

**FEDERAL RESERVE BANK
OF NEW YORK**

January 9, 1989

Foreign Assets Control Regulations

*To All State Member Banks, Bank Holding Companies,
Edge and Agreement Corporations, and Branches and Agencies of
Foreign Banks in the Second Federal Reserve District:*

Enclosed is a copy of a booklet entitled *Foreign Assets Control Regulations for the Financial Community*, prepared by the Office of Foreign Assets Control (OFAC), U.S. Department of the Treasury, which summarizes the Foreign Assets Control Regulations administered by OFAC.

OFAC is responsible for the administration of laws and regulations relating to economic sanctions imposed against selected foreign countries. These economic sanctions differ for each country affected, depending on the public policy objectives to be achieved. OFAC has developed this summary outline of its regulations to assist bankers in understanding the sanctions imposed on each country.

The booklet is intended as a convenient reference but does not replace or supplement the current regulations. Economic sanctions under the regulations apply to U.S. banks, including their overseas branches and subsidiaries, and to branches and agencies of foreign banks operating in the United States.

Questions regarding the interpretations of these regulations should be directed to Dennis P. Wood, Compliance Officer, Licensing Compliance Office (Tel. No. 202-376-4783), Office of Foreign Assets Control, U.S. Department of the Treasury, Suite 203, 1331 G Street, N.W., Washington, D.C. 20220.

CHESTER B. FELDBERG,
Senior Vice President.

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 10280]
January 5, 1989]

REGULATION CC

Final Preemption Determination — New Jersey

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

The Board of Governors of the Federal Reserve System has issued a final determination that provisions in New Jersey law concerning disclosure of a bank's funds availability policy are preempted under Regulation CC.

Printed below is the text of the Board's notice, as published in the *Federal Register* of December 23. Questions on the final preemption determination should be directed to our Check Processing Function (Tel. No. 212-720-6334).

E. GERALD CORRIGAN,
President.

FEDERAL RESERVE SYSTEM

12 CFR Part 229

[Docket No. R-0647]

**Regulation CC; Availability of Funds
and Collection of Checks; Preemption
Determinations**

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Final interpretation.

SUMMARY: The Board is publishing a final official Board interpretation concerning a preemption determination under its Regulation CC, Availability of Funds and Collection of Checks, with respect to the law of New Jersey. The Expedited Funds Availability Act provides standards for determining whether State law governing funds availability supersedes, or is preempted by Federal law. Under Regulation CC, the Board will issue preemption determinations upon request.

EFFECTIVE DATE: December 19, 1988.

FOR FURTHER INFORMATION CONTACT:
Oliver Ireland, Associate General

Counsel (202/452-3625), Legal Division, or Louise L. Roseman, Assistant Director (202/452-3874) or Gayle Thompson, Program Leader (202/452-2934), Division of Federal Reserve Bank Operations; for the hearing impaired only: Telecommunications Device for the Deaf, Earnestine Hill or Dorothea Thompson (202/452-3544).

SUPPLEMENTARY INFORMATION:

Background

On May 13, 1988, the Board adopted Regulation CC to carry out the provisions of the Expedited Funds Availability Act (the "Act") (12 U.S.C. 4001-4010). The regulation requires banks to make funds available to their customers within specified time frames, and to disclose their funds availability policies to their customers. A number of states have also enacted rules governing funds availability. The Act (section 608) and Regulation CC (§ 229.20) provide that any provision of state law in effect on or before September 1, 1989, that provides for a shorter hold for a category of checks than is provided

under federal law will supersede the federal provision.

Provisions of state law governing funds availability that permit a bank to make funds available for withdrawal in a longer period than permitted under Regulation CC are considered inconsistent, and are preempted by Regulation CC. In addition, state disclosure and notice requirements concerning funds availability related to accounts covered by Regulation CC are preempted by the federal disclosure scheme.

Regulation CC provides for Board determinations of whether state law related to the availability of funds is preempted by federal law upon the request of a state, bank, or other interested party.

Discussion

The Board issued, for a 30-day public comment period, a proposed preemption determination with respect to New Jersey law. 53 FR 44352 (November 2, 1988). The Board set out principles, at

(OVER)

the time it adopted several final state preemption determinations in August, as guides for future preemption determinations. 53 FR 32354 (August 24, 1988). Those principles have been followed in the proposed New Jersey determination as well.

The State of New Jersey Department of Banking requested that the Board issue a preemption determination under Regulation CC with respect to New Jersey law. New Jersey does not have a law or regulation establishing maximum time periods within which funds deposited to accounts must be made available for withdrawal. New Jersey does, however, have regulations governing the disclosure of an institution's availability policy. Regulation CC provides that state funds availability disclosure or notice requirements applicable to accounts covered by the federal rules are preempted by the federal disclosure scheme. The Board received no comments from the public on the proposal, and has adopted the New Jersey preemption determination as proposed.

List of Subjects in 12 CFR Part 229

Banks, Banking, Federal Reserve System.

For the reasons set out in the preamble, 12 CFR Part 229 is amended

as follows:

PART 229—(AMENDED)

1. The authority citation for Part 229 continues to read as follows:

Authority: Title VI of Pub. L. 100-86, 101 Stat. 522, 635, 12 U.S.C. 4001 et seq.

2. Appendix F is amended by adding a preemption determination for the state of New Jersey alphabetically to read as follows:

Appendix F—Official Board Interpretations; Preemption Determinations

* * * * *

New Jersey

Background

The Board has been requested, in accordance with § 229.20(d) of Regulation CC (12 CFR Part 229), to determine whether the Expedited Funds Availability Act (the "Act") and Subpart B (and in connection therewith, Subpart A) of Regulation CC preempt the provisions of New Jersey law concerning disclosure of a bank's funds availability policy. (See also the Board's preemption determination regarding the Uniform Commercial Code, section 4-213(5), pertaining to availability of cash deposits.)

New Jersey does not have a law or regulation establishing the maximum time periods within which funds deposited by check or electronic payment must be made available for withdrawal. New Jersey does,

however, have regulations concerning the disclosure of a banking institution's availability policy (N.J.A.C. 3:1-15.1 et seq.).

Disclosures

New Jersey law requires every banking institution (defined as any state or federally chartered commercial bank, savings bank, or savings and loan association) to provide written disclosure to all holders of and applicants for deposit accounts which describes the institution's funds availability policy. Institutions must also disclose to their customers any significant changes to their availability policy.

Regulation CC preempts state disclosure requirements concerning funds availability that relates to "accounts" that are inconsistent with the federal requirements. The state requirements are different from, and therefore inconsistent with, the federal disclosure rules. (§ 229.20(c)(2)). Thus, the New Jersey statute (N.J.A.C. sections 3:1-15.1 et seq.) is preempted by Regulation CC to the extent that these disclosure provisions apply to "accounts" as defined by Regulation CC. The New Jersey disclosure rules would continue to apply to other "deposit accounts," as defined by New Jersey law, including money market accounts and savings accounts established by a natural person for personal or family purposes, which are not governed by the Regulation CC disclosure requirements.

By order of the Board of Governors of the Federal Reserve System, December 19, 1988.

William W. Wiles,

Secretary of the Board.

[FR Doc. 88-29458 Filed 12-22-88; 8:45 am]

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Foreign Assets Control Regulations for the Financial Community



Office of Foreign Assets Control, U.S. Department of the Treasury

Foreign Assets Control Regulations for the Financial Community

Office of Foreign Assets Control, U.S. Department of the Treasury
1331 G Street, N.W. Washington, D.C. 20220
202/376-0395

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I. Introduction

The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury administers a series of laws that impose economic sanctions against selected foreign countries to further U.S. foreign policy and national security objectives. The economic sanctions program of the U.S. Government is a powerful foreign policy tool. Its success requires the active participation and support of every financial institution. The use of economic sanctions goes back to the earliest days of the Republic through trade embargoes, blocked assets controls, travel bans, and other commercial and financial restrictions. Management of such sanctions has traditionally been entrusted to the U.S. Secretary of the Treasury.

OFAC is responsible for promulgating, developing, and administering the sanctions Regulations and program for the Secretary under five basic statutes. The Federal Bank Regulatory Agencies are cooperating in ensuring financial institution compliance with OFAC Regulations.

II. OFAC Laws, Embargoed Countries, and Criminal Penalties

A—Trading With the Enemy Act (TWEA), codified at 50 U.S.C. App.5 (North Korea, Vietnam, Cambodia, Cuba, East Germany, Estonia, Latvia, and Lithuania) provides for ten years imprisonment and a USD50,000 fine;

B—International Emergency Economic Powers Act (IEEPA), codified at 50 U.S.C. 1701 (Iran, Libya, Nicaragua, and Panama) provides for ten years imprisonment and a USD50,000 fine;

C—Comprehensive Anti-Apartheid Act (CAAA), codified at 22 U.S.C. 5001 (South Africa) provides for ten years imprisonment and a USD50,000 fine;

D—International Security and Development Cooperation Act (ISDCA) codified at 22 U.S.C. 2349 aa-9 (Iran) has no criminal penalties, but general Customs laws are applied;

E—The Criminal Code at 18 U.S.C. 1001 provides for five years imprisonment and a USD10,000 fine for falsification or misrepresentation of the facts surrounding poten-

tial violations of the sanctions program.

III. Civil Penalties

OFAC has independent authority to impose civil penalties for violations under IEEPA (USD10,000) and CAAA (USD50,000). Administrative fines can be imposed for violations of the sanctions program against South Africa, Libya (IEEPA), Nicaragua, Iran, and Panama. A detailed outline of Prepenalty and Penalty Procedures follows as APPENDIX I.

IV. Compliance Programs and Audit Procedures

The importance of establishing a compliance program and developing internal audit procedures should be obvious to every financial institution. A bank in non-compliance may be opening itself to adverse publicity, fines, and even criminal penalties, if violations are other than inadvertent.

It is often difficult to balance the demands of Federal and State bank examiners with limitations on time, resources, and manpower imposed by bank management. While every financial institution must comply with the same laws and regulations, no compliance program can be pre-packaged and sold in the open marketplace. Every program must be tailored to meet the needs and structure of individual financial institutions. The Federal Bank Regulatory Agencies will be reviewing the financial institutions under their supervision to determine the adequacy of compliance programs with regard to OFAC Regulations.

OFAC recommends that every bank designate a "Compliance Officer," a "Compliance Committee," or create a "Compliance Department." Formal compliance responsibilities should also be assigned to all operations and systems managers. Internal auditing departments ought to be charged with assisting in the development of "corporate compliance memoranda" and should verify that procedures, once established, are being followed. As an example of tight controls, one financial institution included the following paragraph in one of their "compliance memoranda:"

Areas designated as responsible for implementation of compliance requirements, policies, and procedures

which are set forth in this Corporate Compliance Memorandum will incorporate them into new or existing operational procedures. To assure the implementation of this policy, designated units must return the enclosed implementation letter verifying that their area has implemented the necessary procedures. If any unit has any questions concerning the policies and procedures, it should contact Corporate Compliance.

An in-depth audit of each department in the bank ought to be conducted at least once or twice a year. The compliance audit may either be incorporated into a bank's standard auditing program or conducted separately. Preferably findings should be reported to senior management or to the bank's board of directors. Internal auditing departments should not be surprised if they are questioned by Federal Bank Examiners about their bank's compliance procedures regarding OFAC Regulations.

An effective internal communication network is critical for regulatory compliance. Banks might consider including regulatory notices and explanations in staff newsletters. Compliance training programs ought to be initiated—reviewing regulations in staff meetings, incorporating compliance requirements into operating procedures, and joining with other banks to sponsor seminars.

An example of a successful bank compliance program regarding blocked assets may be found in APPENDIX II.

V. Terminology

There are a number of key phrases which consistently reappear in Treasury sanctions:

A—Blocking—Also called "freezing," this is a form of controlling assets under U.S. jurisdiction. While title to blocked property remains with the designated country or national, the exercise of the powers and privileges normally associated with ownership is relegated to the U.S. Treasury Department and controlled by OFAC specific licenses. Blocking immediately imposes an across-the-board prohibition against transfers or transactions of any kind with regard to the property.

B—Blocked Account—An account with respect to which payments, transfers, withdrawals or other dealings may

not be made except as licensed by OFAC or otherwise authorized by the Treasury Department.

C—General License—A regulatory provision authorizing certain transactions—not an actual document. Its terms are listed in the appropriate Regulations. The concept is similar in meaning to that employed by the U.S. Department of Commerce. Transactions consistent with normal banking practice are frequently permitted by general license. For questions about general licenses, contact OFAC at 202/376-0392.

D—Specific License—A permit issued by OFAC on a case-by-case basis to a specific individual or company allowing an activity that would otherwise be prohibited by the embargo or sanctions program. Banks should note that OFAC specific licenses are authenticated with an official Treasury seal embossed (in the manner of a Notary seal) over the signature of OFAC's Chief of Licensing. Each license bears a control number that can be verified by calling OFAC Licensing at 202/376-0236.

E—Offset—Exercise of the right to net out mutual indebtedness. Offset is a prohibited transfer of frozen assets in situations of blocked property. When foreign assets held by an American company (including a bank) are frozen, the assets and any claims which the American company may have against the foreign owner are kept separate.

