FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. **9209**
December 9, 1981]

AMENDMENT TO IRANIAN ASSETS CONTROL REGULATIONS

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

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

The amendment requires all U.S. banking institutions which intend to assert a claim against the $1.418 billion escrow account at the Bank of England (''Dollar Account No. 2''), established pursuant to the January 1981 U.S.-Iran settlement, to register in writing with the Office of Foreign Assets Control on or before December 16, 1981. Any banking institution which does not register is precluded from asserting a claim against the escrow account.

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

ANTHONY M. SOLOMON,
President.

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 535

Iranian Assets Control Regulations: Registration of Bank Claims Against the Escrow Account at the Bank of England; Preclusion of Unregistered Claims

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 this amendment is to require U.S. banking institutions to register in writing with the Office of Foreign Assets Control, on or before December 16, 1981, if they have, and intend to assert, claims against the account established by the deposit of $1.418 billion in escrow at the Bank of England pursuant to Paragraph 2(B) of the January 19, 1981, Undertakings of the Government of the United States of America and the Government of the Islamic Republic of Iran with Respect to the Declaration of the Government of the Democratic and Popular Republic of Algeria ("the Undertakings"). Banking institutions which do not register pursuant to this section are precluded from asserting any claim against the Escrow Account described above.

EFFECTIVE DATE: December 4, 1981

FOR FURTHER INFORMATION CONTACT: Loren Dohm, Chief, Census Unit, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220, Tel. (202) 376-0968.

SUPPLEMENTARY INFORMATION: The Government of the Islamic Republic of Iran has requested that the Government of the United States provide it with the names of U.S. banking institutions that intend to assert claims against the account established by the deposit of $1.418 billion in escrow ("the Escrow Account," also known as "Dollar Account No. 2") at the Bank of England pursuant to Paragraph 2(B) of the Undertakings. The United States has agreed to this request.

Paragraph 2(B) of the Undertakings provides that funds retained in the Escrow Account will be used "for the purpose of paying the unpaid principal or the interest owing, if any, on the loans and credits referred to in Paragraph (A) [syndicated loans] after application of the $3.667 billion and on all other indebtedness held by United States banking institutions of, or guaranteed by, the Government of Iran, its agencies, instrumentalities or controlled entities not previously paid and for the purpose of paying disputed amounts of deposits, assets, and interests, if any, owing on Iranian

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deposits in U.S. banking institutions."

In complying with this registration requirement, a banking institution is asked to submit only the name of the institution, its address, and the name, title, and telephone number of an appropriate contact person. There is no requirement that additional details as to the amount or basis of the claim be provided.

Since the Regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. Section 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.

This registration requirement is not subject to the Paperwork Reduction Act of 1980, 44 U.S.C. section 3501 et seq.

31 CFR Part 535 is amended as follows:

Section 535.621 is added as follows:

Section 535.621 Registration of Bank Claims against the Escrow Account at the Bank of England

(a) Registration requirement. Any U.S. banking institution that has, and intends to assert, a claim against the account established by the deposit of $1.418 billion in escrow ("the Escrow Account," also known as "Dollar Account No. 2") at the Bank of England pursuant to Paragraph 2(B) of the Undertakings of the Government of the United States of America and the Government of the Islamic Republic of Iran with Respect to the Declaration of the Government of the Democratic and Popular Republic of Algeria, is required to register with the Office of Foreign Assets Control, in writing, on or before December 16, 1981.

(b) Contents of Registration Notice. The required registration shall refer to this section of the Regulations and contain the following:

(1) Name and address of the banking institution; and

(2) Name, title, and telephone number of person who may be contacted about this registration.

(c) Filing. One copy of this registration notice, which shall be in the form of a letter or a telex (Telex No. 710-822-9201), should be sent to Unit 621, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220. Telexed notices should also include the telephone number (376-0968) of the Census Unit. A copy of the notice should be retained for the submitter's records.

(d) Failure to Register. Any banking institution which does not submit a registration notice pursuant to this section shall be precluded from asserting any claim against the Escrow Account.

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[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.]

Dated: December 4, 1981

Dennis M. O'Connell
Director

Approved:

John M. Walker, Jr.
Assistant Secretary

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