

**FEDERAL RESERVE BANK  
OF NEW YORK**

*Fiscal Agent of the United States*

[ Circular No. **10364**  
August 3, 1990 ]

**BLOCKING OF IRAQI AND KUWAITI GOVERNMENT PROPERTY  
AND PROHIBITION OF TRANSACTIONS WITH IRAQ**

*To All Banks, and Other Concerned,  
in the Second Federal Reserve District:*

On August 2, 1990, the President issued an Executive Order blocking all property and interests in property of the Government of Iraq in the United States, and prohibiting transactions with the Government of Iraq. In addition, the President issued an Executive Order blocking all property and interests in property of the Government of Kuwait in the United States.

Printed on the following pages is the text of the Executive Orders. Included also is the text of a General License issued by the Office of Foreign Assets Control of the Department of the Treasury, and a copy of a letter from the Office of Foreign Assets Control directed to this Bank.

Questions regarding this matter should be directed to Bradley K. Sabel, Counsel (Tel. No. 212-720-5041).

E. GERALD CORRIGAN,  
*President.*

## EXECUTIVE ORDER

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### BLOCKING IRAQI GOVERNMENT PROPERTY AND PROHIBITING TRANSACTIONS WITH IRAQ

By the authority vested in me as President by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code.

I, GEORGE BUSH, President of the United States of America, find that the policies and actions of the Government of Iraq constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. All property and interests in property of the Government of Iraq, its agencies, instrumentalities and controlled entities and the Central Bank of Iraq that are in the United States, that hereafter come within the United States or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are hereby blocked.

Section 2. The following are prohibited, except to the extent provided in regulations which may hereafter be issued pursuant to this Order:

(a) The import into the United States of any goods or services of Iraqi origin, other than publications and other informational materials;

(b) The export to Iraq of any goods, technology (including technical data or other information controlled for export pursuant to Section 5 of the Export Administration Act (50 U.S.C. App. 2404)) or services from the United States, except publications and other informational materials, and donations of articles intended to relieve human suffering, such as food, clothing, medicine and medical supplies intended strictly for medical purposes;

(c) Any transaction by a United States person relating to transportation to or from Iraq; the provision of transportation to or from the United States by any Iraqi person or any vessel or aircraft of Iraqi registration; or the sale in the United States by any person holding authority under the Federal Aviation Act of 1958, as amended (49 U.S.C. 1514), of any transportation by air which includes any stop in Iraq;

(d) The purchase by any United States person of goods for export from Iraq to any country;

(e) The performance by any United States person of any contract in support of an industrial or other commercial or governmental project in Iraq;

(f) The grant or extension of credits or loans by any United States person to the Government of Iraq, its instrumentalities and controlled entities;

(g) Any transaction by a United States person relating to travel by any United States citizen or permanent resident alien to Iraq, or to activities by any such person within Iraq, after the date

of this Order, other than transactions necessary to effect such person's departure from Iraq, or travel for journalistic activity by persons regularly employed in such capacity by a newsgathering organization; and

(h) Any transaction by any United States person which evades or avoids, or has the purpose of evading or avoiding, any of the prohibitions set forth in this Order.

For purposes of this Order, the term "United States person" means any United States citizen, permanent resident alien, juridical person organized under the laws of the United States, or any person in the United States.

Section 3. This Order is effective immediately.

Section 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. Such actions may include prohibiting or regulating payments or transfers of any property or any transactions involving the transfer of anything of economic value by any United States person to the Government of Iraq, its instrumentalities and controlled entities, or to any Iraqi national or entity owned or controlled, directly or indirectly, by Iraq or Iraqi nationals. The Secretary may redelegate any of these functions to other officers and agencies of the Federal government. All agencies of the United States government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

This Order shall be transmitted to the Congress and published in the *Federal Register*.

GEORGE BUSH  
The White House  
August 2, 1990



## EXECUTIVE ORDER

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### BLOCKING KUWAITI GOVERNMENT PROPERTY

By the authority vested in me as President by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and 3 U.S.C. 301.

I, GEORGE BUSH, President of the United States, find that the situation caused by the invasion of Kuwait by Iraq constitutes an unusual and extraordinary threat to the national security, foreign policy and economy of the United States and have declared a national emergency to deal with that threat.

I hereby order blocked all property and interests in property of the Government of Kuwait or any entity purporting to be the Government of Kuwait, its agencies, instrumentalities and controlled entities and the Central Bank of Kuwait that are in the United States, that hereafter come within the United States or that are or hereafter come within the possession or control of United States persons, including their overseas branches.

For purposes of this Order, the term "United States person" means any United States citizen, permanent resident alien, juridical person organized under the laws of the United States or any person in the United States.

The Secretary of the Treasury is authorized to employ all powers granted to me by the International Emergency Economic Powers Act to carry out the provisions of this Order.

This Order is effective immediately and shall be transmitted to the Congress and published in the *Federal Register*.

GEORGE BUSH  
The White House  
August 2, 1990

## GENERAL LICENSE

### *Completion of Certain Securities Transactions.*

(a) Commercial banking or investment banking institutions within the United States are hereby authorized to complete, on or before August 16, 1990, irrespective of their stated completion date, transactions entered into prior to 5:00 a.m. Eastern Daylight Time, August 2, 1990, involving securities purchased, sold, lent, or borrowed for the account of the Government of Kuwait, its agencies, instrumentalities, and controlled entities, and the Central Bank of Kuwait (the "Government of Kuwait"), provided the following terms and conditions are complied with, respectively:

(1) The proceeds of such sale by, or return of funds to, the Government of Kuwait are credited to a blocked account in a commercial banking or investment banking institution within the United States in the name of the person for whose account such sale or return was made; and

(2) The securities so purchased by, or lent or returned to, the Government of Kuwait are held in a blocked account in a commercial banking or investment banking institution within the United States in the name of the person for whose account the purchase, borrowing, or loan was made.

(b) This section does not authorize the crediting of the proceeds of, or funds received with respect to, Government of Kuwait securities held in a blocked account or a sub-account, or securities returned with respect to funds held in a blocked account or sub-account, to a blocked account or sub-account under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such funds or securities were held.

Issued: August 2, 1990

R. RICHARD NEWCOMB  
Director  
Office of Foreign Assets Control

**DEPARTMENT OF THE TREASURY**  
**WASHINGTON**

Dear Mr. Patrikis,

The Office of Foreign Assets Control has information which indicates that the United Bank of Kuwait, the National Bank of Kuwait and the Commercial Bank of Kuwait are all partially owned by entities which are instrumentalities or controlled entities of the Government of Kuwait. This ownership may be substantial and sufficient to cause the respective banks to be controlled entities of the Government of Kuwait. Until it can be determined that these banks are not entities controlled by the Government of Kuwait, they will be deemed to be such entities by the Office of Foreign Assets Control.

Sincerely,  
R. RICHARD NEWCOMB  
Director  
Office of Foreign Assets Control

Mr. Ernest T. Patrikis  
General Counsel  
Federal Reserve Bank of New York  
New York, New York