

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

Circular No. 8733
January 9, 1980

AMENDMENTS TO IRANIAN ASSETS CONTROL REGULATIONS
Effective January 7, 1980

*To All Banking Institutions
in the Second Federal Reserve District:*

Printed on the reverse side of this circular are amendments, effective January 7, 1980, to the Iranian Assets Control Regulations issued by the Office of Foreign Assets Control, United States Treasury Department. The amendments add additional licensing provisions relating to letters of credit.

Inquiries regarding this matter should be directed to Ernest T. Patrikis, Deputy General Counsel (Tel. No. 212-791-5022), Don N. Ringsmuth, Assistant General Counsel (Tel. No. 212-791-5007), or John Hopkins Heires, Adviser, Foreign Department (Tel. No. 212-791-6816).

THOMAS M. TIMLEN,
First Vice President.

(Over)

DEPARTMENT OF THE TREASURY
OFFICE OF FOREIGN ASSETS CONTROL
31 CFR Part 535
IRANIAN ASSETS CONTROL REGULATIONS
Amendments effective January 7, 1980

AGENCY: Office of Foreign Assets Control

ACTION: Final Rule

SUMMARY: The Office of Foreign Assets Control is amending the Iranian Assets Control Regulations. The purpose of the amendments is to add to the Regulations additional licensing provisions relating to letters of credit. The need for the amendments is to notify affected parties: (1) that the extension or renewal of standby letters of credit is authorized and (2) that in a case where payment of a letter of credit is authorized by general or specific license, forwarding of the letter of credit documents to the account party is also authorized. The effect of the amendments is that these licensing policies will now be available in published form to affected parties.

EFFECTIVE DATE: January 7, 1980

FOR FURTHER INFORMATION CONTACT:

Dennis M. O'Connell,
Chief Counsel
Office of Foreign Assets Control
Department of the Treasury
Washington, D. C. 20220
(202) 376-0236

SUPPLEMENTARY INFORMATION: Since the regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rule making, opportunity for public participation, and delay in effective date are inapplicable.

Section 535.568 contains a statement of licensing policy permitting the account party on a standby letter of credit to obtain a specific license to establish a blocked account on its books in lieu of payment by the bank into a blocked account and reimbursement by the

account party. New paragraph (i) of Section 535.568, added herein, indicates that the extension or renewal of such standby letters of credit is authorized.

1. Section 535.568 is amended to read as follows:

Section 535.568 **Certain standby letters of credit and performance bonds.**

* * *

(h) A person receiving a specific license under paragraph (b) of this section shall certify to the Office of Foreign Assets Control within five business days after receipt of that license that it has established the blocked account on its books as provided in that paragraph.

(i) The extension or renewal of a standby letter of credit is authorized.

2. Section 535.569 is added to read as follows:

Section 535.569 **Licensed letter of credit transactions; forwarding of documents.**

When payment of a letter of credit issued, advised, or confirmed by a bank subject to the jurisdiction of the United States is authorized by either general or specific license, the forwarding of the letter of credit documents to the account party is authorized.

Stanley L. Sommerfield
Director

Approved: Richard J. Davis
Assistant Secretary

(Authority: Secs. 201-207, 91 Stat. 1626; 50 U.S.C. 1701-1706; E.O. No. 12170, 44 FR 65729.)