



# OFAC REGULATIONS FOR THE FINANCIAL COMMUNITY

I. Introduction.....	2
II. OFAC Laws, Embargoed Countries, and Criminal Penalties.....	2
III. Civil Penalties .....	2
IV. Compliance Programs and Audit Procedures.....	2
V. Terminology .....	3
A—Blocking .....	3
B—Blocked Account .....	3
C—General License .....	4
D—Specific License .....	4
E—Offset .....	4
F—Property.....	4
G—Person Subject to the Jurisdiction of the United States .....	4
H—Specially Designated Nationals and Blocked Persons.....	4
I—Census.....	4
VI. Bank Responsibility by Country .....	4
A—CUBA.....	4
B—NORTH KOREA.....	10
C—IRAQ .....	11
D—IRAN.....	12
E—TERRORISM .....	14
F—NARCOTICS.....	16
G—BURMA (MYANMAR) .....	16
H—SUDAN .....	18
I—NONPROLIFERATION .....	19
J—DIAMOND TRADING.....	20
K—FORMER LIBERIAN REGIME OF CHARLES TAYLOR .....	22
L—THE BALKANS.....	23
M—ZIMBABWE .....	24
N—SYRIA.....	26
O—CÔTE D’IVOIRE.....	27
P—BELARUS .....	29
Q—DEMOCRATIC REPUBLIC OF THE CONGO .....	30
R—SOMALIA.....	30
VII. Reporting and Procedures.....	30

## I. Introduction

The Office of Foreign Assets Control (OFAC) administers a series of laws that impose economic sanctions against hostile targets to further U.S. foreign policy and national security objectives. Economic sanctions are powerful foreign policy tools. Their success requires the active participation and support of every financial institution. The use of sanctions by the U.S. goes back to the earliest days of the Republic through trade embargoes, blocked assets controls, and other commercial and financial restrictions. Many of them have been multilateralized within the global community against pariah countries, as well as being used against groups, such as narcotics traffickers and terrorists, who threaten the security, economy, and safety of the United States. Management of sanctions on the U.S. side is entrusted to the Secretary of the Treasury.

While OFAC is responsible for promulgating, developing, and administering the sanctions for the Secretary under eight basic statutes, all of the bank regulatory agencies cooperate in ensuring financial institution compliance with the Regulations.

OFAC has designed this brochure to provide convenient, concise, up-to-date, helpful information about its programs, including information on the laws and regulations OFAC administers. We have tried to be complete and accurate. We must caution readers, however, that there is no substitute for reading the actual statutes, regulations, and other documents that apply. Those are controlling in the event of any inconsistency with material in this brochure.

## II. OFAC Laws, Embargoed Countries, and Criminal Penalties

A—Trading With the Enemy Act, 50 U.S.C. App. §§§§ 1-44 (“TWEA”) [North Korea, Cuba, Transaction Control Regulations] provides for ten years imprisonment, a USD1,000,000 fine for corporations, and a \$100,000 fine for individuals, as well as forfeiture of funds or other property involved in violations [In addition, 18 U.S.C. §§ 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation and that individuals may be fined \$250,000 for felonies];

B—International Emergency Economic Powers Act, 50 U.S.C. §§§§ 1701-06 (“IEEPA”) [Diamond Trading, Sudan, Iran, Zimbabwe, the Balkans, Terrorism, Narcotics, Nonproliferation, Syria, and Burma] provides for up to 20 years imprisonment, USD500,000 in fines for corporations and USD250,000 for individuals. Civil penalties of up to USD50,000 may be imposed administratively. [In addition, 18 U.S.C. §§ 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation, or \$500,000 for felonies and that individuals may be fined \$250,000 for felonies];

C—Iraqi Sanctions Act, Pub.L. 101-513, 104 Stat. 2047-55 (“ISA”) [Iraq] provides for twelve years imprisonment and a USD1,000,000 corporate or personal fine [In addition, 18 U.S.C. §§ 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation];

D—United Nations Participation Act, 22 U.S.C. §§ 287c (“UNPA”) [Iraq and Diamond Trading] provides for ten years imprisonment, a \$10,000 criminal fine for corporations and individuals, and criminal forfeiture of funds or other property involved in violations [In addition, 18 U.S.C. §§ 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the amount specified in the statute, or twice the pecuniary gain or loss from the violation, or \$500,000 for felonies and that individuals may be fined \$250,000 for felonies];

E—International Security and Development Cooperation Act (“ISDCA”) codified at 22 U.S.C. 2349 aa-9 (Iran) has no criminal penalties, but general Customs and other relevant penalty provisions may apply to particular circumstances;

F—The Cuban Democracy Act (“CDA”), 22 U.S.C. §§ 6001-10 [relating to Cuba] has the same fines as TWEA above;

G—The Cuban Liberty and Democratic Solidarity (“LIBERTAD”) Act, 22 U.S.C. 6021-91, [relating to Cuba] has the same fines as TWEA above and codifies the Cuban Assets Control Regulations;

H—The Antiterrorism and Effective Death Penalty Act, (enacting 8 U.S.C. 219, 18 U.S.C. 2332d and 18 U.S.C. 2339b) [Cuba, North Korea, Iran, Iraq, Syria and Sudan] provides for criminal penalties of \$500,000 per count against corporations, and ten years imprisonment and/or \$250,000 per count for individuals, for willful violations;

I—The Foreign Narcotics Kingpin Designation Act, Pub L. No. 106-120, tit. VIII, 113 Stat 1606, 1626-1636 (1999) (to be codified at 21 U.S.C. §§§§ 1901-1908) provides for criminal penalties of \$10,000,000 per count against corporations, and thirty years imprisonment and/or \$5,000,000 per count for individuals, for willful violations;

J—The Criminal Code at 18 U.S.C. §§ 1001 provides for five years imprisonment and a USD10,000 criminal fine for knowingly making false statements or falsifying or concealing material facts when dealing with OFAC in connection with matters under its jurisdiction.

## III. Civil Penalties

OFAC has authority to impose civil penalties for violations under IEEPA (USD250,000 or twice the amount of the underlying transaction), TWEA and the Libertad Act(USD65,000), the Iraqi Sanctions Act (USD325,000), the Antiterrorism Act (USD55,000 or two times the amount that should have been blocked, whichever is greater), and the Foreign Narcotics Kingpin Designation Act (USD1,075,000). Each set of regulations contains procedures for Civil Penalties in Sections 701 through 706 of the pertinent regulations. Over the past several years, OFAC has had to impose millions of dollars in civil penalties involving U.S. banks. The majority of the fines resulted from banks’ failure to block illicit transfers when there was a reference to a targeted country or SDN. When it comes to OFAC’s attention that an illicit transaction was processed through a U.S. bank, without being blocked or rejected, as appropriate, OFAC normally sends an administrative demand for information, called a “602 letter,” to the bank requesting an explanation of how the transaction was processed. Upon receipt of the bank’s response to this letter, the case may be referred to the Civil Penalties Division, which issues a “Prepenalty Notice” citing the violation and stating the amount of the proposed penalty. The bank then has thirty days to make a written presentation as to why a penalty should not be imposed, or, if imposed, why it should be in a lesser amount than proposed. It is critical for banks to answer such “Prepenalty Notices” since failure to respond may result in default judgements levying maximum fines. Mitigating factors in Civil Penalty procedures include self-disclosure, the use and sophistication of interdict software, and other bank compliance initiatives. TWEA civil penalty and forfeiture proceedings include the opportunity for an administrative hearing and pre-hearing discovery prior to imposition of a penalty or forfeiture.

## IV. Compliance Programs and Audit Procedures

The importance of establishing a compliance program and developing internal audit procedures should be obvious to every financial institution. Definite expectations exist with regard to the processing of transactions involving countries under sanctions. Banks are required to report all blockings to OFAC within ten days of occurrence. If your bank does not block and report a transfer and another bank does, then your bank is in trouble. A bank in non-compliance may be opening itself to adverse publicity, fines, and even criminal penalties (if violations are other than inadvertent).

It is often difficult to balance the demands of Federal and State bank examiners with limitations on time, resources, and manpower imposed by bank management. While every financial institution must comply with the same laws and regulations, no one compliance program can be prepackaged for everyone in the open marketplace. Every program must be tailored to meet the needs and structure of individual financial institutions.

Over the past several years, the banking industry has developed special software to “interdict” illicit funds transfers. Many filters contain every name

on OFAC's list of Specially Designated Nationals and Blocked Entities along with generic words for countries and cities. Most of the systems screen every field in incoming payment orders. When such a system identifies a designated name in a transfer, the transfer is automatically rejected and the system directs a reviewer to the illicit reference. Though many of the systems were initially designed to reduce the risk that a clerk might manually process a repair item with an illicit reference, interdict software is now widely used to scan "straight-through" transactions as well. While OFAC does not treat even completely automated processing of violative transactions as a full defense in civil penalty proceedings, it does favorably consider a bank's business decision to use interdict software as well as other good faith manual and electronic compliance efforts in determining mitigation.

The Federal Bank Regulatory Agencies review financial institutions under their supervision to determine the adequacy of compliance programs with regard to OFAC Regulations.

It is suggested that every bank designate a "Compliance Officer" responsible for monitoring compliance with its programs and an officer responsible for overseeing blocked funds. Formal compliance responsibilities may also be assigned to all operations and systems managers. Internal auditing departments could be charged with assisting in the development of "corporate compliance memoranda" and verifying that procedures, once established, are being followed. One financial institution included the following paragraph in one of its "compliance memoranda":

Areas designated as responsible for implementation of compliance requirements, policies, and procedures which are set forth in this Corporate Compliance Memorandum will incorporate them into new or existing operational procedures. To assure the implementation of this policy, designated units must return the enclosed implementation letter verifying that their area has implemented the necessary procedures. If any unit has any questions concerning the policies and procedures, it should contact Corporate Compliance.

An in-depth audit of each department in the bank should probably be conducted at least once a year. The compliance audit may either be incorporated into a bank's standard auditing program or conducted separately. Internal auditing departments ought not be surprised if they are questioned by Federal Bank Examiners about their bank's compliance procedures regarding OFAC Regulations.

An effective internal communication network is critical for regulatory compliance. Banks might consider including regulatory notices and explanations in staff newsletters. Compliance training programs ought to be initiated-reviewing regulations in staff meetings, incorporating compliance requirements into operating procedures, and joining with other banks to sponsor seminars.

All of OFAC's program "brochures," as well as SDN information, are available free in downloadable camera-ready Adobe Acrobat® "\*.PDF" format over the Treasury Department's World Wide Web Server. OFAC's Home Page site is <<<http://www.treas.gov/ofac>>>. The Page also contains a self-extracting ASCII file of the SDN list in DOS, delimited, fixed-field, and country-specific versions, a free Adobe Acrobat Reader® to view and print "/\*.PDF" files, access to all OFAC-related Executive Orders, U.N. Resolutions, statutes, regulations, and the Code of Federal Regulations as well as to brochures in ASCII format, and to OFAC's extended electronic information reading room at GPO (FAC-MISC). All of OFAC's "forms," including its Annual Report on Blocked Property, Cuban Remittance Affidavit, and license application are electronically available on the site. Whenever there is a change involving urgent information requiring immediate implementation, the [DATE] changes on the face of the primary Page; users can automate their compliance by structuring their Internet connection to use a Web browser to watch for that date change, check a "Bulletin" file to get the details about changes, and download OFAC's latest information for incorporation, for example, into interdiction software. There is also a separate date-indicator for OFAC's SDN list. OFAC has a secondary Page on the site (at <<<http://www.treas.gov/ofac/policy.html>>>) entitled "Recent OFAC Actions of Interest" which contains a separate "What's New" file with its own date. Those not directly involved in operations areas can automate their ability to keep current with OFAC's general information by structuring their Internet connection to use their Web browser to watch for that date change on the secondary Page, check the "What's New" file to get the details about changes, and download OFAC's latest information. There may be times when the date on the secondary Page will be later than the date on the primary Page

because some OFAC "Actions of Interest" may not rise to the level of an urgent bulletin. Call OFAC Compliance at 1-800-540-6322 with any questions. OFAC also operates a free automated fax-on-demand service, which can be accessed 24 hours a day, seven days a week, by dialing 202/622-0077 from any touch-tone phone and following voice prompts. OFAC documents kept up to date on the system include program and general brochures, listings of Specially Designated Nationals and Blocked Persons, including changes to the listings, licensing guidelines, and Federal Register notices (including notices filed, but not yet printed in the Federal Register). The "Index of Available Documents" is date-specific. Whenever there is an update to any OFAC regulation, an addition or removal of an SDN, or any other announcement from OFAC which affects banks, both the International Financial Services Association in New York (<<<http://www.intlbanking.org>>>) and the International Banking Operations Association in South Florida (<<<http://www.iboa.com>>>) are alerted. The U.S. Commerce Department operates a monthly subscription CD-Rom service (the National Trade Data Bank) with OFAC data in ASCII format (call 202/482-1986 for information). The free Federal Bulletin Board of the U.S. Government Printing Office, which is linked to the Federal Register and Code of Federal Regulations, carries all OFAC brochures in ASCII and Adobe/Acrobat "/\*.PDF" format, as well as the entire Code of Federal Regulations containing OFAC regulations, all Federal Register notices that OFAC puts out, and OFAC's extended electronic information reading room (FAC-MISC). For information on the Federal Bulletin Board call 202/512-1530 or dial 202/512-1387 to connect. The information is also available over the Internet via GPO ACCESS at <<[fedbbs.access.gpo.gov](http://fedbbs.access.gpo.gov)>>. The U.S. Maritime Administration's Web site at <<<http://marad.dot.gov>>> contains a special link to OFAC's brochures and information, including a flashing indicator of late-breaking updates. The U.S. Customs Service maintains a free Customs Electronic Bulletin Board geared especially toward Customs House Brokers (OFAC's information is available as a date-specific self-extracting DOS file, "OFAC\*.EXE" under "Files," and then "Customs Extra!," via the Internet at <<<http://209.122.8.97>>> or "cebb.customs.treas.gov." Major announcements are also distributed to U.S. financial institutions through Fedwire bulletins and CHIPS system broadcasts, as well as, from time to time, in printed format through the various Federal bank supervisory agencies. Numerous other industry groups link to OFAC's website, among them: the National Association of Securities Dealers (<<<http://www.nasdr.com>>>), the Securities and Exchange Commission (<<<http://www.sec.gov>>>), the Securities Industry Association (<<<http://www.sia.com>>>), the American Society of Travel Agents (<<<http://www.astanet.com>>>), the Institute of Real Estate Management (<<<http://www.irem.org>>>), and the Commercial Investment Real Estate Institute (<<<http://www.cre.org>>>).

The Office of Foreign Assets Control has installed a special toll-free telephone number, 1-800-540-OFAC (6322), for bank compliance inquiries. The number is specifically for the use of financial institutions and bank examiners. OFAC also has a Miami branch office with a special bi-lingual hotline relating to information about the Cuban embargo; that hotline number is 305/810-5170.

## V. Terminology

There are a number of key phrases which consistently reappear in Treasury sanctions:

### A—Blocking

Also called "freezing," this is a form of controlling assets under U.S. jurisdiction. While title to blocked property remains with the designated country or national, the exercise of the powers and privileges normally associated with ownership is prohibited without authorization from OFAC. Blocking immediately imposes an across-the-board prohibition against transfers or transactions of any kind with regard to the property.

### B—Blocked Account

An account with respect to which payments, transfers, withdrawals or other dealings may not be made except as licensed by OFAC or otherwise authorized by the Treasury Department. Debits are prohibited, however, credits are authorized.

## **C—General License**

A regulatory provision authorizing certain transactions without the filing of an application with OFAC. Its terms are listed in the appropriate Regulations. The concept is similar in meaning to that employed by the U.S. Department of Commerce. Transactions consistent with normal banking practice are frequently permitted by general license. For questions about general licenses, contact OFAC at 202/622-2520

## **D—Specific License**

A permit issued by OFAC on a case-by-case basis to a specific individual or company allowing an activity that would otherwise be prohibited by the embargo or sanctions program. OFAC specific licenses (which may take the form of a letter or a license) are always issued on U.S. Treasury Department stationary. Applications for the release of blocked funds must be presented in an original letter, signed by the applicant, which has been mailed or otherwise physically delivered to OFAC. Fax applications are strongly discouraged and you should notify your correspondent banks accordingly. Each license or letter of authorization bears a control number that can be verified by calling OFAC Licensing at 202/622-2480.

## **E—Offset**

Exercise of the right to net out mutual indebtedness. Offset is a prohibited transfer of frozen assets in situations of blocked property. When foreign assets held by an American company (including a bank) are frozen, the assets and any claims which the American company may have against the foreign owner are kept separate.

## **F—Property**

Anything of value. Examples of property include: money, checks, drafts, debts, obligations, notes, warehouse receipts, bills of sale, evidences of title, negotiable instruments, trade acceptance, contracts, and anything else real, personal, or mixed, tangible or intangible, “or interest or interests therein, present, future, or contingent.” Practically everything that banks do every day involves “property” within the meaning of the regulations. Likewise, “property interest” is defined as any interest whatsoever, direct or indirect.

## **G—Person Subject to the Jurisdiction of the United States**

The universe which must comply with OFAC regulations. It includes American citizens and permanent resident aliens wherever they are located; individuals and entities located in the United States (including all foreign branches, agencies, rep offices, etc.); corporations organized under U.S. law, including foreign branches; and (under TWEA based sanctions) entities owned or controlled by any of the above, the most important being foreign-organized subsidiaries of U.S. corporations.

## **H—Specially Designated Nationals and Blocked Persons**

Individuals and entities which are owned or controlled by, or acting for or on behalf of, the Governments of target countries or are associated with international narcotics trafficking or terrorism. These individuals and entities are listed on the Treasury Department’s Specially Designated Nationals and Blocked Persons list so that persons subject to the jurisdiction of the United States will know that they are prohibited from dealing with them and that they must block all property within their possession or control in which these individuals and entities have an interest.

## **I—Census**

Comprehensive statistical survey of blocked assets conducted from time to time by OFAC. Response is mandated by law. The information obtained from the survey is of vital importance to the U.S. Government for foreign policy planning purposes, to assist Treasury in the preservation of blocked assets, and to enhance their value for U.S. claimants, including financial institutions.

# **VI. Bank Responsibility by Country**

## **A—CUBA**

### **I. INTRODUCTION**

The Cuban Assets Control Regulations, 31 CFR Part 515 (the “Regulations”), were issued by the U.S. Government on July 8, 1963, under the Trading With the Enemy Act in response to certain hostile actions by the Cuban Government. They apply to all persons (individuals and entities) subject to U.S. jurisdiction – including all U.S. citizens and permanent residents wherever located, all persons in the United States, and all branches and subsidiaries of U.S. organizations throughout the world – as well as all persons engaging in transactions that involve property in or otherwise subject to the jurisdiction of the United States. The Regulations are administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”). Criminal penalties for violating the Regulations range up to 10 years in prison, \$1,000,000 in corporate fines, and \$250,000 in individual fines. Civil penalties up to \$65,000 per violation may also be imposed. The Regulations require those dealing with Cuba (including traveling to Cuba) to maintain records for five years and, upon request from OFAC, to furnish information regarding such dealings.

General and specific licenses are available to engage in certain transactions that are otherwise prohibited by the Regulations. A “general license” authorizes a particular type of transaction without the need for an application to, or further permission from, OFAC. A “specific license” authorizes specific transactions, and is issued to a specific person or persons, usually in response to an application. Types of specific licenses that OFAC frequently issues are set forth in the Regulations as statements of licensing policy.

The following subjects are governed by the Regulations.

### **II. WHO MAY TRAVEL TO CUBA PURSUANT TO A GENERAL LICENSE?**

Unless authorized by a general or specific license, any person subject to U.S. jurisdiction who engages in any Cuba travel-related transaction violates the Regulations and may be subject to penalties. In addition to the Regulations, a potential traveler to Cuba is advised to review the Comprehensive Guidelines for License Applications to Engage in Travel-Related Transactions Involving Cuba (the “Application Guidelines”) to determine whether proposed transactions qualify under a general license and, if not, whether the transactions might be authorized pursuant to a specific license from OFAC. The Application Guidelines are available on OFAC’s Web site at [www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_tr\\_app.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_tr_app.pdf). Only persons whose travel falls into one of the categories discussed below may be authorized to engage in transactions in connection with travel to, from, and within Cuba. Please see part III of this brochure for information on specific licenses for travel to Cuba.

#### **A. Persons visiting “close relatives” who are nationals of Cuba**

Persons visiting a “close relative” who is a national of Cuba, and persons traveling with them who share a common dwelling as a family with them, are authorized to engage in Cuba travel-related transactions and additional transactions directly incident to visiting a close relative pursuant to § 515.561(a)(1) of the Regulations, without limitation on the frequency or duration of such travel to Cuba.

A “close relative” is any individual related to a person by blood, marriage, or adoption who is no more than three generations removed from that person or from a common ancestor with that person. For example, your mother’s first cousin is your close relative for purposes of the Regulations, because you are both no more than three generations removed from your great-grandparents, who are the ancestors you have in common. Similarly, your husband’s great-grandson is your close relative, because he is no more than three generations removed from your husband. However, your daughter’s father-in-law is not your close relative, because you have no common ancestor. See § 515.339.

Please see part III(K) of this brochure for information on specific licenses for persons visiting close relatives who are neither Cuban nationals nor U.S. Government employees assigned to the U.S. Interests Section in Havana.



**B. Persons visiting “close relatives” who are U.S. Government employees assigned to the U.S. Interests Section in Havana**

Persons visiting a “close relative” who is a U.S. Government employee assigned to the U.S. Interests Section in Havana, as well as persons traveling with them who share a common dwelling as a family with them, are authorized to engage in Cuba travel-related transactions and additional transactions directly incident to visiting a close relative pursuant to § 515.561(a)(2) of the Regulations. There is no limit on the duration or frequency of such travel to Cuba.

Please see part III(K) of this brochure for information on specific licenses for persons visiting close relatives who are neither Cuban nationals nor U.S. Government employees assigned to the U.S. Interests Section in Havana.

**C. Officials of the U.S. and foreign governments and of intergovernmental organizations of which the United States is a member traveling on official business**

U.S. and foreign government officials, and officials of intergovernmental organizations of which the United States is a member, who are traveling on official business in their official capacities are authorized to engage in Cuba travel-related transactions and such additional transactions as are directly incidental to activities in their official capacities pursuant to § 515.562 of the Regulations. This authorization does not extend, for example, to officials of the government of a state, municipality, or territory within the United States.

**D. Journalists and support personnel**

Journalists and supporting broadcast or technical personnel regularly employed in that capacity by a news reporting organization and traveling for journalistic activities are authorized to engage in Cuba travel-related transactions and such additional transactions as are directly incident to journalistic activities in Cuba pursuant to § 515.563(a) of the Regulations. Please see part III(E) of this brochure for information on specific licenses for free-lance journalists.

**E. Full-time professionals conducting professional research or attending certain professional meetings**

1. Professional research. Full-time professionals are authorized to engage in Cuba travel-related transactions and such additional transactions that are directly incident to conducting professional research in their professional areas pursuant to § 515.564(a)(1) of the Regulations, provided that their research (1) is of a noncommercial academic nature; (2) comprises a full work schedule in Cuba; (3) has a substantial likelihood of public dissemination; and (4) does not fall within certain categories listed in § 515.564(c)-(e).

2. Professional meetings organized by an international professional organization. Full-time professionals are authorized to engage in Cuba travel-related transactions and such additional transactions as are directly incident to travel to Cuba to attend professional meetings or conferences in Cuba pursuant to § 515.564(a)(2), provided that (1) the meeting or conference is organized by an international professional organization, institution, or association that regularly sponsors meetings or conferences in other countries; (2) the organization, institution, or association sponsoring the meeting or conference is not headquartered in the United States unless it has been specifically licensed to sponsor the meeting; (3) the purpose of the meeting or conference is not the promotion of tourism in Cuba or other commercial activities involving Cuba that are inconsistent with the Regulations; and (4) the meeting or conference is not intended primarily to foster production of any biotechnological products.

3. Professional meetings for commercial telecommunications transactions. Regular employees of a U.S. telecommunications services provider or of an entity duly appointed to represent such a provider are authorized to engage in Cuba travel-related transactions and such additional transactions as are directly incident to travel to Cuba to participate in professional meetings for the commercial marketing of, sales negotiation for, or performance under contracts for the provision of authorized telecommunications services, or the establishment of facilities to provide such services pursuant to § 515.564(a)(3), provided the travelers’ schedule of activities does not include free time, travel, or recreation in excess of that consistent with a full work schedule.

Please see part III(F) of this brochure for information on specific licenses for professionals conducting professional research or attending professional meetings not covered by a general license.

F. Faculty, staff and students of accredited U.S. graduate and undergraduate degree-granting academic institutions

Pursuant to § 515.565(a) of the Regulations, the faculty, staff and students of accredited U.S. graduate and undergraduate degree-granting academic institutions are authorized to engage in Cuba travel-related transactions and such additional transactions that are directly incident to:

1. Participation in a structured educational program in Cuba as part of a course offered for credit by a sponsoring U.S. academic institution. Note that a student traveling under this general license must currently be enrolled in an accredited U.S. graduate or undergraduate degree program and the study in Cuba must be accepted for credit toward that degree.

2. Noncommercial academic research in Cuba specifically related to Cuba for the purpose of obtaining a graduate degree. Note that a student traveling under this general license must currently be enrolled in an accredited U.S. graduate degree program and the study in Cuba must be accepted for credit toward that degree.

3. Participation in a formal course of study at a Cuban academic institution, provided that the student is currently enrolled in an accredited U.S. graduate or undergraduate degree program and that the formal course of study in Cuba will be accepted for credit toward the student’s graduate or undergraduate degree.

4. Teaching at a Cuban academic institution by an individual regularly employed in a teaching capacity at a sponsoring U.S. academic institution. The teaching activities must be related to an academic program at the Cuban institution and the duration of the teaching must be no shorter than 10 weeks.

5. Sponsorship, including the payment of a stipend or salary, of a Cuban scholar to teach or engage in other scholarly activity at a sponsoring U.S. academic institution. (Such earnings may be remitted to Cuba as provided in § 515.570 or carried by the returning Cuban scholar as provided in § 515.560(d)(3).)

6. The organization of the five activities listed immediately above by members of the faculty and staff of the sponsoring U.S. academic institution. A student currently enrolled in a graduate or undergraduate degree program at any accredited U.S. academic institution may travel under this general license through any sponsoring U.S. academic institution, not only through the institution at which the student is pursuing a degree. An individual traveling to Cuba pursuant to § 515.565(a) must carry a letter on official letterhead, signed by a designated representative of the sponsoring U.S. academic institution, stating the basis for the travel.

