

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. **10390** ]  
October 11, 1990 ]

**KUWAITI ASSETS CONTROL REGULATIONS  
IRAQI SANCTIONS REGULATIONS**  
— **Current Status of Kuwaiti Banks and Companies**  
— **General Licenses Nos. 12 and 13**

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

The Department of the Treasury has issued the following statement clarifying the status of Kuwaiti banks and other entities under Executive Orders Nos. 12722-12725:

The Treasury Department has released a list clarifying the status of 94 Kuwaiti banks and companies under the Executive Orders issued by the President when he froze assets belonging to the Governments of Kuwait and Iraq on August 2, 1990.

The list divides the Kuwaiti entities into three categories:

- “Controlled/Blocked,” which means they are controlled by the Government of Kuwait and/or the Government of Iraq and their assets are frozen;
- “Controlled/Licensed to Operate,” which means they are controlled by the legitimate Government of Kuwait and have been licensed by the Treasury Department to operate;
- “Not Controlled/No Restrictions,” which means they are not regarded by the Treasury Department as controlled by the Government of Kuwait or the Government of Iraq. This category was included solely for the purpose of clarification because the Treasury Department has received many requests concerning the status of those particular entities.

The Treasury Department will update the list when new or significant information become available. Additions or revisions affecting all three categories are anticipated.

Printed on the following pages is the text of General Notice No. 1, issued by the Office of Foreign Assets Control of the Department of the Treasury, dated October 4, 1990, under the Kuwaiti Assets Control Regulations, listing the status of Kuwaiti entities.

The Office of Foreign Assets Control has also issued General Licenses Nos. 12 and 13 under the Kuwaiti Assets Control Regulations and the Iraqi Sanctions Regulations, copies of which are also printed on the following pages. General License No. 12 deals with donations of food to relieve human suffering. General License No. 13 deals with certain standby letters of credit and performance bonds.

Questions concerning any these matters may be directed, at this Bank, to Bradley K. Sabel, Counsel (Tel. No. 212-720-5041), or to the Office of Foreign Assets Control of the Treasury Department (Tel. No. 212-566-2701).

E. GERALD CORRIGAN,  
*President.*



DEPARTMENT OF THE TREASURY  
WASHINGTON

OFFICE OF FOREIGN ASSETS CONTROL  
KUWAITI ASSETS CONTROL REGULATIONS  
General Notice No. 1

NOTIFICATION OF STATUS OF KUWAITI ENTITIES  
(10/04/90)

The Treasury Department has been asked about the status of various entities in which Kuwait or Kuwaiti nationals may have an interest for purposes of Executive Order Nos. 12722-12725. Based on information currently available to the Office of Foreign Assets Control, the following lists have been compiled.

The entities listed as "Controlled/Blocked" have been determined to be controlled by the Government of Kuwait and/or the Government of Iraq and should be regarded as blocked entities. This means U.S. persons are prohibited from engaging in transactions with these entities and all assets under U.S. jurisdiction owned or controlled by those entities are blocked. U.S. persons are not prohibited, however, from paying funds owed to these entities into blocked accounts held in U.S. financial institutions.

The entities listed as "Controlled/Licensed to Operate" should also be regarded as controlled by the Government of Kuwait, but as licensed to operate. This means the Office of Foreign Assets Control has determined that the entities are under the effective control of the legitimate Government of Kuwait and U.S. persons are authorized to engage in transactions with them. These authorized transactions include entering into contracts, making and receiving payments, and conducting other commercial or financial transactions. If questions arise, U.S. financial and commercial institutions should request, from the entities concerned, to see copies of the operating licenses.

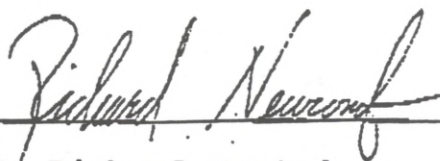
The entities listed as "Not Controlled/No Restrictions" are not regarded by the Office of Foreign Assets Control as controlled by the Government of Kuwait or the Government of Iraq. The names of these entities appear on the list solely for the purpose of

clarification because requests regarding their status have been received. Some of the entities on this list may be subject to special Treasury Department licensing/reporting requirements.