F—Interest—Must be paid for blocked accounts of Cuba, North Korea, Vietnam, Cambodia, East Germany, Estonia, Latvia, and Lithuania; may be paid upon request for blocked accounts of Libya; it should be at a rate "no less than the maximum rate payable on the shortest time deposit in the bank where the account is held. Such an account includes six-month T-bills or insured CD's with a maturity not exceeding six months as appropriate for the amounts involved."

G—Property—Anything of value. Examples of property under TWEA sanctions are: money, checks, drafts, debts, obligations, notes, warehouse receipts, bills of sale, evidences of title, negotiable instruments, trade acceptances, contracts, and anything else real, personal, or mixed, tangible or intangible, "or interest or interests therein, present, future, or contingent." Practically everything that

banks do every day involves "property" within the meaning of the regulations.

H—*Have An Interest In*—Has a very broad meaning under TWEA and arises in many forms—e.g., seller, purchaser, agent, account party, beneficiary, opening, confirming, or advising bank, country of origin of products, country of intermediate or ultimate consignment of an export... In other words, the regulations are broader in scope than ordinary banking definitions. Three examples might help: (1) OFAC found Libya to "have an interest in" office furniture being sold by a North Carolina manufacturer to an Illinois purchaser, where the parties were aware that the furniture would be resold to a South Korean firm for installation in a Libyan project. The interest of Libya arose from the contract chain leading from North Carolina to Tripoli; (2) a Federal Court in New York found the Chinese government "had an interest in" all products exported from China, even after their initial sale to a foreign country, because of the potential for hard currency earnings from those exports;

(3) U.S. Custom's Exodus Command Center recently found Cuba to "have an interest in" and seized a shipment of cigars which had been transshipped from Havana through Toronto to Miami for ultimate consignment to a Bahamian company. The goods were not licensed by OFAC to enter U.S. commerce even as an "in-transit" shipment.

I—*Person Subject To The Jurisdiction Of The United States*—The universe which must comply with OFAC regulations. It includes American citizens and permanent resident aliens wherever they are located; individuals and entities located in the United States (including all foreign branches, agencies, rep offices, etc.); corporations organized under U.S. law, including foreign branches; and (under TWEA based sanctions only) entities owned or controlled by any of the above, the most important being foreign-organized subsidiaries of U.S. corporations.

J—*Specially Designated Nationals*—Usually persons who or which are not nationals of a designated target country, but who are nonetheless treated as nationals in applying sanctions to their transactions; they are typically front organizations. The term also includes actual nationals who are highlighted as being of special concern to the Treasury

Department by being mentioned on the "SDN" list so that persons subject to the jurisdiction of the United States will know they are prohibited from dealing with them. The last update appeared in the Federal Register on December 10, 1986 (see APPENDIX III). Watch the Federal Register in January of each year, beginning in 1989, for a comprehensive annual update. For specific questions about SDN's contact OFAC Enforcement at: 202/376-0400.

K—*Census*—Comprehensive statistical survey of blocked assets conducted from time to time by OFAC. Response is mandated by law. The information obtained from the survey is of vital importance to the U.S. Government for foreign policy planning purposes, to assist Treasury in the preservation of blocked assets and to enhance their value for the benefit of U.S. claimants, including financial institutions.

VI. Bank Responsibility by Country

A—*South Africa*

South African Transactions Regulations (31 CFR 545)

1) *Loans To The Government Of South Africa*—No loans are permitted to the South African Government (SAG) or to controlled entities of the SAG unless they involve an agreement entered into prior to September 9, 1985 [the agreement must be on file].

For banks, the definition of "loan" may be found at 31 C.F.R. 545.304:

"any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit," including , but not limited to:

- (i) overdrafts;
- (ii) currency swaps;
- (iii) the purchase of debt securities [e.g., bonds] issued by the Government of South Africa after November 11, 1985;

(iv) the purchase of debt securities issued by a South African entity on or after October 2, 1986;

(v) the purchase of equity securities [e.g., stocks] issued by the Government of South Africa or a South African entity on or after October 2, 1986;

(vi) the purchase of a loan made by another person;

(vii) the sale of financial assets, including precious metals, subject to a repo agreement;

(viii) a renewal or refinancing where new funds or credits are transferred or extended to a prohibited borrower or recipient; or

(ix) the issuance of a standby letter of credit.

Note that the prohibition against "loans" does not include:

(i) normal short-term trade finance for goods or services with a maturity of a year or less (the definition of "trade finance" is taken from the Fed's "Country Exposure Report");

(ii) the confirmation of commercial L/C's not exceeding a year (the confirmation of standby L/C's is not allowed);

(iii) foreign exchange transactions executed at current market rates for immediate or future delivery (including "short-term overdrafts" to clearing accounts incidental to the FOREX trade); or

(iv) the rescheduling of existing loans where no new funds or credits are transferred or extended to a prohibited borrower or recipient.

The meaning of "rescheduling" in the South African context is very broad. It includes, for example, "PIC loans." In a debt moratorium variation to conserve hard currency, South Africa prohibits repatriation by foreign creditors of more than a minimal amount of principal due to them. The mechanism that the Government uses to insure compliance is to substitute itself as obligor on outstanding private debt through an official body called the Public Investment Commissioners (PIC). The Regulations recognize that in a PIC loan assumption, private debt is taken

over by the Government. The Regulations state that they do "not prohibit a financial institution in the United States from complying with applicable laws, regulations or other directives of the South African Government requiring or permitting the South African Government to become the primary obligor with respect to an outstanding loan, provided that no new funds or credits are thereby transferred or extended to a prohibited borrower." Neither do they prohibit "a financial institution in the United States from rescheduling loans or otherwise extending the maturities of existing loans, or from charging fees, or interest at commercially reasonable rates." The practical effect of this language is to allow U.S. banks to "on-lend" amounts in their PIC accounts to new private sector borrowers. The redeployment of local funds "tied up" in South Africa is permissible so long as no new funds or credits are transferred or extended. Many U.S. banks have substantial principal built up in their accounts with the PIC. They are permitted to relend this principal by directing the PIC to pay funds in their accounts to new South African borrowers at rates usually providing a higher yield than PIC funds.

2) *No New Investment In South Africa Including Loans To The South African Private Sector*—No "new investment" is permitted in South Africa on or after November 16, 1986--this includes loans and other extensions of credit by any U.S. national whether to the public or to the private sector.

(i) it does not matter whether there was an agreement on private debt entered into before the cut-off date.

(ii) an exemption is granted on loans to firms owned by black South Africans, but any bank wishing to make such a loan must:

(a) file a prior registration with OFAC

(b) obtain an "affidavit" from the borrower that the firm has at least 75% ownership and management by Black South Africans

[The information filed with OFAC including the names and titles of Black South African participants is subject to verification by the overseas posts of the U.S. Government];

(iii) Specific licenses may be issued by OFAC on a case-by-case basis for loans intended for educational, humanitarian, health, or housing projects provided on a non-discriminatory basis;

(iv) Guarantees currently in place may be renewed and, if oral, made written, but no "new" loan guarantees may be made nor may "guarantees" be increased in amount;

(v) Parent companies may "take over" loans from U.S. financial institutions to their wholly-owned South African subsidiaries under an existing guarantee or support obligation provided the transfer from bank to parent represents no new extensions of credit in South Africa (e.g., by a parent's forgiving a subsidiary's debt);

(vi) U.S. companies wishing to divest themselves of South African holdings sometimes insist that they must "invest in order to disinvest." An Economically Sound Manner exception to the Regulation's new investment prohibition authorizes "contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations." Any such ESM contribution must be registered in advance with OFAC. Any bank involved in a loan, the proceeds of which it knows a parent is forwarding to a South African subsidiary, must obtain an affidavit from the borrower that the ESM argument is in effect. Failure to obtain the affidavit could place the bank in the situation of violating a prohibition against "loans through intermediaries." Schemes such as loans or discounts to buy-out groups, contributions to subsidiaries to render them saleable, etc. are generally prohibited. Companies contemplating disinvestment should be told to contact OFAC at 202/376-0392 for guidance;

(vii) No new loan participations are permitted unless the obligation to purchase existed before October 2, 1986, or is received as a result of an acquisition of another financial institution or all of its assets.

3) *Bank Accounts*—U.S. banks may not maintain accounts for the Government of South Africa or South African entities unless specifically licensed; foreign offices of U.S. banks are permitted to hold such accounts.

4) *Exports*—There are no current OFAC restrictions. Export restrictions are, however, administered by the U.S. Department of Commerce under the Export Administration Regulations and through the U.S. Department of State's Office of Munitions Controls. Be aware that Customs' Exodus Command Centers will seize all items on the munitions list destined for the armed services, police, or other security forces of South Africa, all crude oil or refined petroleum products, and certain computer-related items if a customer attempts to export them to South Africa.

5) *Imports*—U.S. banks involved in the financing of imports from South Africa must require a certification from their importing customer that the goods are eligible for importation into the U.S. For your information, the following articles are not eligible for importation:

(i) articles "suitable for human consumption;"

(ii) agricultural commodities, products, byproducts, or derivatives;

(iii) iron ore;

(iv) iron;

(v) steel;

(vi) sugars, sirups, or molasses;

(vii) goods grown, produced, manufactured, marketed or otherwise exported by "parastatal organizations," i.e., the South African Government or entities owned, controlled, or subsidized by it. This includes gold bullion since all South African gold bullion is marketed by the Reserve Bank of South Africa, a parastatal organization. (A listing of South African parastatals is included with this circular as APPENDIX IV);

(viii) uranium ore or uranium oxide;

(ix) coal;

(x) textiles;

(xi) kruggerands, gold coins, or gold coin "jewelry;"

(xii) certain military articles.

["Third country" transactions--such as brokering or financing--even when they involve items that are prohibited above, are permitted, provided, of course, that the merchandise does not enter the United States.]

6) *Private Banking*—Foreign branches of U.S. banks may execute orders to purchase or to sell South African securities or stocks at the direction of non-U.S.-national principals, customers, or beneficiaries, however the foreign branch must have an affidavit on file certifying that their customer is, in fact, a non-U.S. national. Banks physically located in the U.S. may not engage in such transactions even for nonresident aliens.

7) *Securities*—Dealing in South African debt or equity securities issued on or after October 2, 1986 is a prohibited new investment. This is true regardless of whether the transaction occurs in the primary or secondary market. Shares issued by a South African entity on or after October 2, 1986 in a stock split or similar recapitalization, in a merger or other reorganization, or as a stock dividend with respect to shares issued prior to October 2, 1986, carry the issuance date of the pre-October 2, 1986 shares as long as there is no payment, contribution of funds or assets, or credit to or for the South African issuer. This exception is not available for shares acquired through the exercise of warrants or preemptive rights after November 15, 1986.

B—Panama

Panamanian Transactions Regulations (31 CFR 565)

1) *Financial*—All property and interests in property of the Government of Panama, its agencies, instrumentalities and controlled entities are blocked, including Banco Nacional de Panama and the Caja de Ahorros, if they are physically in or come within the United States. A listing of Panamanian Governmental entities is provided as APPENDIX IV. In order for any such property or interest in property to be "unblocked," it must be specifically licensed or otherwise authorized in the Regulations (e.g., for the use of officials "recognized" by the U.S. State Department). Banks should note that a certification from the State Department as to the validity of the credentials of a "recognized" diplomat is not sufficient to "unblock" any account, even when the

account is referenced in the certification. The unblocking of the account must be licensed by the Treasury Department.

2) *Exports*—While not a trade embargo program, banks should caution their exporting customers to beware of unlicensed transactions involving the Government of Panama or the Noriega/Solis regime. Banks are prohibited from handling any unauthorized transactions in which they have actual knowledge that the Noriega/Solis regime or the Government of Panama have an interest. Any property in the U.S. associated with the transaction would be blocked.

3) *Imports*—While not a trade embargo program, banks should caution their importing customers to beware of unlicensed transactions involving the Government of Panama or the Noriega/Solis regime. Banks are prohibited from handling any unauthorized transactions in which they have actual knowledge that the Noriega/Solis regime or the Government of Panama have an interest. Any property in the U.S. associated with the transaction would be blocked.

4) *Payments To The Noriega/Solis Regime From The U.S. Or Within Panama*—Most payments or transfers of currency and other financial or investment assets to the Noriega/Solis regime from the U.S. or by U.S. persons, branches, or subsidiaries located in Panama (including payments in kind) are prohibited. The most important prohibitions are: (1) corporate and individual income taxes, (2) direct taxes and fees, including export taxes and fees, (3) direct payment of excise taxes collected as agent for the Government of Panama, and (4) rental fees.

Certain payments and transfers are permitted to be made to the Noriega/Solis regime under "general license:" (1) payments by individuals other than income tax payments, (2) travel-related payments by individuals or by U.S. firms in connection with the provision of travel services to individuals, (3) payments for postal and telecommunications services, (4) payments for utilities and similar municipal services, (5) payments of indirect taxes, including sales and excise taxes, (6) administrative fees paid in connection with basic business activity, and (7) social security taxes, and (8) payments related to publications. Permissible administrative fees include: commercial license fees,

corporate registration fees and taxes, court pleading fees, creation of rights fees, copyright fees and taxes, custodial fees and services, document processing fees, fiscal stamps, health certificates, immigration fees, import duties, inspection services, international banking licenses, landing fees, licensing fees, litigation costs, mineral extraction fees, municipal taxes, new product fees, notaries' fees, occupational risk insurance fees, parking meters, passport fees, patent fees and taxes, plant inspection fees, port fees, quarantine fees, radio and television registration fees, recordation fees, stamp taxes, towage fees, transportation tolls, trademark fees and taxes, vehicle registration fees, visa fees, warehouse storage fees, and work permits. Banks can process such payments on an "unblocked" basis and without concern that they would be violating the Regulations.

