pursuant to this section in connection with legal services authorized pursuant to § 560.525(a) must submit quarterly reports providing information on the funds received, no later than 30 days following the end of the calendar quarter during which the payments were received. Such reports shall specify:

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

(ii) If applicable:

(A) 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;

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

(C) The amount of funds paid in connection with such services;

(2) In the event that no transactions occur or no funds are received during the reporting period, a statement is to be filed to that effect; and

(3) The reports, which must reference this section, are 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.

(d) Nothing in this section authorizes any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

NOTE 1 TO § 560.553: U.S. persons who receive payments in connection with legal services authorized pursuant to § 560.525(a) do not need to obtain specific authorization to

contract for related services that are ordinarily incident to the provision of those legal services, such as those provided by private investigators or expert witnesses, or to pay for such services. Additionally, U.S. persons do not need to obtain specific authorization to provide related services that are ordinarily incident to the provision of legal services authorized pursuant to § 560.525(a).

NOTE 2 TO § 560.553: Any payment authorized in or pursuant to this section that is routed through the U.S. financial system should reference this § 560.553 to avoid the blocking of the transfer.

NOTE 3 TO § 560.553: Nothing in this section authorizes the transfer of any blocked property, the debiting of any blocked account, the entry of any judgment or order that effects a transfer of blocked property, or the execution of any judgment against property blocked pursuant to any part of this chapter or any Executive order.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012]

§ 560.554 Importation and exportation of services related to conferences in the United States or third countries authorized.

(a) Subject to the restrictions in paragraph (c) of this section, the importation of Iranian-origin services into the United States or other dealing in such services and the exportation, reexportation, sale, or supply of services from the United States or by a U.S. person are authorized where such services are performed or provided in the United States by or for a person who is ordinarily resident in Iran, other than the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, for the purpose of, or which directly relate to, participating in a public conference, performance, exhibition or similar event, and such services are consistent with that purpose.

(b) To the extent not otherwise exempt from the prohibitions of this part and subject to the restrictions in paragraph (c) of this section, the exportation, reexportation, sale, or supply of services directly related to the sponsorship by a U.S. person of a public conference or other similar public event in a third country that is attended by persons who are ordinarily resident in Iran, other than the Government of Iran, an Iranian financial institution, or any other person whose property and interests in property are blocked pursuant to § 560.211, is authorized, provided that attendance and participation at the conference or other similar public event is open for the public and that the conference or other similar event is not tailored in whole or in part to or for Iran or persons who are ordinarily resident in Iran.

(c) This section does not authorize:

(1) Any release of technology or software to a person who is ordinarily resident in Iran; and

(2) The exportation, reexportation, sale or supply of services, or the importation of Iranian-origin services or other dealing in such services, related to the petroleum or petrochemical industries, energy development, crude oil or natural gas, pipelines, or the oil services industry.

§ 560.555 Winding-down of transactions prohibited by § 560.215.

(a) Except as set forth in paragraphs (b) and (c) of this section, all transactions ordinarily incident and necessary to the winding-down of transactions prohibited by § 560.215 are authorized from October 9, 2012, through March 8, 2013, provided that those ordinarily incident and necessary transactions do not involve a U.S. person or occur in the United States.

(b) Nothing in this section authorizes any transactions prohibited by § 560.205.

(c) Transactions involving Iranian financial institutions are authorized pursuant to paragraph (a) of this section only if the property and interests in property of the Iranian financial institution are blocked solely pursuant to this part.

[77 FR 75850, Dec. 26, 2012]

§ 560.556 Foreign entities owned or controlled by U.S. persons authorized to engage in transactions that are authorized by general license if engaged in by a U.S. person or in the United States.

(a) Except as set forth in paragraph (b) of this section, an entity owned or controlled by a United States person and established or maintained outside the United States (a ''U.S.-owned or -controlled foreign entity'') is authorized to engage in a transaction otherwise prohibited by § 560.215 that would

be authorized by a general license set forth in or issued pursuant to this part if engaged in by a U.S. person or in the United States, provided the U.S.-owned or -controlled foreign entity is authorized to engage in the transaction only to the same extent as the U.S. person is authorized to engage in the transaction and subject to all the conditions and requirements set forth in the general license for the U.S. person.