Please see part III(A) of this brochure for information on specific licenses for persons participating in educational activities not covered by a general license.

**G. Members and staff of U.S. religious organizations**

Pursuant to § 515.566(a) of the Regulations, members and staff of U.S. religious organizations are authorized to engage in Cuba travel-related transactions and such additional transactions as are directly incident to religious activities in Cuba under the auspices of the organization. Travel-related transactions must be for the purpose of engaging in a full-time program of religious activities while in Cuba.

All individuals traveling pursuant to § 515.566(a) must carry a letter on official letterhead, signed by a designated representative of the religious organization, confirming that they are members or staff of the organization and traveling to Cuba to engage in religious activities under the auspices of the organization.

Please see part III(B) of this brochure for information on specific licenses for persons participating in religious activities not covered by a general license.

**H. Employees of a U.S. telecommunications services provider or of an entity representing such a provider**

Regular employees of a U.S. telecommunications services provider or of an entity duly appointed to represent such a provider may travel to Cuba under two separate general licenses, provided the travelers' schedule of activities does not include free time, travel, or recreation in excess of that consistent with a full work schedule.

1. Cuba travel-related transactions and additional transactions directly incident to participation in professional meetings for the commercial marketing of, sales negotiation for, or performance under contracts for the provision of authorized telecommunications services, or the establishment of facilities to provide such services, are authorized pursuant to § 515.564(a)(3) of the Regulations.

2. Cuba travel-related transactions and additional transactions that are directly incident to the commercial marketing, sales negotiation, accompanied delivery, or servicing in Cuba of telecommunications-related items that have been authorized for commercial export or re-export to Cuba by the Department of Commerce are authorized pursuant to § 515.533(f). Travelers under this provision must notify OFAC in writing prior to travel and meet certain other requirements.

#### **I. Employees of a producer or distributor of certain agricultural commodities, medicine, or medical devices or of an entity representing such a producer or distributor**

Pursuant to § 515.533(e) of the Regulations, regular employees of a producer or distributor of agricultural commodities, medicine, or medical devices or of an entity duly appointed to represent such a producer or distributor are authorized to engage in Cuba travel-related transactions and additional transactions directly incident to the commercial marketing, sales negotiation, accompanied delivery, or servicing in Cuba of such items. The items for export must appear consistent with the export or re-export licensing policy of the Department of Commerce, the traveler's schedule of activities must not include free time, travel, or recreation in excess of that consistent with a full work schedule, and travelers must notify OFAC in writing prior to travel.

### **III. WHO MAY TRAVEL TO CUBA PURSUANT TO A SPECIFIC LICENSE?**

On a case-by-case basis OFAC considers applications for specific licenses to authorize Cuba travel-related transactions not covered by a general license but consistent with one of the categories of specific licenses listed in § 515.560(a) of the Regulations and described below. Please refer to the Application Guidelines to determine whether you may be eligible for a specific license. Applications for a specific license must be submitted to OFAC either in letter format or using OFAC's automated application form, which is available on OFAC's Web site at <https://cubatravel.ofac.treas.gov>. Applicants must address the criteria set forth in the relevant section of the Application Guidelines. Applications that are mailed should be addressed to the Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220.

#### **A. Persons participating in educational activities not covered by a general license**

OFAC may issue specific licenses authorizing Cuba travel-related transactions and other transactions directly incident to educational activities not covered by a general license, including:

1. An individual's noncommercial academic research in Cuba, participation in a formal course of study at a Cuban academic institution, or teaching at a Cuban academic institution that is not authorized by a general license.

2. People-to-people educational exchanges. These are educational exchanges not involving academic study pursuant to a degree program that take place under the auspices of an organization that sponsors and organizes programs to promote people-to-people contact. Under this policy, the license is issued to the organization that is running the people-to-people programs.

3. Sponsorship or co-sponsorship by an accredited U.S. graduate or undergraduate degree-granting academic institution of academic seminars, conferences, and workshops related to Cuba or global issues involving Cuba and attendance at such events by faculty, staff, and students of the licensed institution.

Please see § 515.565(b) of the Regulations.

#### **B. Persons participating in religious activities not covered by a general license**

OFAC may issue specific licenses authorizing Cuba travel-related transactions and other transactions directly incident to religious activities not covered by a general license. Please see § 515.566(b) of the Regulations.

#### **C. Persons providing support for the Cuban people**

Specific licenses may be issued authorizing Cuba travel-related transactions and other transactions intended to provide support for the Cuban people, such as activities of recognized human rights organizations. Please see § 515.574 of the Regulations.

#### **D. Persons participating in humanitarian projects**

Specific licenses may be issued authorizing Cuba travel-related transactions and such additional transactions as are directly incident to certain humanitarian projects in or related to Cuba that are designed to directly benefit the Cuban people. Please see § 515.575 of the Regulations.

#### **E. Free-lance journalists**

Specific licenses may be issued authorizing Cuba travel-related transactions and other transactions directly incident to journalistic activities in Cuba for a free-lance journalistic project, provided certain conditions are met. Please see § 515.563(b) of the Regulations.

#### **F. Persons participating in professional research or professional meetings not covered by a general license**

OFAC may issue specific licenses authorizing Cuba travel-related transactions and other transactions directly incident to professional research and professional meetings that do not qualify for a general license. Please see § 515.564(b) of the Regulations.

#### **G. Persons participating in public performances, clinics, workshops, athletic or other competitions, or exhibitions**

OFAC may issue specific licenses authorizing Cuba travel-related transactions and other transactions directly incident to participation by amateur or semi-professional athletes or athletic teams in athletic competitions in Cuba held under the auspices of the international sports federation for the relevant sport. To qualify, U.S. participants must be selected by the relevant U.S. sports federation and the athletic competition in Cuba must be open for attendance and, in relevant situations, participation by the Cuban public. Please see § 515.567(a) of the Regulations.

OFAC may issue specific licenses authorizing Cuba travel-related transactions and other transactions directly incident to participation in a public performance, clinic, workshop, athletic competition (other than those described above), non-athletic competition, or exhibition in Cuba. Such events must be open for attendance and, in relevant situations, participation by the Cuban public; all U.S. profits from such events after costs must be donated to an independent nongovernmental organization in Cuba or a U.S.-based charity, with the objective, to the extent possible, of promoting people-to-people contact or otherwise benefiting the Cuban people. Any clinics or workshops in Cuba must be organized and run, at least in part, by the licensee. Please see § 515.567(b).

#### **H. Persons participating in activities of private foundations or research or educational institutes**

OFAC may issue specific licenses authorizing Cuba travel-related transactions and such additional transactions as are directly incident to activities by private foundations or research or educational institutes that have an established interest in international relations to collect information related to Cuba for noncommercial purposes. Please see § 515.576 of the Regulations.

#### **I. Persons participating in activities related to the exportation, importation, or transmission of information or informational materials**

OFAC may issue specific licenses authorizing Cuba travel-related transactions for purposes related to the exportation, importation, or transmission of

information or informational materials as defined in § 515.332 of the Regulations. Please see § 515.545.

#### **J. Persons participating in activities incident to exports to Cuba not covered by a general license**

For export-related travel to Cuba not covered by a general license, OFAC may issue specific licenses authorizing Cuba travel-related transactions and additional transactions directly incident to the marketing, sales negotiation, accompanied delivery, or servicing in Cuba of exports that appear consistent with the export or re-export licensing policy of the Department of Commerce. Please see § 515.533(g) of the Regulations.

#### **K. Persons visiting “close relatives” who are neither Cuban nationals nor U.S. Government employees assigned to the U.S. Interests Section in Havana**

OFAC may issue specific licenses authorizing Cuba travel-related transactions and additional transactions directly incident to visiting a “close relative” in Cuba who is neither a Cuban national nor a U.S. Government employee assigned to the U.S. Interests Section in Havana. Please see § 515.561(b) of the Regulations and § 515.339 for the definition of “close relative.”

### **IV. WHAT CUBA-RELATED TRAVEL TRANSACTIONS ARE AUTHORIZED BY OFAC LICENSES?**

#### **A. Generally**

Persons authorized to engage in Cuba travel-related transactions are allowed to engage in all transportation-related transactions ordinarily incident to travel to and from Cuba without any expenditure limitations. Authorized travelers also may engage in all transactions ordinarily incident to travel anywhere within Cuba, such as hotel accommodations, meals, local transportation, and goods personally used by the traveler in Cuba, provided that the total for such expenses does not exceed the Department of State’s Per Diem Rate Allowance for Havana, Cuba, in effect during the period that the travel takes place. The current per diem rate is available on the Department of State’s Web site at [aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp). Please see § 515.560(c) of the Regulations.

Most authorized travelers may also spend additional money for transactions directly incident to the activities for which they are authorized to travel to Cuba. Please see the specific Regulation provisions for details; if a specific license is required for the travel, this additional authorization will be included in the license if it is applicable. For example, journalists traveling in Cuba under the general license for journalistic activities may spend money over and above the current per diem rate for other costs that are directly incident to covering a story in Cuba (a journalistic activity). Purchases of services unrelated to travel or a licensed activity, such as elective medical services, are prohibited. The purchase of publications, recorded music, and other informational materials (as defined in § 515.332) is not restricted, nor are expenditures associated with the use of telecommunications services.

#### **B. Vessels used for travel**

All persons onboard vessels that travel to Cuba, including the vessel operator, crew, and passengers, must be authorized by OFAC. Vessels carrying passengers to or from Cuba (including from or to a third country) are prohibited from entering a U.S. port with such passengers on board without authorization from OFAC. Please see § 515.207(b) of the Regulations. Vessels traveling to Cuba are also subject to regulations implemented by the Department of Commerce and the United States Coast Guard. Please see 15 CFR Parts 730 et seq. and 33 CFR § 107.200 et seq., respectively, for more information.

Please see part VII(C) of this brochure for information on vessels engaged in trade with Cuba.

#### **C. Travel Service Providers**

Any person subject to U.S. jurisdiction who provides services akin to those of a travel agent with respect to Cuba (for example, arranging travel to, from, or within Cuba, selling tickets for flights to Cuba, or reserving and selling accommodations for authorized travelers within Cuba) must be specifically licensed by OFAC as a Travel Service Provider. Please see § 515.572(a)(1) of the Regulations. An authorized traveler should not use any travel agent or tour

operator in the United States that is not a licensed Travel Service Provider. A list of authorized Travel Service Providers is available on OFAC’s Web site at [www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_tsp.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_tsp.pdf). Persons interested in being licensed as a Travel Service Provider, should consult § 515.572(a)(1) and Circular 2006, which is available at [www.treasury.gov/resource-center/sanctions/Programs/Documents/circ2006.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/circ2006.pdf), for details on the Service Provider Program requirements.

#### **D. Carrier Service Providers**

Any person subject to U.S. jurisdiction who wishes to provide transportation services between the United States and Cuba must be specifically licensed as a Carrier Service Provider. Please see § 515.572(a)(2) of the Regulations. A list of authorized Carrier Service Providers is available on OFAC’s Web site at [www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_tsp.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_tsp.pdf). Persons interested in being licensed as a Carrier Service Provider, should consult § 515.572(a)(2) and Circular 2006, which is available at [www.treasury.gov/resource-center/sanctions/Programs/Documents/circ2006.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/circ2006.pdf), for details on the Service Provider Program requirements.

### **V. WHAT CAN BE BROUGHT BACK FROM CUBA?**

No goods of Cuban origin, other than information or informational materials, may be transported out of Cuba or brought into the United States. There are no limits on the import or export of informational materials. Such materials – including books, films, posters, photographs, CDs – are statutorily exempt from the prohibitions of the Regulations and may be purchased, sold, and transported freely. Blank tapes, CDs, and other media are not considered informational materials. Please see §§ 515.206(a) and 515.332 of the Regulations.

### **VI. SENDING OR CARRYING MONEY TO CUBA: REMITTANCES**

Certain remittances to Cuban nationals are authorized pursuant to § 515.570 of the Regulations.

An authorized traveler may carry to Cuba up to \$3,000 in remittances authorized by § 515.570(a)-(d), as described below, pursuant to § 515.560(c)(4)(i). A national of Cuba departing the United States may carry back up to \$3,000 received as remittances for him or herself pursuant to § 515.560(d)(2). The Regulations do not limit the amount of emigration-related remittances (see § 515.570(e)) that an authorized traveler may carry to Cuba, but none may be carried until a visa has been issued to each payee and the traveler can provide the visa recipient’s full name, date of birth, visa number, and visa date. Please see § 515.560(c)(4)(ii).

Carrying remittances to Cuba on behalf of other remitters is prohibited.

#### **A. Family remittances**

Individual persons subject to U.S. jurisdiction who are 18 years of age or older are authorized to send remittances to a “close relative” who is a Cuban national, whether in Cuba or in a third country. Please see § 515.339 of the Regulations for the definition of “close relative.” No family remittances may be sent to a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party as defined in §§ 515.337 and 515.338, respectively. There is no limit on the amount of family remittances or the frequency with which they may be sent. Please see § 515.570(a).

#### **B. Periodic \$500 remittances**

Persons subject to U.S. jurisdiction are authorized to make periodic remittances of up to \$500 to any Cuban nationals, including, but not limited to, remittances to support the development of private businesses. A remitter’s total remittances to any one Cuban national may not exceed \$500 in any consecutive three-month period, and the remitter, if an individual, must be 18 years of age or older. No periodic \$500 remittances may be sent to a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party. Please see § 515.570(b) of the Regulations.

#### **C. Remittances to religious organizations in Cuba**

Persons subject to U.S. jurisdiction are authorized to make unlimited remittances to religious organizations in Cuba in support of religious



activities. The remitter, if an individual, must be 18 years of age or older. Please see § 570(c) of the Regulations.

**D. Remittances to students in Cuba pursuant to an educational license**

Persons subject to U.S. jurisdiction who are 18 years of age or older are authorized to make remittances to close relatives who are students engaging in authorized educational travel in Cuba. The remittances must be for the purpose of funding transactions authorized by the license under which a student is traveling. Please see § 515.570(d) of the Regulations and § 515.339 for the definition of “close relative.”

**E. Emigration-related remittances**

Persons subject to U.S. jurisdiction are authorized to send two separate one-time remittances per Cuban national payee to enable the payee to emigrate from Cuba to the United States. One remittance of no more than \$1,000 per payee, for the purpose of covering the payee’s preliminary emigration expenses, may be sent before the payee has received a valid visa from the Department of State or other approved U.S. immigration documents.

Up to an additional \$1,000 per payee, for the purpose of enabling the payee to emigrate from Cuba to the United States, may be sent after the Cuban national has received a visa or other approved U.S. immigration documents. At the time such a remittance is sent, the remitter must be able to provide the visa recipient’s full name, date of birth, visa number, and visa date of issuance. Please see § 515.570(e) of the Regulations.

**F. Remittances from blocked accounts**

Pursuant to § 515.570(f) of the Regulations, funds deposited in a blocked account in a banking institution in the United States held in the name of, or in which the beneficial interest is held by, a national of Cuba as a result of a valid testamentary disposition, intestate succession, or payment from a life insurance policy or annuity contract triggered by the death of the policy or contract holder may be remitted to that Cuban national provided that she or he is a “close relative” of the decedent. Please see § 515.339 for the definition of “close relative.” Such inherited blocked funds may also be remitted as emigration-related remittances in accordance with § 515.570(e) whether or not the Cuban national recipient is a “close relative” of the decedent.

Up to \$300 in any consecutive three-month period also may be sent from any blocked account in a banking institution in the United States to a Cuban national in a third country who is an individual in whose name, or for whose beneficial interest, the account is held.

**G. Specific licenses for certain remittances**

Pursuant to § 515.570(g) of the Regulations, OFAC may issue specific licenses on a case-by-case basis authorizing remittances:

1. To independent non-governmental entities in Cuba, including but not limited to pro-democracy groups and civil society groups, and to members of such groups or organizations, or to individuals or independent non-governmental entities to support the development of private businesses, including small farms, in excess of the \$500 per quarter authorized by the general license in § 515.570(b);
2. From a blocked account to a Cuban national in excess of the \$300 per consecutive three-month period authorized by the general license in § 515.570(f)(2); or
3. To a person in Cuba, directly or indirectly, for transactions to facilitate non-immigrant travel by an individual in Cuba to the United States under circumstances where humanitarian need is demonstrated, including but not limited to illness or other medical emergency, in excess of the \$500 per quarter authorized by the general license in § 515.570(b).

**H. Remittance forwarders**

Any persons subject to U.S. jurisdiction other than depository institutions, as defined in § 515.333 of the Regulations, who provide services in connection with the collection or forwarding of authorized remittances must be specifically licensed as Remittance Forwarders pursuant to § 515.572(c). OFAC maintains a current list of authorized Remittance Forwarders (other

than depository institutions), Travel Service Providers, and Carrier Service Providers on its Web site at [http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_tsp.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_tsp.pdf).

Depository institutions, as defined in § 515.333, are authorized as Remittance Forwarders pursuant to § 515.572(a)(3) to collect and forward authorized remittances to Cuba. To facilitate this, depository institutions are permitted to set up testing arrangements and exchange authenticator keys with Cuban financial institutions. Depository institutions may not, however, open or use direct correspondent accounts with Cuban financial institutions.

For details on the Service Provider Program requirements, please consult Circular 2006, which is available on OFAC’s Web site at [www.treasury.gov/resource-center/sanctions/Programs/Documents/circ2006.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/circ2006.pdf). All authorized Remittance Forwarders (including depository institutions) must collect information from the persons who use their services showing compliance with remittance provisions and must retain the information for five years. All specifically authorized Remittance Forwarders must report to OFAC annually on the transactions undertaken pursuant to their licenses.

**VII. GENERAL PROHIBITIONS ON EXPORTS, IMPORTS, AND CERTAIN OTHER TRANSACTIONS**

**A. Transactions involving property in which Cuba or a Cuban national has an interest**

The Regulations prohibit any person subject to U.S. jurisdiction from dealing in any property in which Cuba or a Cuban national has or has had any interest. Under the Regulations, “property” is very broadly defined and includes such things as contracts and services. For example, unless authorized, persons subject to U.S. jurisdiction (including U.S. overseas subsidiaries) may not purchase Cuban cigars in third countries; may not sign a contract with a foreign firm if the contract terms include Cuba-related provisions, even if those provisions are contingent upon the lifting of the embargo; and may not provide accounting, marketing, sales, or insurance services to a Cuban company or to a foreign company with respect to the foreign company’s Cuba-related business.

**B. Exporting to Cuba**

Exporting to Cuba requires dealing in property in which Cuba or a Cuban national has an interest. Thus, with certain exceptions, no products, technology, or services may be exported from the United States to Cuba or a Cuban national, either directly or through third countries, such as Canada or Mexico, without a license from OFAC. This prohibition includes dealing in or assisting with the sale of goods or commodities to Cuba, even if done entirely offshore. Such brokering is considered to be dealing in property in which Cuba or a Cuban national has an interest and is therefore prohibited. Exceptions to the general prohibition include the following, with limitations: publications and other informational materials (such as compact disks and artwork) (see § 515.206(a) of the Regulations), donated food (see § 515.206(b)), goods licensed for export or re-export by the Department of Commerce (such as medicine and medical devices, food, agricultural commodities, and gift parcels) (see § 515.533), generally licensed legal services (see § 515.512), generally licensed telecommunications services (see § 515.542), and generally licensed services incident to Internet-based communications (see § 515.578).

Pursuant to § 515.533, all transactions ordinarily incident to the exportation of items from the United States to Cuba, or the reexportation of 100% U.S.-origin items from a third country to Cuba, are generally authorized, provided the export is licensed or otherwise authorized by the Department of Commerce and that certain payment and financing terms are used. Pursuant to provisions of the Cuban Democracy Act of 1992 (the “CDA”) and the Trade Sanctions Reform and Export Enhancement Act of 2000, the Department of Commerce maintains a favorable licensing policy with respect to the sale and export or re-export of medicine and medical devices, food, and agricultural commodities to Cuba. Those interested in engaging in such exports or re-exports must first obtain authorization from the Department of Commerce’s Bureau of Industry and Security. All licensed sales must be financed either by “payment of cash in advance,” as defined in § 515.533(a)(2)(i)(A), or by third-country banks that are not U.S. persons or Government of Cuba entities. Foreign subsidiaries of U.S. banks, however, are not prohibited from directly financing licensed sales of agricultural products. All U.S. banks may advise or confirm any of the transactions authorized pursuant to § 515.533(a).



Transactions incident to the donation of food to independent non-governmental organizations or individuals in Cuba are not prohibited.

In the mid-1970s, § 515.559 was added to the Regulations to publicize the U.S. government policy at the time of licensing foreign subsidiaries of U.S. firms to conduct trade in foreign-produced commodities with Cuba so long as several specific criteria were met. In 1992, however, the CDA prohibited the issuance of licenses for transactions described in § 515.559, except for exports of medicines, medical supplies, and certain telecommunications equipment. Accordingly, OFAC licenses foreign subsidiaries of U.S. firms to conduct trade in foreign-produced commodities with Cuba only in limited circumstances.

### **C. Vessels engaged in trade with Cuba**

Pursuant to the CDA and § 515.207 of the Regulations, no vessel carrying goods or passengers to or from Cuba, or carrying goods in which Cuba or a Cuban national has any interest, may enter a U.S. port without authorization from OFAC. This prohibition applies to vessels seeking to enter a U.S. port only to take on fuel and supplies (bunker), whether from U.S. fuel providers within the port limits or at offshore points, as well as to vessels discharging or loading merchandise offshore, by lighter or otherwise. In addition, absent a license from OFAC, vessels that enter a port or place in Cuba to engage in the trade of goods or services are prohibited from entering a U.S. port for the purpose of loading or unloading any freight for 180 days from the date the vessel departed Cuba. Vessels engaging solely in trade with Cuba that is authorized or exempt from the Regulations (e.g., vessels carrying authorized exports of agricultural products or donations of food to nongovernmental organizations or individuals) are authorized pursuant to § 515.550 to enter U.S. ports notwithstanding these two prohibitions.

### **D. Importing Cuban-origin goods or services**

Importing from Cuba requires dealing in property in which Cuba or a Cuban national has an interest, and is therefore prohibited. The Regulations also include a specific prohibition on importing and dealing in merchandise that is of Cuban origin, that has been derived from Cuba-origin materials, or that has been located or transported through Cuba. As a result, no such merchandise (including souvenirs) may be imported into the United States either directly or through third countries such as Canada or Mexico absent a license from OFAC. The only exception to this prohibition is for “information or informational materials,” as defined in § 515.332 of the Regulations. Examples include publications, recorded music, and certain artwork.

### **E. Nationals of Cuba; specially designated nationals; Cuban nationals who have taken up permanent residence outside of Cuba**

The Regulations prohibit transactions involving Cuban nationals wherever they are located. Cuban nationals who have become permanent residents or citizens of the United States, however, are authorized as “unblocked nationals,” and there are no restrictions on transactions with them. Most transactions with nationals of Cuba who are otherwise lawfully present in the United States in a non-visitor status also are authorized. Individual nationals of Cuba who have taken up permanent residence outside of Cuba may apply to OFAC to be specifically licensed as unblocked nationals. See § 515.505 of the Regulations.

Additionally, persons subject to U.S. jurisdiction are authorized by § 515.505(d) to engage in any transaction with an individual national of Cuba who has taken up permanent residence outside of Cuba as if that individual were unblocked, except that all property in which the individual national of Cuba has an interest that was blocked before establishing permanent residence, or was blocked before January 28, 2011, whichever date is later, shall remain blocked. For example, if a Cuban national establishes permanent residence in Spain in May 2012, new transactions initiated, or bank accounts opened, with U.S. banks after May 2012 are not blocked, and the U.S. bank may provide all banking services not otherwise prohibited. The Cuban national would not, however, have access to funds blocked before May 2012. Those funds would remain blocked until the individual is specifically licensed as an unblocked national. If the Cuban national established permanent residence in Spain in May 2010, only transactions initiated, or bank accounts opened, after January 28, 2011 (not May 2010) would be authorized. In determining whether an individual national of Cuba has taken up permanent residence outside Cuba, persons subject to U.S. jurisdiction must obtain from the individual copies of at least two documents indicating permanent

residence, such as a passport, voter registration card, permanent resident alien card, or national identity card.

Individuals and entities who act on behalf of Cuba anywhere in the world also are considered by OFAC to be nationals of Cuba. To help the public identify such individuals and entities, some of their names and other identifying information are published in the Federal Register and incorporated into OFAC’s Specially Designated Nationals and Blocked Persons List (“SDN List”). The SDN List is available on OFAC’s Web site at [www.treasury.gov/sdn](http://www.treasury.gov/sdn). This list is non-exhaustive. All persons subject to U.S. jurisdiction engaging in transactions with foreign nationals are advised to make certain that such foreign nationals are not Cuban nationals.

### **F. Accounts and assets**

Unless authorized or exempt, all property in which Cuba or a Cuban national has an interest and that is in the United States or in the possession or control of persons subject to U.S. jurisdiction is blocked. Such blocking imposes a complete prohibition on transfers or transactions involving Cuba or Cuban nationals. Payments, transfers, withdrawals, or other dealings with respect to blocked property may not take place unless authorized by the Department of the Treasury or exempt. All persons subject to U.S. jurisdiction in possession of blocked property are required to notify OFAC. See § 501.603 of the Regulations. Persons subject to U.S. jurisdiction who engage in any unauthorized transaction involving Cuba or a Cuban national or property in which Cuba or a Cuban national has an interest, either directly or indirectly, risk substantial monetary penalties and criminal prosecution.

U.S. banks receiving unauthorized wire transfer instructions in which there is a Cuban interest, or any instrument in which there is a Cuban interest, must freeze the funds on their own books or block the instrument, regardless of origin or destination. “Suspense accounts” are not permitted. Except as authorized, no bank in the United States or overseas branch or subsidiary of a U.S. bank may advise a letter of credit involving Cuba or a Cuban national, nor may it process documents referencing Cuba. Banks are permitted to collect normal service charges on blocked accounts, and must pay interest on funds in such accounts. “Set-offs” are not allowed.

Access to a safe deposit box leased to a Cuban national or containing property in which a Cuban national has an interest is authorized under certain conditions pursuant to § 515.517.

## **VIII. HUMANITARIAN DONATIONS AND GIFT PARCELS**

OFAC and the Department of Commerce jointly administer the regulation of exports to Cuba of gift parcels and humanitarian donations. Most financial and other transactions related to exports from the United States, including humanitarian donations and gift parcels, authorized by the Department of Commerce are authorized by the Regulations. For the relevant Department of Commerce regulations, please see parts 740 and 746 of the Department of Commerce’s Export Administration Regulations (15 CFR Chapter 7, available online at <http://ecfr.gpoaccess.gov>). Please note that Cuba travel-related transactions directly incident to humanitarian donations must be specifically licensed by OFAC pursuant to § 515.533(g) of the Regulations.