Individuals may not make payments directly or indirectly for or on behalf of U.S. firms.

Any payments or transfers owed to the Government of Panama and not authorized for payment to the regime in Panama City must be made to "Government of Panama Account No.2" at the Federal Reserve Bank of New York: (a) over FedWire using typecode 15 and referring to routing number 021001208 or (b) by USD check or draft made payable to "the Federal Reserve Bank of New York for credit to Account No. 2 ONLY" and sent, along with all required and appropriate documentation to lockbox address: Republic of Panama, Box No. 0225, Washington, DC 20055. The reasons for the payment should be referenced on the FedWire form or check or should be sent under separate cover to the Census Section of OFAC.

5) *Interbank Clearing Payments*—This sanction program is not directed against the Panamanian private sector and it was not and is not the intent of the U.S. Government to disrupt normal clearing functions within the international banking community. There is an exemption in the Regulations for "interbank clearings" which are defined as "payments of funds by a bank to another bank, where such payments are effected by the bank or banks over a funds transfer system such as FedWire, CHIPS, SWIFT, or the like, or across an individual bank's books, where none of the banks involved has any actual knowledge that the original remitter of any funds to the Noriega/Solis regime is located in the United States..." Obviously payments or

transfers authorized elsewhere in the Regulations (e.g., under "general license) may be sent. The proceeds of a SWIFT MT-100 "customer transfer" where the Noriega/Solis regime is listed as the beneficiary/recipient would be frozen—with the money to be deposited into a blocked account. PUPID notification or application payments are obviously not permitted to be made to representatives of the Noriega/Solis regime in the United States. On the other hand, a SWIFT MT-202 message would clearly fit within the interbank clearing exemption in the Regulations and would be permitted.

6) *Proceeds Of Documentary Collections And Letters Of Credit*—Notwithstanding instructions received from their correspondents, banks located in the United States are not authorized to remit the proceeds of documentary collections or letters of credit to accounts maintained at Banco Nacional de Panama in Panama; such remittances are not included within the meaning of "interbank clearing payments" and would be blocked here as property in which the Government of Panama has an interest, however indirect. Banks located in the United States should seek alternate payment instructions from their correspondents.

C—Libya

Libyan Sanctions Regulations (31 CFR 550)

1) *Financial*—Government of Libya assets are frozen and all contracts, loans, and financial dealings with Libya are prohibited. The freeze means that all property of the Libyan Government and its owned or controlled entities, including all Libyan-organized and Libyan-owned or controlled banks (where Libya has a 50% or more interest), is blocked in banks in the United States and American banks' overseas branches. The prohibition on any transfer of property or interest in the property of Libya includes property that is now or in the future may come within the possession or control of U.S. persons.

2) *Imports*—No goods or services of Libyan origin may be imported directly into the U.S. or transshipped to the U.S. through a third country. If any customer wishes to do so insist on seeing the original of their specific license issued by OFAC, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files. Specific licenses for imports from

Libya are not being issued as of August 1988. If the customer insists they have a "general license," have them fill out an affidavit to that effect for your files and call OFAC to verify the information before handling the transaction.

3) *Exports*—No goods, technology, or services (including banking services for Libyan entities) may be exported to Libya or transshipped to Libya through a third country. No U.S. bank or foreign branch of a U.S. bank may finance, or arrange offshore financing for, third country trade transactions where Libya is known to have an interest in the trade as its ultimate beneficiary. OFAC takes the view that arranging transactions which ultimately benefit projects in Libya constitutes an exportation of brokerage services to Libya in violation of the Regulations. The only areas of trade finance that remain authorized for banks with respect to Libya involve the sale of parts and components to third countries, where the U.S. goods will be "substantially transformed" into new and different articles of commerce prior to shipment to Libya, or the sale of goods which come to rest in the inventory of a third-country distributor who sells less than 50% of his stock to Libya. Even these exceptions are not available if the finished product of the third country is destined for use in the Libyan petroleum or petrochemical industry. If any customer wishes to export to Libya insist on seeing the original of their specific license issued by OFAC, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files. No specific licenses for exports to Libya are being issued at this time.

4) *Contracts*—No U.S. person may perform any contract (including sales and service agreements) in support of an industrial or other commercial or governmental project in Libya.

5) *Subsidiary Transactions*—Independent transactions with Libya by U.S. owned foreign subsidiaries are permitted if no U.S. person or permanent resident has a role. While subsidiaries are exempted from these IEEPA based regulations, it should be emphasized that the actions of a U.S. parent and of U.S. citizens who manage or work for the subsidiary are not exempted from the prohibitions of the Regulations.

6) *Syndications*—"the prohibition on transfers of property or interests in property to the Government of

Libya...applies to payments and transfers of any kind whatsoever, including payment of debt obligations, fees, taxes, and royalties owed to the Government of Libya, and also including payment or transfer of dividend checks, interest payments, and other periodic payments." In any international lending function where a U.S. bank acts as paying bank for the debtor or agent/servicing bank for a syndication and is called upon to disburse funds to Libya other than into a blocked account, there is a requirement for a specific OFAC license. The license usually requires quarterly reports to be filed concerning disbursements to Libyan banks.

7) *Standby Letters Of Credit*—Special procedures have been established with regard to the payment of drawings under Standby Letters of Credit in favor of Libya. They involve what are called "568 set-aside accounts." Banks must "give prompt notice" of any drawing directly to the account party of the credit who then has five days to apply to OFAC for a specific license to prevent "payment" of the Letter of Credit into a blocked account. A bank may not make any payment even into a blocked account on behalf of a Libyan beneficiary unless 10 business days have elapsed following notification to the account party customer and the customer has not produced an OFAC specific license. If a license is issued, the account party of the credit may establish a "set-aside" of funds on their own corporate ledgers in favor of the Libyans in lieu of the bank "paying" their Letter of Credit. The account party must certify to OFAC that they have established such a set-aside account on their corporate books, but no further action is needed. The issuing bank must continue to maintain its contingent liability booking despite the establishment of any corporate set-aside account and, in the event the embargo is lifted, both the bank and the account party must apply to OFAC for a license to unblock the set-aside account and the L/C. Legal actions that customers may have taken to prevent payment of Standby Letters of Credit are preserved despite "568 Set-aside" accounts.

8) *Wire Transfers*—Banks should be wary of performing a traditional direct "clearing" function for international wire transfers destined for Libya that do not involve Eurodollar cover accounts. Once funds are credited to a blocked Libyan account, the funds are locked in the account and can only be unblocked by a specific OFAC license.

9) *Eurodollar Clearings*—Eurodollar clearings only indirectly involve Libyan accounts and are permitted. The Regulations state "transfers are authorized by order of a foreign bank which is not a Libyan entity from its account in a domestic bank (directly or through a foreign branch or a subsidiary of a domestic bank) to an account held by a domestic bank (directly or through a foreign branch or subsidiary) for a second foreign bank which is not a Libyan entity and which in turn credits an account held by it abroad for the Government of Libya."

10) *Blocked Accounts*—In regard to Libya, they may be, but need not be interest bearing. Funds may be transferred from a blocked DDA to a blocked interest-bearing account, but it is up to the depositor to request the transfer. No debits may be made to a blocked account to pay obligations of U.S. or other persons, including payments for goods, technology, or services exported prior to the ban on exporting.

D—Cuba

Cuban Assets Control Regulations (31 CFR 515)

1) *Imports*—No goods or services of Cuban origin may be imported directly into the United States or transshipped through a third country (such as Canada) into the United States) even if they are "substantially transformed" (e.g., nickel products); if any customer wishes to do so, insist on seeing the original of their specific license issued by OFAC, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files. If the customer insists they have a "general license" to import, have them fill out an affidavit to that effect for your files and call OFAC to verify the information before handling the transaction.

2) *Exports*—No goods, technology, or services may be exported to Cuba, directly or through another country. This includes the exportation of U.S. origin goods and technical data from third countries, the exportation of foreign-made goods produced from U.S. origin technical data, and the brokering of Cuban commodities. Foreign subsidiaries of U.S. firms may engage in two-way trade with Cuba in nonstrategic goods, like grains, pursuant to specific licenses issued by OFAC on a case-by-case basis, but U.S. Dollar financing of such trade is prohibited. In the event any customer wishes to export to Cuba, insist on

seeing the original of their specific OFAC license, verify the license by calling OFAC at 202/376-0392, and if authenticated, make a photocopy of the license for your files.

3) *Travel*—Travel to Cuba is restricted to travel by immediate family members, permanent employees of news organizations, officials of the U.S. Government, and certain other limited categories, unless there is a specific license from OFAC. Tourist and recreational travel are prohibited.

4) *Transportation And Shipping*—Transactions incident to transportation and shipping are prohibited except under very limited circumstances. Banks are not permitted to handle in any areas of their operations, including but not limited to letter of credit document processing, documentary collection handling, and commercial lending, bills of lading of Cuban shipping companies—whether they be nationals of Cuba or Specially Designated Nationals of Cuba.

5) *Blocked Accounts*—There is a total freeze on Cuban assets, both governmental and private, and on financial dealings with Cuba; all property of Cuba, of Cuban nationals, and of Specially Designated Nationals of Cuba in the possession of persons subject to the jurisdiction of the United States is blocked. Blocked Cuban accounts must be interest bearing. Banks should be aware of their responsibilities to appropriately label blocked accounts. They should take reasonable care to ascertain that there is no indication on suspected accounts of transactions referencing or involving Cuba. When in doubt, flag the account. The owner of a blocked account may transfer blocked funds from one domestic bank to another as long as the funds remain "blocked." Likewise, funds in one type of interest-bearing account may be transferred to another, for example, from a passbook savings account to a certificate of deposit.

6) *Commercial Loans*—No financial transactions in which Cuba has an interest are permitted. Banks that engage in any commercial dealings that involve trade with Cuba either directly or indirectly are at risk for substantial monetary penalties and criminal prosecution. This ban includes financing charter parties, common carriers, or borrowers who handle trade with Cuba.

7) *Family Remittances*—No transfer of funds to Cuba is permitted except that Cuban-Americans may send up to USD500.00 per quarter to the household of a "close relative" (meaning a "spouse, child, grandchild, parent, grandparent, uncle, aunt, brother, sister, nephew, niece, or spouse, widow, or widower of any of the foregoing"). An affidavit from your customer must be in your files that they have not exceeded the per-quarter limitation and the Bank must exercise "due diligence" in verifying that funds in excess of the quota have not been transmitted through it.

8) *Credit Cards*—Charge card transactions involving Cuba and the processing of such transactions are prohibited.

9) *Blocked Estates*—In situations of blocked estates, the only proceeds that can be processed on an unblocked basis are those of USD5,000 or less. No other payments are authorized.

10) *Trust Departments*—The sale of securities and other holdings is permitted provided the proceeds of the sale flow to the actual beneficiary into a blocked account in the same name.

11) *Lock Boxes*—Access to "blocked" safe deposit boxes for inventory is granted under certain conditions, but the actual contents of the boxes remain "blocked."

E—Vietnam, North Korea, Cambodia

Foreign Assets Control Regulations (31 CFR 500)

1) *Imports*—No goods or services may be imported directly or transhipped through a third country to the United States from the controlled countries, even if "substantially transformed" (e.g., coffee); if any customer wishes to do so insist on seeing the original of their specific license, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files. Specific licenses for imports from these countries are rarely, if ever, issued. If the customer insists they have a "general license" have them fill out an affidavit to that effect for your files and call OFAC to verify the information before handling the transaction.

2) *Exports*—No goods or services may be exported to or transhipped through a third country to the controlled countries from the United States; if any customer wishes to do so, insist on seeing the original of their specific license issued by OFAC, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files. Specific licenses for exports to these countries are rarely, if ever, issued. If the customer insists they have a "general license" have them fill out an affidavit to that effect for your files and call OFAC to verify the information before handling the transaction.

3) *Travel*—Is permitted for individuals only; no tours are allowed.

4) *Transportation And Shipping*—Transactions incident to transportation and shipping are prohibited except under very limited circumstances. Don't become involved with "Specially Designated National" shipping companies.

5) *Blocked Accounts*—There is a total freeze on North Korean, Vietnamese, and Cambodian assets, both governmental and private, and all financial dealings are prohibited. All accounts of those countries or of nationals of those countries are blocked. Banks should be aware of their responsibilities to appropriately label blocked accounts. They should take reasonable care to ascertain that there is no indication on suspected accounts of transactions referencing or involving the designated countries. When in doubt, flag the account. Blocked accounts must be interest bearing. Banks may take out normal service charges, but there should be no additional debits.

6) *Family Remittances*—Remittances to close relatives in Vietnam, including Cambodian nationals, are permitted up to USD300.00 per calendar quarter per household and up to USD750.00 on a one-time basis to enable a close relative to emigrate from Vietnam. The term "close relative" means a spouse, child, grandchild, parent, grandparent, uncle, aunt, brother, sister, nephew, niece, or spouse, widow, or widower of any of the foregoing." Banks must obtain an affidavit from the remitter that he has not exceeded the per-quarter limitation and the Bank must exercise "due diligence" in verifying that funds in excess of the quota have not been transmitted through them. No other transfer of funds or financial transactions are permitted.