(b) This section does not authorize any transaction by a U.S.-owned or -controlled foreign entity otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 75850, Dec. 26, 2012]

Subpart F—Reports

§ 560.601 Records and reports.

For provisions relating to required records and reports, see part 501, subpart C, of this chapter. Recordkeeping and reporting requirements imposed by part 501 of this chapter with respect to the prohibitions contained in this part are considered requirements arising pursuant to this part.

§§ 560.602–560.603 [Reserved]

Subpart G—Penalties

§ 560.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) (''IEEPA''), which is applicable to violations of the provisions of any license, ruling, regulation, order, directive, or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under IEEPA.

(1) A civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation, or prohibition issued under IEEPA.

NOTE TO PARAGRAPH (a)(1): The applicable maximum civil penalty per violation of IEEPA is the greater of $295,141 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(2) A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any license, order, regulation, or prohibition may, upon conviction, be fined not more than $1,000,000, or if a natural person, be imprisoned for not more than 20 years, or both.

(3) As set forth in section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Pub. L. 112–158), a civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on a United States person if an entity owned or controlled by the United States person and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of the prohibition set forth in § 560.215 or of any order, regulation, or license set forth in or issued pursuant to this part concerning such prohibition. The penalties set forth in this paragraph shall not apply with respect to a transaction described in § 560.215 by an entity owned or controlled by the United States person and established or maintained outside the United States if the United States person divests or terminates its business with the entity not later than February 6, 2013, such that the U.S. person no longer owns or controls the entity, as defined in § 560.215(b)(1).

(b) *Adjustments to penalty amounts.* (1) The civil penalties provided in IEEPA are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410, as amended, 28 U.S.C. 2461 note).

(2) The criminal penalties provided in IEEPA are subject to adjustment pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any materially false, fictitious, or fraudulent statement or

representation, or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry shall be fined under title 18, United States Code, or imprisoned, or both.

(d) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104–132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

(e) Violations of this part may also be subject to relevant provisions of Customs laws and other applicable laws.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75850, Dec. 26, 2012; 81 FR 43076, July 1, 2016; 82 FR 10438, Feb. 10, 2017; 83 FR 11880, Mar. 19, 2018]

EDITORIAL NOTE: At 84 FR 27718, June 14, 2019, § 560.701 was amended by redesignating paragraph (a)(2) as (a)(3) and the note to paragraph (a)(1) as paragraph (a)(2), and amending the new paragraph (a)(2), by removing ''$295,141'' and adding ''$302,584'' in its place. However, paragraph (a)(3) already exists so these amendments could not be incorporated.

§ 560.702 Detention of shipments.

Import shipments into the United States of Iranian-origin goods in violation of § 560.201 and export shipments from the United States of goods destined for Iran in violation of § 560.204 shall be detained. No such import, export, or reexport will be permitted to proceed, except as specifically authorized by or on behalf of the Secretary of the Treasury. Unless licensed, such shipments are subject to penalty or seizure and forfeiture action, under the customs laws or other applicable provisions of law, depending on the circumstances.

§ 560.703 Pre-Penalty Notice; settlement.

(a) *When required.* If the Office of Foreign Assets Control has reason to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction, or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under IEEPA and determines that a civil monetary penalty is warranted, the Office of Foreign Assets Control will issue a Pre-Penalty Notice informing the alleged violator of the agency's intent to impose a monetary penalty. A Pre-Penalty Notice shall be in writing. The Pre-Penalty Notice may be issued whether or not another agency has taken any action with respect to the matter. For a description of the contents of a Pre-Penalty Notice, see Appendix A to part 501 of this chapter.

(b)(1) *Right to respond.* An alleged violator has the right to respond to a Pre-Penalty Notice by making a written presentation to the Office of Foreign Assets Control. For a description of the information that should be included in such a response, see appendix A to part 501 of this chapter.