Warning: These lists are subject to revision should new information become available and are not inclusive. Additions to the lists are anticipated. The absence of a particular entity on any of the lists should not be regarded as indicative of whether the entity is owned or controlled by the Government of Kuwait or the Government of Iraq.

For further information concerning this notice contact the Office of Foreign Assets Control at (202) 566-2701.

Issued: October 4, 1990



---

R. Richard Newcomb  
Director  
Office of Foreign Assets Control

OFFICE OF FOREIGN ASSETS CONTROL

Status of Kuwaiti Entities  
10/04/90

Controlled/Blocked

AlAhli Bank of Kuwait  
AlAhli Insurance Company  
Arab Fund for Economic and Social Development  
Arab Trust Company  
Bahrain Arab International Bank  
Bank of Kuwait & Middle East  
Burgan Bank  
Central Bank of Kuwait  
Commercial Bank of Kuwait  
Commercial Facilities Company  
Gulf Insurance Company  
Industrial Bank of Kuwait  
International Financial Advisor  
Kuwait Finance House  
KREIC Singapore  
Kuwait Cement Company  
Kuwait Clearing Company  
Kuwait Hotels Company  
Kuwait Metal Pipe Industries Company  
Kuwait Real Estate Bank  
Kuwait Real Estate Investment Consortium (KREIC)  
Kuwait Reinsurance Company  
Kuwait Supply Company  
Kuwait United Poultry Company  
Mobile Telephone Systems  
Mubarakiah Poultry and Feed Company  
National Industries Company K.S.C.  
National Real Estate Company  
Public Warehousing Company  
Rawdatain Water Bottling Company  
Refrigeration Industries Company  
Savings and Credit Bank  
Securities Group Company  
Securities House Company  
The Gulf Bank  
United Fisheries of Kuwait  
United Realty Company  
Univest Invest Company  
Warba Insurance Company

OFFICE OF FOREIGN ASSETS CONTROL

Status of Kuwaiti Entities  
10/04/90

Controlled/Licensed to Operate

Credit des Bergues  
Georgetown Industries, Inc. (including subsidiaries)  
KFIC, Inc. (including subsidiaries)  
Kuwait Airways Corporation  
Kuwait Asia Bank  
Kuwait Investment Office (including controlled entities)  
Kuwait Investment Authority  
Kuwait Maritime Transport Company  
Kuwait & Middle East Financial Investment Company  
Kuwait Oil Tanker Company  
Kuwait Petroleum Corporation (London) (including licensed affiliates)  
Kuwait Petroleum - North Sea Holdings Ltd. (including subsidiaries)  
Santa Fe International Corporation (including subsidiaries and affiliates)  
Wafra Intervest Corporation (Cayman) (including subsidiaries and affiliates)

Not Controlled/No Restrictions \*

Alexandria Kuwait International Bank  
Arab African International Bank  
Arab Banking Corporation  
Arab Financial Services Company  
Arab Hellenic Bank  
Arab Insurance Group  
Arab Maritime Petroleum Transport  
Arab Mining Company  
Arab Petroleum Investments Corporation  
Arab Turkish Bank  
Bahrain Islamic Bank

\* Some of these entities may be subject to special Treasury Department licensing/reporting requirements.

OFFICE OF FOREIGN ASSETS CONTROL

Status of Kuwaiti Entities  
10/04/90

Not Controlled/No Restrictions \*  
(continued from previous page)

Bahrain Islamic Investment Company  
Bahrain Middle East Bank  
Banco Arabe Espanol  
Banco Atlantico  
Bank of Bahrain and Kuwait  
Bank of Oman, Bahrain & Kuwait  
CHENI  
Dao Heng Bank  
FRAB Bank International  
Gulf International Bank  
Gulf Investment Corporation  
Independent Petroleum Group  
International Contracting Group  
Jordan Fertilizer Industry Company  
Jordan Kuwait Bank  
Korea Kuwait Banking Corporation  
Kuwait French Bank  
Kuwait Investment Projects Company  
Kuwait Lebanon Bank  
Kuwait National Cinema Company  
National Bank of Kuwait  
National Investment Company  
Oman Housing Bank  
Pearl Holding Company  
Swiss Kuwaiti Bank  
The Arab Investment Company  
UBAF Arab American Bank  
United Arab Shipping Company  
United Bank of Kuwait  
United Gulf Bank  
Yemen Kuwait Bank

\* Some of these entities may be subject to special Treasury  
Department licensing/reporting requirements.