Pursuant to parts 740 and 746 of the Department of Commerce’s Export Administration Regulations (15 CFR Chapter 7, available online at <http://ecfr.gpoaccess.gov>), gift parcels may be sent or carried by an authorized traveler to an individual or to a religious, charitable, or educational organization in Cuba, subject to certain limitations.

Organizations that consolidate and send multiple gift parcels in single shipments must obtain a validated license from the Department of Commerce. Each gift parcel in the single shipment must meet specific commodity, dollar-value, and frequency limitations. If a parcel being shipped or carried to Cuba fails to meet these standards, it is subject to seizure by the U.S. Government. Please contact the Department of Commerce for further details.

## **IX. MAIL AND TELECOMMUNICATIONS SERVICES IN CUBA**

### **A. Mail**

All transactions of common carriers incident to the receipt or transmission of mail between the United States and Cuba are authorized. Please see § 515.542(a) of the Regulations.

## **B. Telecommunications services**

Certain telecommunications services, contracts, related payments, and travel-related transactions are authorized pursuant to §§ 515.533, 515.542, and 515.564 of the Regulations.

1. U.S. telecommunications services providers are authorized to engage in all transactions incident to the provision of telecommunications services between the United States and Cuba, the provision of satellite radio or satellite television services to Cuba, and the provision of roaming services involving telecommunications services providers in Cuba. Please see § 515.542(b).
2. Section 515.542(c) authorizes persons subject to U.S. jurisdiction to contract with and pay non-Cuban telecommunications services providers for services provided to particular individuals in Cuba (other than certain prohibited Cubans). For example, an individual in the United States may pay a U.S. or third-country telecommunications company to provide cellular telephone service for a phone owned and used by that individual's friend in Cuba. Likewise, a U.S. telecommunications services provider may enter into a contract with a particular individual in Cuba to provide telecommunications services to that individual.
3. Transactions incident to establishing facilities to provide telecommunications services linking the United States and Cuba, including fiber-optic cables and satellite facilities, are authorized pursuant to § 515.542(d)(1). OFAC also may issue specific licenses on a case-by-case basis authorizing transactions incident to establishing facilities to provide telecommunications services linking third countries and Cuba in certain circumstances pursuant to § 515.542(d)(2). Please contact the Department of Commerce's Bureau of Industry and Security regarding any required authorization for the exportation or re-exportation of goods and technology to Cuba or a third country for the establishment of such telecommunications facilities.
4. Any entity subject to U.S. jurisdiction relying on § 515.542(b), (c), (d)(1), or (d)(2) must notify OFAC in writing within 30 days after commencing or ceasing to offer such telecommunications services, and furnish semiannual reports providing the total amount of all payments made to Cuba or a third country related to such services during the prior six months. Please see § 515.542(e).
5. As noted in part II(H)(1) of this brochure, Cuba travel-related transactions and other transactions that are directly incident to participation in professional meetings for the commercial marketing of, sales negotiation for, or performance under contracts for the provision of certain telecommunications services, or the establishment of facilities to provide certain telecommunications services, are authorized pursuant to § 515.564(a)(3), with limitations. As noted in part II(H)(2) of this brochure, Cuba travel-related transactions and other transactions that are directly incident to the commercial marketing, sales negotiation, accompanied delivery, or servicing in Cuba of telecommunications-related items that have been licensed for export by the Department of Commerce are authorized pursuant to § 515.533(f), with limitations.

## **C. Internet-based communications services**

Pursuant to § 515.578 of the Regulations, persons subject to U.S. jurisdiction may export to persons in Cuba 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. This authorization does not extend to the exportation of services with knowledge or reason to know that such services are intended for a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party, the exportation of Internet connectivity services or telecommunications transmission facilities (such as satellite links or dedicated lines), or the 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.

OFAC may issue specific licenses on a case-by-case basis for the exportation of other services incident to the sharing of information over the Internet. Please see §§ 515.533 and 515.559.

## **X. FAIR BUSINESS PRACTICES**

Pursuant to § 515.572(b) of the Regulations, authorized Travel, Carrier, and Remittance Forwarding Service Providers are prohibited from participating in discriminatory practices of the Government of Cuba against individuals or particular classes of travelers. The assessment of consular fees by the Government of Cuba, which is applicable worldwide, is not considered to be a discriminatory practice. However, requiring the purchase of services not desired by the traveler is not permitted. Persons wishing to provide information on such activities should call OFAC's Miami office at 786/845-2829. All information furnished to the Department of the Treasury regarding arbitrary fees, payments for unauthorized purposes, or other possible violations will be handled confidentially.

## **XI. ESTATES**

An estate of a Cuban national, or in which a Cuban national has an interest, including as a personal representative, creditor, heir, legatee, devisee, distributee, or beneficiary, and that is subject to U.S. jurisdiction is blocked. Any life insurance policy or annuity contract in which a Cuban national has an interest also is blocked. Please see § 515.570(f)(1) of the Regulations for information about remittances from inherited funds.

## **XII. PAYMENTS FOR OVERFLIGHTS**

Specific licenses may be issued authorizing payment to Cuba for services rendered by Cuba in connection with overflights of Cuba or emergency landings in Cuba by United States aircraft. Please see § 515.548 of the Regulations.

## **XIII. EMERGENCIES**

In case of an emergency while in Cuba, a traveler should contact the U.S. Interests Section in Havana at 537/833-3551 through 3559 during business hours, or 537/833-2302 for emergencies at other times.

## **B—NORTH KOREA**

Foreign Assets Control Regulations (31 C.F.R. Part 500)  
An Overview of Sanctions With Respect to North Korea

### **I. INTRODUCTION**

On June 26, 2008, the President issued Executive Order 13466 ("E.O. 13466"), pursuant to the International Emergency Economic Powers Act ("IEEPA"). In E.O. 13466, the President declared a national emergency to deal with the threat to the national security and foreign policy of the United States constituted by the current existence and risk of the proliferation of weapons-usable fissile material on the Korean Peninsula, and continued certain restrictions with respect to North Korea that had been imposed under the authority of the Trading With the Enemy Act ("TWEA"). Also on June 26, 2008, the President signed Proclamation 8271, terminating the application of TWEA authorities with respect to North Korea, effective June 27, 2008. The Foreign Assets Control Regulations, 31 C.F.R. part 500, to the extent they were promulgated under TWEA authority, are therefore no longer in force with respect to North Korea.

On August 30, 2010, the President issued Executive Order 13551 ("E.O. 13551") pursuant to IEEPA and the United Nations Participation Act (the "UNPA"), expanding the scope of the national emergency declared in E.O. 13466 and adding new restrictions.

On April 18, 2011, the President issued Executive Order 13570 ("E.O. 13570"), pursuant to IEEPA and the UNPA, to take additional steps to address the national emergency declared in E.O. 13466 and expanded in E.O. 13551 that will ensure implementation of the import restrictions contained in United Nations Security Council Resolution ("UNSCR") 1718 of October 14, 2006, and UNSCR 1874 of June 12, 2009, and complement the import restrictions provided for in the Arms Export Control Act (22 U.S.C. 2751 *et seq.*).

The Office of Foreign Assets Control ("OFAC") issued the North Korea Sanctions Regulations, 31 C.F.R. part 510 (the "NKSR") (75 *Fed. Reg.* 67912, November 4, 2010), to implement E.O. 13466 and E.O. 13551, and will revise the NKSR to implement E.O. 13570. The NKSR replace the Foreign Assets Control Regulations, 31 C.F.R. part 500, to the extent they pertained to North Korea.

Criminal fines for violating the E.O.s range up to \$1,000,000; individuals may also face imprisonment up to 20 years. In addition, civil penalties of up to the greater of \$250,000 or twice the amount of the underlying transaction may be imposed administratively for each violation.

This fact sheet is a broad summary of the sanctions currently in place.

## II. PROHIBITED TRANSACTIONS

### A. Blocked Property and Interests in Property

Property and interests in property of North Korea or a North Korean national that, pursuant to the TWEA and the Foreign Assets Control Regulations, were blocked as of June 16, 2000, and remained blocked immediately prior to June 26, 2008 (the date of E.O. 13466), remain blocked pursuant to E.O. 13466. In addition, E.O. 13551 blocks the property and interests in property of persons listed in the Annex to E.O. 13551, as well as of individuals and entities determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be facilitating North Korean trafficking in arms and related materiel, facilitating North Korean procurement of luxury goods, or engaging in illicit activities that involve or support the Government of North Korea or its senior officials, including money laundering, the counterfeiting of goods or currency, bulk cash smuggling, and narcotics trafficking.

With certain exceptions, U.S. persons are prohibited from transferring, paying, exporting, withdrawing, or otherwise dealing in the property and interests in property of an entity or individual named in the Annex to E.O. 13551 or designated under the authority of the E.O. The names of such entities and individuals are published in the Federal Register and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List ("SDN List"). The SDN List is accessible via OFAC's Web site at [www.treasury.gov/sdn](http://www.treasury.gov/sdn). The property and interests in property of an entity are also blocked if the entity is owned, directly or indirectly, 50 percent or more by a person listed on OFAC's SDN List pursuant to E.O. 13551, regardless of whether the entity itself is on OFAC's SDN List.

### B. Transactions Involving North Korean Vessels

U.S. persons are prohibited from registering vessels in North Korea, obtaining authorization for a vessel to fly the North Korean flag, and owning, leasing, operating, or insuring any vessel flagged by North Korea.

### C. Importing from North Korea

Pursuant to E.O. 13570, goods, services, and technology from North Korea may not be imported into the United States, directly or indirectly, without a license from OFAC. This broad prohibition applies to goods, services, and technology from North Korea that are used as components of finished products of, or substantially transformed in, a third country. Importers seeking a license from OFAC must provide the information specified in 31 C.F.R. part 501, subpart E, to OFAC. Requests for a license must be submitted by mail to the Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW, Annex, Washington, DC 20220. After reviewing the importer's application, OFAC will make a license determination. U.S. depository institutions handling letters of credit or documentary collections involving imports from North Korea must obtain a copy of OFAC's license from the importer before proceeding with such transactions. The license must also be provided to U.S. Customs and Border Protection before imports from North Korea will be allowed into the United States.

## III. EXPORTING TO NORTH KOREA

Treasury prohibitions on exporting goods to North Korea specifically relate to sales involving parties whose property and interests in property are blocked under E.O. 13551. Otherwise, there are no Treasury prohibitions on exporting goods to North Korea. Depending on the goods involved (e.g., luxury goods), the export may be subject to other U.S. export controls, such as those administered by the U.S. Department of Commerce.

## IV. TRAVELING TO NORTH KOREA

U.S. persons do not need U.S. Government permission to travel to North Korea. U.S. persons may also provide services ordinarily incident to travel to and from North Korea. Prospective travelers may wish to consult the Department of State's travel web page regarding travel to North Korea.

## C—IRAQ

Iraqi Sanctions Regulations (31 C.F.R. Part 576)

## An Overview of the Iraq Stabilization and Insurgency Sanctions Regulations

### I. INTRODUCTION

In response to Iraq's invasion of Kuwait on August 2, 1990, the United States imposed comprehensive sanctions, including a trade embargo against Iraq and a freeze of the assets of the then-Iraqi government, which were implemented in the Iraqi Sanctions Regulations, 31 C.F.R. part 575. Over the years, a series of Executive orders adjusted the sanctions in response to events in Iraq. On September 13, 2010, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") published final rules removing the Iraqi Sanctions Regulations from 31 C.F.R. chapter V and adding the Iraq Stabilization and Insurgency Sanctions Regulations, 31 C.F.R. part 576 ("ISISR"), in implementation of Executive Order 13303 of May 22, 2003 ("E.O. 13303"), Executive Order 13315 of August 28, 2003 ("E.O. 13315"), Executive Order 13350 of July 29, 2004 ("E.O. 13350"), Executive Order 13364 of November 29, 2004 ("E.O. 13364"), and Executive Order 13438 of July 17, 2007 ("E.O. 13438"). A summary of the provisions of these Executive orders can be found in the Preamble of the final rule promulgating the ISISR (75 Fed. Reg. 55464, September 13, 2010). The ISISR contain all of the current OFAC restrictions involving Iraq and Iraqi property. This brochure summarizes these new regulations.

There currently are no broad-based sanctions in place against Iraq, but there are certain prohibitions and asset freezes against specific individuals and entities associated with the former Saddam Hussein regime, as well as parties determined to have committed, or to pose a significant risk of committing, an act of violence that has the purpose or effect of threatening the peace or stability of Iraq or the Government of Iraq or undermining efforts to promote economic reconstruction and political reform in Iraq or to provide humanitarian assistance to the Iraqi people. The Secretary of the Treasury is authorized to name all such individuals and entities. These names are included in OFAC's list of Specially Designated Nationals and Blocked Persons ("SDN List"). In addition to these targeted sanctions, the ISISR impose some specific prohibitions designed to protect certain Iraqi property and contain certain provisions dealing with residual restrictions from the 1990 Iraq sanctions.

### II. BLOCKING OF PROPERTY

Persons designated by OFAC pursuant to the Executive Orders related to Iraq are named on OFAC's SDN List. This list is accessible via OFAC's Web site at [www.treas.gov/offices/enforcement/ofac/sdn/index.shtml](http://www.treas.gov/offices/enforcement/ofac/sdn/index.shtml). With certain exceptions, U.S. persons are prohibited from transferring, paying, exporting, withdrawing, or otherwise dealing in the property and interests in property of an entity or individual listed on the SDN List. Entities which a designated party owns (defined as an ownership interest of 50% or more) are also blocked, regardless of whether that entity is separately named on OFAC's SDN List.

### III. UNBLOCKING OF CERTAIN BLOCKED PROPERTY

The ISISR authorize the unblocking of all remaining property blocked pursuant to Executive Orders 12722 and 12724, which was blocked in response to Iraq's invasion of Kuwait in August, 1990. OFAC no longer asserts jurisdiction over this property under its sanctions involving Iraq, and, unless blocked pursuant to other authorities, it may now be transferred, paid, exported, withdrawn, or otherwise dealt in by U.S. persons without having to obtain an OFAC license.

### IV. EXPORTING TO IRAQ

Unless a transaction involves a party blocked under OFAC's authorities, no OFAC authorization is needed for exports to Iraq. There may, however, be certain restrictions and licensing requirements administered by other U.S. Government agencies, such as the Department of Commerce.

### V. FINANCIAL TRANSACTIONS



Unless a transaction involves a party blocked under OFAC's authorities, financial transactions with Iraq are allowed, including the opening of correspondent accounts for Iraqi financial institutions.

## VI. IRAQI CULTURAL PROPERTY

The ISIR prohibit the trade in or transfer of ownership or possession of Iraqi cultural property or other items of archeological, historical, cultural, rare scientific, and religious importance that were illegally removed, or for which a reasonable suspicion exists that they were illegally removed, from the Iraq National Museum, the National Library, and other locations in Iraq since August 6, 1990. Questions concerning Iraqi cultural property should be directed to: Cultural Property Office, U.S. Department of State, tel: 202-619-6612, fax: 202-260-4893, Web site www.exchanges.state.gov/culprop, e-mail culprop@pd.state.gov.

## VII. IMMUNITY FROM ATTACHMENT

The President has determined that the threat of attachment or other judicial process against the Central Bank of Iraq, the Development Fund for Iraq, and Iraqi petroleum and petroleum products constitutes an obstacle to the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in that country, and the development of political, administrative, and economic institutions in Iraq. Accordingly, absent an authorization from OFAC, any accounts, assets, investments, or any other property of any kind owned by, belonging to, or held by the Central Bank of Iraq or the Development Fund of Iraq, are immune from attachment, judgment, execution, or other judicial process in the United States. Likewise, consistent with United Nations Security Council Resolutions ("UNSCR") 1483 and 1546, dated May 22, 2003, and June 8, 2004, respectively, Iraqi petroleum and petroleum products and interests are immune from attachment, judgment, execution, or other judicial processes until title passes to the initial purchaser of those products. These immunities from attachment, which are set out in ISIR § 576.206, do not apply with respect to any final judgment arising out of a contractual obligation entered into by the Government of Iraq, including any of its agencies or instrumentalities, after June 30, 2004. In addition, consistent with UNSCR 1483, OFAC may issue specific licenses on a case-by-case basis to authorize the attachment, judgment, decree, lien, execution, garnishment, or other judicial process against property and interests in property protected by § 576.206 to satisfy liability for damages assessed in connection with an ecological accident (including an oil spill) that occurred after May 22, 2003.

## VIII. U.S. MILITARY FORCES AND THEIR COALITION PARTNERS IN IRAQ EXEMPT

Property and interests in property that come under the control of U.S. military forces and their coalition partners in Iraq under the command or operational control of the commander of the United States Central Command are authorized or exempt from the blocking provisions in the ISIR.

## IX. PENALTIES

Civil penalties of up to \$250,000 or twice the amount of the underlying transaction may be imposed administratively against any person who violates, attempts to violate, conspires to violate, or causes a violation of the ISIR. Upon conviction, criminal penalties of up to \$1,000,000, or imprisonment for up to 20 years, or both, may be imposed on any person who willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of the ISIR.

If you have information regarding possible violations of any of the regulations, please call the Treasury Department's Office of Foreign Assets Control at 202/622-2430. Your call will be handled confidentially.

## D—IRAN

An overview of Regulations involving Sanctions against Iran

This fact sheet provides general information about the Iranian sanctions programs under the Iranian Transactions Regulations, 31 C.F.R. Part 560, and the Iranian Assets Control Regulations, 31 C.F.R. Part 535. These sanctions are administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

## Iranian Transactions Regulations - 31 C.F.R. Part 560

As a result of Iran's support for international terrorism and its aggressive actions against non-belligerent shipping in the Persian Gulf, President Reagan, on October 29, 1987, issued Executive Order 12613 imposing a new import embargo on Iranian-origin goods and services. Section 505 of the International Security and Development Cooperation Act of 1985 ("ISDCA") was utilized as the statutory authority for the embargo, which gave rise to the Iranian Transactions Regulations, Title 31, Part 560 of the U.S. Code of Federal Regulations (the "ITR").

Effective March 16, 1995, as a result of Iranian support of international terrorism and Iran's active pursuit of weapons of mass destruction, President Clinton issued Executive Order 12957 prohibiting U.S. involvement with petroleum development in Iran. On May 6, 1995, he signed Executive Order 12959, pursuant to the International Emergency Economic Powers Act ("IEEPA") as well as the ISDCA, substantially tightening sanctions against Iran.

On August 19, 1997, the President signed Executive Order 13059 clarifying Executive Orders 12957 and 12959 and confirming that virtually all trade and investment activities with Iran by U.S. persons, wherever located, are prohibited.

Effective November 10, 2008, the authorization for "U-turn" transfers involving Iran was revoked. As of that date, U.S. depository institutions are no longer authorized to process transfers involving Iran that originate and end with non-Iranian foreign banks. Details concerning the revocation of the U-turn authorization and a description of currently permissible funds transfers can be found in the Financial Dealings with Iran section of this document.

Effective September 29, 2010, the authorization to import into the United States, and deal in, certain foodstuffs and carpets of Iranian origin was revoked pursuant to section 103 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010. The exceptions to the prohibition on importing goods and services are listed in the **Imports From Iran** section of this document.

Criminal penalties for violations of the Iranian Transactions Regulations may result in a fine up to \$1,000,000, and natural persons may be imprisoned for up to 20 years. Civil penalties, which are not to exceed the greater of \$250,000 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 may also be imposed administratively.

OFAC will provide additional guidance on the implementation of sections 104 and 105 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 soon.

• **IMPORTS FROM IRAN** - Goods or services of Iranian origin may not be imported into the United States, either directly or through third countries, with the following exceptions:

- a) Gifts valued at \$100 or less;
- b) Information and informational materials;
- c) Household and personal effects, of persons arriving in the United States, that were actually used abroad by the importer or by other family members arriving from the same foreign household, that are not intended for any other person or for sale, and that are not otherwise prohibited from importation; and
- d) Accompanied baggage for personal use normally incident to travel.

U.S. persons are prohibited from providing financing for prohibited import transactions. There are restrictions on letter of credit transactions involving the Government of Iran (see **FINANCIAL DEALINGS WITH IRAN** below).

• **EXPORTS TO IRAN** - In general, unless licensed by OFAC, goods, technology, or services may not be exported, reexported, sold or supplied, directly or indirectly, from the United States or by a U.S. person, wherever located, to Iran or the Government of Iran. The ban on providing services includes any brokering function from the United States or by U.S. persons, wherever located. For example, a U.S. person, wherever located, or any



person acting within the United States, may not broker offshore transactions that benefit Iran or the Government of Iran, including sales of foreign goods or arranging for third-country financing or guarantees.

In general, a person may not export from the U.S. any goods, technology or services, if that person knows or has reason to know such items are intended specifically for supply, transshipment or reexportation to Iran. Further, such exportation is prohibited if the exporter knows or has reason to know the U.S. items 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 predominately to Iran or the Government of Iran. A narrow exception is created for the exportation from the United States or by U.S. persons wherever located of low-level goods or technology to third countries for incorporation or substantial transformation into foreign-made end products, provided the U.S. content is insubstantial, as defined in the regulations, and certain other conditions are met.

Donations of articles intended to relieve human suffering (such as food, clothing, and medicine), gifts valued at \$100 or less, licensed exports of agricultural commodities, medicine, and medical devices, and trade in "information and informational materials" are permitted. "Information and informational materials" are defined to include publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds, although certain Commerce Department restrictions still apply to some of those materials. To be considered informational material, artworks must be classified under chapter subheadings 9701, 9702, or 9703 of the Harmonized Tariff Schedule of the United States.

With certain exceptions, foreign persons who are not U.S. persons are prohibited from reexporting sensitive U.S.-origin goods, technology or services to Iran or the Government of Iran. Foreign persons involved in such reexports may be placed on the U.S. Commerce Department's "Export Denial Orders" list.

U.S. persons may not approve, finance, facilitate or guarantee any transaction by a foreign person where that transaction by a foreign person would be prohibited if performed by a U.S. person or from the United States.

**• DEALING IN IRANIAN-ORIGIN GOODS OR SERVICES - U.S.** persons, including foreign branches of U.S. depository institutions and trading companies, are prohibited from engaging in any transactions, including purchase, sale, transportation, swap, financing, or brokering transactions related to goods or services of Iranian origin or goods or services owned or controlled by the Government of Iran.

Services provided in the United States by an Iranian national already resident in the United States are not considered services of Iranian origin.

These prohibitions apply to transactions by United States persons in locations outside the United States with respect to goods or services which are of Iranian origin or are owned or controlled by the Government of Iran. U.S. persons may not import such goods or services into or export them from foreign locations. A U.S. person may, however, engage in transactions in third countries necessary to sell, dispose of, store, or maintain goods located in a third country which were legally acquired by that U.S. person prior to May 7, 1995 on the condition that the transactions do not result in an importation into the United States of goods of Iranian origin.

**• FINANCIAL DEALINGS WITH IRAN -** New investments by U.S. persons, including commitments of funds or other assets, loans or any other extensions of credit, in Iran or in property (including entities) owned or controlled by the Government of Iran are prohibited. For your information, Appendix A contains a list of banks or entities owned or controlled by the Government of Iran. While U.S. persons may continue to charge fees and accrue interest on existing Iranian loans, a specific license must be obtained to reschedule or otherwise extend the maturities of existing loans.

Payments for licensed sales of agricultural commodities, medicine and medical devices must reference an appropriate OFAC license and may not involve a debit or credit to an account of a person in Iran or the Government of Iran maintained on the books of either a U.S. depository institution or a U.S. registered broker or dealer in securities. Payments for and financing of such licensed sales may be accomplished by cash in advance, sales on open account (provided the account receivable is not transferred by the person

extending the credit), or by third-country financial institutions that are neither U.S. persons nor government of Iran entities. Any other arrangements must be specifically authorized by OFAC. U.S. depository institutions may advise and confirm letters of credit issued by third-country banks covering licensed sales of agricultural commodities, medicine and medical devices.

Effective November 10, 2008, the authorization for "U-turn" transfers involving Iran was revoked. As of that date, U.S. depository institutions are no longer authorized to process such transfers, thereby precluding transfers designed to dollarize transactions through the U.S. financial system for the direct or indirect benefit of Iranian banks or other persons in Iran or the Government of Iran. However, U.S. depository institutions are permitted to handle funds transfers, through intermediary third-country banks, to or from Iran or for the direct or indirect benefit of the Government of Iran or a person in Iran, arising from several types of underlying transactions, including:

- a) a noncommercial family remittance;
- b) an exportation to Iran or importation from Iran of information and informational materials;
- c) a travel-related remittance;
- d) a payment for the shipment of a donation of articles to relieve human suffering; or
- e) a transaction authorized by OFAC through a specific or general license.

Several Iranian banks have been separately designated under the Nonproliferation of Weapons of Mass Destruction ("NPWMD") or Specially Designated Global Terrorist ("SDGT") programs for their involvement in the financing of either WMD or ballistic missile proliferation or of terrorism, respectively. Such banks' property and interests in property that are in the United States or in the possession or control of U.S. persons, wherever located, are blocked. U.S. persons are prohibited from engaging in any transaction or dealing in property or interests in property of these designated Iranian banks. Please see the brochures on Nonproliferation and Terrorism for further information on these programs.

**• "PRE-ZERO CONTRACTS" -** Letters of credit and other financing arrangements with respect to trade contracts in force as of May 6, 1995, may be performed pursuant to their terms provided that the underlying trade transaction was completed prior to June 6, 1995 (February 2, 1996 for "agricultural commodities"), or as specifically licensed by OFAC. Standby letters of credit that serve as performance guarantees for services to be rendered after June 6, 1995, cannot be renewed and payment may not be made after that date without authorization by OFAC.

**• OTHER BANKING SERVICES -** U.S. depository institutions, including foreign branches, are prohibited from servicing accounts of the Government of Iran, including banks owned or controlled by the Government of Iran (as in Appendix A) or persons in Iran. However, they are authorized to pay interest, deduct reasonable and customary service charges, process transfers related to exempt transactions, such as the exportation of information or informational material, a travel-related remittance, or a payment for the shipment of a donation of articles to relieve human suffering. They may not otherwise directly credit or debit Iranian accounts.

U.S. depository institutions and U.S. registered brokers or dealers in securities initiating or receiving payment orders involving Iran on behalf of customers must determine prior to processing such payments that they do not involve transactions prohibited by the Iranian Transactions Regulations.

**• TRAVEL -** All transactions ordinarily incident to travel to or from Iran, including the importation of accompanied baggage for personal use, payment of maintenance and living expenses and acquisition of goods or services for personal use are permitted.

