

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **10690**]
[February 10, 1994]

FOREIGN ASSETS CONTROL REGULATIONS
Prospective Lifting of Vietnam Embargo

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

The Office of Foreign Assets Control of the U.S. Department of the Treasury has amended the Foreign Assets Control Regulations, 31 CFR Part 500, to lift prospectively the embargo against Vietnam and to authorize new transactions with Vietnam and Vietnamese nationals. This action does not unblock assets within the jurisdiction of the United States that were blocked as of 5:04 p.m., EST, February 3, 1994, nor does it affect enforcement actions with respect to prior violations of the embargo.

Printed on the following pages is the Treasury Department's official notice of this action, as submitted for publication in the *Federal Register*. Questions on this matter should be directed to the Office of Foreign Assets Control, as indicated in the notice.

WILLIAM J. McDONOUGH,
President.

FEDERAL REGISTER
VOL. 59, No. 025
Rules and Regulations
DEPARTMENT OF THE TREASURY
Foreign Assets Control Office
31 CFR Part 500
Foreign Assets Control Regulations; Prospective Lifting of Vietnam Embargo
Part IV
59 FR 5696

DATE: Monday, February 7, 1994.

ACTION: Final rule; amendment.

SUMMARY: Pursuant to the President's announcement at 5:05 p.m. Eastern Standard Time, February 3, 1994, the Treasury Department is lifting prospectively the embargo against Vietnam and authorizing new financial, trade, and other transactions with Vietnam and Vietnamese nationals. This final rule does not unblock assets within U.S. jurisdiction blocked prior to this time, nor does it affect enforcement actions with respect to prior violations of the embargo.

EFFECTIVE DATE: 5:05 p.m. Eastern Standard Time, February 3, 1994.

FOR FURTHER INFORMATION CONTACT: Steven I. Pinter, Chief of Licensing (tel.: 202/622-2480), or William B. Hoffman, Chief Counsel (tel.: 202/622-2410), Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document is available as an electronic file on The Federal Bulletin Board the day of publication in the *Federal Register*. By modem dial 202/512-1387 or call 202/512-1530 for disks or paper copies. This file is available in Postscript, WordPerfect 5.1 and ASCII.

Background

On February 3, 1994, President Clinton stated that he was lifting the trade embargo against Vietnam because he had determined that this step offered the best way to resolve the fate of American prisoners of war and missing in action. Accordingly, the Office of Foreign Assets Control ("FAC") is amending the Foreign Assets Control Regulations, 31 CFR part 500 (the "FACR"), to add §500.578, authorizing new transactions involving property in which Vietnam or its nationals have an interest. The effect of this amendment is that transactions involving such property coming within the jurisdiction of the United States or into the possession or control of persons subject to the jurisdiction of the United States after 5:05 p.m. E.S.T., February 3, 1994, or in which an interest of Vietnam or a national thereof arises after that time, are authorized by general license. Newly authorized transactions include, but are not limited to, importations from and exportations to Vietnam (not otherwise restricted), new investment, travel-related transactions and brokering transactions. Property blocked as of 5:04 p.m. E.S.T., February 3, 1994, remains blocked. Reports due under general or specific license must still be filed covering activities prior to the effective date of this rule.

Because the FACR involve a foreign affairs function, Executive Order 12866 and 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. 601-612, does not apply.

List of Subjects in 31 CFR Part 500

Administrative practice and procedure, Banks, Banking, Foreign investments in U.S., Foreign trade, Securities, Vietnam.

For the reasons set forth in the preamble, 31 CFR part 500 is amended as follows:

PART 500 — FOREIGN ASSETS CONTROL REGULATIONS

1. The authority citation for part 500 continues to read as follows:

Authority: 50 U.S.C. App. 1-44; E.O. 9193, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9989, 3 CFR, 1943-1948 Comp., p. 748.

Subpart E — Licenses, Authorizations and Statements of Licensing Policy

2. Section 500.578 is added to subpart E to read as follows:

§ 500.578 Authorization of new transactions concerning certain Vietnamese property.

(a) Transactions involving property in which Vietnam or a national thereof has an interest are authorized where:

(1) The property comes within the jurisdiction of the United States or into the control or possession of a person subject to the jurisdiction of the United States at or after 5:05 p.m. E.S.T., February 3, 1994; or

(2) The interest in the property of Vietnam or a Vietnamese national arises at or after 5:05 p.m. E.S.T., February 3, 1994.

(b) Unless otherwise authorized by the Office of Foreign Assets Control, all property and interests in property that were blocked pursuant to subpart B of this part as of 5:04 p.m. E.S.T., February 3, 1994, and any income accruing thereon or proceeds arising therefrom, remain blocked and subject to the prohibitions and requirements of this part.

Dated: February 3, 1994.