

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 5353]
July 8, 1963

CUBAN ASSETS CONTROL REGULATIONS

To All Banks, and Others Concerned,
in the Second Federal Reserve District:

The Treasury Department has requested us to advise you that the Secretary of the Treasury has revoked the Cuban Import Regulations, as amended, issued February 6, 1962, and instituted in place thereof Cuban Assets Control Regulations controlling assets of and financial and commercial transactions with Cuba and nationals thereof by Americans. The "effective date" of the new regulations is 12:01 a.m., Eastern Standard time (1:01 a.m., Eastern Daylight Saving time), July 8, 1963.

The new regulations closely parallel the Foreign Assets Control Regulations. The texts of sections that differ in important respects are set forth below.

Certain amendments are also being made in the Foreign Assets Control Regulations for technical reasons and to exclude Cuba from the "authorized trade territory."

Applications for specific licenses under the Cuban Assets Control Regulations are required to be filed, in duplicate, with this Bank on Form TFAC-5.

The texts of the following sections of the Cuban Assets Control Regulations are set forth below: 515.101, 515.204, 515.505, 515.522, 515.531, 515.532, 515.540, 515.541, 515.542 and 515.808:

§ 515.101 *Relation of this part to other laws and regulations.* The Cuban Import Regulations issued on February 6, 1962, as amended, are hereby revoked and the following regulations are hereby adopted in place thereof controlling all financial and commercial transactions involving Cuba or nationals thereof, provided that the revocation of the Cuban Import Regulations shall not be deemed to authorize any unlicensed importation prohibited by the Cuban Import Regulations and all penalties, forfeitures, and liabilities under such regulations or any other applicable laws or regulations shall continue and may be enforced as if such revocation had not been made.

(a) This part is independent of 8 CFR Ch. II. The prohibitions contained in this part are in addition to the prohibitions contained in 8 CFR Ch. II. No license or authorization contained in or issued pursuant to 8 CFR Ch. II shall be deemed to authorize any transaction prohibited by this part, nor shall any license or authorization issued pursuant to any other provision of law (except this part) be deemed to authorize any transaction so prohibited.

(b) No license or authorization contained in or issued pursuant to this part shall be deemed to authorize any transaction to the extent that it is prohibited by reason of the provisions of any law or any statute other than paragraph (2) of Proclamation 3447, issued under 620(a), P.L. 87-195, or section 5(b) of the Trading With the Enemy Act, as amended, or any proclamation, order or regulation other than those contained in or issued pursuant to this part.

§ 515.204 *Importation of and dealings in certain merchandise.* (a) Except as specifically authorized by the Secretary of the Treasury (or any person, agency, or instrumentality designated by him) by means of regulations, rulings, instructions, licenses, or otherwise, no person subject to the jurisdiction of the United States may purchase, transport, import, or otherwise deal in or engage in any transaction with respect to any merchandise outside the United States if such merchandise:

- (1) is of Cuban origin; or
- (2) is or has been located in or transported from or through Cuba; or
- (3) is made or derived in whole or in part of any article which is the growth, produce or manufacture of Cuba.

§ 515.505 *Certain persons in the United States unblocked.* (a) Except as provided in paragraph (b) of this section the following are hereby licensed as unblocked nationals:

(1) Any individual resident in and within the United States except an individual who on or after the "effective date" has acted or purported to act directly or indirectly for the benefit of or on behalf of a designated country.

(2) Any partnership, association, corporation, or other organization which is a national of a designated foreign country solely by reason of the interest of persons licensed by this section.

(b) This section does not license as an unblocked national any person who is a specially blocked national.

§ 515.522 *Certain remittances to United States citizens in foreign countries.* (a) Remittances by any person through any domestic bank to any individual who is a citizen of the United States within any foreign country are hereby authorized and any domestic bank is authorized to effect such remittances, on the following terms and conditions:

(1) Such remittances do not exceed \$1,000 in any one calendar month to any payee and his household and are made only for the necessary living and traveling expenses of the payee and his household, except that an additional sum not exceeding \$1,000 may be remitted once to such payee if such sum will be used for the purpose of enabling the payee or his household to return to the United States;

(2) Such remittances are not made from a blocked account other than from an account in a banking institution within the United States in the name of, or in which the beneficial interest is held by, the payee or members of his household.

(b) This section does not authorize any remittance to an individual for the purpose of defraying the expenses of a person not constituting part of his household.

(c) As used in this section, the term "household" shall mean:

- (1) Those individuals sharing a common dwelling as a family; or
- (2) Any individual not sharing a common dwelling with others as a family.

§ 515.531 *Payment of certain checks and drafts.* (a) Any banking institution within the United States is hereby authorized to make payments from blocked accounts with such banking institution:

(1) Of checks and drafts drawn or issued prior to the "effective date," provided:

- (i) The amount involved in any one payment, acceptance, or debit does not exceed \$500; or
- (ii) The check or draft was within the United States in process of collection by a domestic bank on or prior to the "effective date."