**• INTERNATIONAL ORGANIZATIONS -** Under a general license issued by OFAC, effective August 22, 2006, U.S. persons that are employees or contractors for the following international organizations - the United Nations, the World Bank, the International Monetary Fund, the International Atomic Energy Agency, the International Labor Organization or the World Health Organization - are authorized to engage in transactions for the conduct of official business in or involving Iran. Authorized transactions may include

leasing office space or purchasing Iranian-origin goods necessary to carry out official business, provided that the funds transfers to and from Iran do not involve a debit or credit on the books of a U.S. financial institution. The exportation or the re-exportation of US-origin or non- U.S.-origin goods or technology listed on the Commerce Control List in the Export Administration Regulations is not authorized.

• **OVERFLIGHT PAYMENTS** - Payments to Iran for services rendered by the Government of Iran in connection with the overflight of Iran or emergency landing in Iran of aircraft owned by United States persons or registered in the U.S. are authorized.

• **PERSONAL COMMUNICATIONS, INFORMATION AND INFORMATIONAL MATERIALS** - The receipt or transmission of postal, telegraphic, telephonic or other personal communications that does not involve the transfer of anything of value between the United States and Iran is permitted. The importation into the United States from Iran and the exportation from the United States to Iran of information and informational materials, whether commercial or otherwise, regardless of format or medium of transmission, and any transaction incident to such importation or exportation is permitted.

• **TRANSACTIONS INVOLVING U.S. AFFILIATES** - No U.S. person may approve or facilitate the entry into or performance of transactions or contracts with Iran by a foreign subsidiary of a U.S. firm that the U.S. person is precluded from performing directly. Similarly, no U.S. person may facilitate such transactions by unaffiliated foreign persons.

• **IRANIAN PETROLEUM INDUSTRY** - U.S. persons may not trade in Iranian oil or petroleum products refined in Iran, nor may they finance such trading. Similarly, U.S. persons may not perform services, including financing services, or supply goods or technology that would benefit the Iranian oil industry.

Please reference the Iran Brochure or the master SDN list for the complete listing of entities owned or controlled by the Government of Iran.

#### **Iranian Assets Control Regulations (31 C.F.R Part 535)**

Separate Iranian sanctions regulations appear at 31 C.F.R. Part 535. On November 14, 1979, the assets of the Government of Iran in the United States were blocked in accordance with IEEPA, following the seizure of the American Embassy in Teheran and the taking of U.S. diplomats as hostages. Under the Iranian Assets Control Regulations (Title 31 Part 535 of the U.S. Code of Federal Regulations), some US\$12 billion in Iranian Government bank deposits, gold, and other properties were frozen, including \$5.6 billion in deposits and securities held by overseas branches of U.S. banks. The assets freeze was eventually expanded to a full trade embargo, which remained in effect until the Algiers Accords were signed with Iran on January 19, 1981. Pursuant to the Accords, most Iranian assets in the United States were unblocked and the trade embargo was lifted. The U.S. Government also canceled any attachments that U.S. parties had secured against Iranian assets in the United States, so that the assets could be returned to Iran or transferred to escrow accounts in third countries pursuant to the Accords. This action was upheld by the Supreme Court in 1981 in *Dames & Moore v. Regan*. Although greatly modified in scope, the old Iranian Assets Control Regulations remain in effect. Many U.S. nationals have claims against Iran or Iranian entities for products shipped or services rendered before the onset of the 1979 embargo or for losses sustained in Iran due to expropriation during that time. These claims are still being litigated in the Iran-United States Claims Tribunal at The Hague established under the Algiers Accords. Certain assets related to these claims remain blocked in the United States and consist mainly of diplomatic and consular property.

#### **E—TERRORISM**

Terrorism Sanctions Regulations (31 C.F.R. Part 595)  
Terrorism List Governments Sanctions Regulations (31 C.F.R. Part 596)  
Foreign Terrorist Organizations Sanctions Regulations (31 C.F.R. Part 597)  
and Executive Order 13224

On January 23, 1995, President Clinton signed Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process." The Order blocked all property subject to U.S. jurisdiction in which there is any interest of 12 Middle East terrorist organizations included in an Annex to the Order. On August 20, 1998, the

President signed Executive Order 13099 to amend Executive Order 12947, adding additional names. Executive Order 12947 blocks the property and interests in property of persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, who are found (1) to have committed or to pose a significant risk of disrupting the Middle East peace process, or (2) to assist in, sponsor or provide financial, material, or technological support for, or services in support of, such acts of violence. The Order further blocks all property and interests in property subject to U.S. jurisdiction in which there is any interest of persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of any other person designated pursuant to the Order (collectively "Specially Designated Terrorists" or "SDTs"). SDTs are integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons with an identifier of "[SDT]." They have also been separately listed in a special OFAC brochure entitled *Terrorism: What You Need to Know About U.S. Sanctions*. The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDTs, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons. It has been implemented by the Terrorism Sanctions Regulations.

On April 24, 1996, President Clinton signed into law the Antiterrorism and Effective Death Penalty Act of 1996, Public Law 104-132, 110 Stat. 1214-1319. Section 321 of the Act makes it a criminal offense for U.S. persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in financial transactions with the governments of countries designated under section 6(j) of the Export Administration Act of 1979, 50 U.S.C. App. 2405, as supporting international terrorism. U.S. persons who engage in such transactions are subject to criminal penalties under title 18, United States Code. In implementation of section 321, the Treasury Department has issued the Terrorism List Governments Sanctions Regulations.

The countries currently designated under section 6(j) of the Export Administration Act are Cuba, Iran, Libya, North Korea, Sudan, and Syria. The provisions of existing OFAC regulations governing the Governments of Cuba, Iran, North Korea, and Sudan continue in effect with the added authority of section 321. Financial transactions of U.S. persons with the governments of those four countries are governed by the separate parts of Title 31 Chapter V of the U.S. Code of Federal Regulations imposing economic sanctions on those countries, and information about those programs is available in separate OFAC brochures. Regarding the governments of countries designated under section 6(j) that are not otherwise subject to economic sanctions administered by OFAC, at present the Governments of Syria and Libya, the Terrorism List Governments Sanctions Regulations prohibit U.S. persons from receiving unlicensed donations and from engaging in financial transactions with respect to which the U.S. person knows or has reasonable cause to believe that the financial transaction poses a risk of furthering terrorist acts in the United States. Banks located in the United States and U.S. banks located offshore must reject transfers in the form of gifts or charitable contributions from the Government of Syria, or from entities owned or controlled by the Government of Syria, unless the bank knows or has reasonable cause to believe that the transaction poses a risk of furthering terrorism in the United States, in which case the funds must be retained by the bank. Banks should immediately notify OFAC Compliance about any retained items. Reject items must be reported within 10 business days of rejection. For the purposes of this program only, a financial transaction not originated by the Government of Syria (including its central bank and government owned-or-controlled banks acting for their own accounts), but transferred to the United States through one of those banks, is not considered to be a prohibited financial transaction with the Government of Syria.

Section 302 of the Antiterrorism and Effective Death Penalty Act of 1996 also authorizes the Secretary of State to designate organizations as "Foreign Terrorist Organizations" ("FTOs"). The Act makes it a criminal offense for U.S. persons to provide material support or resources to FTOs and requires financial institutions to block all funds in which FTOs or their agents have an interest. The term "financial institutions" comes from 31 U.S.C. 5312(a)(2) and is defined very broadly. Among the types of businesses covered by Treasury's Foreign Terrorist Organizations Sanctions Regulations, which implement Sections 302 and 303 of the Act, are banks, securities and commodities broker/dealers, investment companies, currency exchanges, issuers, redeemers, and cashiers of traveler's checks, checks, money orders, or similar instruments, credit card system operators, insurance companies,

dealers in precious metals, stones or jewels, pawnbrokers, loan and finance companies, travel agencies, licensed money transmitters, telegraph companies, businesses engaged in vehicle sales, including automobile, airplane or boat sales, persons involved in real estate closings or settlements, and casinos. Such "financial institutions" must notify OFAC Compliance about any blocked funds within ten days of blocking. Foreign Terrorist Organizations and their agents are integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons with an identifier of "[FTO]." They have been separately listed in OFAC's Terrorism: What You Need to Know brochure.

#### **EXECUTIVE ORDER 13224 - BLOCKING PROPERTY AND PROHIBITING TRANSACTIONS WITH PERSONS WHO COMMIT, THREATEN TO COMMIT, OR SUPPORT TERRORISM**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and in view of United Nations Security Council Resolution (UNSCR) 1214 of December 8, 1998, UNSCR 1267 of October 15, 1999, UNSCR 1333 of December 19, 2000, and the multilateral sanctions contained therein, and UNSCR 1363 of July 30, 2001, establishing a mechanism to monitor the implementation of UNSCR 1333,

I, GEORGE W. BUSH, President of the United States of America, find that grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist attacks in New York, Pennsylvania, and the Pentagon committed on September 11, 2001, acts recognized and condemned in UNSCR 1368 of September 12, 2001, and UNSCR 1269 of October 19, 1999, and the continuing and immediate threat of further attacks on United States nationals or the United States constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and in furtherance of my proclamation of September 14, 2001, Declaration of National Emergency by Reason of Certain Terrorist Attacks, hereby declare a national emergency to deal with that threat. I also find that because of the pervasiveness and expansiveness of the financial foundation of foreign terrorists, financial sanctions may be appropriate for those foreign persons that support or otherwise associate with these foreign terrorists. I also find that a need exists for further consultation and cooperation with, and sharing of information by, United States and foreign financial institutions as an additional tool to enable the United States to combat the financing of terrorism.

I hereby order:

Section 1. Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of the following persons that are in the United States or that hereafter come within the United States, or that hereafter come within the possession or control of United States persons are blocked:

- (a) foreign persons listed in the Annex to this order;
- (b) foreign persons determined by the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States;
- (c) persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order;
- (d) except as provided in section 5 of this order and after such consultation, if any, with foreign authorities as the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, deems appropriate in the exercise of his discretion, persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General;

- (i) to assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of, such acts of terrorism or those persons listed in the Annex to this order or determined to be subject to this order; or
- (ii) to be otherwise associated with those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order.

Sec. 2. Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date:

- (a) any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to this order is prohibited, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons listed in the Annex to this order or determined to be subject to this order;
- (b) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited; and
- (c) any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. For purposes of this order:

- (a) the term "person" means an individual or entity;
- (b) the term "entity" means a partnership, association, corporation, or other organization, group, or subgroup;
- (c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States; and
- (d) the term "terrorism" means an activity that —
  - (i) involves a violent act or an act dangerous to human life, property, or infrastructure; and
  - (ii) appears to be intended —
    - (A) to intimidate or coerce a civilian population;
    - (B) to influence the policy of a government by intimidation or coercion; or
    - (C) to affect the conduct of a government by mass destruction, assassination, kidnapping, or hostage-taking.

Sec. 4. I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons determined to be subject to this order would seriously impair my ability to deal with the national emergency declared in this order, and would endanger Armed Forces of the United States that are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances, and hereby prohibit such donations as provided by section 1 of this order. Furthermore, I hereby determine that the Trade Sanctions Reform and Export Enhancement Act of 2000 (title IX, Public Law 106-387) shall not affect the imposition or the continuation of the imposition of any unilateral agricultural sanction or unilateral medical sanction on any person determined to be subject to this order because imminent involvement of the Armed Forces of the United States in hostilities is clearly indicated by the circumstances.

Sec. 5. With respect to those persons designated pursuant to subsection 1(d) of this order, the Secretary of the Treasury, in the exercise of his discretion and in consultation with the Secretary of State and the Attorney General, may take such other actions than the complete blocking of property or interests in property as the President is authorized to take under IEEPA and UNPA if the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, deems such other actions to be consistent with the national interests of the United States, considering such factors as he deems appropriate.



Sec. 6. The Secretary of State, the Secretary of the Treasury, and other appropriate agencies shall make all relevant efforts to cooperate and coordinate with other countries, including through technical assistance, as well as bilateral and multilateral agreements and arrangements, to achieve the objectives of this order, including the prevention and suppression of acts of terrorism, the denial of financing and financial services to terrorists and terrorist organizations, and the sharing of intelligence about funding activities in support of terrorism.

Sec. 7. The Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 8. Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders, licenses, or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under 31 C.F.R. chapter V, except as expressly terminated, modified, or suspended by or pursuant to this order.

Sec. 9. Nothing contained in this order is intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, employees or any other person.

Sec. 10. For those persons listed in the Annex to this order or determined to be subject to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to this order.

Sec. 11. (a) This order is effective at 12:01 a.m. eastern daylight time on September 24, 2001.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

## **F—NARCOTICS**

An overview of U.S. sanctions against Drug Traffickers  
Foreign Narcotics Kingpin Designation Act

On December 3, 1999, the President signed into law the Foreign Narcotics Kingpin Designation Act (the "Kingpin Act"), 21 U.S.C. §§ 1901-1908, 8 U.S.C. §§ 1182.

The Kingpin Act blocks all property and interests in property, subject to U.S. jurisdiction, owned or controlled by significant foreign narcotics traffickers as identified by the President. In addition, the Kingpin Act blocks the property and interests in property, subject to U.S. jurisdiction, of foreign persons designated by the Secretary of Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, who are found to be: (1) materially assisting in, or providing financial or technological support for or to, or providing goods or services in support of, the international narcotics trafficking activities of a person designated pursuant to the Kingpin Act; (2) owned, controlled, or directed by, or acting for or on behalf of, a person designated pursuant to the Kingpin Act; or (3) playing a significant role in international narcotics trafficking.

Significant foreign narcotics traffickers and foreign persons designated by the Secretary of the Treasury are referred to collectively as Specially Designated Narcotics Traffickers. Foreign persons designated under the Kingpin Act are referred to as "[SDNTK]s" on OFAC's listing of "Specially Designated Nationals and Blocked Persons" to differentiate them from the Specially

Designated Narcotics Traffickers named under Executive Order 12978 (see below).

U.S. persons are prohibited from engaging in any transaction or dealing in property or interests in property of [SDNTK]s and from engaging in any transaction that evades or avoids the prohibitions of the Kingpin Act. These prohibitions affect trade transactions as well as accounts, securities, and other assets.

In addition to being integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons, [SDNTK]s have also been separately listed in a special OFAC brochure entitled Narcotics: What You Need to Know About U.S. Sanctions Against Drug Traffickers — An Overview of the Foreign Narcotics Kingpin Designation Act (21 U.S.C. §§ 1901-1908, 8 U.S.C. §§ 1182) and Executive Order 12978 of October 21, 1995). Please reference the Narcotics Brochure or the master SDN list for the complete listing of [SDNTK]s.

## **Executive Order 12978 of October 21, 1995**

On October 21, 1995, President Clinton signed Executive Order 12978 entitled "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers" (the "Order"), which imposes sanctions with respect to narcotics traffickers centered in Colombia. Executive Order 12978 has been implemented by the "Narcotics Trafficking Sanctions Regulations" at 31 CFR Part 536.

The Order blocks all property subject to U.S. jurisdiction in which there is any interest of four principal figures in the Cali drug cartel who are listed in the annex to the Order. Those four individuals are named as "Principal Individuals." In addition, the Order blocks the property and interests in property of foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, (a) to play a significant role in international narcotics trafficking centered in Colombia, or (b) to materially assist in or provide financial or technological support for, or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to the Order. In addition, the Order blocks all property and interests in property subject to U.S. jurisdiction of persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order (collectively "Specially Designated Narcotics Traffickers"). Those designated are referred to as "[SDNT]s" on OFAC's listing of "Specially Designated Nationals and Blocked Persons" to differentiate them from the Specially Designated Narcotics Traffickers named under the Kingpin Act. In addition to being integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons, [SDNT]s have also been separately listed in a special OFAC brochure entitled Narcotics: What You Need to Know About U.S. Sanctions Against Drug Traffickers — An Overview of the Foreign Narcotics Kingpin Designation Act (21 U.S.C. §§ 1901-1908, 8 U.S.C. §§ 1182) and Executive Order 12978 of October 21, 1995).

The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of [SDNT]s, and any transaction that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, the prohibitions contained in the Order. This obviously impacts trade transactions (involving, for example, letters of credit) as well as accounts and other assets.

Designations of persons blocked pursuant to the Order are effective upon the date of determination by the Director of the Office of Foreign Assets Control, acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the Federal Register, or upon prior actual notice.

## **G—BURMA (MYANMAR)**

Burmese Sanctions Regulations (31 C.F.R. Part 537)

**INTRODUCTION** - On May 20, 1997, in response to the Burmese Government's large scale repression of, and violence against, the Democratic opposition, President Clinton issued Executive Order 13047 declaring a national emergency with respect to these actions and policies of the Government of Burma. The order, issued under the authority of section 570(b) of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1997 (Public Law 104-208) and the International



Emergency Economic Powers Act (50 U.S.C. 1701-1706) (“IEEPA”), prohibits new investment in Burma by U.S. persons and U.S. persons’ facilitation of new investment in Burma by foreign persons.

On July 28, 2003, the Burmese Freedom and Democracy Act of 2003 (BFDA) was signed into law, to restrict the financial resources of Burma’s ruling military junta, the State Peace and Development Council (SPDC). The BFDA requires the President to ban the importation into the United States of products of Burma, beginning 30 days after the date of enactment of the BFDA, as well as to consider blocking the assets of certain SPDC members and taking steps to prevent further financial or technical assistance to Burma until certain conditions are met.

To implement the BFDA and to take additional steps with respect to the Government of Burma’s continued repression of the democratic opposition in Burma, the President issued Executive Order 13310 (the “Order”) on July 28, 2003. The Order blocks all property and interests in property of the persons listed in the Annex to the Order and of certain persons determined, at a future point, by the Secretary of the Treasury, in consultation with the Secretary of State, to meet the criteria set forth in the Order. It also bans the importation into the United States of products of Burma and the exportation or reexportation to Burma of financial services from the United States or by U.S. persons. Like the previous executive order, it exempts from its blocking and financial service prohibitions any transactions pursuant to pre-May 21, 1997 agreements between a U.S. person and any entity in Burma.

The Department of the Treasury’s Burmese Sanctions Regulations, 31 C.F.R. Part 537 (the BSR), were issued initially to implement Executive Order 13047. To implement Executive Order 13310 and the BFDA, these regulations were extensively amended and reissued in their entirety.

To implement the BFDA and to take additional steps with respect to the Government of Burma’s continued repression of the democratic opposition in Burma, the President issued Executive Order 13310 (the “Order”) on July 28, 2003. The Order blocks all property and interests in property of the persons listed in the Annex to the Order and of certain persons determined, at a future point, by the Secretary of the Treasury, in consultation with the Secretary of State, to meet the criteria set forth in the Order. It also bans the importation into the United States of products of Burma and the exportation or reexportation to Burma of financial services from the United States or by U.S. persons. Like the previous executive order, it exempts from its blocking and financial service prohibitions any transactions pursuant to pre-May 21, 1997 agreements between a U.S. person and any entity in Burma.

The Department of the Treasury’s Burmese Sanctions Regulations, 31 C.F.R. Part 537 (the BSR), were issued initially to implement Executive Order 13047. To implement Executive Order 13310 and the BFDA, these regulations were extensively amended and reissued in their entirety.

Criminal penalties for willful violations of the Burmese Sanctions Regulations, or of any license, rule or regulation issued under it, include \$50,000 in fines for a corporation or individual, or up to 20 years imprisonment for an individual, or both. Fines for criminal violations may be increased to \$500,000 for corporations and \$250,000 for individuals pursuant to 18 U.S.C. 3571. Civil penalties of up to \$50,000 per violation may be imposed administratively.

**BLOCKING OF PROPERTY** - Executive Order 13310 blocks property and property interests of persons listed in the Annex to the order and of persons that are designated by the U.S. Treasury Department as being a senior official of the Government of Burma, of the State Peace and Development Council of Burma, of the Union Solidarity and Development Association of Burma or of any successor to the foregoing. The Executive Order also gives the Treasury Department the authority to designate individuals or entities that are owned or controlled by, or acting for or on behalf of, any of those officials or groups. Generally, no U.S. person can have any dealings with persons listed in, or designated by the Treasury under, Executive Order 13310, and all property in which any listed or designated person has an interest is blocked if it is in the United States or in the possession or control of a U.S. person.

Three of the four entities listed in the annex to Executive Order 13310 are the banks in Burma that conduct international transactions. Some dealings with these banks are authorized if the transactions are necessary to conduct otherwise authorized transactions. In no case, however, can a blocked account of one of these financial institutions on the books of a U.S. bank be used to

transfer the funds. All authorized transactions must be conducted through an account of one of these banks on the books of a non-U.S. bank.

**NO IMPORTATION OF PRODUCTS OF BURMA** - Generally speaking, Burmese origin goods may not be imported into the United States. There are a few limited exceptions, such as the importation of household goods by a person who had lived in Burma, certain diplomatic imports, and informational materials.

**EXPORTATION OF GOODS AND NON-FINANCIAL SERVICES TO BURMA** - There is no prohibition on the exportation of goods and services other than financial services to Burma. You do need to be aware of how some of the other prohibitions may affect these transactions, however. For example, in light of the prohibition on the exportation of financial services to Burma, and the blocking of the property of certain individuals and entities in Burma, you can only be paid from an account maintained on the books of a non-U.S. bank. You also need to be aware of the prohibitions on new investment in Burma.

**EXPORTATION OF FINANCIAL SERVICES TO BURMA** - Generally speaking, the exportation of financial services to Burma is prohibited. The term exportation or reexportation of financial services to Burma is defined broadly to mean (1) the transfer of funds, directly or indirectly, from the United States or by a U.S. person, wherever located, to Burma, and (2) the provision, directly or indirectly, to persons in Burma of insurance services, investment or brokerage services, 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 stored value. This defined term is unique to the Burma sanctions program.

There are limited exceptions to the ban on the exportation of financial services. For example, payments can be made for certain licensed or exempt transactions, such as diplomatic payments and payments for goods exported to Burma. Under no circumstances can payments be made from blocked accounts on the books of a U.S. bank.

**OPERATION OF ACCOUNTS FOR INDIVIDUALS IN BURMA** - U.S. financial institutions can operate accounts for individuals in Burma, provided that the individual is not a blocked party, the account is used solely for personal transactions that are not otherwise prohibited, and no transfers are made from the account directly or indirectly to Burma or for the benefit of individuals ordinarily resident in Burma unless authorized by section 537.517 of the BSR.

**TRANSFER OF PERSONAL REMITTANCES TO/FROM BURMA** - Pursuant to section 537.517 of the BSR, U.S. banks, U.S. registered broker-dealers and U.S. registered money transmitters are authorized to send non-commercial, personal remittances to or from Burma or for or on behalf of an individual ordinarily resident in Burma, provided that the funds are not being sent by, to or on behalf of a blocked party. Total remittances may not exceed \$300.00 per Burmese household in any consecutive three-month period. These transfers may not involve a blocked account on the books of a U.S. bank. 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. U.S. persons, however, may make charitable donations to nongovernmental organizations in Burma that are authorized to operate pursuant to section 537.523 of the BSR (see next item), provided that the donations are made pursuant to section 537.523 and the terms of the authorization.

**NGO ACTIVITY IN BURMA** - OFAC issues licenses to nongovernmental organizations to engage in humanitarian or religious activities in Burma that would otherwise be prohibited. Any NGO interested in obtaining such a license should refer to section 537.523 of the BSR, or contact OFAC’s Licensing Division at 202/622-2480.

**NEW INVESTMENT** - The sanctions prohibit new investment in Burma by U.S. persons on or after May 21, 1997, unless such investment is pursuant to an agreement in place prior to May 21, 1997. A number of criteria are used to determine whether or not a specific activity is “grandfathered.” Factors taken into account include the clarity of the scope of the agreement, the degree of specificity with which the activity is described, and the extent to which the terms of the agreement are legally enforceable.

New investment in Burma is defined as a contract with the Government of Burma or a nongovernmental entity in Burma for the development of

resources (including natural, agricultural, commercial, financial, industrial and human resources) located in Burma. The prohibition includes purchasing a share of ownership (an equity interest) in a project or entering into an agreement that provides for a participation in royalties, earnings, or profits from the economic development of resources located in Burma. Executive Order 13047 and the BSR also prohibit a U.S. company from entering into a contract that provides for the general supervision and guarantee of another person's performance of an agreement for the economic development of resources located in Burma.

U.S. persons with pre-May 21, 1997 agreements for the economic development of resources located in Burma should contact the Department of the Treasury's Office of Foreign Assets Control for a determination as to whether or not their project is exempt from the sanctions.

**FACILITATION** - A U.S. person is prohibited from approving, aiding or supporting a foreign person's investment in Burma, if the foreign person's activity would constitute prohibited new investment if engaged in by a U.S. person. Exception: Although contracting to sell to a foreign person a U.S. person's equity or income interest in a development project in Burma constitutes facilitation of that foreign person's investment in Burma, such a divestiture is authorized by general license. If the transaction is valued at more than \$10,000, a report must be filed for statistical purposes with the Office of Foreign Assets Control within ten business days of the signing of such an agreement.

Examples of prohibited facilitation of a foreign person's new investment in Burma follow:

The foreign subsidiary of a U.S. company wishes to bid on a project to develop a coal mine in Burma. The U.S. parent cannot approve, supervise, or otherwise be involved in the foreign subsidiary's negotiations with regard to this project.

A U.S. oil company holds a pre-May 21, 1997 contract to develop a Burmese oil field. It wishes to sell its rights under the contract to a foreign company. It is authorized to sell an interest without prior authorization from OFAC, but if the agreement is valued at more than \$10,000, the seller must file a report with OFAC within ten days of the signing of the agreement.

**INVESTMENT IN THEIR COUNTRY COMPANIES** - U.S. persons are prohibited from purchasing shares in a third-country company if the company's profits are predominantly derived from the company's economic development of resources located in Burma. If a person holds shares in an entity that subsequently engages exclusively or predominantly in the economic development of resources in Burma, or subsequently derives its income exclusively or predominantly from such activity, the U.S. person is not required to relinquish its shares, but may not purchase additional shares. If the U.S. person sells off shares valued at more than \$10,000, the seller must file a report with OFAC for statistical purposes within ten days of the sale.