7) *Charge Cards*—Charge card transactions involving these countries and the processing thereof are prohibited.

8) *Estates*—In situations of "blocked estates," the only proceeds that can be processed on an unblocked basis are those of USD5,000.00 or less. No other payments are authorized.

9) *Lock Boxes*—Access to "blocked" safe deposit boxes for inventory is granted under certain conditions, but the actual contents of the boxes remain "blocked."

10) *Trust Services*—The sale of "blocked" securities is permitted provided the proceeds of the sale flow to the actual beneficiary into a blocked account in the same name.

F—Nicaragua

Nicaraguan Trade Control Regulations (31 CFR 540)

1) *Imports*—No goods or services of Nicaraguan origin may be imported into the United States directly from Nicaragua or transshipped through a third country; if any customer wishes to do so insist on seeing the original of their specific license issued by OFAC, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files.

2) *Exports*—No goods or technical data may be exported from the United States to Nicaragua or transshipped to Nicaragua through a third country; if any customer wishes to do so insist on seeing the original of their specific license issued by OFAC, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files. Commercial exports of medicines and supplies intended strictly for medical purposes are permitted under "general license" and the financing of such exports is not prohibited, but be sure to obtain an affidavit from your customer that the material is, in fact, covered by a general license and call OFAC to verify the statement. Exports of services are permitted--banks may lend to Nicaragua or otherwise extend credit or conduct a financial transaction provided it does not relate to prohibited imports or exports.

3) *Offshore Transactions*—Foreign subsidiary and even branch trade is permitted and U.S. companies may broker

or otherwise participate in trade between Nicaragua and third countries. A U.S. person may obtain services from Nicaragua when they are to be rendered outside the U.S., including in Nicaragua.

G—Iran

Iranian Assets Control Regulations (31 CFR 535)

1) *Blocked Assets*—All blocked assets other than tangible property were transferred to the Hague effective January 1981 to set up a fund for the purpose of compensating successful claimants before the Iran-U.S. Claims Tribunal. Tangible property was left blocked in the United States.

2) *Standby Letters Of Credit*—Special procedures still apply regarding drawings under standby letters of credit. Banks were instructed by the original regulations to "give prompt notice" of any drawing directly to the account party of the credit who had five days to apply to OFAC for a specific license to prevent "payment" of the letter of credit. The bank could not make any payment even into a blocked account on behalf of an Iranian beneficiary unless 10 business days had elapsed following their notification to their customer and the customer had not produced an OFAC license. If a license was issued, then the account party of the credit was authorized to establish a "set aside" of funds on their own corporate ledgers in favor of the Iranians in lieu of the bank "paying" the letter of credit. The bank had to continue to carry the letter of credit as a contingent liability on its own books. Neither payments, nor the settling up of accounts is allowed unless the accounts and the letters of credit are unblocked. OFAC's Regulations specifically state that the set-aside accounts "do not affect the obligation of the various parties of the instruments covered...if the interest and payment thereunder are subsequently unblocked." Standby letters of credit for which "set aside accounts" were established must be unblocked by specific OFAC license when the underlying issue involving their payment has been resolved before the Iran-U.S. Claims Tribunal.

3) *Exports*—OFAC must specifically license exports of all blocked tangible property remaining in the United States when the export is awarded by or agreed to before the Iran-U.S. Claims Tribunal.

4) *New Transactions*—Property coming within the jurisdiction of the U.S. or of U.S. persons after January 19, 1981 is not blocked nor is property that Iran acquires an interest in after January 19, 1981. However, new Regulations regarding Iran have been promulgated in the form of the...

Iranian Transactions Regulations (31 CFR 560)

1) *Imports*—The importation of goods or services from Iran was prohibited effective 12:01 PM EST, 29 October 1987. Banks may not finance or otherwise service any goods or services subject to this prohibition. If one of your customers seeks financing or "servicing" of goods of Iranian origin, insist on seeing the original of their specific license issued by OFAC, verify the license by calling OFAC at 202/376-0392, and, if authenticated, make a photocopy of the license for your files. If customers insist that they have authority to import under an exception or under "general license," have them fill out an affidavit for your files that the transaction is covered by a general license or that the underlying trade occurred prior to the effective date of the Regulations. Call OFAC to verify that such an authorization exists.

H—East Germany, Estonia, Latvia, Lithuania

Foreign Funds Control Regulations (31 CFR 520)

1) *Blocked Accounts*—Originally intended to combat Nazis aggression during the Second World War, funds of Estonia, Latvia, and Lithuania within the possession of "persons subject to the jurisdiction of the United States" from July 10, 1940 through December 7, 1945 were frozen. Funds of the German Democratic Republic within the possession of "persons subject to the jurisdiction of the United States" from June 14, 1941 through December 31, 1946 were frozen. Banks should be aware that they may still have a number of accounts from that period on their books which remain blocked. The accounts must be interest bearing. The basic reason limited controls remain in effect with respect to the Baltic countries is that the U.S. has not recognized as valid under international law the 1940 forced incorporation of those states into the Soviet Union nor the Soviet claim to property owned by those countries and their nationals. The limited East German controls remain in effect pending the settlement of out-

standing U.S. claims and related issues. The restrictions do not apply to any assets of the referenced controlled countries which after 1946 came within the possession of "persons subject to the jurisdiction of the United States" nor do they affect current trade.

I—Miscellany

Transaction Control Regulations (31 CFR 505)

1) *Offshore Trading In 'Strategic Good'*— These Regulations prohibit any person within the United States from purchasing or selling, or arranging for the purchase or sale of, strategic merchandise located outside of the United States for ultimate delivery to the following countries: Albania, Bulgaria, Czechoslovakia, Estonia, East Germany, Hungary, Latvia, Lithuania, Mongolia, Poland and Danzig, and the U.S.S.R.; the prohibition applies not only to domestic American companies, but also to foreign firms owned or controlled by persons within the United States.

Soviet Gold Coin Regulations (31 CFR 555)

1) *Dealing In Soviet Gold Coin*—The importation of Soviet gold coins, including gold coin jewelry, is prohibited as of 12:01 AM EDT, 2 October 1986.

This outline is designed to serve as a "handy reference" on Foreign Assets Control Regulations for internal auditors and bank operations officers on the date of its issuance. It is not intended as a substitute for current sanctions programs published in the Code of Federal Regulations.

31 CFR Parts 535, 540, 545, and 550**Iran, Nicaragua, South Africa, and Libya; Prepenalty and Penalty Procedures**

AGENCY: Office of Foreign Assets Control, Department of the Treasury.
ACTION: Final rule.

SUMMARY: The Office of Foreign Assets Control is amending the regulations concerning Iran (31 CFR Part 535), Nicaragua (31 CFR Part 540), South Africa (31 CFR Part 545), and Libya (31 CFR Part 550) by the addition of prepenalty and penalty procedures to Subparts G of these regulations. The amendments establish a procedure for imposition of civil monetary penalties for violations as provided in section 206(a) of the International Emergency Economic Powers Act, 50 U.S.C. 1705(a), and section 603(b)(1) of the Comprehensive Anti-Apartheid Act of 1986, 22 U.S.C. 5113(b)(1). These changes do not alter any substantive obligations imposed by the regulations, but set forth an additional enforcement tool to secure compliance with those obligations.

EFFECTIVE DATE: March 8, 1988.

FOR FURTHER INFORMATION CONTACT: Thomas F. Baker, Enforcement Advisor, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220, 202/376-0970.

SUPPLEMENTARY INFORMATION: The Office of Foreign Assets Control of the Department of the Treasury (FAC) is entrusted with the responsibility of enforcing economic sanctions and restrictions imposed pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.*, and the Comprehensive Anti-Apartheid Act of 1986, 22 U.S.C. 5001 *et seq.* Although both statutes provide explicitly for civil penalties, no procedural regulations have previously been issued, and only criminal prosecutions have been brought against violators. Establishment of a civil administrative procedure will provide additional flexibility in enforcement. The following regulations establish a system of administrative enforcement that will permit FAC directly to assess civil monetary penalties, with referral to the Department of Justice for collection when necessary.

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. Because no notice of proposed rulemaking is required for this rule, the Regulatory

Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply. 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.

List of Subjects in 31 CFR Part 535, 540, 545, and 550

Foreign assets, Foreign trade, Penalties.

For the reasons set out in the preamble, Title 31, Chapter V of the Code of Federal Regulations, is amended as set forth below.

31 CFR Part 535 is amended as follows:

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

1. The authority citation for Part 535 continues to read as follows:

Authority: Secs. 201-207, 91 Stat. 1626; 50 U.S.C. 1701-1706; E.O. 12170, 44 FR 65729; E.O. 12205, 45 FR 24099; E.O. 12211, 45 FR 26685.

2. Section 535.702 is added to read as follows:

§ 535.702 Prepenalty notice.

(a) *When required.* If the Director of the Office of Foreign Assets Control (hereinafter "Director") has reasonable cause to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act, and the Director determines that further proceedings are warranted, he shall issue to the person concerned a notice of his intent to impose a monetary penalty. The prepenalty notice shall be issued whether or not another agency has taken any action with respect to this matter.

(b) *Contents—(1) Facts of violation.* The prepenalty notice shall: (i) Describe the violation.

(ii) Specify the laws and regulations allegedly violated.

(iii) State the amount of the proposed monetary penalty.

(2) *Right to make presentations.* The prepenalty notice also shall inform the person of his right to make a written presentation within thirty (30) days of mailing of the notice as to why a monetary penalty should not be imposed, or, if imposed, why it should be in a lesser amount than proposed.

3. Section 535.703 is added to read as follows:

§ 535.703 Presentation responding to prepenalty notice.

(a) *Time within which to respond.* The named person shall have 30 days from the date of mailing of the prepenalty notice to make a written presentation to the Director.

(b) *Form and contents of written presentation.* The written presentation need not be in any particular form, but shall contain information sufficient to indicate that it is in response to the prepenalty notice. It should contain responses to the allegations in the prepenalty notice and set forth the reasons why the person believes the penalty should not be imposed or, if imposed, why it should be in a lesser amount than proposed.

4. Section 535.704 is added to read as follows:

§ 535.704 Penalty notice.

(a) *No violation.* If, after considering any presentations made in response to the prepenalty notice, the Director determines that there was no violation by the person named in the prepenalty notice, he promptly shall notify the person in writing of that determination and that no monetary penalty will be imposed.

(b) *Violation.* If, after considering any presentations made in response to the prepenalty notice, the Director determines that there was a violation by the person named in the prepenalty notice, he promptly shall issue a written notice of the imposition of the monetary penalty to that person.

5. Section 535.705 is added to read as follows:

§ 535.705 Referral to United States Department of Justice.

In the event that the person named does not pay the penalty imposed pursuant to this subpart or make payment arrangements acceptable to the Director within thirty days of the mailing of the written notice of the imposition of the penalty, the matter shall be referred to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in a Federal district court.

31 CFR Part 540 is amended as follows:

PART 540—NICARAGUAN TRADE CONTROL REGULATIONS

1. The authority citation for Part 540 continues to read as follows:

Authority: Secs. 201-207, 91 Stat. 1626; 50 U.S.C. 1701-1706; E.O. 12513.

2. Section 540.703 is added to read as follows:

§ 540.703 Prepenalty notice.

(a) *When required.* If the Director of the Office of Foreign Assets Control (hereinafter "Director") has reasonable cause to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act, and the Director determines that further proceedings are warranted, he shall issue to the person concerned a notice of his intent to impose a monetary penalty. The prepenalty notice shall be issued whether or not another agency has taken any action with respect to this matter.

(b) *Contents—(1) Facts of violation.*

The prepenalty notice shall: (i) Describe the violation.

(ii) Specify the laws and regulations allegedly violated.

(iii) State the amount of the proposed monetary penalty.

(2) *Right to make presentations.* The prepenalty notice also shall inform the person of his right to make a written presentation within thirty (30) days of mailing of the notice as to why a monetary penalty should not be imposed, or, if imposed, why it should be in a lesser amount than proposed.

3. Section 540.704 is added to read as follows:

§ 540.704 Presentation responding to prepenalty notice.

(a) *Time within which to respond.* The named person shall have 30 days from the date of mailing of the prepenalty notice to make a written presentation to the Director.

(b) *Form and contents of written presentation.* The written presentation need not be in any particular form, but shall contain information sufficient to indicate that it is in response to the prepenalty notice. It should contain responses to the allegations in the prepenalty notice and set forth the reasons why the person believes the penalty should not be imposed or, if imposed, why it should be in a lesser amount than proposed.

4. Section 540.705 is added to read as follows:

§ 540.705 Penalty notice.

(a) *No violation.* If, after considering any presentations made in response to the prepenalty notice, the Director

determines that there was no violation by the person named in the prepenalty notice, he promptly shall notify the person in writing of that determination and that no monetary penalty will be imposed.

(b) *Violation.* If, after considering any presentations made in response to the prepenalty notice, the Director determines that there was a violation by the person named in the prepenalty notice, he promptly shall issue a written notice of the imposition of the monetary penalty to that person.

