

**FEDERAL RESERVE BANK  
OF NEW YORK**

*Fiscal Agent of the United States*

[ Circular No. **10367** ]  
August 9, 1990 ]

**KUWAIT ASSETS CONTROL REGULATIONS**

**General Licenses Nos. 2, 3, and 4**

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

On August 8, 1990, the Office of Foreign Assets Control of the Department of the Treasury issued three general licenses under the Kuwait Assets Control Regulations. General License No. 2 affects oil under contract entered into prior to August 2, 1990 and en route to the United States. General License No. 3 affects investment of Government of Kuwait funds held in blocked accounts. General License No. 4 affects transactions by U.S. entities owned or controlled by the Government of Kuwait.

The texts of the general licenses are printed on the following pages. Questions regarding this matter may be directed to Bradley K. Sabel, Counsel (Tel. No. 212-720-5041).

E. GERALD CORRIGAN,  
*President.*



DEPARTMENT OF THE TREASURY  
WASHINGTON

OFFICE OF FOREIGN ASSETS CONTROL  
KUWAIT ASSETS CONTROL REGULATIONS  
GENERAL LICENSE NO. 2

Oil Under Contract Entered Into Prior to August 2, 1990 And En Route To The United States.

(a) Oil of Iraqi origin or oil in which the Government of Kuwait or the Government of Iraq has an interest may be imported into the United States only if:

(1) prior to the effective date, the oil was loaded for ultimate delivery to the United States on board a vessel in Iraq, Kuwait, or a third country,

(2) the oil is imported into the United States before 11:59 p.m. Eastern Daylight Time, October 1, 1990, and

(3) the bill of lading accompanying the oil was issued prior to the effective date.

(b) Any payment owed or balance not paid to or for the benefit of the Government of Iraq or the Government of Kuwait prior to the effective date for oil imported pursuant to section (a) must be paid into a blocked account in a U.S. financial institution.

(c) Transactions conducted pursuant to this section must be reported in writing to the Office of Foreign Assets Control, Blocked Assets Section within ten (10) days of the date of importation.

(d) Terms used in this license are defined as follows:

(1) The term "oil of Iraqi origin" shall mean oil extracted, processed or refined in Iraq.

(2) The term "Government of Iraq" includes:

a) The state and the Government of Iraq, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iraq;

b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly on behalf of any of the foregoing;

d) Any other person or organization determined by the Secretary of the Treasury to be included within section (1).

(3) The term "Government of Kuwait" shall mean

a) The state and the Government of Kuwait, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Kuwait;

b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to



believe such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly on behalf of any of the foregoing, and

d) Any other person or organization determined by the Secretary of the Treasury to be included within section (1).

(4) The term "effective date" shall mean 5:00 a.m. Eastern Daylight Time, August 2, 1990.

(5) The term "blocked account" shall mean an account in a financial institution with respect to which account payments, transfers or withdrawals or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control authorizing such action.

(6) The term "U.S. financial institution" shall mean any U.S. person engaged in the business of accepting deposits or making, granting, transferring, holding, or brokering loans or credits, or of purchasing or selling foreign exchange or commodities or procuring purchasers and sellers thereof, as principal or agent, including, but not limited to, banks, savings banks, trust companies, securities brokers and dealers,

commodities brokers, investment companies, employee pension plans, and holding companies or subsidiaries of any of the foregoing.

Issued: August 8, 1990

A handwritten signature in cursive script, reading "Richard Newcomb", is written over a horizontal line.

R. Richard Newcomb

Director

Office of Foreign Assets Control



DEPARTMENT OF THE TREASURY  
WASHINGTON

OFFICE OF FOREIGN ASSETS CONTROL  
KUWAIT ASSETS CONTROL REGULATIONS  
GENERAL LICENSE NO. 3

Investment of Government of Kuwait Funds Held in Blocked Accounts.

(a) U.S. financial institutions are hereby authorized to invest and reinvest funds held in blocked accounts in the name of the Government of Kuwait, subject to the following conditions:

(1) The proceeds of such investments and reinvestments are credited to a blocked account or sub-account which is in the name of the Government of Kuwait and which is subject to the jurisdiction of the United States;

(2) The proceeds of such investments and reinvestments are not credited 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; and

(3) no financial or economic benefit accrues to the Government of Iraq as a result of the transaction.