## H—SUDAN

Sudanese Sanctions Regulations (31 C.F.R. Part 538)

**INTRODUCTION** - On November 3, 1997, after finding that the policies and actions of the Government of Sudan, including continued support for international terrorism, ongoing efforts to destabilize neighboring governments, and the prevalence of human rights violations, including slavery and the denial of religious freedom, constituted an unusual and extraordinary threat to the national security and foreign policy of the United States, President Clinton issued Executive Order No. 13067, declaring a national emergency to deal with that threat. The order, issued under the authority of International Emergency Economic Powers Act (50 U.S.C. 1701-1706) ("IEEPA"), the National Emergencies Act (50 U.S.C. 1601 et seq.) and section 301 of title 3, United States Code, imposed a trade embargo against Sudan and a total asset freeze against the Government of Sudan. The Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (the "Regulations") implement Executive Order No. 13067.

On March 29, 2006, the United Nations Security Council issued Resolution 1591 condemning the continued violations of human rights and international humanitarian law in Sudan's Darfur region and, in particular, the continuation of violence against civilians and sexual violence against women and girls. The Resolution determined that the situation in Darfur constituted a threat to

international peace and security in the region and called on member states to take certain measures against persons responsible for the continuing conflict. In response to this Resolution, on April 27, 2006, President Bush issued a new Executive Order expanding Executive Order No. 13067 to block the property and interests in property of certain persons connected with the conflict in Darfur. The new Executive Order contained the names of four individuals subject to its provisions, and gave the Secretary of the Treasury, in consultation with the Secretary of State, the authority to designate additional individuals and entities found to meet certain criteria.

**SPECIALLY DESIGNATED NATIONALS** - Individuals or organizations that are owned or controlled by, or act on behalf of, the Government of Sudan anywhere in the world, as well as individuals and entities found to meet the criteria outlined in the April 27, 2006 Executive Order may be named by the U.S. Treasury Department as "Specially Designated Nationals" ("SDNs") of Sudan. U.S. persons are prohibited from transacting business with these individuals and entities, and all of their property in the United States or in the possession or control of a U.S. person is blocked. Their names are published in the Federal Register, an official publication of the U.S. Government. The listing, however, is a partial one and any U.S. individual or organization engaging in transactions with foreign nationals must take reasonable care to make certain that such foreign nationals are not owned or controlled by or acting on behalf of Sudan. U.S. individuals or organizations who violate the Regulations by transacting business with Specially Designated Nationals may be subject to civil or criminal prosecution.

**BUYING FROM SUDAN** - Goods or services of Sudanese origin may not be imported into the United States either directly or through third countries without a license. Exceptions include: (1) Sudanese merchandise up to \$100 in value in non-commercial quantities may be brought into the United States either for strictly personal use as accompanied baggage or sent as a gift to a person in the United States and (2) information or informational materials may be imported without restriction. All other imports of Sudanese origin must be authorized by the Office of Foreign Assets Control.

Importation into the United States from third countries of goods containing raw materials or components of Sudanese origin is not prohibited if those raw materials or components have been incorporated into manufactured products or otherwise substantially transformed in a third country.

**SELLING TO SUDAN** - Except for information or informational materials and donated articles intended to relieve human suffering, such as food, clothing and medicine, and the licensed export of agricultural commodities, medicine, and medical devices, no goods, technology, or services may be exported from the United States to Sudan, either directly or through third countries, without a license. Exportation of goods or technology from the United States to third countries is prohibited if the exporter knows, or has reason to know, that the goods or technology are intended for transshipment to Sudan. The exportation of goods or technology intended specifically for incorporation or substantial transformation into a third-country product is also prohibited if the particular product is to be used in Sudan, is being specifically manufactured to fill a Sudanese order, or if the manufacturer's sales of the particular product are predominantly to Sudan.

No U.S. bank, including its foreign branches, may finance, or arrange offshore financing for, third-country trade transactions where Sudan is known to be the ultimate destination of, or the Government of Sudan is the purchaser of, the goods. Arranging transactions which ultimately benefit Sudan (for example, brokering third-country sales to Sudan) constitutes an exportation of brokerage services to Sudan in violation of the Regulations. The Regulations also prohibit non-U.S. persons from unauthorized re-exportation of U.S. origin goods to Sudan.

**SUDANESE GOVERNMENT ASSETS BLOCKED** - Effective November 4, 1997, all property and interests in property of the Government of Sudan, including its agencies, instrumentalities and controlled entities and SDNs, in the United States or in the possession or control of a U.S. person, including their overseas branches, are blocked. All transfers of such property must be authorized by the OFAC. Any unlicensed funds transfer involving a direct or indirect interest of the Government of Sudan (including any transfer routed to a Sudanese Government-controlled bank) for which banks subject to U.S. jurisdiction receive instructions must be deposited into a blocked account on the books of the bank receiving the instructions. Such funds may not be returned to a remitter without a specific license from the OFAC. No unlicensed debits may be made to blocked accounts to pay obligations of U.S.

or other persons, whether the obligations arose before or after the sanctions against Sudan were imposed. Setoffs against blocked accounts are prohibited.

**FINANCIAL DEALINGS WITH SUDAN** - Payments for and financing of licensed sales of agricultural commodities, medicine, and medical devices may be accomplished by cash in advance, sales on open account (provided the account receivable is not transferred by the person extending the credit), or by third country financial institutions that are neither U.S. persons nor government of Sudan entities. U.S. banks may advise and confirm letters of credit issued by third country banks covering such licensed sales.

Payments for licensed sales of agricultural commodities, medicine, and medical devices, which must reference an appropriate OFAC license, may not involve a debit to a blocked account on the books of a U.S. depository institution. Before a U.S. bank initiates a payment, or credits its customer for a licensed transaction, it must determine that the transfer is authorized.

As a rule, all other financial dealings with Sudan are prohibited, including the performance by any U.S. person of any contract, including a financing contract, in support of an industrial, commercial, public utility, or governmental project in Sudan.

Regulated U.S. depository institutions, broker-dealers and money service businesses (MSBs) are authorized to send and receive personal remittances to and from Sudan, provided that such transfers are not processed through a bank owned or controlled by the Government of Sudan. U.S. depository institutions and broker-dealers are authorized to operate accounts for individuals normally resident in Sudan, provided that all transactions through the account are personal in nature and are not related to commercial activity in Sudan.

**PROHIBITED FACILITATION** - The Regulations prohibit the facilitation by a U.S. person of the direct or indirect exportation or reexportation of goods, technology or services to or from Sudan. Facilitation of a trade or financial transaction that could be lawfully engaged in directly by a U.S. person or from the United States is not prohibited. Likewise, performance of services of a purely clerical or reporting nature that does not further trade or financial transactions with Sudan or the Government of Sudan will not violate the prohibition on exportation of services to Sudan.

**NON-GOVERNMENTAL ORGANIZATIONS** - Registration numbers may be issued by OFAC on a case-by-case basis to non-governmental organizations ("NGOs") involved in humanitarian or religious activities in Sudan. A registration number authorizes certain transactions by or on behalf of the registered NGO that would be otherwise prohibited, such as the exportation of goods or services, or the transfer of funds directly into Sudan, for the purpose of relieving human suffering. Applications for registration must include the following information (names of individuals and organizations should be provided in English, in the language of origin, or transliterated when not possible and should include any acronym or other names used to identify the individuals or organizations):

- (a) Organization name;
- (b) Address and phone number of the organization's headquarters location;
- (c) Full name, nationality, citizenship, current country of residence, birth dates and places of birth for key staff at the organization's headquarters, such as the chairman and board members, president, director, etc.;
- (d) Identification of field offices or partner offices elsewhere, including addresses, phone numbers, and organizational names used, as well as the identification of the senior officer(s) at these locations, including their name, nationality, citizenship, position, and date of birth;
- (e) Identification of subcontracting organizations, if any, to the extent known or contemplated at the time of the proposal;
- (f) Existing sources of income, such as official grants, private endowments, commercial activities, etc.;
- (g) Financial institutions that hold deposits on behalf of or extend lines of credit to the organization;
- (h) Independent accounting firms (if employed in the production of the organization's financial statements);
- (i) Most recent official registry documents, annual reports, and annual filings with the local government, as applicable / available;
- (j) Names and addresses of organizations that the applicant currently provides or proposes to provide funding, services or material support to, as applicable;

- (k) A detailed description of the organization's humanitarian or religious activities and projects in Sudan.

Registrants conducting transactions for their Sudanese operations should reference their registration number on all funds transfer, purchase, shipping, and financing documents. OFAC records must be updated by Registrants with any changes to (a) - (j).

## I—NONPROLIFERATION

### **EXECUTIVE ORDER 13382, "BLOCKING PROPERTY OF WEAPONS OF MASS DESTRUCTION PROLIFERATORS AND THEIR SUPPORTERS"; THE WEAPONS OF MASS DESTRUCTION TRADE CONTROL REGULATIONS (Part 539 of Title 31, C.F.R.); AND THE HIGHLY ENRICHED URANIUM (HEU) AGREEMENT ASSETS CONTROL REGULATIONS (Part 540 of Title 31, C.F.R)**

**INTRODUCTION** - The Treasury Department's Office of Foreign Assets Control (OFAC) implements three distinct sanctions programs designed to combat the proliferation of weapons of mass destruction (WMD). The requirements under each of the programs are different. Each program is described in further detail in this brochure, but they can be summarized as follows:

Executive Order 13382 of June 28, 2005, blocks the property of persons engaged in proliferation activities and their support networks. OFAC administers this blocking program, which initially applied to eight organizations in North Korea, Iran, and Syria. Treasury, together with the Department of State, is authorized to designate additional WMD proliferators and their supporters under the new authorities provided by this Executive Order.

OFAC's Weapons of Mass Destruction Trade Control Regulations, 31 C.F.R. Part 539, implement a ban on imports into the United States, pursuant to Executive Order 12938. Under this program, the Secretary of State may name as subject to the ban foreign persons determined to have engaged in proliferation-related activities.

OFAC's Highly Enriched Uranium (HEU) Agreement Assets Control Regulations, 31 C.F.R. Part 540, implement Executive Order 13159 of June 21, 2000, "Blocking Property of the Government of the Russian Federation Relating to the Disposition of Highly Enriched Uranium Extracted From Nuclear Weapons." These regulations and Executive Order 13159 are directed at the property used to carry out international agreements between the United States and the Russian Federation for the conversion of highly enriched uranium extracted from Russian nuclear weapons into low-enriched uranium for use in commercial nuclear reactors.

The three WMD sanctions programs administered by OFAC are described in greater detail below.

### **EXECUTIVE ORDER 13382, "BLOCKING PROPERTY OF WEAPONS OF MASS DESTRUCTION PROLIFERATORS AND THEIR SUPPORTERS"**

**SUMMARY OF EXECUTIVE ORDER** - Executive Order 13382 of June 28, 2005 (E.O. 13382), takes additional steps to deal with the national emergency declared in Executive Order 12938 of November 14, 1994 (see below), with respect to the proliferation of WMD and the means of delivering them. The Executive Order blocks the property of specially designated WMD proliferators and members of their support networks. The action effectively denies those parties access to the U.S. financial and commercial systems. The program is administered by OFAC.

**PROHIBITED TRANSACTIONS** - U.S. persons, meaning any U.S. citizen, permanent resident alien, U.S. company (including their foreign branches) and any person or company in the United States, are prohibited from engaging in any transaction or dealing with any party designated under Executive Order 13382. In addition, all property within the possession or control of any U.S. person in which a target has an interest is blocked and must be reported to OFAC within ten days. The names of those actually listed in the Annex to E.O. 13382, and any parties named subsequent to the Executive Order, are incorporated into OFAC's Specially Designated Nationals (SDN) list. The parties blocked under this program are:



The following names were listed in the Annex of Executive Order 13382 and have been incorporated into the SDN list with the program designation "[NPWMD]." They are listed here in OFAC's SDN list format.

AEROSPACE INDUSTRIES ORGANIZATION (a.k.a. SAZMANE SANAYE HAVA FAZA; a.k.a. "AIO"), Langare Street, Nobonyad Square, Tehran, Iran [NPWMD]

ATOMIC ENERGY ORGANIZATION OF IRAN (a.k.a. SAZEMAN-E ENERGY ATOMI), P.O. Box 14144-1339, End of North Karegar Avenue, Tehran, Iran [NPWMD]

KOREA MINING DEVELOPMENT TRADING CORPORATION (a.k.a. CHANGGWANG SINYONG CORPORATION; a.k.a. EXTERNAL TECHNOLOGY GENERAL CORPORATION; a.k.a. NORTH KOREAN MINING DEVELOPMENT TRADING CORPORATION; a.k.a. "KOMID"), Central District, Pyongyang, Korea, North [NPWMD]

KOREA RYONBONG GENERAL CORPORATION (a.k.a. KOREA YONBONG GENERAL CORPORATION; f.k.a. LYONGAKSAN GENERAL TRADING CORPORATION), Pot'onggang District, Pyongyang, Korea, North; Rakwondong, Pothonggang District, Pyongyang, Korea, North [NPWMD]

SCIENTIFIC STUDIES AND RESEARCH CENTER (a.k.a. CENTRE D'ETUDES ET RECHERCHES; a.k.a. "SSRC"), P.O. Box 4470, Damascus, Syria [NPWMD]

SHAHID BAKERI INDUSTRIAL GROUP (a.k.a. "SBIG"), Tehran, Iran [NPWMD]

SHAHID HEMMAT INDUSTRIAL GROUP (a.k.a. "SHIG"), Damavand Tehran Highway, Tehran, Iran [NPWMD]

TANCHON COMMERCIAL BANK (f.k.a. CHANGGWANG CREDIT BANK; f.k.a. KOREA CHANGGWANG CREDIT BANK), Saemul 1-Dong Pyongchon District, Pyongyang, Korea, North [NPWMD]

Please note that subsequent designations were added to the SDN list since the initial Executive Order. In addition to being integrated into OFAC's alphabetized master list of Specially Designated Nationals and Blocked Persons, [NPWMD]s have also been separately listed in a special OFAC brochure entitled Nonproliferation: What You Need to Know About Treasury Restrictions— Executive Order 13382, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters"; the Weapons of Mass Destruction Trade Control Regulations (Part 539 of Title 31, C.F.R.); and the Highly Enriched Uranium (HEU) Agreement Assets Control Regulations (Part 540 of Title 31, C.F.R.). Please reference the Nonproliferation Brochure or the master SDN list for the complete listing of individuals and entities designated as [NPWMD]s.

**PENALTIES** - Criminal penalties for willful violations of E.O. 13382, or of any license, rule or regulation issued under it, include up to \$500,000 in fines for a corporation or \$250,000 for an individual, or imprisonment of up to 20 years for an individual, or both. Fines for criminal violations may be increased pursuant to 18 U.S.C. 3571. Civil penalties of up to \$50,000 per violation may be imposed administratively.

#### **WEAPONS OF MASS DESTRUCTION TRADE CONTROL REGULATIONS, (31 C.F.R. Part 539)**

**SUMMARY OF EXECUTIVE ORDER 12938, AS AMENDED** - In Executive Order 12938 of November 14, 1994, President Clinton declared a national emergency with respect to the proliferation of nuclear, biological and chemical weapons (weapons of mass destruction or WMD) and the means of delivering them. E.O. 12938 provides that the Secretary of the Treasury shall prohibit the importation into the United States of goods, technology, or services produced or provided by foreign persons on which the Secretary of State has determined to impose an import ban because of their WMD proliferation activities. (Information or informational materials within the meaning of section 203(b)(3) of IEEPA, 50 U.S.C. 1702(b)(3), are exempt from this prohibition.)

**IMPORT BAN** - OFAC issued the Weapons of Mass Destruction Trade Control Regulations, 31 C.F.R. Part 540 (the Regulations), to implement the import ban imposed under Executive Order 12938. The Regulations prohibit the direct or indirect importation into the United States, including for transshipment or transit, of any goods, technology, or services produced or provided by the foreign persons on which the Secretary of State has determined to impose an import ban pursuant to E.O. 12938 (designated foreign persons). The importation into the United States of goods or technology from third countries is also prohibited if undertaken with

knowledge or reason to know that those goods contain raw materials, components, or technology produced or provided by a designated foreign person. In addition to banning imports, the Regulations prohibit U.S. persons from financing, acting as a broker for, transporting or otherwise participating in the importation into the United States of any goods, technology or services produced or provided by a designated foreign person. The term designated foreign person means any foreign person on which the Secretary of State has determined to impose an import ban pursuant to E.O. 12938 and any entities owned or controlled by that foreign person, including any subsidiaries and branches, successors, and persons acting or purporting to act for or on behalf of any of them.

Services are considered to be imported into the United States where either the services or their benefit are received in the United States, regardless of where such services may be performed. The benefit of services performed is received in the United States if the services are: (1) performed on behalf of or for the benefit of a person located in the United States; (2) received by a person located in the United States; (3) received by a person located outside the United States on behalf of or for the benefit of an entity organized in the United States; or (4) received by an individual temporarily located outside the United States for the purpose of obtaining such services for use in the United States.

**FOREIGN PERSONS DESIGNATED BY THE SECRETARY OF STATE** - For information related to the foreign persons who have been determined by the Secretary of State to be subject to the import ban, please refer to information provided by the originating agency and/or the associated *Federal Register* notices. Information on import ban names can also be found at the following: <http://www.state.gov/t/isn/c15233.htm>. The import ban also applies to any entity owned or controlled by the named entities.

#### **HIGHLY ENRICHED URANIUM (HEU) ASSETS CONTROL REGULATIONS, 31 C.F.R. PART 540**

A major national security goal of the United States is to ensure that fissile material removed from Russian nuclear weapons pursuant to various arms control and disarmament agreements is dedicated to peaceful uses and protected from diversion to activities of proliferation concern. In 1993, the United States and the Russian Federation entered into an international agreement for the conversion of highly enriched uranium (HEU) extracted from Russian nuclear weapons into low-enriched uranium for use in commercial nuclear reactors. Under this and related contracts and agreements (collectively, the HEU Agreements), 500 metric tons of highly enriched uranium – the equivalent of 20,000 nuclear warheads – will be converted to low enriched uranium over a 20-year period.

On June 21, 2000, President Clinton issued Executive Order 13159, "Blocking Property of the Government of the Russian Federation Relating to the Disposition of Highly Enriched Uranium Extracted From Nuclear Weapons." This order, explicitly directed at the property used to implement the HEU Agreements, prevents attachment or garnishment in the United States. It is meant to protect a very specific set of assets, defined by regulations, orders, directives, or licenses issued by the U.S. Treasury Department's Office of Foreign Assets Control. The order does not block any property or interests in property of the Government of the Russian Federation that are not directly related to the implementation of the HEU Agreements. The Office of Foreign Assets Control issued the Highly Enriched Uranium (HEU) Agreement Assets Control Regulations, 31 C.F.R. Part 540, to implement Executive Order 13159.

#### **J—DIAMOND TRADING**

Rough Diamonds Control Regulations (31 CFR Part 592)

**INTRODUCTION** - In the Interlaken Declaration of November 5, 2002, representatives of the United States and 47 other countries announced the launch of the Kimberley Process Certification Scheme for rough diamonds ("KPCS"). Countries participating in the KPCS ("Participants") are expected to prohibit the importation of rough diamonds from, and the exportation of rough diamonds to, non-Participants and to require that shipments of rough diamonds from or to a Participant be controlled through the KPCS.

On April 25, 2003, the President signed the Clean Diamond Trade Act (Pub. L. 108-19) ("the Act"). The Act requires the President to take steps to implement the KPCS in the United States. On July 29, 2003, the President



issued Executive Order 13312, "Implementing the Clean Diamond Trade Act."

**PROHIBITED TRANSACTIONS** - Executive Order 13312 prohibits, subject to certain waiver authorities set forth in section 4(b) of the Act, the importation into, and exportation from, the United States of any rough diamonds, from whatever source, not controlled through the KPCS. (Pursuant to section 4(b) of the Act, the Secretary of State, in certain limited circumstances, may waive these prohibitions with respect to a particular country for periods of not more than one year each.) This means that shipments of rough diamonds between the United States and countries that do not participate in the KPCS generally are prohibited, and shipments between the United States and Participants are permitted only if they are "controlled through the KPCS," i.e., handled in accordance with the standards, practices, and procedures of the KPCS, as summarized below. Executive Order 13312 also prohibits any transaction by a United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions of the order, as well as any conspiracy formed to violate any of the prohibitions of the order.

The Department of State is responsible for identifying all the Participants eligible for trade in rough diamonds (and their importing and exporting authorities) and periodically publishes an up-to-date list of Participants in the Federal Register. The list of Participants may be amended at any time as determined appropriate by the Secretary of State.

**KPCS REQUIREMENTS** – OFAC's Rough Diamonds Control Regulations, 31 CFR Part 592, implement Executive Order 13312 and the KPCS. The regulations, as amended, were published at 69 FR 56936 (September 23, 2004). As explained in detail in those regulations, except to the extent modified by the Secretary of State, all shipments of rough diamonds imported into the United States from a Participant, or exported from the United States to a Participant must be accompanied by a Kimberley Process Certificate and sealed in a tamper-resistant container. The Kimberley Process Certificate must bear the following information: the title "Kimberley Process Certificate"; the statement, "The rough diamonds in this shipment have been handled in accordance with the provisions of the Kimberley Process Certification Scheme for rough diamonds"; country of origin for shipment of parcels of unmixed origin; unique numbering with the Alpha 2 country code, according to ISO 3166-1; date of issuance; date of expiry; name of issuing authority; identification of exporter and importer; carat weight/mass; value; number of parcels in shipment; Harmonized Commodity Description and Coding System; and validation by the exporting authority. A shipment of rough diamonds imported into the United States that includes a parcel of mixed-origin rough diamonds must be accompanied by the Kimberley Process Certificate, and the certificate need not indicate the countries of origin of the diamonds; however, the country-of-origin field on the certificate must be filled in with asterisks. In addition, the shipment still must comply with all other country-of-origin reporting requirements.

For an inbound shipment of rough diamonds, the ultimate consignee must report receipt of the shipment to the relevant foreign exporting authority within 15 calendar days of the date that the shipment arrived at a U.S. port of entry. The report must refer to the relevant Kimberley Process Certificate by its unique identifying number; specify the number of parcels in the shipment and the total carat weight; and identify the importer and exporter. To obtain the required validation of the Kimberley Process Certificate for an exportation of rough diamonds from the United States to any Participant (including Canada), U.S. exporters must file transaction-specific information through the Automated Export System ("AES") maintained by the Bureau of the Census, which is the exporting authority for the United States. Validation of the Kimberley Process Certificate occurs when the AES confirms the submission of export information by the return of an Internal Transaction Number, which the exporter is required to report on the Kimberley Process Certificate.

**PENALTIES** - The Clean Diamond Trade Act provides for criminal penalties of \$50,000 per count for corporations and individuals and/or ten years imprisonment for individuals. Civil penalties of up to \$10,000 per violation may be imposed on any person who violates, or attempts to violate, any order or regulation issued under the Act. In addition, those customs laws of the United States, both civil and criminal, including those laws relating to seizure and forfeiture, that apply to articles imported in violation of such laws apply with respect to rough diamonds imported in violation of the Act.

Moreover, 18 U.S.C. 3571 provides that organizations or individuals convicted of violating a criminal statute may be fined the greater of the

amount specified in the statute, or twice the pecuniary gain or loss from the violation, or \$500,000 for felonies and that individuals may be fined \$250,000 for felonies. Finally, 18 U.S.C. 1001 provides for five years' imprisonment and a \$10,000 criminal fine for knowingly making false statements or falsifying or concealing material facts with respect to any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States.

This is the Executive Order with respect to Diamond Trading:

#### **EXECUTIVE ORDER 13312 IMPLEMENTING THE CLEAN DIAMOND TRADE ACT**

"By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Clean Diamond Trade Act (Public Law 108-19) ('the Act'), the International Emergency Economic Powers Act, as amended (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act, as amended (22 U.S.C. 287c), and section 301 of title 3, United States Code, and in view of the national emergency described and declared in Executive Order 13194 of January 18, 2001, and expanded in scope in Executive Order 13213 of May 22, 2001,

I, GEORGE W. BUSH, President of the United States of America, note that, in response to the role played by the illicit trade in diamonds in fueling conflict and human rights violations in Sierra Leone, the President declared a national emergency in Executive Order 13194 and imposed restrictions on the importation of rough diamonds into the United States from Sierra Leone. I expanded the scope of that emergency in Executive Order 13213 and prohibited absolutely the importation of rough diamonds from Liberia. I further note that representatives of the United States and numerous other countries announced in the Interlaken Declaration of November 5, 2002, the launch of the Kimberley Process Certification Scheme ("KPCS") for rough diamonds, under which Participants prohibit the importation of rough diamonds from, or the exportation of rough diamonds to, a non-Participant and require that shipments of rough diamonds from or to a Participant be controlled through the KPCS. The Clean Diamond Trade Act authorizes the President to take steps to implement the KPCS. Therefore, in order to implement the Act, to harmonize Executive Orders 13194 and 13213 with the Act, to address further threats to international peace and security posed by the trade in conflict diamonds, and to avoid undermining the legitimate diamond trade, it is hereby ordered as follows:

Section 1. Prohibitions. Notwithstanding the existence of any rights or obligations conferred or imposed by any contract entered into or any license or permit granted prior to July 30, 2003, the following are, except to the extent a waiver issued under section 4(b) of the Act applies, prohibited:

- (a) the importation into, or exportation from, the United States on or after July 30, 2003, of any rough diamond, from whatever source, unless the rough diamond has been controlled through the KPCS;
- (b) any transaction by a United States person anywhere, or any transaction that occurs in whole or in part within the United States, that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this section; and
- (c) any conspiracy formed to violate any of the prohibitions of this section.

Sec. 2. Assignment of Functions. (a) The functions of the President under the Act are assigned as follows:

- (i) sections 4(b), 5(c), 6(b), 11, and 12 to the Secretary of State; and
- (ii) sections 5(a) and 5(b) to the Secretary of the Treasury.

(b) The Secretary of State and the Secretary of the Treasury may reassign any of these functions to other officers, officials, departments, and agencies within the executive branch, consistent with applicable law.

(c) In performing the function of the President under section 11 of the Act, the Secretary of State shall establish the coordinating committee as part of the Department of State for administrative purposes only, and shall, consistent with applicable law, provide administrative support to the coordinating committee. In the performance of functions assigned by subsection 2(a) of this order or by the Act, the Secretary of State, the Secretary of the Treasury,

and the Secretary of Homeland Security shall consult the coordinating committee, as appropriate.

Sec. 3. Amendments to Related Executive Orders. (a) Section 1 of Executive Order 13194 of January 18, 2001, is revised to read as follows: 'Section 1. Except to the extent provided by section 2 of this order, and notwithstanding the existence of any rights or obligations conferred or imposed by any contract entered into or any license or permit granted prior to the effective date of this order, the importation into, or exportation from, the United States of any rough diamond from Sierra Leone, on or after July 30, 2003, is prohibited.'