5. Section 540.706 is added to read as follows:

§ 540.706 Referral to United States Department of Justice.

In the event that the person named does not pay the penalty imposed pursuant to this subpart or make payment arrangements acceptable to the Director within thirty days of the mailing of the written notice of the imposition of the penalty, the matter shall be referred to the United States Department of Justice, for appropriate action to recover the penalty in a civil suit in a Federal district court.

31 CFR Part 545 is amended as follows:

PART 545—SOUTH AFRICAN TRANSACTIONS REGULATIONS

1. The authority citation for Part 545 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; E.O. 12532, 50 FR 36861, Sept. 10, 1985; E.O. 12535, 50 FR 40325, October 3, 1985. Pub. L. 99-440, 100 Stat. 1086; Pub. L. 99-631, 100 Stat. 3515; E.O. 12571, 51 FR 39505, Oct. 29, 1986.

2. Section 545.702 is added to read as follows:

§ 545.702 Prepenalty notice.

(a) *When required.* If the Director of the Office of Foreign Assets Control (hereinafter "Director") has reasonable cause to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Comprehensive Anti-Apartheid Act of 1986, and the Director determines that further proceedings are warranted, he shall issue to the person concerned a notice of his intent to impose a monetary penalty. The prepenalty notice shall be issued whether or not another agency has taken any action with respect to this matter.

(b) *Contents—(1) Facts of violation.*

The prepenalty notice shall: (i) Describe the violation.

(ii) Specify the laws and regulations allegedly violated.

(iii) State the amount of the proposed monetary penalty.

(2) *Right to make presentations.* The prepenalty notice also shall inform the person of his right to make a written presentation within thirty (30) days of mailing of the notice as to why a monetary penalty should not be imposed, or, if imposed, why it should be in a lesser amount than proposed.

3. Section 545.703 is added to read as follows:

§ 545.703 Presentation responding to prepenalty notice.

(a) *Time within which to respond.* The named person shall have 30 days from the date of mailing of the prepenalty notice to make a written presentation to the Director.

(b) *Form and contents of written presentation.* The written presentation need not be in any particular form, but shall contain information sufficient to indicate that it is in response to the prepenalty notice. It should contain responses to the allegations in the prepenalty notice and set forth the reasons why the person believes the penalty should not be imposed or, if imposed, why it should be in a lesser amount than proposed.

4. Section 545.704 is added to read as follows:

§ 545.704 Penalty notice.

(a) *No violation.* If, after considering any presentations made in response to the prepenalty notice, the Director determines that there was no violation by the person named in the prepenalty notice, he promptly shall notify the person in writing of that determination and that no monetary penalty will be imposed.

(b) *Violation.* If, after considering any presentations made in response to the prepenalty notice, the Director determines that there was a violation by the person named in the prepenalty notice, he promptly shall issue a written notice of the imposition of the monetary penalty to that person.

5. Section 545.705 is added to read as follows:

§ 545.705 Referral to United States Department of Justice.

In the event that the person named does not pay the penalty imposed pursuant to this subpart or make payment arrangements acceptable to the Director within thirty days of the mailing of the written notice of the imposition of the penalty, the matter

shall be referred to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in a Federal district court.

31 CFR Part 550 is amended as follows:

PART 550—LIBYAN SANCTIONS REGULATIONS

1. The authority citation for Part 550 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; E.O. 12543, 51 FR 875, January 9, 1986; E.O. 12544, 51 FR 1235, Jan. 10, 1986.

2. Section 550.703 is added to read as follows:

§ 550.703 Prepenalty notice.

(a) *When required.* If the Director of the Office of Foreign Assets Control (hereinafter "Director") has reasonable cause to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act, and the Director determines that further proceedings are warranted, he shall issue to the person concerned a notice of his intent to impose a monetary penalty. The prepenalty notice shall be issued whether or not another agency has taken any action with respect to this matter.

(b) *Contents—(1) Facts of violation.*

The prepenalty notice shall: (i) Describe the violation.

(ii) Specify the laws and regulations allegedly violated.

(iii) State the amount of the proposed monetary penalty.

(2) *Right to make presentations.* The prepenalty notice also shall inform the person of his right to make a written presentation within thirty (30) days of mailing of the notice as to why a monetary penalty should not be imposed, or, if imposed, why it should be in a lesser amount than proposed.

3. Section 550.704 is added to read as follows:

§ 550.704 Presentation responding to prepenalty notice.

(a) *Time within which to respond.* The named person shall have 30 days from the date of mailing of the prepenalty notice to make a written presentation to the Director.

(b) *Form and contents of written presentation.* The written presentation need not be in any particular form, but shall contain information sufficient to indicate that it is in response to the prepenalty notice. It should contain responses to the allegations in the prepenalty notice and set forth the reasons why the person believes the penalty should not be imposed or, if imposed, why it should be in a lesser amount than proposed.

4. Section 550.705 is added to read as follows:

§ 550.705 Penalty notice.

(a) *No violation.* If, after considering any presentations made in response to

the prepenalty notice, the Director determines that there was no violation by the person named in the prepenalty notice, he promptly shall notify the person in writing of that determination and that no monetary penalty will be imposed.

(b) *Violation.* If, after considering any presentations made in response to the prepenalty notice, the Director determines that there was a violation by the person named in the prepenalty notice, he promptly shall issue a written notice of the imposition of the monetary penalty to that person.

5. Section 550.706 is added to read as follows:

§ 550.706 Referral to United States Department of Justice.

In the event that the person named does not pay the penalty imposed pursuant to this subpart or make payment arrangements acceptable to the Director within thirty days of the mailing of the written notice of the imposition of the penalty, the matter shall be referred to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in a Federal district court.

Dated: January 14, 1988.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved:

John P. Simpson,
Acting Assistant Secretary (Enforcement),
January 26, 1988.

[FR Doc. 88-5007 Filed 3-3-88; 2:51 pm]

TRANSACTION AUTHORIZATION REQUEST - U.S. TREASURY BLOCKED PROPERTY
(to be prepared at time transaction initiated)

Note: The original of this document is to be sent to the Legal Department which will review details to determine the applicability of any general licenses, or the need for a specific license. If a specific license is required, the Legal Department will file an application with the appropriate authority for the necessary license. A copy of this request is to be maintained in the client record and attached to a copy of the license when received. Forward a copy of this request to the Business Unit Financial Controller.

1. Name of Blocked Property Owner: _____
2. Account Number: _____
3. Address on File: _____
4. Country of Citizenship/Incorporation: _____
5. Type of transaction for which authorization requested (give details): _____
6. Name/Address of person initiating request and relationship to blocked property owner: _____
7. Person to contact for further details regarding this request: _____
 (provide name and telephone no.)
 Date prepared: _____ Prepared by: _____
 (Account Manager)
1. Transaction authorized by general license?
 (Yes/No) _____
2. If transaction authorized under a general license, provide:
 - a) legal reference: _____
 - b) general license no: _____
3. If a specific license required to authorize the transaction:
 - a) date application filed: _____
 - b) application filed with: _____
 - c) date application approved/denied _____
 Circle appropriate response above and attach copy of license or other correspondence received from the U.S. Treasury Department
4. Notification of approval/denial of authorization request returned to:

Name of person notified: _____

Date: _____

Date prepared: _____ Signature _____

DISPOSITION OF U.S. TREASURY BLOCKED PROPERTY TRANSFERRED IN
(to be prepared by unit receiving property)

1. Date of Transaction: _____
 2. Amount of Transfer: _____
 3. Account Party: _____
 4. Form of Property previously held: _____
 5. Received from: _____
 - a) If internal transfer, area previously managing property _____
 - b) If property received from external party, name of transfer-in _____
 6. Disposition of Property received: _____
- Date Prepared: _____ Prepared By: _____
 (Account Manager)

Note: Maintain a copy in the client file and send a copy to the Controller of the Business Unit.

INTERNAL TRANSFER OF U.S. TREASURY BLOCKED PROPERTY
(To be prepared by unit transferring property)

1. Date of Transaction: _____
2. Amount of Transfer: _____
3. Name of Blocked Property Owner: _____
4. TRANSFER FROM
 - a) Area from which transferred: _____
 - b) Form in which Blocked Property held: _____
(i.e. DDA, Savings, CD, etc.)
5. TRANSFER TO:
 - a) Area to which transferred: _____
 - b) Form in which Blocked Property held: _____
 - c) Account Number: _____
6. Person Requesting Transfer: _____
7. Reason for Transfer: _____
8. License under which transaction is authorized: _____
(attach letter from legal department stating that transaction is authorized under general license or if a specific license is required, attach copy of license obtained as applicable.)

Date Prepared _____ Prepared By: _____
(Account Manager)

Note: Maintain a copy in the client file and send a copy to the Business Unit Financial Controller of both transferring and receiving areas and to the account manager of the receiving area.

NOTICE OF U.S. TREASURY BLOCKING ORDER
(To be prepared at time of initial blocking order)

1. Blocking Authority: Executive Blocking Order No. _____
2. Date of Blocking: _____
3. Name of Blocked Property Owner: _____
4. Address on Record: _____
5. Country of Citizenship/Incorporation: _____
6. Description of Block Property: _____
7. Location of Blocked Property: _____
8. Person/Organizational Unit Managing Blocked Property: _____
9. Value of Blocked Property
 - a. In Local currency _____
 - b. In U.S. Dollar equivalent _____
(if local currency not U.S. Dollar)

Date Prepared: _____ Prepared by: _____
Account Manager

Note: a permanent copy of this notification must be maintained in the corresponding client's file and a copy is to be forwarded to the Business Unit Financial Controller.

DOCUMENTATION RETENTION REQUIREMENTS

<u>When Document Prepared</u>	<u>Area/Department Maintaining Document(s)</u>	<u>Documents To Be Maintained</u>	<u>Retention Period</u>
1. Time of Initial Block, and Periodic	Regulatory Reporting	Maintain a Blocked Property Listing consolidated on a corporate-wide basis from all Financial Controllers	Effective period of block
	Financial Controller	Permanent file copy of the Consolidated Blocked Property Listing (Exhibit 1 appendix A) for the Business Unit, compiled during the identification phase of an initial blocking order	Effective period of block
	Account Manager	Permanent file copy of "Notice of U.S. Treasury Blocking Order" Exhibit 2, Appendix A) in the respective client file	Effective period of block
2. Time of Initial transfer of blocked	Financial Controller	Copies of internal transfer documentation (Exhibit 4, Appendix A) submitted by Account Managers	Effective period of block
	Account Manager Transferring area	Prepare and maintain a copy of transfer documentation (Exhibit 4, Appendix A) in the respective client file.	Effective period of block
	Account Manager Receiving area	Prepare and maintain a copy of Blocked Property disposition documentation (Exhibit 5, Appendix A)	Effective period of block
3. Time transaction initiated/approved	Legal Department	Copies of specific licenses and/or other memoranda re; general licenses authorizing transaction(s) in question	Effective period of block
	Financial Controller	Copies of specific licenses received from the U.S. Treasury and/or other memoranda from Legal re; general licenses authorizing transaction(s) in question	Effective period of block
	Account Manager	Maintain in the respective client file copies of the Transaction Authorization Request (Exhibit 3, Appendix A) sent to Legal Department	Effective period of block
4. Time of blocked property filing required by the U.S. Treasury	Regulatory Reporting	Copies of specific licenses received or other memoranda from Legal re; applicability of general license	Effective period of block
		Maintain in departmental files copies of all regulatory filings required by the U.S. Treasury	Effective period of block

CONSOLIDATED U.S. TREASURY BLOCKED PROPERTY LISTING (INITIAL BLOCKING)
FOR _____
(name of business unit/subsidiary)

Report Date: _____
Prepared by: _____
Reviewed by: _____

COUNTRY: e.g. South Vietnam

<u>Account Name/Address</u>	<u>Account Number</u>	<u>Type of Person or Entity</u>	<u>Original Blocked Amount</u>		<u>Block Date</u>	<u>Location of Property</u>	<u>Area Managing Property</u>	<u>of Account Manager</u>
			<u>Foreign Cty</u>	<u>U.S.\$</u>				

TYPE OF BLOCKED PROPERTY: e.g. Demand Deposit

TOTAL DEMAND DEPOSITS - SOUTH VIETNAM _____

TYPE OF BLOCKED PROPERTY: e.g. Time Deposit

TOTAL TIME DEPOSITS - SOUTH VIETNAM _____

Note: The above summary of blocked property is to be prepared by the Financial Controller of each Business Unit, and a permanent file copy is to be maintained in the Financial Controller Blocked Property Control Files. Forward a copy to Corporate Controller/Regulatory Reporting.

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510. The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Parts 500 and 515

List of Specially Designated Nationals

AGENCY: Foreign Assets Control Office, Treasury.

ACTION: List of Specially Designated Nationals.

SUMMARY: This notice provides a partial list of persons and firms who are specially designated nationals under the Treasury Department's Foreign Assets Control Regulations (31 CFR Part 500), or the Cuban Assets Control Regulations (31 CFR Part 515).

ADDRESS: Copies of the list of specially designated nationals are available upon request at the following location: Office of Foreign Assets Control, 1331 G Street, NW., Room 400, Washington, DC 20220.

FOR FURTHER INFORMATION CONTACT: Richard Hollas, Chief, Enforcement Section of the Office of Foreign Assets Control, telephone 202-376-0400.

