

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

[Circular No. 8811]
April 24, 1980

AMENDMENTS TO IRANIAN ASSETS CONTROL REGULATIONS

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

Enclosed are additional amendments to the Iranian Assets Control Regulations issued by the Office of Foreign Assets Control of the United States Treasury Department.

The amendments, effective April 17, 1980 except as otherwise noted, impose new controls on transactions with Iran, and include:

(1) Section 535.204, which prohibits all imports of merchandise, goods, or services of Iranian origin that are or have been located in, or transported from or through, Iran after April 17, 1980.

(2) Section 535.206(a)(4), which prohibits making any payment, transfer of credit, or other transfer of funds, or other property, or interests therein, to any person in Iran.

(3) Section 535.209, which prohibits, effective April 24, 1980, all direct or indirect payments to, by, on behalf of, or otherwise involving, any foreign country or national thereof, if the payment is incident to travel to, or travel and maintenance within, Iran by any individual in Iran who is a United States citizen or a United States permanent resident alien. It is noted that the prohibition does not apply to transactions involving Iranian citizens irrespective of whether the Iranian citizens are also United States citizens.

(4) Section 535.562, which is a general license authorizing the purchase and importation, without restriction as to method of payment, of publications, films, and other news material by newsgathering agencies. This general license also authorizes certain other transactions relating to travel in Iran by journalists, or other newsgathering or transmitting personnel who are regularly employed by newsgathering or transmitting agencies. Transactions authorized include:

- a. Payment of expenses for travel to, and maintenance within, Iran.
- b. Acquisition, for transmission and importation into the United States, of publications, films, and other news material necessary for journalistic assignments.

Two reports are required to be filed with the Office of Foreign Assets Control of the Treasury by any person engaging in such transactions, or the employer of such person, including one report five days after the individual has initiated a transaction relating to travel in Iran, and another within five days after such person has departed Iran.

(5) Section 535.563, which is a general license authorizing support remittances by close relatives living in the United States to persons in Iran, provided that no blocked account may be debited.

Inquiries regarding the amendments 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 Function (Tel. No. 212-791-6816).

ANTHONY M. SOLOMON,
President.

DEPARTMENT OF TREASURY

Office of Foreign Assets Control

[31 CFR Part 535]

Iranian Assets Control Regulations;

Additional Prohibitions

AGENCY: Office of Foreign Assets Control,
Department of the Treasury

ACTION: Final Rule

SUMMARY: The Office of Foreign Assets Control is amending the Iranian Assets Control Regulations. The purpose of the amendment is to impose additional prohibitions on dealings with Iran. The need for the amendment is to implement the provisions of Executive Order No. 12211, signed by the President on April 17, 1980. The effect of the amendment is that imports of goods from Iran or of Iranian origin merchandise are prohibited; that payments or transfers of funds or other property to any person in Iran are prohibited; and that payments and transactions in support of travel to and maintenance within Iran of U.S. citizens and U.S. permanent resident aliens are prohibited.

EFFECTIVE DATE: April 17, 1980

FOR FURTHER INFORMATION CONTACT: Dennis M. O'Connell, Chief Counsel,
Office of Foreign Assets Control, Department of the Treasury, Washington, D.C.
20220, Tel. 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.

The prohibition set forth in new §535.209 on payments and transactions in support of travel to and maintenance within Iran by U.S. citizens and permanent resident aliens does not apply to U.S. citizens or permanent resident aliens who are also citizens of Iran.

Paragraph (a) of new §535.562 authorizes imports of news material by newsgathering agencies, notwithstanding the prohibitions on imports in §535.204. Paragraph (b) of §535.562 authorizes transactions in connection with newsgathering activities of journalists and news correspondents, notwithstanding the travel and maintenance payment restrictions of §535.209 and the import restrictions of §535.204 and the prohibitions in §535.201 on payments or other transfers of property in which Iran or an Iranian entity has an interest.

In addition, new §535.563 authorizes remittances to any close relative who is a citizen of Iran and who is a resident of and within Iran notwithstanding the new

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prohibition on the payment or transfer of any funds or other property to any person in Iran. The prohibitions do not affect remittances from Iran.