(b) Section 2 of Executive Order 13194 is revised to read as follows: 'Sec. 2. The prohibitions in section 1 of this order shall not apply to the importation or exportation of any rough diamond that has been controlled through the Kimberley Process Certification Scheme.'

(c) Sections 4(c), (d), and (e) of Executive Order 13194 are deleted, and the word 'and' is added after the semicolon at the end of section 4(a).

(d) Section 1 of Executive Order 13213 of May 22, 2001, is revised to read as follows: 'Section 1. Notwithstanding the existence of any rights or obligations conferred or imposed by any contract entered into or any license or permit granted prior to the effective date of this order, the direct or indirect importation into the United States of all rough diamonds from Liberia, whether or not such diamonds originated in Liberia, on or after July 30, 2003, is prohibited.'

Sec. 4. Definitions. For the purposes of this order and Executive Order 13194, the definitions set forth in section 3 of the Act shall apply, and the term 'Kimberley Process Certification Scheme' shall not be construed to include any changes to the KPCS after April 25, 2003.

Sec. 5. General Provisions. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities or entities, its officers or employees, or any other person.

Sec. 6. Effective Date and Transmittal. (a) Sections 1 and 3 of this order are effective at 12:01 a.m. eastern daylight time on July 30, 2003. The remaining provisions of this order are effective immediately.

(b) This order shall be transmitted to the Congress and published in the Federal Register."

## **K—FORMER LIBERIAN REGIME OF CHARLES TAYLOR**

Former Liberian Regime of Charles Taylor Sanctions Regulations – 31 C.F.R. Part 593

**INTRODUCTION** - On May 23, 2007, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued the Former Liberian Regime of Charles Taylor Sanctions Regulations, 31 C.F.R. part 593 (the "Regulations"), to implement Executive Order 13348 of July 22, 2004 ("E.O. 13348"). The sanctions set forth in E.O. 13348 and implemented in the Regulations are targeted sanctions directed at the regime of former President Charles Taylor. The sanctions are not directed against the country of Liberia, the Government of Liberia, or the Central Bank of Liberia. They do not prohibit the provision of banking services to Liberia, including the maintenance of correspondent banking relationships with Liberian banks, unless the bank in question is a person whose property and interests in property are blocked pursuant to the Regulations.

The President issued E.O. 13348 based in part on the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) ("IEEPA") and section 5 of the United Nations Participation Act (22 U.S.C. 287c) ("UNPA"). E.O. 13348 noted United Nations Security Council Resolutions 1521 of December 22, 2003, and 1532 of March 12, 2004, which, among other things, called on member states to impose an asset freeze on certain senior members of former Liberian President Charles Taylor's government and certain other persons and to prevent the import into their territories of all rough diamonds, round logs, and timber products originating in Liberia. In E.O. 13348, the President declared a national emergency based on the unusual and extraordinary threat to the foreign policy of the United States posed by the actions and policies of former Liberian President Charles

Taylor. To deal with that threat, the order blocked all property and interests in property of senior members of the former Charles Taylor regime, immediate family members of Charles Taylor, and certain other persons, and prohibited the importation into the United States of all round logs or timber products.

**PROHIBITED TRANSACTIONS** - Section 593.201 of the Regulations blocks the property and interests in property in the United States, or in the possession or control of United States persons, of the persons listed in the Annex to E.O. 13348, as well as of any person determined by the Secretary of the Treasury, after consultation with the Secretary of State:

a. to be or have been an immediate family member of Charles Taylor;

b. to have been a senior official of the former Liberian regime headed by Charles Taylor or otherwise to have been or be a close ally or associate of Charles Taylor or the former Liberian regime;

c. to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the unlawful depletion of Liberian resources, the removal of Liberian resources from that country, and the secreting of Liberian funds and property by any person whose property and interests in property are blocked pursuant to § 593.201(a) of the Regulations; or

d. to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to § 593.201(a) of the Regulations.

Any person or entity referenced in the Annex or determined by the Secretary of the Treasury to meet one or more of the criteria listed above (collectively, "Specially Designated Nationals" or "SDNs") will be incorporated into OFAC's List of Specially Designated Nationals and Blocked Persons ("SDN List") using the descriptor [LIBERIA]. The SDN List is available at <<<http://www.treas.gov/offices/enforcement/ofac/sdn/index.shtml>>>.

The Regulations not only block all property of these SDNs that is in the United States or in the possession of U.S. persons, but it also prohibits U.S. persons from engaging in any transaction involving these SDNs, unless otherwise authorized by OFAC. Examples of prohibited transactions include importing, exporting, brokering, financing, and providing other financial services. In addition, the Regulations prohibit any attempts by a U.S. person to evade or avoid these sanctions.

As of April 2007, a total of 61 persons have been named as SDNs pursuant to E.O. 13348: 28 individuals were listed in the Annex to the order, and OFAC designated an additional 34 entities and individuals on April 26, 2005. In June 2006, one individual was removed from the list, bringing the total to 61.

## **IMPORTATION OF ROUND LOGS OR TIMBER PRODUCTS**

Section 2 of E.O. 13348 prohibits the direct or indirect importation into the United States of any round log or timber product originating in Liberia, and OFAC has implemented this prohibition in § 593.205 of the Regulations. However, in Resolution 1689 of June 20, 2006, the United Nations Security Council decided to lift the multilateral prohibition on importation of round logs or timber products set forth in paragraph 10 of Resolution 1521. In accordance with the decision of the Security Council in Resolution 1689, OFAC issued § 593.510, a general license authorizing all importations into the United States of round logs and timber products originating in Liberia. Therefore, provided that the importation does not involve any person whose property and interests in property are blocked pursuant to § 593.201 of the Regulations, the importation into the United States of round logs or timber products originating in Liberia is authorized.

**IMPORTATION OF ROUGH DIAMONDS** - In Executive Order 13312 of July 29, 2003, pursuant to, inter alia, the Clean Diamond Trade Act (Pub. L. 108-19), IEEPA, and the UNPA, the President prohibited the importation into, or exportation from, the United States of any rough diamond, unless the rough diamond has been controlled through the Kimberley Process Certification Scheme ("KPCS"). OFAC implemented the provisions of Executive Order 13312 in the Rough Diamonds Control Regulations, 31 C.F.R. part 592, which now control all imports of rough diamonds, from any country.

As of May 3, 2007, Liberia is a participant in the Kimberley Process. At such time as the Secretary of State publishes a notice in the Federal Register that Liberia has become a Kimberley Process participant, rough diamond imports

from Liberia will be permitted, provided they are made in compliance with the KPCS and the Rough Diamonds Controls Regulations.

**PENALTIES** - Criminal fines for violating the Regulations range, upon conviction, up to \$500,000 for an entity and \$250,000 for an individual; individuals may also face imprisonment of up to 20 years. In addition, civil penalties of up to \$50,000 per violation may be imposed administratively.

## **L—THE BALKANS**

Executive Order 13219 blocking property of persons who threaten international stabilization efforts in the Western Balkans:

Executive Order 13219 was issued effective 12:01 a.m. eastern daylight time on June 27, 2001:

“By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)(IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code,

I, GEORGE W. BUSH, President of the United States of America, have determined that the actions of persons engaged in, or assisting, sponsoring, or supporting, (i) extremist violence in the former Yugoslav Republic of Macedonia, in southern Serbia, the Federal Republic of Yugoslavia, and elsewhere in the Western Balkans region, or (ii) acts obstructing the implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 of June 10, 1999 in Kosovo, threaten the peace in or diminish the security and stability of those areas and the wider region, undermine the authority, efforts, and objectives of the United Nations, the North Atlantic Treaty Organization (NATO), and other international organizations and entities present in those areas and the wider region, and endanger the safety of persons participating in or providing support to the activities of those organizations and entities, including United States military forces and government officials. I find that such actions constitute an unusual and extraordinary threat to the national security and foreign policy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. (a) Except to the extent provided in section 203(b)(1), (3), and (4) of IEEPA (50 U. S. C. 1702(b)(1), (3), and (4)), the Trade Sanctions Reform and Export Enhancement Act of 2000 (Title IX, Pub. L. No. 106-387), and in regulations, orders, directives, or licenses that may hereafter be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, all property and interests in property of:

(i) the persons listed in the Annex to this order; and

(ii) persons designated by the Secretary of the Treasury, in consultation with the Secretary of State, because they are found:

(A) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of threatening the peace in or diminishing the stability or security of any area or state in the Western Balkans region, undermining the authority, efforts, or objectives of international organizations or entities present in the region, or endangering the safety of persons participating in or providing support to the activities of those international organizations or entities, or

(B) to have actively obstructed, or to pose a significant risk of actively obstructing, implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution 1244 in Kosovo, or

(C) materially to assist in, sponsor, or provide financial or technological support for, or goods or services in support of, such acts of violence or obstructionism, or

(D) to be owned or controlled by, or acting or purporting to act directly or indirectly for or on behalf of, any of the foregoing persons,

that are or hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(b) I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons designated in or pursuant to paragraph (a) of this section would seriously impair my ability to deal with the national emergency declared in this order. Accordingly, the blocking of property and interests in property pursuant to paragraph (a) of this section includes, but is not limited to, the prohibition of the making by a United States person of any such donation to any such designated person, except as otherwise authorized by the Secretary of the Treasury.

(c) The blocking of property and property interests in or pursuant to paragraph (a) of this section includes, but is not limited to, the prohibition of the making or receiving by a United States person of any contribution or provision of funds, goods, or services to or for the benefit of a person designated in or pursuant to paragraph

(a) of this section.

Sec. 2. Any transaction by a United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited. Any conspiracy formed to violate the prohibitions of this order is prohibited.

Sec. 3. For the purposes of this order:

(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; and

(c) The term “United States 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.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by IEEPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken.

Sec. 5. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, or any other person.

Sec. 6. (a) This order is effective at 12:01 a.m. eastern daylight time on June 27, 2001;

(b) This order shall be transmitted to the Congress and published in the Federal Register."

**Executive Order 13304 titled “Termination of Emergencies With Respect to Yugoslavia and Modification of Executive Order 13219” was issued effective 12:01 a.m. eastern daylight time on May 29, 2003:**

“By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act, as amended (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.) (NEA), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c)(UNPA), and section 301 of title 3, United States Code,

I, GEORGE W. BUSH, President of the United States of America, have determined that the situations that gave rise to the declarations of national emergencies in Executive Order 12808 of May 30, 1992, and Executive Order 13088 of June 9, 1998, with respect to the former Socialist Federal Republic of Yugoslavia, have been significantly altered by the peaceful transition to democracy and other positive developments in Serbia and Montenegro



(formerly the Federal Republic of Yugoslavia (Serbia and Montenegro)). Accordingly, I hereby terminate the national emergencies declared in those orders and revoke those and all related orders (Executive Orders 12810 of June 5, 1992, 12831 of January 15, 1993, 12846 of April 25, 1993, 12934 of October 25, 1994, 13121 of April 30, 1999, and 13192 of January 17, 2001). At the same time, and in order to take additional steps with respect to continuing, widespread, and illicit actions that obstruct implementation of the Ohrid Framework Agreement of 2001, relating to Macedonia, United Nations Security Council Resolution 1244 of June 10, 1999, relating to Kosovo, or the Dayton Accords or the Conclusions of the Peace Implementation Conference Council held in London on December 8-9, 1995, including the decisions or conclusions of the High Representative, the Peace Implementation Council or its Steering Board, relating to Bosnia and Herzegovina, including the harboring of individuals indicted by the International Criminal Tribunal for the former Yugoslavia, and the national emergency described and declared in Executive Order 13219 of June 26, 2001, I hereby order:

Section 1. Pursuant to section 202 of the NEA (50 U.S.C. 1622), termination of the national emergencies declared in Executive Order 12808 of May 30, 1992, and Executive Order 13088 of June 9, 1998, shall not affect any action taken or proceeding pending not finally concluded or determined as of the effective date of this order, or any action or proceeding based on any act committed prior to such date, or any rights or duties that matured or penalties that were incurred prior to such date. Pursuant to section 207 of IEEPA (50 U.S.C. 1706), I hereby determine that the continuation of prohibitions with regard to transactions involving any property blocked pursuant to Executive Orders 12808 or 13088 that continues to be blocked as of the effective date of this order is necessary on account of claims involving successor states to the former Socialist Federal Republic of Yugoslavia or other potential claimants.

Sec. 2. The Annex to Executive Order 13219 of June 26, 2001, is replaced and superseded in its entirety by the Annex to this order.

Sec. 3. (a) Section 1(a) and 1(b) of Executive Order 13219 are revised to read as follows: section 1. (a) Except to the extent provided in section 203(b)(1), (3), and (4) of IEEPA (50 U.S.C. 1702(b)(1), (3), and (4)), and the Trade Sanctions Reform and Export Enhancement Act of 2000 (Title IX, Public Law 106-387), and in regulations, orders, directives, or licenses that may hereafter be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of:

(i) the persons listed in the Annex to this order; and

(ii) persons designated by the Secretary of the Treasury, in consultation with the Secretary of State, because they are determined:

(A) to be under open indictment by the International Criminal Tribunal for the former Yugoslavia, unless circumstances warrant otherwise, or

(B) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of threatening the peace in or diminishing the stability or security of any area or state in the Western Balkans region, undermining the authority, efforts, or objectives of international organizations or entities present in the region, or endangering the safety of persons participating in or providing support to the activities of those international organizations or entities, or

(C) to have actively obstructed, or pose a significant risk of actively obstructing, the Ohrid Framework Agreement of 2001 relating to Macedonia, United Nations Security Council Resolution 1244 relating to Kosovo, or the Dayton Accords or the Conclusions of the Peace Implementation Conference held in London on December 8-9, 1995, including the decisions or conclusions of the High Representative, the Peace Implementation Council or its Steering Board, relating to Bosnia and Herzegovina, or

(D) to have materially assisted in, sponsored, or provided financial, material, or technological support for, or goods or services in support of, such acts of violence or obstructionism or any person listed in or designated pursuant to this order, or

(E) to be owned or controlled by, or acting or purporting to act directly or indirectly for or on behalf of, any person listed in or designated pursuant to this order, that are or hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, are

blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(b) I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by or to persons determined to be subject to the sanctions imposed under this order would seriously impair the ability to deal with the national emergency declared in this order, and hereby prohibit such donations as provided in paragraph (a) of this section.'

Sec. 4. New sections 7 and 8 are added to Executive Order 13219 to read as follows:

'Sec. 7. For those persons listed in the Annex to this order or determined to be subject to the sanctions imposed under this order who might have a constitutional presence in the United States, I have determined that, because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to this order.

Sec. 8. The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to determine, subsequent to the issuance of this order, that circumstances no longer warrant inclusion of a person in the Annex to this order and that such person is therefore no longer covered within the scope of the sanctions set forth herein. Such a determination shall become effective upon publication in the Federal Register.'

Sec. 5. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken.

Sec. 6. Nothing contained in this order shall create any right or benefit or privilege, substantive or procedural, enforceable at law or in equity by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 7. This order is effective at 12:01 a.m. eastern daylight time on May 29, 2003. This order shall be transmitted to Congress and published in the Federal Register."

The names on the Annex to the Executive Order have been incorporated into OFAC's list of Specially Designated Nationals and Blocked Persons with the program designation "[BALKANS]."

## **M—ZIMBABWE**

### **Zimbabwe Sanctions Regulations**

**INTRODUCTION** - On March 7, 2003, as a result of actions and policies by certain members of the government of Zimbabwe, and its supporters to undermine democratic institutions and processes in Zimbabwe, President Bush issued Executive Order 13288 imposing sanctions against specifically identified individuals and entities in Zimbabwe. On November 23, 2005, the President issued a new Executive Order superseding E.O. 13288. The new Executive Order (EO 13391) expands the list of sanctions targets to include immediate family members of any designated individual of the Zimbabwe sanctions, as well as those persons providing assistance to any sanctions target. Providing statutory authority for these sanctions is the International Emergency Economic Powers Act ("IEEPA"), the National Emergencies Act and sections 301 of title 3 of the United States Code.

This fact sheet provides general information about the Zimbabwe sanctions program imposed by the new Executive Order and administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

**PROHIBITED TRANSACTIONS** – Executive Order 13391 prohibits U.S. persons, wherever located, or anyone in the United States from engaging in any transactions with any person, entity or organization found to: 1.) be undermining democratic institutions and processes in Zimbabwe; 2.) have materially assisted, sponsored, or provided financial, material, or technological support to these entities; 3.) be or have been an immediate family member of a sanctions target; or 4.) be owned, controlled or acting on behalf of a sanctions target. Persons, entities and organizations referenced in Annex A of the Executive Order are all incorporated into OFAC’s list of Specially Designated Nationals (SDNs). Prohibited transactions include, but are not limited to, exports (direct and indirect), imports (direct and indirect), trade brokering, financing and facilitation, as well as most financial transactions. Attempts to evade or avoid these sanctions are also prohibited. These prohibitions also extend to any person, organization or entity found to be owned, controlled or acting on behalf of any Zimbabwe entity included on the SDN list.

Under the Executive Order, U.S. persons are also required to block any property of any Zimbabwe Specially Designated Nationals that is in the United States, that comes into the United States, or that comes under the control of a U.S. person wherever located. The term property includes, but is not limited to, money, checks, drafts, bank accounts, securities and other financial instruments, letters of credit, bills of sales, bills of lading and other evidences of title, wire transfers, merchandise and goods. Blockable property also includes any property in which there is any interest of a Zimbabwe SDN, including direct, indirect, future or contingent, and tangible or intangible interests.

Foreign branches and representative offices of U.S. companies, as well as U.S. branches and representative offices of foreign companies are considered U.S. persons for purposes of these prohibitions.

Transactions that do not involve any of the Zimbabwe SDNs, or persons or entities believed to be owned, controlled or acting on behalf of a Zimbabwe SDN are not prohibited by the new Executive Order.

**PENALTIES** - Criminal fines for violating the Executive Order or regulations to be issued pursuant to the Executive Order may range up to the greater of \$500,000 or twice the pecuniary gain per violation for an organization, or up to the greater of \$250,000 or twice the pecuniary gain per violation for an individual. Individuals may also be imprisoned for up to 20 years for a criminal violation. Knowingly making false statements or falsifying or concealing material facts when dealing with OFAC in connection with matters under its jurisdiction is a criminal offense. In addition, civil penalties of up to \$50,000 per violation may be imposed administratively. Blocking Property of Additional Persons Undermining Democratic Processes or Institutions in Zimbabwe

Executive Order 13391 issued effective 12:01 eastern standard time on November 23, 2005:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code, and in order to take additional steps with respect to the continued actions and policies of certain persons who undermine Zimbabwe’s democratic processes and with respect to the national emergency described and declared in Executive Order 13288 of March 6, 2003,

I, GEORGE W. BUSH, President of the United States of America, hereby order:

Section 1. The Annex to Executive Order 13288 of March 6, 2003, is replaced and superseded in its entirety by the Annex to this order.

Sec. 2. Section 6 of Executive Order 13288 is renumbered as section 8. Sections 1 through 5 of Executive Order 13288 are replaced with new sections 1 through 7 as follows:

“Section 1. (a) Except to the extent provided in section 203(b)(1), (3), and (4) of IEEPA (50 U.S.C. 1702(b)(1), (3), and (4)), and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of the following persons, 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 United States persons, including their overseas branches, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

- (i) the persons listed in the Annex to this order; and
- (ii) any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(A) to have engaged in actions or policies to undermine Zimbabwe’s democratic processes or institutions;

(B) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, such actions or policies or any person whose property and interests in property are blocked pursuant to this order;

(C) to be or have been an immediate family member of any person whose property and interests in property are blocked pursuant to this order; or

(D) to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order.

(b) I hereby determine that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to paragraph (a) of this section would seriously impair my ability to deal with the national emergency declared in this order, and I hereby prohibit such donations as provided by paragraph (a) of this section.

(c) The prohibitions in paragraph (a) of this section include but are not limited to (i) 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 this order, and (ii) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 2. (a) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this order is prohibited.

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

Sec. 3. For the purposes of this order:

(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; and

(c) the term “United States 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.

Sec. 4. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that, because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that, for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to section 1(a) of this order.

Sec. 5. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the

provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken.

Sec. 6. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to determine, subsequent to the issuance of this order, that circumstances no longer warrant the inclusion of a person in the Annex to this order and that the property and interests in property of that person are therefore no longer blocked pursuant to section 1(a) of this order.

Sec. 7. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities, or entities, its officers or employees, or any other person.”

Sec. 3. This order is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities, or entities, its officers or employees, or any other person.

Sec. 4. This order shall take effect at 12:01 a.m. eastern daylight time, November 23, 2005.

Sec. 5. This order shall be transmitted to the Congress and published in the Federal Register.

## **N—SYRIA**

### **Executive Order Blocking Property of Certain Persons and Prohibiting the Export of Certain Goods to Syria**

“ By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, Public Law 108-175 (the “SAA”), and section 301 of title 3, United States Code,

I, GEORGE W. BUSH, President of the United States of America, hereby determine that the actions of the Government of Syria in supporting terrorism, continuing its occupation of Lebanon, pursuing weapons of mass destruction and missile programs, and undermining United States and international efforts with respect to the stabilization and reconstruction of Iraq constitute an unusual and extraordinary threat to the national security, foreign policy and economy of the United States and hereby declare a national emergency to deal with that threat. To address that threat, and to implement the SAA, I hereby order the following:

Section 1. (a) The Secretary of State shall not permit the exportation or reexportation to Syria of any item on the United States Munitions List (22 C.F.R. part 121).

(b) Except to the extent provided in regulations, orders, directives, or licenses that may be issued pursuant to the provisions of this order in a manner consistent with the SAA, and notwithstanding any license, permit, or authorization granted prior to the effective date of this order, (i) the Secretary of Commerce shall not permit the exportation or reexportation to Syria of any item on the Commerce Control List (15 C.F.R. part 774); and (ii) with the exception of food and medicine, the Secretary of Commerce shall not permit the exportation or reexportation to Syria of any product of the United States not included in section 1(b)(i) of this order.

(c) No other agency of the United States Government shall permit the exportation or reexportation to Syria of any product of the United States, except to the extent provided in regulations, orders, directives, or licenses that may be issued pursuant to this order in a manner consistent with the SAA, and notwithstanding any license, permit, or authorization granted prior to the effective date of this order.

Sec. 2. The Secretary of Transportation shall not permit any air carrier owned or controlled by Syria to provide foreign air transportation as defined in 49 U.S.C. 40102(a)(23), except that he may, to the extent consistent with Department of Transportation regulations, permit such carriers to charter aircraft to the Government of Syria for the transport of Syrian government officials to and from the United States on official Syrian government business. In addition, the Secretary of Transportation shall prohibit all takeoffs and

landings in the United States, other than those associated with an emergency, by any such air carrier when engaged in scheduled international air services.

Sec. 3. (a) Except to the extent provided in section 203(b)(1), (3) and (4) of IEEPA (50 U.S.C. 1702(b)(1), (3) and (4)), and the Trade Sanctions Reform and Export Enhancement Act of 2000 (title IX, Public Law 106-387) (TSRA), or regulations, orders, directives or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of the following persons, 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 United States persons, including their overseas branches, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in persons who are determined by the Secretary of the Treasury, in consultation with the Secretary of State,

(i) to be or to have been directing or otherwise significantly contributing to the Government of Syria’s provision of safe haven to or other support for any person whose property or interests in property are blocked under United States law for terrorism-related reasons, including, but not limited to, Hamas, Hizballah, Palestinian Islamic Jihad, the Popular Front for the Liberation of Palestine, the Popular Front for the Liberation of Palestine - General Command, and any persons designated pursuant to Executive Order 13224 of September 23, 2001;

(ii) to be or to have been directing or otherwise significantly contributing to the Government of Syria’s military or security presence in Lebanon;

(iii) to be or to have been directing or otherwise significantly contributing to the Government of Syria’s pursuit of the development and production of chemical, biological, or nuclear weapons and medium- and long-range surface-to-surface missiles;

(iv) to be or to have been directing or otherwise significantly contributing to any steps taken by the Government of Syria to undermine United States and international efforts with respect to the stabilization and reconstruction of Iraq; or

(v) to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property or interests in property are blocked pursuant to this order.

(b) The prohibitions in paragraph (a) of this section include, but are not limited to, (i) the making of any contribution of funds, goods, or services by, to, or for the benefit of any person whose property or interests in property are blocked pursuant to this order; and (ii) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 4. (a) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this order is prohibited.

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

Sec. 5. I hereby determine that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) would seriously impair the ability to deal with the national emergency declared in this order, and hereby prohibit (i) the exportation or reexportation of such donated articles to Syria as provided in section 1(b) of this order; and (ii) the making of such donations by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to section 3 of this order.

Sec. 6. For purposes of this order:

(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;

(c) the term “United States 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;



(d) the term "Government of Syria" means the Government of the Syrian Arab Republic, its agencies, instrumentalities and controlled entities; and

(e) the term "product of the United States" means: for the purposes of subsection 1(b), any item subject to the Export Administration Regulations (15 C.F.R. parts 730 - 774); and for the purposes of subsection 1(c), any item subject to the export licensing jurisdiction of any other United States Government agency.

Sec. 7. With respect to the prohibitions contained in section 1 of this order, consistent with subsection 5(b) of the SAA, I hereby determine that it is in the national security interest of the United States to waive, and hereby waive application of subsection 5(a)(1) and subsection 5(a)(2)(A) of the SAA so as to permit the exportation or reexportation of certain items as specified in the Department of Commerce's General Order No. 2 to Supplement No. 1, 15 C.F.R. part 736, as issued consistent with this order and as may be amended pursuant to the provisions of this order and in a manner consistent with the SAA. This waiver is made pursuant to the SAA only to the extent that regulation of such exports or reexports would not otherwise fall within my constitutional authority to conduct the Nation's foreign affairs and protect national security.

Sec. 8. With respect to the prohibitions contained in section 2 of this order, consistent with subsection 5(b) of the SAA, I hereby determine that it is in the national security interest of the United States to waive, and hereby waive, application of subsection 5(a)(2)(D) of the SAA insofar as it pertains to: aircraft of any air carrier owned or controlled by Syria chartered by the Syrian government for the transport of Syrian government officials to and from the United States on official Syrian government business, to the extent consistent with Department of Transportation regulations; takeoffs or landings for non-traffic stops of aircraft of any such air carrier that is not engaged in scheduled international air services; takeoffs and landings associated with an emergency; and overflights of United States territory.

Sec. 9. I hereby direct the Secretary of State to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out subsection 1(a) of this order. I hereby direct the Secretary of Commerce, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out subsection 1(b) of this order. I direct the Secretary of Transportation, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out section 2 of this order. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out sections 3, 4, and 5 of this order. The Secretaries of State, Commerce, Transportation, and the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law. The Secretary of State, in consultation with the Secretaries of Commerce, Transportation and the Treasury, as appropriate, is authorized to exercise the functions and authorities conferred upon the President in subsection 5(b) of the SAA and to redelegate these functions and authorities consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretaries of State, Commerce, Transportation, and the Treasury in a timely manner of the measures taken.