(b) (1) U.S. persons seeking to avail themselves of this authorization must register with the Office of Foreign Assets Control, Blocked Assets Section.

(2) Transactions conducted pursuant to this section must be reported to the Office of Foreign Assets Control, Blocked Assets Section within ten (10) days of completion of the transaction.



(c) Terms used in this license are defined as follows:

(1) The term "Government of Iraq" includes:

a) The state and the Government of Iraq, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iraq;

b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly on behalf of any of the foregoing;

d) Any other person or organization determined by the Secretary of the Treasury to be included within section (1).

(2) The term "Government of Kuwait" shall mean

a) The state and the Government of Kuwait, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Kuwait;

b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly on behalf of any of the foregoing, and

d) Any other person or organization determined by the Secretary of the Treasury to be included within section (1).

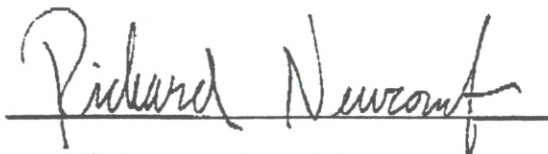
(3) The term "blocked account" shall mean an account in the United States with respect to which account payments, transfers or withdrawals or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control authorizing such action.

(4) The term "U.S. financial institution" shall mean any U.S. person engaged in the business of accepting deposits or making, granting, transferring, holding, or brokering loans or credits, or of purchasing or selling foreign exchange or commodities or procuring purchasers and sellers thereof, as principal or agent, including, but not limited to, banks, savings banks, trust companies,



securities brokers and dealers, commodities brokers,  
investment companies, employee pension plans, and holding  
companies or subsidiaries of any of the foregoing.

Issued: August 8, 1990

A handwritten signature in cursive script, reading "Richard Newcomb", is written over a horizontal line.

R. Richard Newcomb

Director

Office of Foreign Assets Control



DEPARTMENT OF THE TREASURY  
WASHINGTON

OFFICE OF FOREIGN ASSETS CONTROL  
KUWAIT ASSETS CONTROL REGULATIONS  
GENERAL LICENSE NO. 4

Transactions by U.S. Entities Owned or Controlled by the  
Government of Kuwait.

(a) The following transactions by a U.S. financial institution that is not owned or controlled by the Government of Kuwait are hereby authorized with respect to blocked accounts held in the name of entities owned or controlled by the Government of Kuwait that are located within the United States:

(1) Any payment or transfer, including any payment or transfer from outside the United States, into such blocked accounts;

(2) Any payment or transfer from such blocked accounts, provided that no benefit accrues to the Government of Iraq from such transactions.

(b)(1) Entities owned or controlled by the Government of Kuwait, seeking to avail themselves of this authorization, must register with the Office of Foreign Assets Control, Blocked Assets Section.

(2) Financial institutions must require evidence of such registration before undertaking any transaction pursuant to this license.

(c) Terms used in this license are defined as follows:

(1) The term "Government of Iraq" includes:

a) The state and the Government of Iraq, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iraq;

b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly on behalf of any of the foregoing;

d) Any other person or organization determined by the Secretary of the Treasury to be included within section (1).

(2) The term "Government of Kuwait" shall mean

a) The state and the Government of Kuwait, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Kuwait;

b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing;

c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe such person is, or has been, since the effective date, acting or purporting to act, directly or indirectly on behalf of any of the foregoing, and

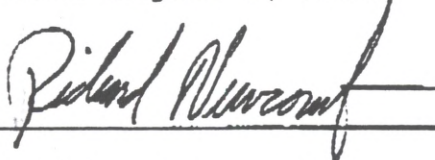


d) Any other person or organization determined by the Secretary of the Treasury to be included within section (1).

(3) The term "blocked account" shall mean an account in a financial institution with respect to which account payments, transfers, or withdrawals or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control authorizing such action.

(4) The term "U.S. financial institution" shall mean any U.S. person engaged in the business of accepting deposits or making, granting, transferring, holding, or brokering loans or credits, or of purchasing or selling foreign exchange or commodities or procuring purchasers and sellers thereof, as principal or agent, including, but not limited to, banks, savings banks, trust companies, securities brokers and dealers, commodities brokers, investment companies, employee pension plans, and holding companies or subsidiaries of any of the foregoing.

Issued August 8, 1990



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R. Richard Newcomb

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