

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 9092]
June 17, 1981

AMENDMENTS TO IRANIAN ASSETS CONTROL REGULATIONS

Effective June 12, 1981

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

Printed on the following pages are amendments to the Iranian Assets Control Regulations issued by the Office of Foreign Assets Control of the United States Treasury Department.

The amendments extend the time for transfer of certain financial assets to this Bank to a date to be determined by the Treasury after the Supreme Court has had an opportunity to review legal arguments challenging the President's authority to order the transfers. The amendments also defer enforcement of penalties for failure to transfer non-financial assets to Iran when such assets are the subject of an attachment, injunction, or other like proceeding or process.

Additionally, the amendments specify that persons required to transfer financial assets must report on the assets on Form TFR-620 by June 26, 1981, whether or not the assets are actually transferred by that date. Copies of the report forms may be obtained from John Sullivan, Foreign Assets Control Specialist (Tel. No. 212-791-8933).

Inquiries regarding the amendments should be directed to Daniel M. Rossner, Attorney, Legal Department (Tel. No. 212-791-5040).

ANTHONY M. SOLOMON,
President.

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 535

Iranian Assets Control Regulations:

Transfer of Financial Assets to Federal Reserve Bank of New York

AGENCY: Office of Foreign Assets Control.

ACTION: Final Rule.

SUMMARY: The Office of Foreign Assets Control is amending the Iranian Assets Control Regulations. The purposes of the amendments are: (1) to extend the time for transfer to the Federal Reserve Bank of New York of certain Iranian financial assets held by domestic banks and nonbanking institutions to a date to be determined by the Department of the Treasury after the Supreme Court has had an opportunity to review legal arguments challenging the President's authority to order the transfers; (2) to provide that the United States Government will not seek to impose penalties for failure to transfer nonfinancial assets to Iran before that date to be determined by the Department of the Treasury when such assets are the subject of an attachment, injunction or other like proceeding or process; and (3) to specify that persons required to make transfers under section 535.213 or section 535.214 shall report by June 26, 1981, on the assets required to be transferred, whether or not the assets are actually transferred by that date.

EFFECTIVE DATE: June 12, 1981.

FOR FURTHER INFORMATION CONTACT: Raymond W. Konan, Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220, Tel. (202) 376-0236.

SUPPLEMENTARY INFORMATION: The Supreme Court will be reviewing the basic issues involved in legal challenges to the President's authority to order the transfer of certain assets of Iran. Because many of the financial assets required to be transferred under section 535.213 or section 535.214 are currently the subject of attachments, injunctions, or similar legal process, the validity of which is now before the Supreme Court for review, the time for their transfer to the Federal Reserve Bank of New York is being extended to a date to be determined subsequently by the Treasury Department.

The required reports are necessary to allow the timely compilation of information on financial assets required to be transferred to Iran by July 19, pursuant to the Iran-United States agreements of January 19, 1981.

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

Similarly, because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

31 CFR Part 535 is amended as follows:

1. Section 535.213 is amended by adding a new paragraph (e) as follows:

(e) For any property described in paragraph (a) of this section, the transfer time in paragraph (b) is extended to a date to be determined subsequently by the Department of the Treasury.

2. Section 535.214 is amended by adding a new paragraph (e) as follows:

(e) For any property described in paragraph (a) of this section, the transfer time in paragraph (b) is extended to a date to be subsequently determined by the Department of the Treasury.

3. Section 535.215 is amended by adding a new paragraph (c) as follows:

(c) The United States Government will not seek to impose civil or criminal sanctions on any party for failure to transfer before a date to be determined by the Department of the Treasury any property described in paragraph (a) of this section that is the subject of an attachment, injunction, or other like proceedings or process on June 19, 1981.

4. Section 535.620 is revised to read as follows:

Section 535.620 *Report on transfer of domestic bank assets and financial assets held by nonbanking institutions.*

(a) *Requirement for reports.* A report shall be filed by June 26, 1981 on Form TFR-620 by any bank or nonbanking institution regarding any transfer to the Federal Reserve Bank of New York that is required by section 535.213 or section 535.214. Any reporter that transfers property to the Federal Reserve Bank of New

York by June 19, pursuant to section 535.213 or section 535.214, shall describe the property so transferred. Property (including interest through July 8, 1981) not transferred but required by section 535.213 or section 535.214 to be transferred shall be separately described.

(b) *Contents of report.* Each report shall contain the following information:

(1) Name and address of the transferor (indicate whether bank or nonbanking institution).

(2) Name and telephone number of person to be contacted about the transfer.

(3) Description of the property transferred or required to be transferred with a list of accounts, including branch, account party, account number, and account amount, with breakdown between principal and interest (as of date transferred or as of July 8 if not yet transferred).

(4) Total value (market value in the case of securities) of each transfer.

(5) Date and time of transfer (if applicable).

(6) A statement as to how interest was calculated, including rate(s) of interest and period(s) for which the rate(s) was applied.

(c) *Filing.* Reports shall be prepared in triplicate. Two copies shall be sent in a set to Unit 620, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220. The third copy shall be retained for the reporter's records.

(d) *Confidentiality of reports.* Reports under this section are regarded as privileged and confidential but may be disclosed to Iran.

(e) *Updating of reports.* The Form TFR-620 report shall be updated within five business days of the transfer date to be determined by the Treasury Department by any reporter that does not transfer to the Federal Reserve Bank of New York, on or before that date, the property described in the reporter's TFR-620 report. The required updating shall include a full explanation as to why the property actually transferred was not the same as the property described in the reporter's TFR-620 report.

(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. 12211, 45 FR 26605; E.O. No. 12276, 46 FR 7913; E.O. No. 12279, 46 FR 7919; E.O. No. 12280, 46 FR 7921; E.O. No. 12281, 46 FR 7923; E.O. No. 12282, 46 FR 7925; and E.O. No. 12294, 46 FR 14111.)