



FEDERAL RESERVE BANK
OF DALLAS

TONY J. SALVAGGIO
FIRST VICE PRESIDENT

DALLAS, TEXAS
75265-5906

July 1, 1994

Notice 94-69

TO: The Chief Operating Officer of each member bank and others concerned in the Eleventh Federal Reserve District

SUBJECT

**Notice from the Office of Foreign Assets Control
Regarding Payable Through Accounts**

DETAILS

Recent investigations of the Office of Foreign Assets Control have raised a concern about payable through account arrangements being used to evade the United States government's sanctions and embargo programs. Pursuant to §§ 602 of the Foreign Assets Control Regulations (31 CFR Part 500), the Cuban Assets Control Regulations (31 CFR Part 515), the Libyan sanctions Regulations (31 CFR Part 550), the Iraqi sanctions Regulations (31 CFR Part 575), the Haitian Transactions Regulations (31 CFR Part 580), and the Federal Republic of Yugoslavia (Serbia and Montenegro) sanctions (31 CFR Part 585), every financial institution in the United States that holds a "payable through account" for a foreign correspondent bank, a foreign *case de cambia*, or any other offshore entity is being required to file a special report with the Office of Foreign Assets Control. The report is to list the name and number of each such account and is to describe the procedures the account holding bank has in place to assure that users of the "payable through" master account are neither Specially Designated Nationals nor otherwise acting on behalf of countries under sanctions and the procedures the account holding bank has in place to assure that transactions are not being routed through the account in violation of the regulations administered by the Office of Foreign Assets Control.

If your bank holds any such account, your special report is to be forwarded immediately to the Compliance Programs Division of the Office of Foreign Assets Control at 1500 Pennsylvania Avenue, N.W., 2131 Annex, Washington, D.C. 20220.

MORE INFORMATION

For more information, please contact the Office of Foreign Assets Control at (202) 622-2490. For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,