Sec. 10. This order is not intended to create, and does not create, any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities, or entities, its officers or employees, or any other person.

Sec. 11. For those persons whose property or interests in property are blocked pursuant to section 3 of this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to this order.

Sec. 12. The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to submit the recurring and final reports to the Congress on the national emergency declared in this order, consistent with section

401(c) of NEA, 50 U.S.C. 1641(c), and section 204(c) of the IEEPA, 50 U.S.C. 1703(c).

Sec. 13. (a) This order is effective at 12:01 eastern daylight time on May 12, 2004.

(b) This order shall be transmitted to the Congress and published in the Federal Register."

## O—CÔTE D'IVOIRE

EXECUTIVE ORDER - Blocking Property of Certain Persons Contributing to the Conflict in Côte d'Ivoire

**INTRODUCTION** - On February 08, 2006, President Bush issued a new Executive Order declaring a national emergency to deal with the unusual and extraordinary threat to the foreign policy of the United States posed by the conflict in Côte d'Ivoire. Despite the intervention and effort of the international community, numerous violations of human rights and international humanitarian law have been perpetrated against civilians during the ongoing political crisis in Côte d'Ivoire. The United Nations Security Council, expressing deep concern about the hostilities and the repeated violations of the May 3, 2003 ceasefire agreement, issued Resolution 1572. It determined that the situation in Côte d'Ivoire poses a threat to international peace and security in the region and called on member states to take certain measures against those responsible. The new Executive Order blocks the property of persons contributing to the political and social unrest in Côte d'Ivoire. Providing statutory authority for these sanctions is the International Emergency Economic Powers Act ("IEEPA"), the National Emergencies Act and sections 301 of title 3 of the United States Code.

This fact sheet provides general information about the Côte d'Ivoire sanctions program imposed by the new Executive Order and administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

**PROHIBITED TRANSACTIONS** - The new Executive Order prohibits U.S. persons, wherever located, or anyone in the United States from engaging in any transactions with any person, entity or organization found to: 1) constitute a threat to the peace and reconciliation process in Côte d'Ivoire; 2) be in serious violation of International law in Côte d'Ivoire; 3) have directly or indirectly supplied, sold or transferred to Côte d'Ivoire arms or assistance, advice or training related to military activities; 4) to have publicly incited violence and hatred contributing to the conflict; 5) to have provided material, financial or technical assistance to those qualified above or to any person designated pursuant to this order. Persons, entities and organizations referenced in Annex A of the Executive Order are all incorporated into OFAC's list of Specially Designated Nationals and Blocked Persons using the descriptor [COTED]. Prohibited transactions include, but are not limited to, exports (direct and indirect), imports (direct and indirect), trade brokering, financing and facilitation, as well as financial transactions. Attempts by a U.S. person, or persons within the U.S. to evade or avoid these sanctions are also prohibited.

Under the Executive Order, U.S. persons are required to block any property of any Côte d'Ivoire Specially Designated Nationals that is in the United States, that comes into the United States, or that comes under the control of a U.S. person wherever located. The term property includes, but is not limited to, money, checks, drafts, bank accounts, securities and other financial instruments, letters of credit, bills of sales, bills of lading and other evidences of title, wire transfers, merchandise and goods. Blockable property also includes any property in which there is any interest of a Côte d'Ivoire SDNs, including direct, indirect, future or contingent, and tangible or intangible interests.

Foreign branches and representative offices of U.S. companies, as well as U.S. branches and representative offices of foreign companies are considered U.S. persons for purposes of these prohibitions.

Transactions that do not involve any of the Côte d'Ivoire SDNs, or any person or entity believed to be owned, controlled or acting on behalf of a Côte d'Ivoire SDNs are not prohibited by the new Executive Order.

**PENALTIES** - Criminal fines for violating the Executive Order or regulations to be issued pursuant to the Executive Order range up to the greater of \$500,000 or twice the pecuniary gain per violation for an

organization, or up to the greater of \$250,000 or twice the pecuniary gain per violation for an individual. Individuals may also be imprisoned for up to 20 years for a criminal violation. Knowingly making false statements or falsifying or concealing material facts when dealing with OFAC in connection with matters under its jurisdiction is a criminal offense. In addition, civil penalties of up to \$50,000 per violation may be imposed administratively.

Executive Order issued effective 12:01 EST on February 08, 2006:

#### **BLOCKING PROPERTY OF CERTAIN PERSON CONTRIBUTING TO THE CONFLICT IN CÔTE D'IVOIRE**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.) (NEA), section 5 of the United Nations Participation Act, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and to assist in addressing humanitarian, safety, and other concerns in or in relation to the country of Côte d'Ivoire,

I, GEORGE W. BUSH, President of the United States of America, determine that the situation in and in relation to Côte d'Ivoire, which has been addressed by the United Nations Security Council in Resolution 1572 of November 15, 2004 and subsequent resolutions, and that has resulted in the massacre of large numbers of civilians, widespread human rights abuses, significant political violence and unrest, and fatal attacks against international peacekeeping forces, constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat, and hereby order:

Section 1. (a) Except to the extent that section 203(b)(1), (3), and (4) of IEEPA (50 U.S.C. 1702(b)(1), (3), and (4)) may apply, or to the extent pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, 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 overseas branch, of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

- (i) the persons listed in the Annex to this order; and
- (ii) any person determined by the Secretary of the Treasury, after consultation with the Secretary of State:
  - (A) to constitute a threat to the peace and national reconciliation process in Côte d'Ivoire, such as by blocking the implementation of the Linas-Marcoussis Agreement of January 24, 2003, the Accra III Agreement of July 30, 2004, and the Pretoria Agreement of April 6, 2005;
  - (B) to be responsible for serious violations of international law in Côte d'Ivoire;
  - (C) to have directly or indirectly supplied, sold, or transferred to Côte d'Ivoire arms or any related materiel or any assistance, advice or training related to military activities;
  - (D) to have publicly incited violence and hatred contributing to the conflict in Côte d'Ivoire;
  - (E) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the activities described in paragraphs (a)(ii)(A), (a)(ii)(B), (a)(ii)(C), or (a)(ii)(D) of this section or any person listed in or designated pursuant to this order; or
  - (F) to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person listed in or designated pursuant to this order.

(b) I hereby determine that, to the extent section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the type of articles specified in such section by, to, or for the benefit of, any person listed in or designated pursuant to this order would seriously impair my ability to deal with the national emergency declared in this order, and I hereby prohibit such donations as provided by paragraph (a) of this section.

(c) The prohibitions in paragraph (a) of this section include, but are not limited to, (i) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of, any person listed in or designated pursuant to this order, and (ii) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 2. (a) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this order is prohibited.

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

Sec. 3. For purposes of this order:

(a) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(b) the term "person" means an individual or entity;

(c) the term "United States 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; and

(d) the term "arms or any related materiel" means arms or related materiel of all types, including military aircraft and equipment, but excludes:

(i) supplies and technical assistance intended solely for the support of or use by the United Nations Operation in Côte d'Ivoire and forces of France who support them;

(ii) supplies of non-lethal military equipment intended solely for humanitarian or protective use, and related technical assistance and training;

(iii) supplies of protective clothing, including flak jackets and military helmets, temporarily exported to Côte d'Ivoire by United Nations personnel, representatives of the media and humanitarian and development workers and associated personnel, for their personal use only;

(iv) supplies temporarily exported to Côte d'Ivoire to the forces of a country which is taking action, solely and directly to facilitate the evacuation of its nationals and those for whom it has consular responsibility in Côte d'Ivoire; and

(v) supplies of arms and related materiel and technical training and assistance intended solely for support of or use in the process of restructuring defense and security forces pursuant to paragraph 3, subparagraph (f) of the Linas-Marcoussis Agreement.

Sec. 4. For those persons listed in or designated pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to section 1 of this order.

Sec. 5. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken. The Secretary of the Treasury shall ensure compliance with those provisions of section 401 of the NEA (50 USC 1641) applicable to the Department of the Treasury in relation to this order.

Sec. 6. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to submit the recurring and final reports to the

Congress on the national emergency declared in this order, consistent with section 401(c) of NEA (50 U.S.C. 1641(c)) and section 204(c) of IEEPA (50 U.S.C. 1703(c)).

Sec. 7. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to determine, subsequent to the issuance of this order, that circumstances no longer warrant the inclusion of a person in the Annex to this order and that the property and interests in property of that person are therefore no longer blocked pursuant to section 1 of this order.

Sec. 8. This order is not intended to, and does not, create any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities, or entities, its officers or employees, or any other person.

Sec. 9. This order is effective at 12:01 a.m. eastern standard time on February 08, 2006.

THE WHITE HOUSE, February 07, 2006

## **P—BELARUS**

### **Executive Order - BLOCKING PROPERTY OF CERTAIN PERSONS UNDERMINING DEMOCRATIC PROCESSES OR INSTITUTIONS IN BELARUS**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)(IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.)(NEA), and section 301 of title 3, United States Code,

I, GEORGE W. BUSH, President of the United States of America, determine that the actions and policies of certain members of the Government of Belarus and other persons to undermine Belarus' democratic processes or institutions, manifested most recently in the fundamentally undemocratic March 2006 elections, to commit human rights abuses related to political repression, including detentions and disappearances, and to engage in public corruption including by diverting or misusing Belarusian public assets or by misusing public authority, constitute an unusual and extraordinary threat to the national security and foreign policy of the United States, hereby declare a national emergency to deal with that threat, and hereby order:

Section 1. (a) Except to the extent provided in section 203(b)(1), (3), and (4) of IEEPA (50 U.S.C. 1702(b)(1), (3), and (4)), or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, 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 overseas branch, of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

- (i) the persons listed in the Annex to this order; and
- (ii) any person determined by the Secretary of the Treasury, after consultation with the Secretary of State:

(A) to be responsible for, or to have participated in, actions or policies that undermine democratic processes or institutions in Belarus;

(B) to be responsible for, or to have participated in, human rights abuses related to political repression in Belarus;

(C) to be a senior-level official, a family member of such an official, or a person closely linked to such an official who is responsible for or has engaged in public corruption related to Belarus;

(D) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the activities described in paragraph (a)(ii)(A) through (C) of this section or any person listed in or designated pursuant to this order; or

(E) to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person listed in or designated pursuant to this order.

(b) I hereby determine that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by, to, or for the benefit of any person listed in or designated pursuant to this order would seriously impair my ability to deal with the national emergency declared in this order, and I hereby prohibit such donations as provided by paragraph (a) of this section.

(c) The prohibitions in paragraph (a) of this section include, but are not limited to, (i) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person listed in or designated pursuant to this order, and (ii) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 2. (a) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this order is prohibited.

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

Sec. 3. For purposes of this order:

(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;

(c) the term "United States 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.

Sec. 4. For those persons listed in or designated pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to section 1 of this order.

Sec. 5. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, consistent with applicable law. All executive agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken. The Secretary of the Treasury shall ensure compliance with those provisions of section 401 of the NEA (50 U.S.C. 1641) applicable to the Department of the Treasury in relation to this order.

Sec. 6. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to submit the recurring and final reports to the Congress on the national emergency declared in this order, consistent with section 401(c) of the NEA (50 U.S.C. 1641(c)) and section 204(c) of IEEPA (50 U.S.C. 1703(c)).

Sec. 7. The Secretary of the Treasury, after consultation with the Secretary of State, is hereby authorized to determine, subsequent to the issuance of this order, that circumstances no longer warrant the inclusion of a person in the Annex to this order and that the property and interests in property of that person are therefore no longer blocked pursuant to section 1 of this order.

Sec. 8. This order is not intended to, and does not, create any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities, or entities, its officers or employees, or any other person.



Sec. 9. This order is effective at 12:01 a.m. eastern daylight time on June 19, 2006.

## **Q—DEMOCRATIC REPUBLIC OF THE CONGO**

### **I. INTRODUCTION**

On October 27, 2006, the President signed Executive Order 13413 (the “E.O.”) declaring a national emergency to deal with the unusual and extraordinary threat to the foreign policy of the United States posed by the situation in or in relation to the Democratic Republic of the Congo (“DRC”), which has been marked by widespread violence and atrocities that continue to threaten regional stability and which has been the subject of numerous United Nations Security Council resolutions. In issuing this E.O., the President invoked the authority of the International Emergency Economic Powers Act (“IEEPA”), the National Emergencies Act, section 5 of the United Nations Participation Act, as amended, and section 301 of title 3, United States Code.

Effective May 28, 2009, the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) issued regulations to implement the E.O. (74 *Fed. Reg.* 25,439, May 28, 2009). The Democratic Republic of the Congo Sanctions Regulations can be found at 31 C.F.R. part 547 (the “Regulations”).

### **II. PROHIBITED TRANSACTIONS**

The E.O. blocks the property and property interests of specific individuals listed in its Annex and of specific individuals and entities determined by OFAC: 1) to be a political or military leader of a foreign armed group operating in the DRC that impedes the disarmament, repatriation, or resettlement of combatants, or of a Congolese armed group that impedes the disarmament, demobilization, or reintegration of combatants; 2) to be a political or military leader recruiting or using children in armed conflict in the DRC in violation of applicable international law; 3) to have committed serious violations of international law involving the targeting of children in situations of armed conflict in the DRC, including killing and maiming, sexual violence, abduction, and forced displacement; 4) to have supplied arms or related materiel in violation of the United Nations arms embargo on the DRC; 5) or to have provided material support for any of these activities. The E.O. therefore imposes targeted sanctions only; it does not impose any broad-based sanctions against the people or the country of the DRC.

The names of persons who are listed in the Annex to E.O. 13413 or designated by OFAC pursuant to the E.O. are published on OFAC’s Specially Designated Nationals and Blocked Persons List (“SDN List”), published in the *Federal Register*, and incorporated into Appendix A to 31 C.F.R. chapter V. The SDN List is accessible via OFAC’s Web site. With certain exceptions, U.S. persons are prohibited from transferring, paying, exporting, withdrawing, or otherwise dealing in the property and interests in property of an entity or individual listed on the SDN List. Entities that a person on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more) are also blocked, regardless of whether that entity is separately named on the SDN List.

### **III. PENALTIES**

Criminal fines for willful violations of the E.O. or the Regulations range, upon conviction, up to \$1,000,000; individuals may also face imprisonment up to 20 years. In addition, civil penalties of up to the greater of \$250,000 or twice the amount of the underlying transaction may be imposed administratively for violations of the E.O. or the Regulations.

## **R—SOMALIA**

### **AN OVERVIEW OF SANCTIONS AGAINST PERSONS CONTRIBUTING TO THE CONFLICT IN SOMALIA**

#### **I. INTRODUCTION**

On April 12, 2010, President Obama signed Executive Order 13536 (the “E.O.”) declaring a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the deterioration of the security situation and the persistence of violence in Somalia, acts of piracy and armed robbery at sea off the coast of

Somalia, and violations of the Somalia arms embargo imposed by the United Nations Security Council. In issuing this E.O., the President invoked the authority of the International Emergency Economic Powers Act (“IEEPA”), the National Emergencies Act, section 5 of the United Nations Participation Act, as amended, and section 301 of title 3, United States Code.

Effective May 5, 2010, the Office of Foreign Assets Control (“OFAC”) issued a set of abbreviated regulations to implement the E.O. (75 *Fed. Reg.* 24,394, May 5, 2010). These Somalia Sanctions Regulations, 31 C.F.R. part 551 (the “Regulations”), were published in abbreviated form for the purpose of providing immediate guidance to the public. OFAC intends to supplement the Regulations with a more comprehensive set of regulations, which may include additional interpretive and definitional guidance and additional general licenses and statements of licensing policy.

#### **II. PROHIBITED TRANSACTIONS**

The E.O. blocks the property and property interests of specific individuals and entities listed in its Annex and of specific individuals and entities determined by OFAC to have engaged in acts that threaten the peace, security, or stability of Somalia, to have obstructed the delivery of humanitarian assistance to or within Somalia, to have supplied arms or related materiel in violation of the United Nations arms embargo on Somalia, or to have provided support for any of these activities. The E.O. also includes a determination by the President that piracy threatens the peace, security or stability of Somalia. This determination provides authority to target for sanctions those who engage in or support acts of piracy off Somalia’s coast, including those who provide weapons, communication devices, or small boats and other equipment to pirates. The E.O. therefore imposes targeted sanctions only; it does not impose any broad-based sanctions against the people or the country of Somalia.

The names of persons who are listed in the Annex to E.O. 13536 or designated by OFAC pursuant to the E.O. are published on OFAC’s Specially Designated Nationals and Blocked Persons List (“SDN List”), published in the *Federal Register*, and incorporated into Appendix A to 31 C.F.R. chapter V. The SDN List is accessible via OFAC’s Web site. With certain exceptions, U.S. persons are prohibited from transferring, paying, exporting, withdrawing, or otherwise dealing in the property and interests in property of an entity or individual listed on the SDN List. Entities that a person on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more) are also blocked, regardless of whether that entity is separately named on the SDN List.

#### **III. PENALTIES**

Criminal fines for willful violations of the E.O. or the Regulations range, upon conviction, up to \$1,000,000; individuals may also face imprisonment up to 20 years. In addition, civil penalties of up to the greater of \$250,000 or twice the amount of the underlying transaction may be imposed administratively for violations of the E.O. or the Regulations.

## **VII. Reporting and Procedures**

Reporting and Procedures Regulations (31 C.F.R. Part 501)  
OFAC has a uniform requirement across all of its sanctions programs that records be maintained for five years.

Reporting on Blocked and Rejected Items: Blocking reports must be filed within 10 business days following the date that the blocking occurred. They must identify the owner or account party, the property, the property’s location, any existing or new account number or similar reference necessary to identify the property, actual or estimated value, the date it was blocked, a photocopy of the payment or transfer instructions (if the blocking involves a payment or transfer of funds), a confirmation that the payment has been deposited into a new or existing blocked account which is clearly labeled as such and is established in the name of, or contains a means of clearly identifying the interest of, the individual or entity subject to blocking, the name and address of the holder, and the name and telephone number of a contact person from whom compliance information can be obtained.

Reports on rejected items must also be filed within 10 business days and must include the name and address of the transferee financial institution, the date and amount of the transfer, a photocopy of the payment or transfer instructions received, the basis for rejection, and the name and telephone

number of a contact person at the transferee financial institution from whom compliance information can be obtained.

Only the financial institution that blocks or rejects a transaction pursuant to OFAC sanctions should report to OFAC. If a financial institution recognizes that it mistakenly processed a transaction in violation of the sanctions regulations, it may choose to submit a self-disclosure statement explaining the reason for the error, but it should not submit a reject or blocking report.

Reject and blocking reports and self-disclosure statements should be clearly labeled as such, and currently may be submitted either via fax (202/622-2426), by mail to the Compliance Programs Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, or via email (including the required documentation, listed above) at [ofacreport@do.treas.gov](mailto:ofacreport@do.treas.gov). Please do not send duplicate reports by fax, email, and/or mail.

Annual Reporting on Blocked Property: OFAC requires the filing of a comprehensive annual report on blocked property held as of June 30. This report is due to OFAC by September 30 of each year. The report must be

filed using Form TDF 90-22.50, which is available on the OFAC website <<<http://www.treas.gov/ofac>>>, from OFAC's fax-on-demand service at (202) 622-0077, or on The Federal Bulletin Board in OFAC's extended electronic information reading room, the FAC-MISC file library. Requests to submit the information in an alternative format or for an extension of the reporting deadline are invited and will be considered on a case-by-case basis by OFAC.

Reporting on Litigation, Arbitration, and Dispute Resolution Proceedings: U.S. persons involved in litigation, arbitration, or other binding alternative dispute resolution proceedings regarding blocked property must provide notice of such proceedings to OFAC Chief Counsel, submit copies of all documents associated with such proceedings within 10 days of their filing to OFAC Chief Counsel at U.S. Treasury Department, 1500 Pennsylvania Ave., NW - 3123 Annex, Washington, DC 20220, and fax information about the scheduling of any hearing or status conference to OFAC Chief Counsel at (202) 622-1911.

Licensing Requests: License applications are not accepted electronically, unless specifically authorized. Applications requesting authorization for proposed activities and transactions may be submitted in letter format. Requests for the release of already blocked funds must be submitted using form TDF 90-22.54, "Application for the Release of Blocked Funds." The form, which requires information regarding the date of the blocking, the financial institutions involved in the transfer, and the beneficiary and amount of the transfer, may be obtained from the "Forms" section of the OFAC website: <<<http://www.treas.gov/ofac>>> or the OFAC fax-on-demand service (202) 622-0077.

Any person having an interest in a transaction or proposed transaction may file an application for a license authorizing the transaction. For individuals who are U.S. citizens, inclusion of a social security number is recommended but not required. For corporations or other entities, the application should include the principal place of business, the state of incorporation or organization, and, if a U.S. company, a taxpayer identification number.

All licensing applications should be sent to the Licensing Division, Office of Foreign Assets Control, 1500 Pennsylvania Avenue, N.W., Treasury Annex, Washington, D.C. 20220



## CUBAN REMITTANCE AFFIDAVIT / DECLARACION JURADA DE LA REMESA CUBANA

The following remittances are authorized pursuant to 31 CFR § 515.570 / *Las remesas siguientes se autorizan conforme a 31 CFR § 515.570:*

**A. Unlimited Family and Family Inherited Remittances:** Unlimited remittances may be sent to a close relative\* who is a national of Cuba by a remitter who is 18 years of age or older. Additionally, funds deposited in a blocked account in a banking institution in the United States may be remitted to a Cuban national in whose name, or for whose beneficial interest, the account is held provided all of the funds in the account were inherited from a close relative\* of the Cuban national payee as a result of a valid testamentary disposition, intestate succession, or payment from a life insurance policy or annuity contract triggered by the death of the policy or contract holder. These remittances may not be made for emigration-related purposes, and they may not be made to a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party.\*\*

**A. Remesas Familiares sin Límites y Remesas Familiares Heredadas:** *Las remesas pueden ser enviadas a un pariente cercano\* que sea un nacional de Cuba por un remitente que tenga 18 años de edad o más. Adicionalmente, los fondos depositados en una cuenta bloqueada en una institución bancaria en los Estados Unidos ("EE.UU") pueden ser remitidos a un nacional de Cuba, en cuyo nombre o para cuyo interés beneficiario se mantiene la cuenta, con la condición que todos los fondos depositados en la cuenta fueron heredados de un pariente cercano\* del nacional de Cuba beneficiario como resultado de la disposición testamentaria, la sucesión intestada, o el pago de una póliza de seguro de vida o contrato de anualidad accionado por la muerte del asegurado o del contratante. Estas remesas no pueden ser hechas para fines relacionados con emigración, y no pueden ser hechas a un oficial prohibido del Gobierno de Cuba o a un oficial prohibido del Partido Comunista de Cuba.\*\**

**B. Periodic \$500 Remittances:** Up to \$500 in any consecutive three-month period may be remitted to any one Cuban national provided that the remittances are not made from a blocked source and that the remitter, if an individual, is 18 years of age or older. These remittances may not be made for emigration-related purposes, and they may not be made to a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party.\*\*

**B. Remesas Periódicas hasta US\$500:** *Hasta US\$500 pueden ser remitidos en cualquier período consecutivo de tres meses a un nacional de Cuba a condición de que las remesas no provengan de una fuente bloqueada y que el remitente tenga 18 años de edad o más. Estas remesas no pueden ser enviadas para fines relacionados con emigración, y no pueden ser enviadas a un oficial prohibido del Gobierno de Cuba o a un oficial prohibido del Partido Comunista de Cuba.\*\**

**C. Unlimited Remittances to Religious Organizations:** Unlimited remittances may be sent to religious organizations in Cuba in support of religious activities, provided that the remittances are not made from a blocked source and that the remitter, if an individual, is 18 years of age or older.

**C. Remesas sin Límites a las Organizaciones Religiosas:** *Remesas sin límites pueden ser enviadas a las organizaciones religiosas en Cuba en apoyo a las actividades religiosas, a condición de que las remesas no provengan de una fuente bloqueada y que el remitente tenga 18 años de edad o más.*

**D. Remittances to Students in Cuba Pursuant to an Educational License:** Remittances may be sent to a close relative\* who is a student in Cuba pursuant to an educational license by a remitter who is 18 years of age or older provided that the remittances are not made from a blocked source and are for the purpose of funding transactions authorized by the educational license under which the student is traveling.

**D. Remesas a Estudiantes en Cuba Conforme a una Licencia Educacional:** *Remesas pueden ser enviadas a un pariente cercano\* quien es un estudiante en Cuba conforme a una licencia educacional por un remitente que tenga 18 años de edad o más a condición de que las remesas no provengan de una fuente bloqueada y que sean para el propósito de financiar transacciones autorizadas por la licencia educacional por la cual el estudiante está de viaje.*

**E. Limited Emigration Remittances:** Up to \$2,000 per payee may be remitted to enable the payee to emigrate from Cuba to the United States. One remittance of no more than \$1,000 may be sent before the payee has received a valid visa from the U.S. State Department for the purpose of covering the payee's preliminary emigration expenses. Once the payee has received a valid visa from the U.S. State Department, up to an additional \$1,000 may be remitted for the purpose of enabling the payee to emigrate from Cuba to the United States, including for the purchase of airline tickets and payment of exit or third-country visa fees or other travel-related fees. Funds deposited in a blocked account in a banking institution in the United States may be remitted consistent with these criteria only if the payee is the Cuban national in whose name, or for whose beneficial interest, the account is held and the account is the result of a valid testamentary disposition, intestate succession, or payment from a life insurance policy or annuity contract triggered by the death of the policy or contract holder.