(b) This section does not authorize any payment to a designated foreign country or any designated national thereof except payments into a blocked account in a domestic bank, unless such designated national is otherwise licensed to receive such payment.

(c) The authorization contained in this section shall expire at the close of business on August 8, 1963.

§ 515.532 *Completion of certain securities transactions.* (a) Banking institutions within the United States are hereby authorized to complete, on or before July 12, 1963, purchases and sales made prior to the "effective date" of securities purchased or sold for the account of a designated foreign country or any designated national thereof, provided the following terms and conditions are complied with respectively:

(1) The proceeds of such sale are credited to a blocked account in a banking institution in the name of the person for whose account the sale was made; and

(2) The securities so purchased are held in a blocked account in a banking institution in the name of the person for whose account the purchase was made.

(b) This section does not authorize the crediting of the proceeds of the sale of securities held in a blocked account or a sub-account thereof, to a blocked account or sub-account under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such securities were held.

§ 515.540 *Passengers baggage.* The importation of goods otherwise prohibited under this part which are brought into the United States as baggage by any person arriving in the United States other than a citizen or resident of the United States is hereby licensed, notwithstanding the provisions of 515.808 of this part, provided that such goods are not in commercial quantities and are not imported for resale.

§ 515.541 *Certain transactions by non-banking organizations in foreign countries owned or controlled by persons in the United States.* (a) Except as provided in paragraphs (b), (c), (d), and (e) hereof, all transactions incidental to the conduct of business activities abroad engaged in by any non-banking association, corporation, or other organization, which is organized and doing business under the laws of any foreign country in the authorized trade territory are hereby authorized.

(b) This section does not authorize any transaction involving United States dollar accounts or any other property subject to the jurisdiction of the United States.

(c) This section does not authorize any transaction involving the purchase or sale or other transfer of any merchandise of the United States origin or the obtaining of a credit in connection therewith.

(d) This section does not authorize the transportation aboard any vessel which is owned or controlled by any organization described in paragraph (a) hereof of any merchandise from a designated foreign country to any country or from any country directly or indirectly to a designated foreign country.

(e) This section does not authorize any person subject to the jurisdiction of the United States other than an organization described in paragraph (a) hereof to engage in or participate in or be involved in any transaction. For the purpose of this section only, no person shall be deemed to be engaged in or participating in or involved in a transaction solely because of the fact that he has a financial interest in any organization described in paragraph (a) hereof.

§ 515.542 *Communications.* All transactions of common carriers incidental to the receipt or transmission of mail and telecommunications with a designated foreign country are hereby authorized.

§ 515.808 *Customs procedures; merchandise specified in 515.204.* (a) With respect to merchandise specified in 515.204, whether or not such merchandise has been imported into the United States, collectors of customs shall not accept or allow any:

(1) Entry for consumption (including any appraisement entry, any entry of goods imported in the mails, regardless of value, and any other informal entries);

(2) Entry for immediate exportation;

(3) Entry for transportation and exportation;

(4) Withdrawal from warehouse;

(5) Transfer or withdrawal from a foreign-trade zone; or
(6) Manipulation or manufacture in a warehouse or in a foreign-trade zone,
unless either:

- (i) The merchandise was imported prior to 12:01 a.m., February 7, 1962, or
- (ii) A specific license pursuant to this part is presented, or
- (iii) Instructions from the Foreign Assets Control, either directly or through the Federal Reserve Bank of New York, authorizing the transaction are received.

(b) Whenever a specific license is presented to a collector of customs in accordance with this section, one additional legible copy of the entry, withdrawal or other appropriate document with respect to the merchandise involved shall be filed with the collector of customs at the port where the transaction is to take place. Each copy of any such entry, withdrawal or other appropriate document, including the additional copy, shall bear plainly on its face the number of the license pursuant to which it is filed. The original copy of the specific license shall be presented to the collector in respect of each such transaction and shall bear a notation in ink by the licensee or person presenting the license showing the description, quantity, and value of the merchandise to be entered, withdrawn or otherwise dealt with. This notation should be so placed and so written that there will exist no possibility of confusing it with anything placed on the license at the time of its issuance. If the license in fact authorizes the entry, withdrawal or other transaction with regard to the merchandise the collector, or other authorized customs employee, shall verify the notation by signing or initialing it after first assuring himself that it accurately describes the merchandise it purports to represent. The license shall thereafter be returned to the person presenting it and the additional copy of the entry, withdrawal or other appropriate document shall be forwarded by the collector to the Foreign Assets Control.

(c) Whenever a person shall present an entry, withdrawal or other appropriate document affected by this section and shall assert that no specific Foreign Assets Control license is required in connection therewith, the collector of customs shall withhold action thereon and shall advise such person to communicate directly with the Federal Reserve Bank of New York to request that instructions be issued to the collector to authorize him to take action with regard thereto.

Additional copies of this circular will be furnished upon request.

ALFRED HAYES,
President.