(2) *Deadline for response.* A response to a Pre-Penalty Notice must be made within the applicable 30-day period set forth in this paragraph. The failure to submit a response within the applicable time period set forth in this paragraph shall be deemed to be a waiver of the right to respond.

(i) *Computation of time for response.* A response to a Pre-Penalty Notice must be postmarked or date-stamped by the U.S. Postal Service (or foreign postal service, if mailed abroad) or courier service provider (if transmitted to the Office of Foreign Assets Control by courier) on or before the 30th day after the postmark date on the envelope in which the Pre-Penalty Notice was mailed. If the Pre-Penalty Notice was personally delivered by a non-U.S. Postal Service agent authorized by the Office of Foreign Assets Control, a response must be postmarked or date-stamped on or before the 30th day after the date of delivery.

(ii) *Extensions of time for response.* If a due date falls on a federal holiday or weekend, that due date is extended to include the following business day. Any other extensions of time will be granted, at the discretion of the Office of Foreign Assets Control, only upon specific request to the Office of Foreign Assets Control.

(3) *Form and method of response.* A response to a Pre-Penalty Notice need not be in any particular form, but it must be typewritten and signed by the alleged violator or a representative thereof, must contain information sufficient to indicate that it is in response to the Pre-Penalty Notice, and must include the Office of Foreign Assets Control identification number listed on the Pre-Penalty Notice. A copy of the written response may be sent by facsimile, but the original also must be sent to the Office of Foreign Assets Control Civil Penalties Division by mail or courier and must be postmarked or date-stamped in accordance with paragraph (b)(2) of this section.

(c) *Settlement.* Settlement discussion may be initiated by the Office of Foreign Assets Control, the alleged violator, or the alleged violator's authorized representative. For a description of practices with respect to settlement, see Appendix A to part 501 of this chapter.

(d) *Guidelines.* Guidelines for the imposition or settlement of civil penalties by the Office of Foreign Assets Control are contained in appendix A to part 501 of this chapter.

(e) *Representation.* A representative of the alleged violator may act on behalf of the alleged violator, but any oral communication with the Office of Foreign Assets Control prior to a written submission regarding the specific allegations contained in the Pre-Penalty Notice must be preceded by a written letter of representation, unless the Pre-Penalty Notice was served upon the alleged violator in care of the representative.

§ 560.704 Penalty imposition.

If, after considering any written response to the Pre-Penalty Notice and any relevant facts, the Office of Foreign Assets Control determines that there was a violation by the alleged violator named in the Pre-Penalty Notice and that a civil monetary penalty is appropriate, the Office of Foreign Assets Control may issue a Penalty Notice to the violator containing a determination of the violation and the imposition of the monetary penalty. For additional details concerning issuance of a Penalty Notice, see appendix A to part 501 of this chapter. The issuance of the Penalty Notice shall constitute final agency action. The violator has the right to seek judicial review of that final agency action in federal district court.

§ 560.705 Administrative collection; referral to United States Department of Justice.

In the event that the violator does not pay the penalty imposed pursuant to this part or make payment arrangements acceptable to the Office of Foreign Assets Control, the matter may be referred for administrative collection measures by the Department of the Treasury or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in a federal district court.

Subpart H—Procedures

§ 560.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see part 501, subpart E, of this chapter.

§ 560.802 Delegation by the Secretary of the Treasury.

Any action that the Secretary of the Treasury is authorized to take pursuant to Executive Order 12613 of October 29, 1987 (3 CFR, 1987 Comp., p. 256), Executive Order 12957 of March 15, 1995 (3 CFR, 1995 Comp., p. 332), Executive Order 12959 of May 6, 1995 (3 CFR, 1995 Comp., p. 356), Executive Order 13059 of August 19, 1997 (3 CFR, 1997 Comp., p. 217), Executive Order 13599 of February 5, 2012 (77 FR 6659, February 8, 2012), and any further Executive orders relating to the national emergency declared

in Executive Order 12957, may be taken by the Director of the Office of Foreign Assets Control or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

§ 560.803 [Reserved]

Subpart I—Paperwork Reduction Act

§ 560.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget (''OMB'') under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) of information collections relating to recordkeeping and reporting requirements, licensing procedures (including those pursuant to statements of licensing policy), and other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

APPENDIX A TO PART 560 [RESERVED]

APPENDIX B TO PART 560—BULK AGRICULTURAL COMMODITIES

NOTES: 1. Appendix B sets forth those bulk agricultural commodities eligible for sale pursuant to the licensing procedures and the general license in § 560.530.