SUPPLEMENTARY INFORMATION: Under the Cuban Assets Control Regulations and the Foreign Assets Control Regulations, persons subject to the jurisdiction of the United States are prohibited from engaging, directly or indirectly, in transactions with any nationals or specially designated nationals of Cambodia, Cuba, North Korea, or Vietnam, except as authorized by the Treasury Department's Office of Foreign Assets Control, by means of a general or specific license.

Sections 500.302 and 515.302 of Part 500 and Part 515, respectively, define the term "national," in part, as (a) a subject or citizen domiciled in a particular country, or (b) any partnership, association, corporation, or other organization owned or controlled by nationals of that country, or that is

organized under the laws of, or that has had its principal place of business in that foreign country since the applicable effective date, or (c) any person that has directly or indirectly acted for the benefit or on behalf of any designated foreign country. Sections 500.305 and 515.305 define the term "designated national" as any country or national thereof designated pursuant to Parts 500 or 515, including any person who is a specially designated national. Sections 500.306 and 515.306 define "specially designated national," as any person who has been designated as such by the Secretary of the Treasury; any person who, on or since the applicable effective date, has either acted for or on behalf of the government of, or authorities exercising control over, any designated foreign country; or any partnership, association, corporation or other organization that, on or since the applicable effective date, has been owned or controlled directly or indirectly by such government or authorities, or by any specially designated national. The following list of specially designated nationals is a partial one since the Department of the Treasury may not be aware of all the persons located outside Cambodia, Cuba, North Korea, or Vietnam that might be acting as agents or front organizations for these countries, thus qualifying as specially designated nationals of these countries. Also, names may have been omitted because it seemed unlikely that those persons would engage in transactions with persons subject to the jurisdiction of the United States. Therefore, persons engaging in transactions with foreign nationals may not rely on the fact that any particular foreign national is not on the list as evidence that it is not a specially designated national. The Treasury Department regards it as incumbent upon all U.S. persons engaging in transactions with foreign nationals to take reasonable steps to ascertain for themselves whether such foreign nationals are specially designated nationals of Cambodia, Cuba, North Korea, or Vietnam.

Please take notice that section 16 of the Trading With the Enemy Act ("the Act"), as amended, provides in part that whoever willfully violates any provision of the Act or any license, rule or regulation issued thereunder:

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"Shall, upon conviction, be fined not more than \$50,000, or, if a natural person, imprisoned for not more than ten years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States."

In addition, persons convicted of an offense under the Act may be fined a greater amount than set forth in the Act, as provided in 18 U.S.C. 3623.

Authority: 50 U.S.C. App. 5(b) and 18 U.S.C. 3623.

Specially Designated Nationals of Cuba

Abastecedora Naval Y Industrial, S.A. (a/k/a Anainsa), Panama (address unknown)

Abdelnur, Nury De Jesus, Panama (address unknown)

Aerocaribbean Airlines (a/k/a Aero-Caribbean), Cancun, Mexico (address unknown)

Aero Cozumel, Cozumel, Mexico (address unknown)

Aerotaxi Ejecutivo, S.A., Managua, Nicaragua

Agencia de Viajes Guama (a/k/a Viajes Guama Tours, Guamatur, S.A. and Guama Tour), Bar Harbour Shopping Center, Via Italia, Panama City, Panama

Alfonso, Carlos, (a/k/a Carlos Alfonso Gonzalez), Panama (address unknown)

Aloardi, Carlo Giovanni, Milan, Italy (address unknown)

Alvarez, Manuel (Aguirre), Panama (address unknown)

*American Air Ways Charters, Inc., 1840 West 49th St., Hialeah, Florida

Anainsa (a/k/a Abastecedora Naval Y Industrial, S.A.) Panama (address unknown)

Angelini, Alejandro Abood, Panama (address unknown)

Anglo-Caribbean Shipping Co., Ltd. (trading as Avia Import), IbeX House, the Minories, London EC 3N 1 DY, England

Avalon, S.A., Colon Free Zone, Panama (address unknown)

Azrak, S.A., Panama (address unknown)

Azrak, Victor, Panama (address unknown)

Batista, Miguel, Panama (address unknown)

Belmex Import Export Co., Ltd., 24
Corner Regent and Kings Streets,
Belize City, Belize

Bewell Corporation, Inc., Panama
(address unknown)

Boileau, Pierre—1078 Rue Champigny,
Duvernay, Quebec, Canada

Boutique La Maison, 42 Via Brasil,
Panama City, Panama

Burgan International, Kuwait (address
unknown)

Caballero, Roger Montanes (a/k/a
Roger Montanes and Roger Edward
Dooley), Panama (address unknown)

Caribbean Happy Lines (a/k/a
Caribbean Happy Lines Shipping Co.)
Panama (address unknown)

Carisub, S.A., Panama (address
unknown)

Casa Del Respuesto, Panama City,
Panama (address unknown)

Castell, Osvaldo Antonio (Valdez)
Panama (address unknown)

Cecoex, S.A., Panama City, Panama
(address unknown)

Chamet Import S.A., Panama (address
unknown)

Cimeco, SRL, Milan, Italy (address
unknown)

Cimex, S.A. Panama (address unknown)

Cimex Iberica, Spain (address unknown)

Coll, Gabriel (Prado), Panama (address
unknown)

Colon, Eduardo, (Betancourt) Panama
(address unknown)

Colony Trading, S.A., Panama (address
unknown)

Comei, SPA (a/k/a Compagnia
Mercantile Internazionale Milan Italy
(address unknown)

Comercial Cimex, S.A., Panama
(address unknown)

Comercial de Rodajes Y Maquinaria,
S.A., (a/k/a Crymsa) Jose Lazaro
Galdeano 6-6, 28016 Madrid, Spain

Comercial Muralla, S.A. (a/k/a Muralla,
S.A.) Panama City, Panama

Compagnia Mercantile Internazionale
(a/k/a Comei SPA) Milan, Italy
(address unknown)

Compania Fenix Internacional, S.A.,
Caracas, Venezuela (address
unknown)

Compania Pesquera Internacional, S.A.,
Panama (address unknown)

Contex, S.A., Panama (address
unknown)

Contreras, Miria (a/k/a Miria Contreras
Reperit), Paris, France (address
unknown)

Coprova (a/k/a Coprova Sarl and
Comercialization De Productos
Varios), Paris, France (address
unknown)

Corporacion Cimex, S.A., Panama
(address unknown)

Cotei, Milan, Italy (address unknown)

Cruz, Antonio Pedro (Reyes), Milan,
Italy (address unknown)

Crymsa (a/k/a Comercial de Rodajes Y
Maquinaria, S.A.), Jose Lazaro
Galdeano 6-6, 28016 Madrid, Spain

Crymsa—Argentina, S.A., Buenos Aires,
Argentina, (address unknown)

Cuenca, Ramon Cesar, Panama (address
unknown)

CUFLET (a/k/a La Empresa Cubana de
Fletes (The Cuban Freight Enterprise):
Buenos Aires, Argentina; Varna,
Bulgaria; Montreal, Canada; Rostock,
German Democratic Republic; Genoa,
Italy; Pyongyang, Korea (Peoples
Democratic Republic); Rotterdam,
Netherlands; Syczecin, Poland;
Moscow, Soviet Union; Barcelona,
Spain

Cumexint, S.A., 1649 Adolfo Prieto,
Colonia del Valle, Mexico City,
Mexico

Delgado, Antonio (Aresnio) Panama
(address unknown)

Delvest Holding, S.A. (a/k/a Delvest
Holding Company), Case Postale 236,
10 Bis Rue Du Vieux College 12-11,
Geneva, Switzerland

Deprosa, S.A. (a/k/a Desarrollo De
Proyectos, S.A.) Panama City, Panama
(address unknown)

Desarrollo Industrial Cubano Espanol,
S.A. (a/k/a Dicesa), Paseo De La
Castellana 157, Madrid, Spain, and
Jose Lazaro Caldeano 6-6, 28016
Madrid, Spain

Desarrollo De Proyectos, S.A. (a/k/a
Deprosa, S.A.) Panama City, Panama
(address unknown)

Diaz, Rolando (Gonzalez), Frankfurt,
West Germany (address unknown)

Dicesa (a/k/a Desarrollo Industrial
Cubano Espanol, S.A.) Paseo De La
Castellana 157, Madrid Spain and Jose
Lazaro Caldeano 6-6, 28016, Madrid
Spain

Dooley, Michael P., Panama, (address
unknown)

Dooley, Roger Edward, (a/k/a Roger
Montanes Caballero and Roger
Montanes), Panama (address
unknown)

Echeverri, German, Panama (address
unknown)

ETCO International Commodities Ltd.,
Devonshire House, 1 Devonshire St.,
London, England

ETCO International Company, Limited,
Kawabe Building, 1-5 Kanda Nishiki-
Cho, Chiyoda-Ku, Tokyo, Japan

Exportadora Del Caribe (Medira,
Mexico, address unknown)

Fabro Investment, Inc., Panama (address
unknown)

Famesa International, S.A., Panama
(address unknown)

Fuentes, Fernando (Coba), Cozumel,
Mexico (address unknown)

Galax Inc., (a/k/a Galax Trading Co.,
Ltd.), 5250 Ferrier St., Montreal,
Quebec

Garcia Santamarina de la Torre, Alfredo
Rafael, Panama (address unknown)
see also "Santamarina"

Gemex Aussenhandels GmbH, Hanauer
Landstr. 126-128, D-6000 Frankfurt,
Main 1

Gonzalez, Carlos Alfonso, (a/k/a Carlo
Alfonso), Panama, (address unknown)

Guama Tour (a/k/a Agencia de Viajes
Guama, Viajes Guama Tours and
Guamatur, S.A.), Bar Harbour
Shopping Center, Via Italia, Panama
City, Panama

Guamatur, S.A. (a/k/a Agencia de
Viajes Guama, Viajes Guama Tours
and Guama Tour), Bar Harbour
Shopping Center, Via Italia, Panama
City, Panama

*Havanatur, S.A. Hialeah, Florida

Havanatur, S.A., Panama City, Panama

Havanatur, 54 Rue Richelieu, Paris
France

Havinpex, S.A. (a/k/a Transover, S.A.)
Panama City, Panama

Haya, Francisco, Panama (address
unknown)

Hernandez, Alexis Eneilo (Carballosa),
Milan, Italy (address unknown)

Imprisa, S.A., Panama, (address
unknown)

International Transport Corporation,
Colon Free Zone, Panama

Inversiones Lupamar, S.A., (a/k/a The
Lupamar Investment Company,
Panama (address unknown)

Jimenez, Guillermo (Soler) Panama
(address unknown)

Kol Investments, Inc., Miami, Florida
(address unknown)

Kyoei International Company, Limited,
Tokyo, Japan (address unknown)

La Empresa Cubana de Fletes a/k/a
CUFLET (The Cuban Freight
Enterprise): Buenos Aires, Argentina;
Varna, Bulgaria; Montreal, Canada;
Rostock, German Democratic
Republic; Geno, Italy; Pyongyang,
Korea (Peoples Democratic Republic);
Rotterdam, Netherlands; Syczecin,
Poland; Moscow, Soviet Union;
Barcelona, Spain

Leverage, S.A., San Martin 323, Piso 14,
Buenos Aires, Argentina

Leybda Corporation, S.A., Panama
(address unknown)

Louth Holdings, S.A., Panama (address
unknown)

Madan, Jorge (Rivas) Frankfurt, West
Germany (address unknown)

Marisco (or Mariscos) de Farallon, S.A.
Panama (address unknown)

Marketing Associates Corporation, Calle
52 E, Campo Alegre Panama City,
Panama

Medina, Anita (a/k/a Ana Maria
Medina), Panama (address unknown)

Mercurius Import/Export Company, Panama, S.A., Calle C, Edificio 18, Box 4048, Colon Free Zone, Panama

Mitsukura Boeki-Kaisha, Ltd (a/k/a Mitsukura Trading Company Limited), 4-1-13 Hachiman-dori, Chuo-Ku Kobe, Japan

Mitsukura Corporation, 4-1-13 Hachiman-dori, Chuo-Ku Kobe, Japan

Mitsukura Trading Company, Limited, (a/k/a Mitsukura Boeki-Kaisha, Ltd), 4-1-13 Hachiman-dori, Chuo-Ku Kobe, Japan

Monet Trading Company, Panama (address unknown)

Montanes, Roger, (a/k/a Roger Montanes Caballero and Roger Edward Dooley), Panama (address unknown)

Montanez, Michael, Panama (address unknown)

Moonex International, S.A., Kingston, Jamaica

Moonex International, S.A., Panama (address unknown)

Muralla, S.A. (a/k/a Comercial Muralla, S.A.) Panama City, Panama

Navarro, Samuel (Martinez), Frankfurt, West Germany (address unknown)

Nippon-Caribbean Shipping Co., Ltd. Chuo-Ku, Akasaki-Chuo 1-1 Akasaki Bldg., Tokyo

Nordstrand Ltd., Liechtenstein (address unknown)

Nordstrand Maritime and Trading Company, 33 Akti Maouli, 185-35 Pireas (Piraeus), Greece

October Holding Company, (a/k/a Octubre Holding Societe Anonime) Vaduz, Liechtenstein

Ors, Jose Antonio Rego, Tokyo, Japan (address unknown)