**E. Remesas Limitadas de Emigración:** *Hasta US\$2,000 por beneficiario pueden ser remitidos para ayudar al beneficiario a emigrar de Cuba a los EE.UU. Solo una remesa de no más de US\$1,000 puede ser enviada antes que el beneficiario haya recibido una visa válida del Departamento de Estado de los EE.UU con el propósito de cubrir los gastos preliminares de emigración del beneficiario. Después de que el beneficiario haya recibido una visa válida del Departamento de Estado de los EE.UU, US\$1,000 adicionales pueden ser enviados con el fin de permitir al beneficiario a emigrar de Cuba a los EE.UU., incluyendo fondos para la compra de boletos de avión y para el pago de tarifas de salida u otros honorarios de visa a un tercer país u otras tarifas relacionadas al viaje. Fondos depositados en una cuenta bloqueada en una institución bancaria en los EE.UU pueden ser remitidos consistente con estos requerimientos solo si el beneficiario es un nacional de Cuba, en cuyo nombre o para cuyo interés beneficiario se mantiene la cuenta como resultado de la disposición testamentaria, la sucesión intestada, o el pago de una póliza de seguro de vida o contrato de anualidad accionado por la muerte del asegurado o del contratante.*

**F. Periodic Remittances from Blocked Accounts:** Up to \$300 in any consecutive three-month period may be remitted from any blocked account in a banking institution in the United States to a Cuban national in a third country who is an individual in whose name, or for whose beneficial interest, the account is held. These remittances may not be made for emigration-related purposes, and they may not be made to a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party.\*\*

**F. Remesas Periódicas de Cuentas Bloqueadas:** *Hasta US\$300 pueden ser remitidos en cualquier período consecutivo de tres meses de cualquier cuenta bloqueada en cualquier institución bancaria en los EE.UU a un nacional de Cuba en un tercer país quien es un individuo en cuyo nombre, o para cuyo interés beneficiario, la cuenta se mantiene. Estas remesas no pueden ser hechas para fines relacionados con emigración, y no pueden ser hechas a un oficial prohibido del Gobierno de Cuba o a un oficial prohibido del Partido Comunista de Cuba.\*\**

\* The term "close relative" is defined in 31 CFR § 515.339 to mean any individual related to you by blood, marriage, or adoption who is no more than three generations removed from you or from a common ancestor with you.

\* El término "pariente cercano" se define en 31 CFR § 515.339 y se refiere a cualquier individuo relacionado a través de línea sanguínea, matrimonio o adopción y no más de tres generaciones retiradas de usted o de un antepasado que tenga en común.

\*\* The term "prohibited official of the Government of Cuba" is defined in 31 CFR § 515.337 to mean Ministers and Vice-ministers, members of the Council of State and the Council of Ministers; members and employees of the National Assembly of People's Power; members of any provincial assembly; local sector chiefs of the Committees for the Defense of the Revolution; Director Generals and sub-Director Generals and higher of all Cuban ministries and state agencies; employees of the Ministry of the Interior (MININT); employees of the Ministry of Defense (MINFAR); secretaries and first secretaries of the Confederation of Labor of Cuba (CTC) and its component unions; chief editors, editors, and deputy editors of Cuban state-run media organizations and programs, including newspapers, television, and radio; and members and employees of the Supreme Court (Tribuno Supremo Nacional). The term "prohibited member of the Cuban Communist Party" is defined in 31 CFR § 515.338 to mean members of the Politburo, the Central Committee, Department Heads of the Central Committee, employees of the Central Committee, and secretaries and first secretaries of the provincial Party central committees.

\*\* El término "oficial prohibido del Gobierno Cubano" se define en 31 CFR § 515.337 y significa Ministros y Vice-ministros, miembros del Consejo de Estado y del Consejo de Ministros; miembros y empleados de la Asamblea Nacional del Poder Popular; miembros de cualquier asamblea provincial; jefes de sectores locales de los Comités de Defensa de la Revolución; Directores Generales y Sub-directores Generales de todos los ministerios cubanos y las agencias del estado; empleados del Ministerio del Interior (MININT); empleados del Ministerio de las Fuerzas Armadas Revolucionarias (MINFAR); secretarios y secretarios primeros de la Central de Trabajadores de Cuba (CTC) y sus sindicatos componentes; editores principales, editores y sub-editores de medios de comunicación y programas estatales de Cuba incluyendo los periódicos, la televisión y el radio; y miembros y empleados del Tribuno Supremo Nacional. El término "oficial prohibido del Partido Comunista Cubano" se define en 31 CFR § 515.338 y significa miembros del Buró Político, el Comité Central, jefes de departamentos del Comité Central, empleados del Comité Central, y secretarios y secretarios primeros de los comités provinciales del Partido.



## CUBAN REMITTANCE AFFIDAVIT / DECLARACION JURADA DE LA REMESA CUBANA



### REMESA CUBANA, DECLARACION JURADA

This affidavit is to be completed by the remitter, pursuant to the Cuban Assets Control Regulations, 31 CFR Part 515, under the Trading with the Enemy Act, 50 U.S.C. App. 1-44. It is to be submitted to the remittance service provider and kept on file for five years, subject to audit by the U.S. Department of the Treasury.

*Este declaración jurada tiene que ser llenada por el remitente, en conformidad con el Control y Regulaciones de Bienes Cubanos, 31 CFR Parte 515, bajo la Ley sobre Comercio con el Enemigo, 50 U.S.C. App. 1-44. Dicho documento debe ser presentado a la agencia remitente y mantenerse en los archivos por cinco años y esta sujeta a auditoria por el Departamento del Tesoro de los EE.UU.*

I, \_\_\_\_\_ (Print name of remitter), DECLARE AND STATE THAT THE FOLLOWING IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE:

YO, \_\_\_\_\_ (*Nombre del remitente en letra de molde*), DECLARO Y AFIRMO QUE, A MI CONOCIMIENTO, LO SIGUIENTE ES CIERTO Y CORRECTO:

#### **A. UNLIMITED FAMILY AND FAMILY INHERITED REMITTANCES / REMESAS SIN LIMITES FAMILIARES Y REMESAS FAMILIARES HEREDADAS**

Name of Recipient / *Nombre del Beneficiario*: \_\_\_\_\_

Relation to Remitter or Decedent / *Parentesco con el Beneficiario o Difunto*: \_\_\_\_\_

#### **B. PERIODIC \$500 REMITTANCES / REMESAS PERIODICAS de US\$500**

Name of Recipient / *Nombre del Beneficiario*: \_\_\_\_\_

#### **C. UNLIMITED REMITTANCES TO RELIGIOUS ORGANIZATIONS / REMESAS SIN LIMITES A LAS ORGANIZACIONES RELIGIOSAS**

Name of Recipient / *Nombre del Beneficiario*: \_\_\_\_\_

#### **D. REMITTANCES TO STUDENTS IN CUBA PURSUANT TO AN EDUCATIONAL LICENSE / REMESAS A ESTUDIANTES EN CUBA CONFORME A UNA LICENCIA EDUCACIONAL**

Name of Recipient / *Nombre del Beneficiario*: \_\_\_\_\_

#### **E. LIMITED EMIGRATION REMITTANCES / REMESAS LIMITADAS DE EMIGRACION**

Name of Payee / *Nombre del Beneficiario*: \_\_\_\_\_

Payee's Date of Birth / *Fecha de Nacimiento del Beneficiario*: \_\_\_\_\_

If I am sending more than \$1,000, **OR** if I have already sent a pre-visa emigration remittance to this payee, the payee has received an immigration visa from the U.S. State Department as follows / *Si estoy enviando más de US\$1,000, O si he enviado una remesa de emigración pre-visa a este beneficiario, el beneficiario ha recibido la siguiente visa de inmigración del Departamento de Estado de los EE.UU.*

Number of Payee's Visa / *Número de Visa del Beneficiario*: \_\_\_\_\_

Date of Payee's Visa / *Fecha de Visa del Beneficiario*: \_\_\_\_\_

#### **F. PERIODIC REMITTANCES FROM BLOCKED ACCOUNTS / REMESAS PERIODICAS DE CUENTAS BLOQUEADAS**

Name of Recipient / *Nombre del Beneficiario*: \_\_\_\_\_

**SIGNATURE OF REMITTER / FIRMA DEL REMITENTE:** \_\_\_\_\_

Street Address / *Dirección*: \_\_\_\_\_

City, State, and Zip Code / *Ciudad, Estado, Zona Postal*: \_\_\_\_\_

Telephone Number / *Número de Teléfono*: \_\_\_\_\_

Mother's Maiden Name / *Apellido de Soltera de la Madre*: \_\_\_\_\_

Date of Birth of Remitter / *Fecha de Nacimiento del Remitente*: \_\_\_\_\_

**WITNESSED BY EMPLOYEE OF REMITTING AGENCY / FIRMA DE TESTIGO DEL EMPLEADO DE LA AGENCIA REMITENTE:** \_\_\_\_\_ (Print name / *Nombre en letra de molde*)

Signature and Date / *Firma y Fecha*: \_\_\_\_\_

Name of Remitting Agency / *Nombre de la Agencia Remitente*: \_\_\_\_\_

**ANNUAL REPORT OF BLOCKED PROPERTY**

TD F 90-22.50

Office of Foreign Assets Control  
Department of the Treasury  
Washington, D.C. 20220

The Office of Foreign Assets Control (OFAC) requires an annual report of all property blocked or funds retained under OFAC Regulations found in Title 31 of the Code of Federal Regulations, Parts 500 through 599. This information is needed by the United States Government for planning purposes and to verify compliance with OFAC Regulations. The report is to be submitted annually by September 30 to the Compliance Programs Division, OFAC, Department of the Treasury, Washington, D.C. 20220.

**General Instructions**

Any person holding property blocked or funds retained under OFAC Regulations is required to submit a report on this form concerning such property. Reports filed in accordance with OFAC Regulations are regarded as containing commercial and financial information which is privileged and confidential. Requests to submit reports in alternative formats will be considered on a case-by-case basis. For additional copies of the form, as well as other information of interest to holders of blocked property, call OFAC's fax-on-demand service at (202) 622-0077.

**Part A - U.S. Person Holding Property.**

State reporter's corporate name and address and the name and telephone number of an individual corporate official to contact regarding this report.

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Individual to contact regarding this report:

\_\_\_\_\_  
(name) (title) (telephone number)

Total number of accounts or items reported on Part B: \_\_\_\_\_

Complete the certification where applicable. The report is not valid without the certification.

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_  
(name) (title)

of the \_\_\_\_\_, that I am authorized to make this  
(corporate name)

certification, and that, to the best of my knowledge and belief, the statements set forth in this report, including any papers attached hereto or filed herewith, are true and accurate, and that all material facts in connection with said report have been set forth herein.

\_\_\_\_\_  
(signature) (date)

PAPERWORK REDUCTION ACT STATEMENT: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control of the Department of the Treasury requires this information be furnished pursuant to 50 U.S.C. 1701, and CFR Parts 500 to 600. The information collected will be used for U.S. Government planning purposes and to verify compliance with OFAC Regulations. The information will be held confidential. The estimated burden associated with this collection of information is 4 hours per respondent or record keeper. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Compliance Programs Division, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220 and the Office of Management and Budget, paperwork Reduction Project (1505-0164), Washington, D.C. 20503. 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.







## OFFICE OF FOREIGN ASSETS CONTROL LICENSING DIVISION

### LICENSE APPLICATION GUIDELINES FOR EXPORTS TO IRAN AND SUDAN OF AGRICULTURAL COMMODITIES, MEDICINE, AND MEDICAL DEVICES TSRA Program

The following information is intended to serve as guidance to persons applying for licenses authorizing exports of agricultural commodities, medicine, and medical devices to Iran and Sudan pursuant to the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), the Iranian Transactions Regulations, 31 C.F.R. Part 560, and the Sudanese Sanctions Regulations, 31 C.F.R. Part 538. Applicants are encouraged to consult the regulations for a complete statement of the rules applicable to TSRA-related exports.

Applications not containing all of the required information will be considered incomplete and returned without action and without prejudice. A new application will be accepted upon resubmission of a **complete** application.

To apply for a license to export agricultural commodities, medicine, or medical devices to Iran or Sudan under the TSRA Program, applicants must submit a license request, in writing, to the Office of Foreign Assets Control (OFAC). The following items must be included in clear and legible form:

- Identification of the country and program for which the applicant is requesting a license on the top of the first page of the application and on the front of the envelope (Example: **Iran – TSRA Program**). If the applicant wishes to export eligible items to both Iran and Sudan, **a separate application** must be submitted for each country;
- Applicant's full legal name (If the applicant is a business entity, include the state or jurisdiction of incorporation and principal place of business);
- Applicant's mailing and street address;
- Name(s) of the individual(s) responsible for the application and related commercial transactions, including their telephone numbers, fax numbers, and if available, email addresses so that we may reach a responsible point of contact should there be any questions about the application;
- Applicant's signature;
- Names and addresses of all parties involved in the transactions and their roles, including financial institutions, and any Iranian or Sudanese broker, purchasing agent, end-user, or other participant in the purchase of the agricultural commodities, medicine, or medical devices;
- A description of all products to be exported, including a statement that each product is an agricultural commodity, medicine, or medical device and that it is classified as

EAR99, and documentation and information sufficient to verify that each product to be exported is classified as EAR99 and eligible for exportation under the TSRA program. This would typically include the name of the product, a short description of it in layperson's terms (for medical devices, also include technical specifications which should include a picture of the device), the intended use of the agricultural commodities, medicine, or medical devices, and a statement explaining how the product qualifies as an agricultural commodity, medicine, or a medical device as those terms are defined in the regulations.

- To be eligible for export in the TSRA program, each product must be classified as EAR99. We encourage exporters to consult the website of the Department of Commerce's Bureau of Industry and Security ("BIS"), [www.bis.doc.gov/licensing/ccrequestguidance.html](http://www.bis.doc.gov/licensing/ccrequestguidance.html), for guidelines on how to submit a commodity classification request.
- Exporters of all fertilizers, live horses, and western red cedar must provide to OFAC a copy of an Official BIS Commodity Classification of EAR99 as part of the license application (because certain of these items are controlled on the Commerce Control List and thus are not eligible for export under the TSRA program).
- Exporters of medicine must provide to OFAC a copy of an Official BIS Commodity Classification of EAR99 as part of the license application (because certain medicines are not eligible for export under the TSRA program).
- Exporters of medical devices must provide to OFAC a copy of an Official BIS Commodity Classification of EAR99 as part of the license application, unless the proposed export is for medical supply and that medical supply is specifically listed under the TSRA program on BIS's website at [www.bis.doc.gov/policiesandregulations/tradesanctionsreformexportenhancementact.html](http://www.bis.doc.gov/policiesandregulations/tradesanctionsreformexportenhancementact.html). Please note that if an application for the export of a medical device does not include an Official BIS Commodity Classification of EAR99 and OFAC is unable to determine the export eligibility of the proposed export product, OFAC will request an Official BIS Commodity Classification of EAR99 from the applicant. To avoid delays in processing time, we encourage exporters of medical devices to provide Official BIS Commodity Classifications of EAR99 for all export products.
- Exporters of agricultural commodities may wish to consult the following U.S. Department of Agriculture website, [www.fas.usda.gov](http://www.fas.usda.gov), for a list of agricultural commodities that qualify for export under the TSRA program.
- The maximum number of export products and/or number of end-users should not exceed 50 per application.
- **Please note:** Payment by cash in advance, open account financing, or third-country bank letter of credit is authorized by general license. A special request will have to be made to use a letter of credit issued by an Iranian or Sudanese bank. Upon such a request, payment by letter of credit issued by an Iranian or Sudanese bank may be authorized by specific license on a case-by-case basis, provided that such letter of credit may not be advised, confirmed or otherwise dealt in by any financial institution that is a United States person (see 31 C.F.R. §§ 560.314, 560.532; 31 C.F.R. §§ 538.315, 538.525). Also, please note that your financing arrangements cannot involve any

entities that are designated pursuant to Executive Order 13224 of September 23, 2001, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism"; Executive Order 13382 of June 28, 2005, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters"; or any other Executive order or Chapter V of Title 31 of the C.F.R.

- Applicants should note that U.S. persons are prohibited from engaging in any transactions involving directly or indirectly Bank Saderat, Bank Sepah, Bank Mellat, Bank Melli, Future Bank, and Export Development Bank of Iran, which have been designated pursuant to Executive Order 13224 or Executive Order 13382.
- Applicants also should be aware that on September 10, 2008, OFAC designated, pursuant to Executive Order 13382, the Islamic Republic of Iran Shipping Lines (IRISL) and 18 affiliated entities for providing logistical services to Iran's Ministry of Defense and Armed Forces Logistics (MODAFL). U.S. persons are prohibited from engaging in any transaction or dealing involving these entities.

The application should be mailed to the address below.

**Attn: Licensing Division  
Office of Foreign Assets Control  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220**

Applicants may also send a complete copy of their application in Adobe Acrobat PDF format to the following email address:

[agmed@do.treas.gov](mailto:agmed@do.treas.gov)

Applicants who choose to send a copy of their application via the Internet *must* also send a hard copy of their application in order for OFAC to process their application. Applicants should note that the official date of receipt for their application will be the date the hard copy of the application is received by OFAC via mail.

The hard copy of all licenses will be mailed to applicants. Upon request, applicants may receive via email a copy of their license in Adobe Acrobat PDF format.

If you have any questions about the application process, please contact OFAC's Licensing Division at (202) 622-2480.



**U.S. DEPARTMENT OF THE TREASURY**

**OFFICE OF FOREIGN ASSETS CONTROL**

**APPLICATION FOR THE RELEASE OF BLOCKED FUNDS**

**(WHEN APPROVED, THIS DOCUMENT BECOMES A SPECIFIC LICENSE AUTHORIZING THE UNBLOCKING OF THE SUBJECT FUNDS AND THEIR RELEASE ACCORDING TO THE TERMS HEREOF)**

**TYPE OF REQUEST [CHECK APPROPRIATE BOX]**

LICENSE APPLICATION

REQUEST FOR RECONSIDERATION [PROVIDE

FAC NO. OF PREVIOUS AGENCY ACTION (IF KNOWN): \_\_\_\_\_

**DO NOT WRITE IN THIS BOX – LICENSE APPROVAL ONLY VALID WITH OFAC SEAL**

THIS APPLICATION IS HEREBY:

FAC/LICENSE NO. \_\_\_\_\_

- G APPROVED, AND FUNDS MAY BE UNBLOCKED AND RELEASED, WITH VALUE:
  - G TO ORIGINATOR OR ORIGINATING BANK
  - G IN ACCORDANCE WITH ORIGINAL PAYMENT INSTRUCTIONS
- G DENIED (SEE ATTACHED EXPLANATION)
- G RETURNED WITHOUT ACTION (SEE ATTACHED CHECKLIST)

**APPLICANT INFORMATION**

APPLICANT		ADDRESS LINE 1		ADDRESS LINE 2	
CITY	STATE	CONTACT PERSON		TELEPHONE	FAX NUMBER
POSTAL CODE	COUNTRY	SOCIAL SECURITY/TAXPAYER I.D. NO. (Required for US Persons)		E-MAIL ADDRESS	

**CORPORATIONS AND OTHER ENTITIES**

PRINCIPAL PLACE OF BUSINESS	STATE OF INCORPORATION OR ORGANIZATION	EMPLOYER IDENTIFICATION NUMBER
-----------------------------	--	--------------------------------

**THE FOLLOWING INFORMATION, IF KNOWN, SHOULD BE PROVIDED CONCERNING THE BLOCKED FUNDS (USE PAGE 2 AS NEEDED)**

NAME & ADDRESS OF FINANCIAL INSTITUTION WHICH BLOCKED FUNDS	AMOUNT BLOCKED	DATE OF THE BLOCKING
REMITTER NAME & ADDRESS	REMITTING FINANCIAL INSTITUTION NAME & ADDRESS	
INTERMEDIARY FINANCIAL INSTITUTION(S) NAME & ADDRESS	BENEFICIARY FINANCIAL INSTITUTION NAME & ADDRESS	
BENEFICIARY NAME & ADDRESS	DESCRIPTION OF UNDERLYING TRANSACTION (ATTACH SEPARATE SHEET AS NEEDED)	

**APPLICATION CERTIFICATION: I, THE UNDERSIGNED, HEREBY DECLARE THAT, TO THE BEST OF MY KNOWLEDGE, THE INFORMATION PROVIDED ON THIS APPLICATION AND ANY ACCOMPANYING DOCUMENTATION IS TRUTHFUL AND COMPLETE.**

SIGNATURE	NAME OF SIGNER	TITLE OF SIGNER	DATE PREPARED
-----------	----------------	-----------------	---------------

ADDITIONAL COPIES OF THIS FORM MAY BE OBTAINED FROM OFAC'S WEBSITE AT NO CHARGE: <<http://www.treas.gov/ofac>>

ADDITIONAL INFORMATON

A large, empty rectangular box with a thin black border, occupying most of the page below the header. It is intended for providing additional information.

**INSTRUCTIONS:**

WHERE FUNDS HAVE BEEN BLOCKED AT A U.S. FINANCIAL INSTITUTION DUE TO U.S. GOVERNMENT SANCTIONS, A PARTY WITH AN INTEREST IN THE FUNDS MAY SUBMIT THIS APPLICATION TO THE OFFICE OF FOREIGN ASSETS CONTROL FOR A SPECIFIC LICENSE TO REQUEST THEIR RELEASE.

- C TYPE OR PRINT CLEARLY, COMPLETING ALL APPLICABLE SECTIONS.
- C ATTACH COPIES OF ANY DOCUMENTS RELATED TO THE UNDERLYING TRANSACTION (E.G., INVOICES, BILLS OF LADING, PHOTOCOPY OF THE ORIGINAL PAYMENT OR TRANSFER INSTRUCTIONS, ETC.).
- C ALL DOCUMENTS MUST BE IN ENGLISH OR INCLUDE AN ENGLISH TRANSLATION.
- C FAILURE TO PROVIDE ADEQUATE INFORMATION MAY RESULT IN YOUR APPLICATION BEING RETURNED WITHOUT ACTION.
- C MAIL THE COMPLETED AND SIGNED APPLICATION, TOGETHER WITH ACCOMPANYING DOCUMENTATION AND TWO COPIES OF THE ENTIRE SUBMISSION, TO THE OFFICE OF FOREIGN ASSETS CONTROL, 1500 PENNSYLVANIA AVENUE, NW-ANNEX, WASHINGTON, D.C. 20220, ATTN: BLOCKED FUNDS APPLICATION
- C APPLICATIONS WILL NOT BE ACCEPTED BY FAX.
- C UNLESS OTHERWISE PROVIDED, A COPY OF THIS APPLICATION AND ALL RELATED DOCUMENTATION MUST BE RETAINED BY THE APPLICANT FOR AT LEAST FIVE YEARS AFTER THE DATE OF THE UNDERLYING TRANSACTION.
- C UNLESS AUTHORIZED BY OFAC, APPLICATIONS MADE BY ANY OTHER METHOD WILL NOT BE CONSIDERED.

**TERMS AND CONDITIONS:**

- C GRANTED UNDER THE AUTHORITY OF 50 U.S.C. APP. § 5(B), 22 U.S.C § 2370(A), 22 U.S.C. § 6001, AND 31CFR. PARTS 501, AND THE RELEVANT PART OF 31 CFR PERTAINING TO THE LICENSE
- C AN APPLICATION THAT HAS BEEN APPROVED, SIGNED BY THE AUTHORIZING OFAC OFFICIAL, AND IMPRESSED WITH AN OFFICIAL OFAC SEAL IS A SPECIFIC LICENSE.
- C LICENSEES SHALL FURNISH AND MAKE AVAILABLE FOR INSPECTION ANY RELEVANT INFORMATION, RECORDS OR REPORTS REQUESTED BY THE SECRETARY OF THE TREASURY OR ANY DULY AUTHORIZED OFFICER OR AGENCY OF THE SECRETARY.
- C A SPECIFIC LICENSE IS NOT TRANSFERABLE, IS NON-PRECEDENTIAL AND IS SUBJECT TO THE PROVISIONS OF 31CFR PART 501, THE RELEVANT PART OF 31CFR (PART 500, 515, 535, 536, 538, 550, 575, 585, 586, 595, 597) PERTAINING TO THE SANCTIONS PROGRAM UNDER WHICH THE TRANSFER WAS BLOCKED AND ANY REGULATIONS OR RULINGS ISSUED PURSUANT THERETO; A LICENSE MAY BE REVOKED OR MODIFIED AT ANY TIME AT THE DISCRETION OF THE SECRETARY OF THE TREASURY ACTING DIRECTLY OR THROUGH THE AGENCY THROUGH WHICH THE LICENSE WAS ISSUED, OR ANY OTHER AGENCY DESIGNATED BY THE SECRETARY OF THE TREASURY. IF A SPECIFIC LICENSE WAS ISSUED AS A RESULT OF WILLFUL MISREPRESENTATION ON THE PART OF THE APPLICANT OR HIS AGENT, IT MAY, AT THE DISCRETION OF THE SECRETARY OF THE TREASURY, BE DECLARED VOID FROM THE DATE OF ITS ISSUANCE, OR FROM ANY OTHER DATE.
- C A SPECIFIC LICENSE DOES NOT EXCUSE COMPLIANCE WITH ANY LAW OR REGULATION ADMINISTERED BY THE OFFICE OF FOREIGN ASSETS CONTROL OR ANOTHER AGENCY (INCLUDING REPORTING REQUIREMENTS) APPLICABLE TO THE TRANSACTIONS AND ACTIVITIES THEREIN LICENSED, NOR DOES IT RELEASE THE LICENSEES OR THIRD PARTIES FROM CIVIL OR CRIMINAL LIABILITY FOR VIOLATION OF ANY LAW OR REGULATION.
- C A SPECIFIC LICENSE IS ISSUED BY DIRECTION AND ON BEHALF OF THE SECRETARY OF THE TREASURY.
- C ATTENTION IS DIRECTED TO 19 U.S.C. §§ 1592 AND 1595A, 18 U.S.C. § 545, 18 U.S.C. § 1001, 50 U.S.C. APP. § 16, AND SECTION 701 *ET SEQ* (PENALTIES) OF THE RELEVANT PART OF 31CFR. PERTAINING TO THE ATTACHED LICENSE.

**WARNING!**

**MAKING FALSE OR MISLEADING STATEMENTS ON OR IN CONNECTION WITH THIS APPLICATION, ALTERING THE DETERMINATION, OR FORGING THE SIGNATURE OF THE AUTHORIZING OFFICIAL OR THE OFAC SEAL MAY CONSTITUTE SERIOUS CRIMINAL AND/OR CIVIL VIOLATIONS OF FEDERAL LAW AND MAY RESULT IN SUBSTANTIAL FINES**

PAPERWORK REDUCTION ACT STATEMENT: The paperwork requirement has been cleared under the Paperwork Reduction Act of 1980. The Office of Foreign Assets Control (OFAC) of the Department of the Treasury requires this information to be furnished pursuant to 31 CFR Part 501. The information collected will be used for U.S. Government to evaluate and process license applications submitted by applicants whose money has been blocked pursuant to OFAC sanctions. It is the policy of OFAC to protect the confidentiality of information in appropriate cases pursuant to the exemptions from disclosure provided under the Freedom of Information Act and the Privacy Act. The estimated burden associated with this collection of information is 30 minutes per respondent. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Compliance Programs Division, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220 and the Office of Management and Budget, Paperwork Reduction Project (OMB NUMBER WILL BE INSERTED HERE), Washington, D.C. 20503. 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.