

(2) A description of the rejected transaction, including the type of transaction; any persons, including financial institutions, participating in the transaction and their respective locations (*e.g.*, customers, beneficiaries, originators, letter of credit applicants, and their banks; intermediary banks; correspondent banks; issuing banks; and advising or confirming banks); a description of the property that is the subject of the transaction; and any reference numbers, account numbers, dates, or other information necessary to identify the transaction;

(3) If applicable, the associated sanctions target(s) whose involvement in the transaction has resulted in the transaction being rejected, the location(s) of the associated sanctions target(s), if known, and, if not evident, a narrative description of the interest(s) of the target(s) in the transaction;

(4) The date the transaction was rejected;

(5) The actual, or if unknown, estimated value of the property in U.S. Dollars. Rejected trade documents should be reported as \$0.00 (zero) with the value of the shipment reflected in a narrative description. Rejected transactions in foreign currencies must be reported in U.S. Dollars with the foreign currency amount and notional exchange rate in a narrative description;

(6) The legal authority or authorities under which the transaction was rejected. This may include a reference to the sanctions program (current programs are listed here: www.treasury.gov/resource-center/sanctions/SDN-List/Pages/program_tags.aspx), the applicable part of this chapter (*e.g.*, 31 CFR part 515, 31 CFR part 544), an Executive Order (E.O.) (*e.g.*, E.O. 13224, E.O. 13599), or a statute (*e.g.*, Foreign Narcotics Kingpin Designation Act). (Note: For this purpose, the term “SDN” is generic and cannot be used to identify the legal authority or authorities for rejecting transactions); and

(7) A copy of any related payment or transfer instructions, check, letter of credit, accompanying bill of lading, invoice, or any other relevant documentation received in connection with the transaction.

(c) *When reports are due.* Reports shall be filed within 10 business days of the

rejected transaction prohibited by the provisions of this chapter.

(d) *Where to report.* Reports under this section shall be submitted to OFAC using one of the following methods: Email: OFACreport@treasury.gov; U.S. mail: Office of Foreign Assets Control, Sanctions Compliance and Evaluation Division, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Freedman’s Bank Building, Washington, DC 20220; or any other official reporting option, including electronic, as specified by OFAC on its website (<http://www.treasury.gov/ofac>). OFAC strongly prefers to receive reports made pursuant to this section by email or any other official electronic reporting option, as specified by OFAC on its website.

(e) *Rules governing availability of information.* OFAC records are made available to the public in accordance with the Freedom of Information Act (FOIA) (5 U.S.C. 552) and the provisions of 31 CFR part 1. *See* 31 CFR 1.5 for provisions pertaining to business information. Reports on rejected transactions and the information required to be reported to OFAC pursuant to this section are subject to the FOIA. Information provided to OFAC pursuant to this section generally will be released upon the receipt of a valid FOIA request, unless OFAC determines that such information should be withheld in accordance with an applicable FOIA exemption.

[84 FR 29060, June 21, 2019]

§ 501.605 Reports on litigation, arbitration, and dispute resolution proceedings.

(a) U.S. persons (or persons subject to the jurisdiction of the United States in the case of parts 500 and 515 of this chapter) participating in litigation, arbitration, or other binding alternative dispute resolution proceedings in the United States on behalf of or against persons whose property or interests in property are blocked or whose funds have been retained pursuant to § 596.504(b) of this chapter, or when the outcome of any proceeding may affect blocked property or retained funds, must:

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(1) Provide notice of such proceedings upon their commencement or upon submission or receipt of documents bringing the proceedings within the terms of the introductory text to this paragraph (a);

(2) Submit copies of all pleadings, motions, memoranda, exhibits, stipulations, correspondence, and proposed orders or judgments (including any proposed final judgment or default judgment) submitted to the court or other adjudicatory body, and all orders, decisions, opinions, or memoranda issued by the court, to the Chief Counsel, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW.—Annex, Washington, DC 20220, within 10 days of filing, submission or issuance. This paragraph (a)(2) shall not apply to discovery requests or responses, documents filed under seal, or requests for procedural action not seeking action dispositive of the proceedings (such as requests for extension of time to file); and

(3) Report by immediate facsimile transmission to the Chief Counsel, Office of Foreign Assets Control, at facsimile number 202/622-1911, the scheduling of any hearing or status conference in the proceedings whenever it appears that the court or other adjudicatory body may issue an order or judgment in the proceedings (including a final judgment or default judgment) or is considering or may decide any pending request dispositive of the merits of the proceedings or of any claim raised in the proceedings.

(b) The reporting requirements of paragraph (a) of this section do not apply to proceedings to which the Office of Foreign Assets Control is a party.

(c) Persons initiating proceedings subject to the reporting requirements of this section must notify the court or other adjudicatory body of the restrictions set forth under the applicable part in this chapter governing the transfer of blocked property or funds retained pursuant to § 596.504(b) of this chapter, including the prohibition on any unlicensed attachment, judgment, decree, lien, execution, garnishment or other judicial process with respect to any property in which, on or after the

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applicable effective date, there existed an interest of any person whose property and property interests were subject to blocking pursuant to this chapter or were subject to retention pursuant to § 596.504(b) of this chapter.

§ 501.606 Reporting and recordkeeping requirements applicable to economic sanctions programs.

The reporting and recordkeeping requirements set forth in this subpart are applicable to economic sanctions programs for which implementation and administration have been delegated to the Office of Foreign Assets Control.

Subpart D—Trading With the Enemy Act (TWEA) Penalties

SOURCE: 68 FR 53642, Sept. 11, 2003, unless otherwise noted.

§ 501.700 Applicability.

This subpart is applicable only to those parts of chapter V promulgated pursuant to the TWEA, which include parts 500, 505, and 515.

§ 501.701 Penalties.

(a) Attention is directed to section 16 of the TWEA, as adjusted pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), which provides that:

(1) Persons who willfully violate any provision of TWEA or any license, rule, or regulation issued thereunder, and persons who willfully violate, neglect, or refuse to comply with any order of the President issued in compliance with the provisions of TWEA shall, upon conviction, be fined not more than \$1,000,000 or, if an individual, be imprisoned for not more than 20 years, or both.

(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, concerned in a violation of TWEA may upon conviction be forfeited to the United States Government.

(3) The Secretary of the Treasury may impose a civil penalty of not more