The new prohibitions on payments or other financial transfers in § 535.206(a)(4) bars any withdrawal from, or debit to, an account within the United States by a person in Iran for purposes of any transfer to any person in Iran. However, such an account is not a blocked account and may be used for payments or transfers within the United States.

31 CFR, Part 535 is amended as follows:

1. § 535.204 is added as follows:

§ 535.204 Imports from Iran or Iranian merchandise.

Except as specifically authorized by the Secretary of the Treasury (or by any person, agency, or instrumentality designated by him) by means of regulations, rulings, instructions, licenses, or otherwise, no merchandise, other goods or services of Iranian origin may be imported into the United States if such merchandise or goods are or have been located in or transported from or through Iran after the effective date of this section.

2. § 535.206 is amended by the addition of paragraph (a)(4) as follows:

§ 535.206 Financial transactions.

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(4) Make any payment, transfer of credit, or other transfer of funds or other property or interests therein to any person in Iran.

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3. § 535.208 is amended by the addition of paragraph (c) as follows:

§ 535.208 Evasions; effective date.

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(c) With respect to any amendments of the foregoing sections or any other amendments to this part the term "effective date" shall mean the date of filing with the Federal Register.

4. § 535.209 is added as follows:

§ 535.209 Transactions incident to travel and maintenance of U.S. nationals in Iran prohibited.

(a) The following actions by persons subject to the jurisdiction of the United States are prohibited:

(1) Any direct or indirect payment or transaction (including any transfer, other dealing in, or use of property) either to, by, on behalf of, or other otherwise involving, any foreign country or any national thereof, which is incident to travel to,

or travel or maintenance within Iran of any individual who is a U.S. citizen or U.S. permanent resident alien.

(b) The prohibitions of paragraph (a) of this section do not apply to transactions incident to travel or maintenance within Iran of individuals who are citizens of Iran.

(c) The effective date of this prohibition, as it relates to payments by or for the benefit of U.S. citizens or U.S. permanent resident aliens in Iran is April 24, 1980.

5. § 535.562 is added as follows:

§ 535.562 News material.

(a) Imports by newsgathering agencies. The purchase and importation of Iranian origin newspapers, magazines, photographs, films, tapes, and other news material or copies thereof by newsgathering agencies in the United States are authorized, without restriction as to method of payment, provided such materials are intended for use in news publication or news broadcast dissemination.

(b) Newsgathering activities in Iran by journalists and news correspondents. The following transactions by a journalist or other person who is regularly employed by a newsgathering or transmitting organization who travels to Iran or is within Iran for the purpose of gathering or transmitting news, filming news or making documentary films, or similar activities are authorized:

(1) payment of expenses for travel to, and maintenance within, Iran for the purposes of gathering and transmitting news to the United States; and

(2) the acquisition in Iran for transmission to and importation into the United States of newspapers, magazines, photographs, films, tapes, and other newsmaterial or copies thereof, necessary for the journalist assignments.

(3) Within five days after engaging in the initial transaction with respect to a trip to or stay within Iran covered by this paragraph, the person engaging in the transaction, or the organization by which such person is employed, shall notify the Office of Foreign Assets Control. The notification shall include the name of the person upon whose behalf the general license is being used. Within five days after his departure from Iran, any person utilizing the general license shall send a second notification to the Office of Foreign Assets Control that he has departed Iran.

6. §535.563 is added as follows:

§535.563 Family remittances to Iran.

(a) Remittances to any close relative of the remitter or of the remitter's spouse, who is a citizen of Iran and who is a resident of and within Iran, are authorized provided they do not involve any debit to a blocked account and are for the support of the payee and members of his household.

(b) The term "close relative" used with respect to any person means spouse, child, grandchild, parent, grandparent, uncle, aunt, brother, sister, nephew, niece, or spouse, widow, widower of any of the foregoing.

(c) The term "member of a household" used with respect to any person means a close relative sharing a common dwelling with such person.

DATED: 17 April 1980

(Signed) Stanley L. Sommerfield
Stanley L. Sommerfield
Director

Approved: (Signed) Richard J. Davis
Richard J. Davis
Assistant Secretary

[Authority: Sec. 201-207, 91 Stat. 1626, 50 U.S.C.
1701-1706; E.O. No. 12170, 44 FR 65729, E.O. No.
12205, 45 FR 24099; E.O. No. , 45 FR .]

Filed: April 18, 1980

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