



FEDERAL RESERVE BANK
OF DALLAS

ROBERT D. McTEER, JR.
PRESIDENT
AND CHIEF EXECUTIVE OFFICER

May 30, 1995

DALLAS, TEXAS
75265-5906

Notice 95-53

TO: The Chief Executive Officer of each member bank and foreign agency in the Eleventh Federal Reserve District

SUBJECT

Office of Foreign Assets Control

DETAILS

The Office of Foreign Assets Control (OFAC) has issued General License No. 1 clarifying transactions permissible within the 30-day window for completion of pre-May 7, 1995, contracts involving Iran. All obligations under pre-existing trade contracts for the provision of services (including correspondent account services for Iranian banks) benefitting persons in Iran must be fully completed prior to 12:01 A.M. EDT, June 6, 1995. National banks that do not have access to computer bulletin boards used by OFAC may obtain details of the General License by dialing the Comptroller of the Currency's information line from a Touch-Tone phone.

ATTACHMENT

Attached is a copy of the Office of Foreign Assets Control's General License No. 1 concerning Iranian transactions regulations.

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 yours,

Robert D. McTeer, Jr.



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

OFFICE OF FOREIGN ASSETS CONTROL
IRANIAN TRANSACTIONS REGULATIONS
General License No. 1

30-Day Delayed Effective Date
for Pre-May 7, 1995 Trade Contracts Involving Iran

(a) All transactions necessary to complete performance of a trade contract entered into prior to May 7, 1995, and involving Iran (a "pre-existing trade contract"), including the exportation of goods, services (including financial services), or technology from the United States that were authorized pursuant to Federal regulations in force immediately prior to May 7, 1995, or performance under a contract for transactions in Iranian-origin or GOI-owned or controlled goods or services not involving importation into the United States, are authorized without specific licensing by the Office of Foreign Assets Control ("OFAC") if the conditions in subsection (a)(1) or subsection (a)(2) are met:

(1) If the pre-existing trade contract is for exportation of goods or technology from the United States that were authorized pursuant to Federal regulations in force immediately prior to May 7, 1995, the goods or technology must be exported from the United States prior to 12:01 a.m. EDT, June 6, 1995, and all other activity by U.S. persons that is necessary and incidental to the performance of the pre-existing trade contract (other than payment under a financing contract) must be completed prior to 12:01 a.m. EDT, August 6, 1995; or

(2) If the pre-existing trade contract is for

(i) the provision of services benefitting a person in Iran, the Government of Iran, or an entity owned or controlled by the Government of Iran, or

(ii) the reexportation of goods or technology to Iran, the Government of Iran, or an entity owned or controlled by the Government of Iran that were authorized pursuant to Federal regulations in force immediately prior to May 7, 1995, or

(iii) transactions relating to goods or services of Iranian origin or owned or controlled by the Government of Iran other than transactions relating to importation into the United States of such goods or services,

all obligations under the pre-existing trade contract must be fully completed prior to 12:01 a.m. EDT, June 6, 1995.

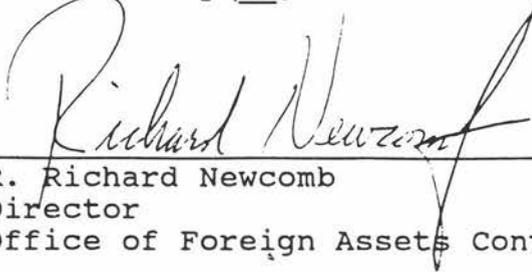
(b) In order to complete performance of a pre-existing trade contract, and consistent with section 8(a) of Executive Order 12959, the arrangement or renegotiation of contracts for transactions necessary and incidental to performance of the pre-existing trade contract is authorized. Such incidental transactions may include, for example, financing, shipping and insurance arrangements. Amendments to pre-existing trade contracts for the purpose of accelerating a previously-specified delivery schedule under a contract for a fixed quantity or value of goods, technology or services, or curtailing or cancelling

required performance, are authorized without specific licensing. Any other alteration of the trade contract must be specifically licensed by OFAC.

(c) The existence of a contract will be determined with reference to the principles contained in Article 2 of the Uniform Commercial Code.

(d) No U.S. person may change its policies or operating procedures in order to enable a foreign entity owned or controlled by U.S. persons to enter into a transaction that could not be entered into directly by a U.S. person located in the United States pursuant to Executive Order 12959.

Issued: May 19, 1995

A handwritten signature in cursive script, reading "Richard Newcomb", is written over a horizontal line. The signature is fluid and extends slightly below the line.

R. Richard Newcomb
Director
Office of Foreign Assets Control