2. Commodities are identified by their classification numbers in the Harmonized Tariff Schedule of the United States (see 19 U.S.C. 1202) (''HTS'').

HTS No.	Commodity
1001.10	Durum Wheat.
1001.90	Other Wheat and Meslin, including seed, Red Spring Wheat, White Winter Wheat, ''Canadian'' Western Red Winter Wheat, Soft White Spring Wheat, and Wheat not elsewhere specified.
1101.00	Wheat or Meslin Flour.
1006.10	Rice in the husk (paddy or rough).
1006.20	Husked (brown) Rice.
1006.30	Semi-milled or wholly milled Rice, whether or not polished or glazed.
1006.40	Broken Rice.
1102.30	Rice Flour.
1103.14	Rice Groats, Meal and Pellets.
1002.00	Rye.
1003.00	Barley.
1004.00	Oats.
1007.00	Grain Sorghum.
1005.00	Corn (Maize).
0713.31	Dried Beans including Vigna mungo (L.), Hepper, and Vigna radiata (L.) Wilczek.
0713.32	Small red (adzuki) beans.
0713.33	Kidney beans, including white pea beans.
0713.39	Beans, other.
0713.50	Broad beans and horse beans.
0713.10	Dried Peas (Pisum sativum).
0713.20	Chickpeas (garbanzos).
0713.40	Lentils.
0713.90	Dried leguminous vegetables, shelled, not elsewhere specified.
1201.00	Soybeans, whether or not broken.
2304.00	Soybean cake, meal and pellets.
1507.10	Soybean oil, crude.
1507.90	Soybean oil, other.
1514.10	Rapeseed, colza and mustard oil, crude.
1514.90	Rapeseed, colza and mustard oil, other.
1515.21	Corn (Maize) oil, crude.
1515.29	Corn (Maize) oil, other.
1512.21	Cottonseed oil, crude.
1512.29	Cottonseed oil, other.
1517.90	Cottonseed oil, hydrogenated.
1508.10	Peanut (ground-nut) oil, crude.
1508.90	Peanut (ground-nut) oil, other.
1515.50	Sesame oil.
1512.11	Sunflower-seed oil, crude.
1512.19	Sunflower-seed oil, other.
1212.91	Sugar Beets, fresh, chilled, frozen or dried.
1212.92	Sugar Cane, fresh, chilled, frozen or dried.
1701.11	Cane Sugar, raw, solid form.
1701.12	Beet Sugar, raw, solid form.
1701.91	Cane or Beet Sugar, solid form, containing added coloring or flavoring.
1701.99	Cane or Beet Sugar, other, not elsewhere specified.

APPENDIX C TO PART 560 [RESERVED]

PART 561—IRANIAN FINANCIAL SANCTIONS REGULATIONS

Subpart A—Relation of This Part to Other Laws and Regulations

Sec.
561.101 Relation of this part to other laws and regulations.

Subpart B—Prohibitions

561.201 CISADA-based sanctions on certain foreign financial institutions.
561.202 Prohibitions on persons owned or controlled by U.S. financial institutions.
561.203 NDAA-based sanctions on certain foreign financial institutions.
561.204 Additional petroleum-related sanctions on certain foreign financial institutions.
561.205 Evasions; attempts; causing violations; conspiracies.

Subpart C—General Definitions

561.301 Effective date.
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561.303 UNSC Resolution 1747.
561.304 UNSC Resolution 1803.
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561.309 U.S. financial institution.
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