

FEDERAL RESERVE BANK
OF NEW YORK
Fiscal Agent of the United States

Circular No. 7619
May 1, 1975

FOREIGN ASSETS CONTROL REGULATIONS MADE
APPLICABLE TO SOUTH VIET-NAM

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

The Treasury Department has requested us to advise you that South Viet-Nam is being added to the schedule of blocked countries in section 500.201(a) of the Foreign Assets Control Regulations, effective April 30, 1975, 12 p.m. EDT. This is being accomplished by amending the regulations to add South Viet-Nam as a scheduled country. Thus, all sections of the regulations which now apply to "designated foreign countries" apply to South Viet-Nam.

Under this action all accounts held for nationals of South Viet-Nam are blocked. However, all personal accounts of South Viet-Nameese diplomats in the United States, including accounts of the staff of the South Viet-Nameese embassy and members of the South Viet-Nameese mission to the United Nations, are in fact licensed as unblocked accounts under section 500.505 of the regulations. Further, accounts of South Viet-Nameese diplomats in the authorized trade territory are licensed as accounts of unblocked nationals under section 500.506 unless the holder of the account has specific reason to believe such persons have acted or purported to act for or on behalf of, or for the benefit of, South Viet-Nam or a national thereof after the effective date.

Similarly, all accounts of South Viet-Nameese individuals resident in the United States or the authorized trade territory as of April 30, 1975, are also unblocked unless there is specific reason to believe that such persons have acted or purported to act for or on behalf of, or for the benefit of, South Viet-Nam or a national thereof after the effective date.

Official accounts of the South Viet-Nameese embassy and consular offices in the United States and of the South Viet-Nameese mission to the United Nations are blocked, and are not entitled to the provisions of section 500.505. Specific licenses will be issued hereafter authorizing appropriate debits to these accounts.

(Over)

Specific licenses will also be issued in appropriate cases unblocking personal accounts of South Viet-Nameese nationals who hereafter establish residence in the United States or the authorized trade territory.

The regulations are also being amended to add a general license (section 500.531) authorizing until May 30, 1975, payments from blocked South Viet-Nameese accounts in connection with checks and drafts drawn or issued prior to April 30, 1975, provided: (a) the amount involved in any one payment does not exceed \$500, (b) the check or draft was in the process of collection by a domestic bank on or prior to the effective date, and (c) no payments to South Viet-Nam or nationals thereof are authorized except by deposit into a blocked account in a domestic bank.

A second general license (section 500.532) is being added authorizing the completion on or before May 4, 1975 of purchases or sales, made prior to April 30, 1975, of securities purchased or sold for the account of South Viet-Nameese nationals, provided that any proceeds are credited to a blocked account in the name of the person for whose account the sale was made and any securities purchased are held in such an account.

Section 500.204(a) (1) is also being amended to apply to goods of South Viet-Nameese origin. Section 500.322 is being amended to delete Cambodia and South Viet-Nam from the authorized trade territory. Technical amendments are being made in other sections of the regulations to reflect the addition of South Viet-Nam.

Copies of the amended regulations are being printed. If you should desire copies, please address your requests to our Foreign Department.

ALFRED HAYES,
President.