Ortega, Dario, Panama (address unknown)

Ortega, Dario (Pina) Edificio Saldivar, Panama City, Panama

Padron, Amado (Trujillo), Panama (address unknown)

Panamerican Import and Export Commercial Corporation, Panama (address unknown)

Panoamericana, Panama, (address unknown)

Pena, Jose (Torres), Panama (address unknown)

Pena, Victor, Panama (address unknown)

Perez, Alfonso, Panama (address unknown)

Perez, Manuel Martin, Panama (address unknown)

Perez, Osvaldo (Cruz), Panama (address unknown)

Pescados Y Mariscos de Panama (a/k/a Pesmar (or Pezmar) S.A., Panama City, Panama (address unknown)

Pewsmar (or Pezmar) S.A. (a/k/a Pescados y Mariscos de Panama), Panama City, Panama (address unknown)

Ponce de Leon, Lazaro (Gomez), Medira, Mexico (address unknown)

Prado, Julio (a/k/a Julio Lobato) Panama (address unknown)

Presa, S.A. Panama (address unknown)

Presna Latina Canada Ltd., 1010 O Rue Ste. Catherine, Montreal PQ H303 IGI, Canada

Prima Export/Import, Jamaica (address unknown)

Promotora Andina, S.A. Quito, Ecuador

Quiminter Ges.M.Bh, Vienna, Austria

Radio Service, S.A., Panama (address unknown)

Reciclaje Industrial, S.A. Panama (address unknown)

Rent-A-Car, S.A., Panama (address unknown) Panama (address unknown)

Reyes, Guillermo (Vergara), Panama City, Panama

Rocha, Antonio, Panama City, Panama (address unknown)

Rodriguez, Jesus (Borges or Borjes) Panama (address unknown)

Romeo, Charles (a/k/a Charles Henri Robert Romeo), Panama (address unknown)

Roque, Roberto (Perez), Panama (address unknown)

Ruiz, Ramon Miguel (Poo), Panama (address unknown)

Santamarina, de la Torre Rafael Garcia, Panama, (address unknown)—see also "Garcia"

Servimpex, S.A., Panama (address unknown)

Servinaves, S.A., Panama (address unknown)

Siboney Internacional, S.A. Edificio Balmoral, 82 Via Argentina, Panama City, Panama

Siboney Internacional, S.A., Venezuela (address unknown)

Societa Commerciale Minerali E Metalli, SRL (a/k/a SOCOMET, SPA) Milan, Italy (address unknown)

Socomet, SPA (a/k/a Societa Commerciale Minerali E Metalli, SRL Milan, Italy (address unknown)

Stern, Alfred Kaufman (last known address Prague, Czechoslovakia, street address unknown)

Suplidora Latino Americana, S.A. (a/k/a Suplilat, S.A.) Panama City, Panama (address unknown)

Suplilat, S.A., (a/k/a Suplidora Latino Americana S.A.) Panama City, Panama (address unknown)

Taller De Reparaciones Navales S.A. (a/k/a Tarena), Panama (address unknown)

Tarena, S.A. (a/k/a Taller De Reparaciones Navales S.A.), Panama (address unknown)

Technic Digemex Corp., Calle 34 No. 4-50, Office 301 Panama City, Panama

Technic-Holding, Inc., Calle 34 No. 4-50, Office 301 Panama City, Panama

Tosco, Arnaldo (Garcia), Panama (address unknown)

Transover, S.A. (a/k/a Havinpex, S.A.) Panama City, Panama

* Travel Services, Inc., Hialeah, Florida

Treviso Trading Corporation, Edificio Banco de Boston, Panama City, Panama

Trober, S.A. (a/k/a Trover, S.A.) Edificio Saldivar Panama City, Panama

Tropic Tours Gmbh (a/k/a Tropicana Tours Gmbh) Lietzenburger Strasse 51, West Berlin

Vasquez, Oscar D. (a/k/a Vazques, Oscar D.) Panama (address unknown)

Viacon International, Inc. Apartment 7B Torre Mar Building, Punta Paitilla Area, Panama City, Panama, and France Field, Colon Free Zone, Panama

Viages Guama Tours (a/k/a Guamatur, S.A., Guama Tour and Agencia de Viajes Guama) Bar Harbour Shopping Center, Via Italia, Panama City, Panama

Vinales Tour, Mexico City, Cancun, Monterey, and Guadalajara, Mexico (Street addresses unknown)

Wittgreen, Carlos (a/k/a Carlos Wittgreen Antinori, Carlos Antonio Wittgreen A., and Carlos Antonio Wittgreen), Panama, (address unknown)

Yam, Melvia Isabel Gallegos, Merida, Mexico (address unknown)

Yamaru Trading Co., Ltd., Tokyo, Japan (address unknown)

Designated Nationals of Camodia

Ren Fung Co., Ltd., 242 Des Veoux Road, Central 8/F, Hong Kong

Designated Nationals of North Korea

(None Listed.)

Designated Nationals of Vietnam

(None Listed.)

* Asterisk denotes that firm is no longer operational in the United States.

Note:—The name of an individual, which appears in parenthesis, is the matronymic name and may be used by the individual as the second part of a compound last name.

Dated: November 19, 1986.

Cheryl A. Opacinch,
Acting Director, Office of Foreign Assets Control.

Approved: November 19, 1986.

Francis A. Keating,
Assistant Secretary (Enforcement).
[FR Doc. 86-27830 Filed 12-8-86; 3:31 pm]

DEPARTMENT OF STATE

[Public Notice 1007]

South African Parastatal Organizations

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: A revised notice is given of which corporations, partnerships, and entities are deemed to be "parastatal organizations" for purposes of the Comprehensive Anti-Apartheid Act of October 2, 1986 (Pub. L. 99-440).

EFFECTIVE DATE: March 27, 1987.

FOR FURTHER INFORMATION CONTACT: Eric Benjaminson, Office of Southern African Affairs (202) 647-8433, or Lynda Clarizio, Office of the Legal Adviser (202) 647-4110.

SUPPLEMENTARY INFORMATION: Section 303(a) of the Comprehensive Anti-Apartheid Act of 1986 (Pub. L. 99-440), as amended, provides that no article which is grown, produced, manufactured by, marketed, or otherwise exported by a parastatal organization of South Africa may be imported into the United States, with certain limited exceptions. Section 314 of the Act prohibits U.S. Government procurement from parastatal organizations, except for items necessary for diplomatic and consular purposes.

Section 303(b) of the Act states that the term "parastatal organization" means a corporation, partnership, or entity owned, controlled, or subsidized by the Government of South Africa, but does not mean a corporation, partnership, or entity which previously received start-up assistance from the South African Industrial Development Corporation but which is now privately owned. Regulations have been promulgated by the Department of the Treasury to implement section 303 (South African Transactions Regulations, 31 CFR Part 545, published on November 19, 1986, 51 FR 41906).

Executive Order No. 12571 of October 27, 1986 provides that the Secretary of State is responsible for determining which corporations, partnerships, or entities are parastatal organizations within the meaning of the Act. Pursuant to section 2 of the Executive Order, the Department of State published on November 19, 1986 a public notice identifying 167 firms as "parastatal organizations" within the meaning of the Act (Public Notice 983, 51 FR 41912).

As the notice indicated, this list of parastatal organizations was not all-inclusive. The list was based on information then available to the U.S. Government. The Department of State intends periodically to revise and

update the list. Before making a commitment to import from South Africa, importers may wish to seek guidance from the Office of Southern African Affairs (AF/S), Department of State, Washington, DC 20520 (202-647-8433) to ascertain whether a corporation, partnership, or entity has been identified as a parastatal organization.

This notice contains a revised list of parastatal organizations for purposes of the Act. Inaccuracies in the names of firms identified in the November 19, 1986 notice have been corrected. In addition, seventy-six firms that did not appear on the November 19, 1986 list have now been identified as parastatal organizations. These additions provide information on the subsidiaries of previously-listed parastatals and are based on other information that has become available to the Department of State since the publication of the original list.

Thirteen firms identified as parastatal organizations in the November 19, 1986 notice have been removed from the list. One of these firms, the Fisheries Development Corp. of South Africa, has been liquidated. Another, the South African Dried Bean Board, has been merged into the South African Potato Board (now called the Potato, Dried Bean & Grain Sorghum Board). The remaining eleven firms have been removed from the list on the basis of information submitted in requests to reconsider their classification as parastatal organizations. Such requests were made in accordance with the procedures set forth in the November 19, 1986 notice, which provided that any person believing that a firm should be included or excluded from the list of parastatal organizations could make a request in writing that the Department of State review the particular case.

Requests were submitted to the Department to review the status of seventeen firms identified as parastatal organizations in the November 19, 1986 list. On December 23, 1986 (51 FR 45981) and February 5, 1987 (52 FR 3731), the Department published two public notices inviting interested persons to submit any written comments relevant to the Department's review of the status of these firms. No comments were received.

The Department determined that the submissions made on behalf of the following six firms failed to establish that these firms were not owned, controlled, or subsidized by the South African Government: Bophuthatswana National Development Corp.; Council for Scientific and Industrial Research; Putco Ltd.; Rand Water Board; South Africa

Wool Board; and South West African Broadcasting Corp. These firms continue to be identified as parastatal organizations.

Note.—Rand Water Board is included under the heading of "Water Boards" on the revised list.

The Department determined that the submissions made on behalf of the following eleven firms established that these firms were not owned, controlled, or subsidized by the South African Government and thus should not be identified as parastatal organizations: [K]Alein Karoo Landboukooperasie, Ltd.; Andromeda Electronic Systems (Pty) Ltd.; Computer Technology (Pty) Ltd. (Comtec); Cooperative Wine Growers (KWV); Mercedes Datakor (Pty) Ltd.; Sasol Ltd. (and subsidiaries); Siemens Ltd.; South Africa Sugar Association; Thames Wire and Cable (Pty) Ltd.; Tecnetics (Pty) Ltd.; and Transvaal Copper Rod Co. Ltd. These firms have been removed from the list of parastatal organizations. Sasol Ltd. is removed from the list with the understanding that information will be provided to the Department of State every six months on the firm's behalf as to whether Sasol Ltd. has received during that period a fuel levy rebate such as one certain Sasol Ltd. subsidiaries received prior to January 1985 so that the Department could determine whether any such payment constitutes a subsidy under the Act. Sasol Three (Pty) Ltd. remains on the list.

The Department of State will continue to accept requests to reconsider the classification of particular firms as parastatal organizations. Requests made on behalf of those firms originally identified on the November 19, 1986 list must be made within one month of the date of publication of this notice. Requests made on behalf of all other firms identified on the list below must be made within three months of this date. The Department of State will attempt to provide a response to all requests at the end of this three-month period.

All requests must be submitted in writing. The Department of State may invoke the authorities set forth in section 603(a) of the Act in reviewing submissions. Any submission should contain detailed information as to the stock ownership and composition of the board of directors of the particular firm, as well as the amount of any financial assistance received by such firm on preferential terms from the South African Government. Any person who willfully makes a false or misleading

statement in such a submission will be subject to the civil and criminal penalties set forth in section 603 (b) and (c) of the Act and 18 U.S.C. 1001.

The Department of State wishes to make the following clarification concerning the list of parastatal organizations. Placement of a firm on the list is based solely on an economic judgment as to the degree of South African Government ownership, control, or subsidization of the firm. The list is not intended to be used in any way except to prohibit importation into the U.S. of articles grown, produced, manufactured by, marketed, or otherwise exported by firms identified on the list and to prohibit U.S. Government procurement from such firms.

The list of parastatal organizations below contains the heading of "Government of the Republic of South Africa." It is the intention of the Department of State that this heading include entities which are part of the Government of South Africa. Such entities are generally viewed as parastatal organizations within the meaning of the Act.

This notice involves a foreign affairs function of the United States. It is excluded from the procedures of 5 U.S.C. 553 and 554 and Executive Order 12291. It implements a statutory requirement that entered into force on October 2, 1986, and section 2 of Executive Order 12571.