DEPARTMENT OF THE TREASURY  
WASHINGTON

SEP 26 1990

OFFICE OF FOREIGN ASSETS CONTROL  
KUWAITI ASSETS CONTROL REGULATIONS  
IRAQI SANCTIONS REGULATIONS

GENERAL LICENSE NO. 12

Donations of Food to Relieve Human Suffering

(a) Specific licenses may be issued on a case-by-case basis to permit exportation to Iraq or Kuwait of donated food, intended to relieve human suffering, where the shipment of foodstuffs has been authorized by the Security Council of the United Nations or a duly authorized body subordinate thereto acting pursuant to, and in accordance with, the provisions of United Nations Security Council resolution 666 (1990), a copy of which is attached hereto. Authorization will be sought from the United Nations Security Council or duly authorized subordinate body by the United States following application to this Office meeting the requirements of subsection (c) of this license.

(b) In general, and subject to paragraph (a), specific licenses will only be granted for donations of food to be provided through the United Nations in cooperation with the International Committee of the Red Cross or other appropriate humanitarian agencies and distributed by them or under their supervision, or in such other manner as may be approved under United Nations Security Council resolution 666 (1990), in

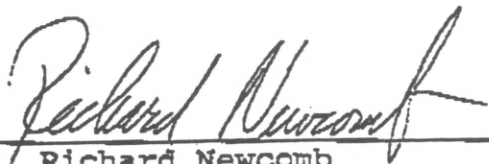
order to ensure that such donations reach the intended beneficiaries.

(c) Applications for specific licenses pursuant to paragraph (a) shall be made in advance of the proposed exportation, and provide notice and evidence of:

(1) the nature, quantity, value, and intended use of the donated food; and

(2) compliance with such terms and conditions of distribution as may have been adopted by the United Nations Security Council or duly authorized subordinate body to govern the shipment of foodstuffs under applicable United Nations Security Council resolutions, including resolutions 661 (1990) and 666 (1990).

Issued: September 26, 1990



R. Richard Newcomb  
Director  
Office of Foreign Assets Control



## UNITED NATIONS SECURITY COUNCIL RESOLUTION 666 (1990)

The Security Council,

Recalling its resolution 661 (1990), paragraphs 3 (c) and 4 of which apply, except in humanitarian circumstances, to foodstuffs,

Recognizing that circumstances may arise in which it will be necessary for foodstuffs to be supplied to the civilian population in Iraq or Kuwait in order to relieve human suffering,

Noting that in this respect the Committee established under paragraph 6 of that resolution has received communications from several Member States,

Emphasizing that it is for the Security Council, alone or acting through the Committee, to determine whether humanitarian circumstances have arisen,

Deeply concerned that Iraq has failed to comply with its obligations under Security Council resolution 664 (1990) in respect of the safety and well-being of third State nationals, and reaffirming that Iraq retains full responsibility in this regard under international humanitarian law including, where applicable, the Fourth Geneva Convention,

Acting under Chapter VII of the Charter of the United Nations,

1. Decides that in order to make the necessary determination whether or not for the purposes of paragraph 3 (c) and paragraph 4 of resolution 661 (1990) humanitarian circumstances have arisen, the Committee shall keep the situation regarding foodstuffs in Iraq and Kuwait under constant review;

2. Expects Iraq to comply with its obligations under Security Council resolution 664 (1990) in respect of third State nationals and reaffirms that Iraq remains fully responsible for their safety and well-being in accordance with international humanitarian law including, where applicable, the Fourth Geneva Convention;

3. Requests, for the purposes of paragraphs 1 and 2 of this resolution, that the Secretary-General seek urgently, and on a continuing basis, information from relevant United Nations and other appropriate humanitarian agencies and all other sources on the availability of food in Iraq and Kuwait, such information to be communicated by the Secretary-General to the Committee regularly;

4. Requests further that in seeking and supplying such information particular attention will be paid to such categories of persons who might suffer specially, such as children under 15 years of age, expectant mothers, maternity cases, the sick and the elderly;

5. Decides that if the Committee, after receiving the reports from the Secretary-General, determines that circumstances have arisen in which there is an urgent humanitarian need to supply foodstuffs to Iraq or Kuwait in order to relieve human suffering, it will report promptly to the Council its decision as to how such need should be met;