In accordance with these authorities, the following have been identified as South African parastatal organizations:

Agricultural Control Boards
Banana Board
Canning Fruit Board
Chicory Board
Citrus Board
Cotton Board
Dairy Board
Deciduous Fruit Board
Dried Fruit Board
Egg Board
Lucerne Seed Board
Maize Board
Meat Board
Mohair Board
Oilseeds Board
Potato, Dried Bean & Grain Sorghum Board
Rooibos Tea Board
South African Karakul Board
South West African Karakul Board (Namibia)
Tobacco Board
Wheat Board
Wool Board
Agricultural Corp. of Venda
Agricultural Development Corp. of Bophuthatswana
Altana (Pty) Ltd.
Aluminum Investment Co. (Pty) Ltd.
Aluminum Co. of South Africa (Pty) Ltd. (Alusaf)

Alustang (Pty) Ltd.
Richigata (Pty) Ltd.
Alzira Financial (Pty) Ltd.
Armaments Corp. of South Africa (Pty) Ltd. (Armscor)
Atlas Aircraft Ltd.
Eloptro (Pty) Ltd.
Ernani Property (Pty) Ltd.
Infloplan Ltd.
Kentron (Pty) Ltd.
Konchem (Pty) Ltd.
Lyttleton Engineering Works Ltd.
Musgrove (Pty) Ltd.
Naschem (Pty) Ltd.
Pretoria Metal Pressings (Pty) Ltd.
Sonchem (Pty) Ltd.
Swartklip Products (Pty) Ltd.
Atlantis Diesel Engines (Pty) Ltd.
ADE Behuisings (Pty) Ltd.
Adepart (Pty) Ltd.
Atlantis Aluminum (Pty) Ltd.
Atlantis Foundries (Pty) Ltd.
Finasco (Pty) Ltd.
Atomic Energy Corp. of South Africa Ltd.
Bophuthatswana National Development Corp.
Bophuthatswana Transport Holdings
Fish Hoek Hotel (Pty) Ltd.
Mankue Enterprises (Pty) Ltd.
Heystekrand Furniture Factory (Pty) Ltd.
T.A.B. Bophuthatswana
Central Energy Fund (Pty) Ltd.
Ciskei Agricultural Corp.
Tainton Pineapple Estate
Ciskei People's Development Bank
CTC Bus Company
Indwe Commercial Enterprises (Pty) Ltd.
Ciskei Small Business Corp.
Commission for Fresh Produce Markets
Community Development Fund
Corporation for Public Deposits
Council for Mineral Technology (MINTEK)
Council for Scientific and Industrial Research
South African Inventions Development Corp.
Department of Posts and Telecommunications
Deposit Fund for Housing
Development Bank of Southern Africa
Duntex Property (Pty) Ltd.
ESCOM (formerly Electricity Supply Commission)
Export Finance Development Corp.
First National Development Corp. of South West Africa
Melkor (Pty) Ltd.
Okatana Vulstasie (Pty) Ltd.
Windhoek Wild (Pty) Ltd.
Government Motor Transport and Trading Account
Government of the Republic of South Africa
Government Printing Works
Guardians' Funds
Hooggenoeg Marketing (Pty) Ltd.
Human Sciences Research Council
Industrial Development Corp. of South Africa Ltd. (IDC)
Industrial Selections
Konoil (Pty) Ltd.
National Selections
Industrial Minerals Development Co. (Pty) Ltd.
International Karakul Secretariat
KaNgwane Economic Development Corp. Ltd.
Kindoc Investments (Pty) Ltd.
Konbel (Pty) Ltd.

KwaNdebele Development Corp. Ltd.
KwaZulu Finance and Investment Corp. Ltd.
Bambisanani Nongoma (Pty) Ltd.
Intaba Motors Ltd.
Isithebe Malt Factory (Pty) Ltd.
KwaZulu Finance (Pty) Ltd.
KwaZulu Garment Industries Ltd.
KwaZulu Housing Company (Pty) Ltd.
KwaZulu News Agency Ltd.
KwaZulu Truck and Bus Ltd.
Zululand Furniture Factory (Pty) Ltd.
Land and Agricultural Bank of South Africa (Landbank)
Land and Agricultural Bank of South West Africa
Lebowa Development Corp. Ltd.
Dilokong Chrome Mine (Pty) Ltd.
Lebowa Transport Company
Light Metals Investment Co. (Pty) Ltd.
Marmain (Pty) Ltd.
Mavaco (Pty) Ltd.
Motor Vehicle Assurance Fund
Nabucco Investments (Pty) Ltd.
National Building and Investment Corp. (South West Africa)
National Marketing Board
National Parks Board of Trustees
National Road Fund
National Supplies Procurement Fund
Navik (Pty) Ltd.
Oostra Inmakers (Pty) Ltd. (Eastern Packers)
Phosphate Development Corp. (Pty) Ltd. (Foskor)
Foskem (Pty) Ltd.
Palafos (Pty) Ltd.
Post Office Savings Bank
Public Investment Commissioners
Putco Ltd.
African Body and Coach (Pty) Ltd.
Crown Body and Coach (Pty) Ltd.
Dubigeon Plastics SA (Pty) Ltd.
Voms (Pty) Ltd.
Voms Parts (Pty) Ltd.
QwaQwa Agricultural Co. Ltd.
QwaQwa Development Corp. Ltd.
Rehoboth Finance and Development Corp. Ltd.
Reinsurance Fund for Export Credit and Foreign Investment
Regional Water Service Corporations
Rosamond Properties (Pty) Ltd.
Rustenberg Industrial Finance (Pty) Ltd.
Saldok (Pty) Ltd.
Sapekoe (Pty) Ltd.
Sapekoe Ngome Landgoed (Pty) Ltd.
Sapekoe Richmond Landgoed (Pty) Ltd.
Sapekoe Sales (Pty) Ltd.
Sasol Three (Pty) Ltd.
Satchem (Pty) Ltd.
Shangaan/Tsonga Development Corp. Ltd.
Fumani Gold Mining Co. (Pty) Ltd.
Small Business Development Corp.
South African Abattoir Corp.
South African Abattoir Commission
South African Banknote Co. (Pty) Ltd.
South African Broadcasting Corp. (SABC)
South African Bureau of Standards (SABS)
South African Development Trust
South African Development Trust Corp. Ltd.
South African Gas Distribution Corp. Ltd.
South Africa Iron and Steel Industrial Corp. (ISCOR)
Cape Town Iron and Steel Works (Pty) Ltd.
Coastal Coal (Pty) Ltd.
Dalestone (Pty) Ltd.

Donkerhoek Quartzite (Pty) Ltd.
Dunswart Iron and Steel Works Ltd.
The Durban Navigation Collieries (Pty) Ltd.
Grootageluk Coal Mine Construction Co.
(Pty) Ltd.
Heckett SA (Pty) Ltd.
Holbane Colliery
I Stores (Pty) Ltd.
Imcor Tim (Pty) Ltd. (Namibia)
Imcor Zinc (Pty) Ltd. (Namibia)
Iscor Berlin (Pty) Ltd.
Iscor Utility Stores (Pty) Ltd.
Minsa (Pty) Ltd.
Pietersburg Iron Co. (Pty) Ltd.
Steel Sales Co. of Africa
Suprachim (Pty) Ltd.
Tshikondeni Mining Co. (Pty) Ltd.
Vantin (Pty) Ltd.
Vryheid (Natal) Railway Coal and Iron Co.
Yskor Landgoed (Pty) Ltd.
Yskor Newcastle Grondesit Ltd.
South African Medical Research Council
South African Mint
 Gold Reef City Mint
South African Reserve Bank
South African Tourism Board
South African Transport Services
 South African Airways

South African Harbours
South African Pipeline
South African Railways
South African Road Motor Transport
 Services
South Atlantic Cable Co. (Pty) Ltd.
Southern Oil Exploration Corp. (Pty) Ltd.
Southern Oil Exploration Corp. (South West
 Africa) (Pty) Ltd.
South West African Broadcasting Corp.
South West African Water and Electricity
 Corp. (Pty) Ltd.
State Alluvial Diggings
State Trust Board
Tollgate Holdings Ltd.
 Atlantis Bus Services Ltd.
 Boland Passenger Transport Ltd.
 Cape Tramways (Pty) Ltd.
 Golden Arrow Bus Service Ltd.
 Springbok Atlas Safaris (Pty) Ltd.
Transkei Broadcasting Corp.
Transkei Development Corp. Ltd.
 Albron Foundary (Pty) Ltd.
Tribal Levies and Trust Account
Tusitala (Pty) Ltd.
Union Steel Corporation of South Africa Ltd.
 (Usco)
 Avon Wire (Pty) Ltd.

Hall and Pickles (Coastal) (Pty) Ltd.
National Materials Service Corp. (Pty)
Usco Aluminum Corp. (Pty) Ltd.
Usco Aluminum Systems (Pty) Ltd.
Usco Huiseienaars (Pty) Ltd.
Usco Kabelmaatskappy (Pty) Ltd.
Veldmaster (Pty) Ltd.
Veldmaster Incorporated (U.S.)
United Passenger Transport Investments
 (Pty) Ltd.
Urban Transport Fund
Venda Development Corp. Ltd.
 Aidec Venda (Pty) Ltd.
 N.T.K. Venda (Pty) Ltd.
 Thusani Stone Crushers (Pty) Ltd.
 Venbor (Pty) Ltd.
 Vhavenda Brickworks (Pty) Ltd.
Virema (Pty) Ltd.
Water Boards (all South African Water
 Boards)
Water Research Commission
 Dated: March 20, 1987.
Chester A. Crocker,
Assistant Secretary for African Affairs.
[FR Doc. 87-6696 Filed 3-26-87; 8:45 am]

Appendix A to Part 565—Panamanian Governmental Entities

Abbattoir Nacional
 Aeronautica Civil de Panama and/or
 Direccion General de Aeronautica
 Civil
 Air Panama
 Autoridad Portuaria Nacional (National
 Port Authority)
 Banco de Desarrollo Agropecuario
 Banco Hipotecario Nacional (National
 Mortgage Bank)
 Banco Nacional de Panama (Panama
 National Bank)
 Caja de Ahorros (Savings Bank)
 Caja de Seguro Social (Social Security)
 Citricos de Chiriqui (Chiriqui Citric
 Plant)
 Colon Free Zone
 Comite Nacional de Semillas
 (CANASEM)
 Consejo Nacional del Banano
 Consejo Nacional de Inversiones (CNI)
 Consulado de Panama (Consulate of
 Panama)¹
 Consulado General de Panama
 (Consulate General of Panama)¹
 Consular y Naves and/or Direccion
 General Consular y Naves
 (SECNAVES)
 Contadora Panama S.A.
 Cooperativa Agroindustrial de Icacal
 (CAICA)
 Corporacion Agropecuaria de Rio Hato
 (COAPRHA)
 Corporacion Azucarera la Victoria
 (Sugar Mill)
 Corporacion Bananera del Atlantico
 (COBANA)
 Corporacion Bayano (Bayano Cement)
 Corporacion Financiera Nacional
 Corp. para el Desarrollo Integral del
 Bayano
 Corp. para el Desarrollo Integral de
 Bocas del Toro
 Direccion de Aeronautica Civil (Civil
 Aeronautics) (DÁC)

¹ Different restrictions may apply to various consulates and consulates general. Questions should be directed to the Office of Foreign Assets Control.

Direccion de Patrimonio Historico
 (Historic Heritage)
 Direccion General para el Desarrollo de
 la Comunidad (Community
 Development Admin.) (DIGEDECOM)
 Direccion General de Aduanas (Customs
 Services)
 Direccion Nacional de Acuicultura
 (DINAAC)
 Direccion Nacional de Asuntos
 Administrativos
 Direccion Nacional de Agroindustrias
 Direccion Nacional de Asuntos
 Indigenas (DINAI)
 Direccion Nacional de Desarrollo Social
 Direccion Nacional de Informacion y
 Divulgacion
 Direccion Nacional de Ingenieria
 Direccion Nacional de Planificacion
 Sectorial
 Direccion Nacional de Produccion
 Agricola
 Direccion Nacional de Produccion
 Pecuaria
 Direccion Nacional de Reforma Agraria
 Direccion Metropolitana de Aseo
 Directorio de Sanidad Vegetal
 Electric Power Institute (IRHE)
 Empresa Nacional de Maguinaria
 Agricola (ENDEMA)
 Empresa Nacional de Semillas
 (ENASEM)
 Explosivos Nacional, S.A. (Property of
 Panamanian Military Officers)
 Floresta Panamena
 Fomento Lechero
 Fuerza Aerea Panamena (Panamanian
 Air Force)
 Hipodromo Presidente Remon (Race
 Tracks)
 Instituto para la Formacion y
 Aprovechamiento de Recursos
 Humanos (IFARHU)
 Instituto de Acueductos y
 Alcantarillados Nacionales
 Instituto de Investigacion Agropecuaria
 de Panama
 Instituto de Mercadeo Agropecuario
 (IMA)
 Instituto de Recursos Hidraulicos y
 Electrificacion
 Instituto de Seguro Agropecuario (ISA)

Instituto Nacional de Agricultura. Divisa
 (INA)
 Instituto Nacional de Cultura (Culture)
 (INAC)
 Instituto Nacional de Deporte (Sports)
 (INDE)
 Instituto Nacional de Formacion
 Profesional (INAFORP)
 Instituto Nacional de Recursos
 Naturales Renovables (INRENARE)
 Instituto Panameno Autonomo
 Cooperativo (IPACOOOP)
 Instituto Panameno de Comercio
 Exterior (IPCE)
 Instituto Panameno de Habilitacion
 Especial (IPHE)
 Instituto Nacional de
 Telecomunicaciones (National
 Telecommunications Institute)
 (INTEL)
 Instituto Panameno de Turismo
 (Tourism) (IPAT)
 Laboratorio de Sanidad Animal
 Marinexam, S.A.
 Mision de Panama Ante las Naciones
 Unidas (Mission of Panama to the
 United Nations)
 National Lottery
 National Treasury of the Republic of
 Panama and/or Ministerio de
 Hacienda de la Republica de Panama
 Organizacion Internacional Regional de
 Sanidad Agropecuaria (OIRSA)
 Palma Africana
 Segumar
 Transit, S.A. (Property of Panamanian
 Military Officers)
 Universidad de Panama (University of
 Panama)
 Universidad Technologica
 Water and Sewage Institute (IDAN)
 Zona Libre de Colon.

Dated: May 10, 1988.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved:

Francis A. Keating, II,

Assistant Secretary (Enforcement).

[FR Doc. 88-12497 Filed 5-31-88; 2:40 pm]

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