6. Directs the Committee that in formulating its decisions it should bear in mind that foodstuffs should be provided through the United Nations in co-operation with the International Committee of the Red Cross or other appropriate humanitarian agencies and distributed by them or under their supervision in order to ensure that they reach the intended beneficiaries;

7. Requests the Secretary-General to use his good offices to facilitate the delivery and distribution of foodstuffs to Kuwait and Iraq in accordance with the provisions of this and other relevant resolutions;

8. Recalls that resolution 661 (1990) does not apply to supplies intended strictly for medical purposes, but in this connection recommends that medical supplies should be exported under the strict supervision of the Government of the exporting State or by appropriate humanitarian agencies.

---



DEPARTMENT OF THE TREASURY  
WASHINGTON

OCT - 3 1990

OFFICE OF FOREIGN ASSETS CONTROL  
IRAQI SANCTIONS REGULATIONS  
GENERAL LICENSE NO. 13

Certain standby letters of credit and performance bonds.

(a) Notwithstanding any other provision of law, payment into a blocked account in a U.S. financial institution by an issuing or confirming bank under a standby letter of credit in favor of an Iraqi entity is prohibited if either (1) a specific license has been issued pursuant to the provisions of paragraph (b) of this license or (2) ten business days have not expired after notice to the account party pursuant to paragraph (b) of this license.

(b) Whenever an issuing or confirming bank shall receive such demand for payment under such a standby letter of credit, it shall promptly notify the account party. The account party may then apply within five business days for a specific license authorizing the account party to establish a blocked account on its books in the name of the Iraqi beneficiary in the amount payable under the credit, in lieu of payment by the issuing or confirming bank into a blocked account and reimbursement therefor by the account party. Nothing in this license relieves any such bank or such account party from giving any notice of defense against payment or reimbursement that is required by applicable law.

(c) Where there is outstanding a demand for payment under a standby letter of credit, and the issuing or

confirming bank has been enjoined from making payment, upon removal of the injunction, the account party may apply for a specific license for the same purpose and in the same manner as that set forth in paragraph (b) of this license. The issuing or confirming bank shall not make payment under the standby letter of credit unless (1) ten business days have expired since the bank has received notice of the removal of the injunction and (2) a specific license issued to the account party pursuant to the provisions of this paragraph has not been presented to the bank.

(d) If necessary to assure the availability of the funds blocked, the Secretary of the Treasury may at any time require the payment of the amounts due under any letter of credit described in paragraph (a) of this license into a blocked account in a U.S. financial institution or the supplying of any form of security deemed necessary.

(e) Nothing in this license precludes the account party on any standby letter of credit or any other person from at any time contesting the legality of the demand from the Iraqi beneficiary or from raising any other legal defense to payment under the standby letter of credit.

(f) This license does not affect the obligation of the various parties to the instruments covered by this license if the instruments and payments thereunder are subsequently unblocked.

(g) This license does not authorize any U.S. person to reimburse a non-U.S. bank for payment to an Iraqi beneficiary

under a standby letter of credit, except by payments into a blocked account in accordance with paragraph (b) or (c) of this license.

(h) A person receiving a specific license under paragraph (b) or (c) of this license shall certify to the Office of Foreign Assets Control within five business days after receipt of the specific license that it has established the blocked account on its books as provided in those paragraphs. However, in appropriate cases, this time period may be extended upon application to the Office of Foreign Assets Control when the account party has filed a petition with an appropriate court seeking a judicial order barring payment by the issuing or confirming bank.

(i) The extension or renewal of a standby letter of credit is authorized.

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

(1) The term "standby letter of credit" shall mean a letter of credit securing performance of, or repayment of any advance payments or deposits under, a contract, or any similar obligation in the nature of a performance bond.

(2) The term "account party" shall mean the person for whose account the standby letter of credit is opened.

(3) The term "U.S. financial institution" shall mean any U.S. person (including foreign branches) that is engaged in the business of accepting deposits or making,

granting, transferring, holding, or brokering loans or credits, or of purchasing or selling foreign exchange, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent, including, but not limited to, banks, savings banks, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing.

(4) The term "blocked account" shall mean an account with respect to which 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.

Issued: October 3, 1990



R. Richard Newcomb  
Director  
Office of Foreign Assets Control