

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **10716**
June 17, 1994]

HAITIAN TRANSFERS PROHIBITED

*To the Chief Operating Officers at All Financial Institutions
and All Overseas Branches of U.S. Financial Institutions:*

Enclosed is an urgent notice from the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury, implementing a new Executive Order, effective 11:59 EDT, June 10, 1994, which prohibits any payment or transfer of funds or other financial or investment assets or credits to Haiti from or through the United States, or to or through the United States from Haiti, except for limited authorized transactions.

If your institution has overseas branches, please send them a copy of the enclosed notice. Additional copies may be obtained from our Circulars Division (Tel. No. 212-720-5215 or 5216).

Questions on this matter should be directed to OFAC's Compliance Programs Division (Tel. No. 202-622-2490).

WILLIAM J. McDONOUGH,
President.



URGENT!

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OFFICE OF FOREIGN ASSETS CONTROL

**TO: CHIEF OPERATIONS OFFICERS
AT ALL FINANCIAL INSTITUTIONS IN THE UNITED STATES AND ALL
OVERSEAS BRANCHES OF U.S. FINANCIAL INSTITUTIONS**

HAITIAN TRANSFERS PROHIBITED

President Clinton has signed a new Executive Order, effective 11:59 a.m. EDT, June 10, 1994, prohibiting any payment or transfer of funds or other financial or investment assets or credits to Haiti from or through the United States, or to or through the United States from Haiti, except for limited authorized transactions.

This Order means that, except for transfers going to the *de facto* regime or to persons designated as blocked individuals or entities, all of which must still be blocked when a payment order is received, financial institutions located in the U.S. and U.S. financial institutions located abroad must reject payment orders originating in Haiti or initiated by persons or entities with residency in Haiti except as outlined in this notice or otherwise authorized by the Office of Foreign Assets Control. It also means that, except for transactions which must be blocked because they involve the *de facto* regime or persons designated as blocked individuals or entities, all financial institutions located in the U.S. and U.S. financial institutions located abroad must reject payment orders destined for Haiti, for persons or entities with residency in Haiti, or for accounts of persons or entities with residency in Haiti, unless outlined in this notice or otherwise authorized by the Office of Foreign Assets Control. In addition to impacting your paying and receiving operations, the new Order will clearly impact accounts of Haitian correspondent banks and other accounts for persons or entities with residency in Haiti; only debits and credits for authorized transactions will now be permitted.

Transactions authorized in the Executive Order are:

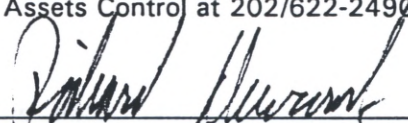
- (1) **Diplomatic:** payments and transfers for the conduct of the activities in Haiti of the U.S. Government, the United Nations, the Organization of American States, or foreign diplomatic missions.
- (2) **Non-governmental organizations:** payments and transfers between the United States and Haiti for the conduct of activities in Haiti of non-governmental organizations engaged in the provision in Haiti of essential humanitarian assistance. However, NGO's are required to register with and receive approval from the Office of Foreign Assets Control. Bank to bank information on payment orders involving NGO's must cite the registration number from the Office of Foreign Assets Control listed as "Foreign Assets Control Registration No. HH-____." If the registration number is not there, the payment order must be rejected. The Compliance Programs Division of the Office of Foreign Assets Control may be called at 202/622-2490 if you wish to verify a registration number.
- (3) **Family remittances:** with a limit of \$50 per month from a U.S. person to the Haitian household of a close relative of the remitter or of the remitter's spouse, provided that neither the *de facto* regime in Haiti nor any person designated as a blocked individual or entity of Haiti is a beneficiary of the remittance. The payment order must state the fact that it is for a family remittance. A financial institution originating a family remittance payment order should verify in writing from the remitter that

(Over)

the \$50 per month limit has not been exceeded; intermediary banks may rely on originating financial institutions having exercised that due diligence.

(4) **Approved exports:** payments and transfers to U.S. exporters or by U.S. exporters incidental to shipments to Haiti of informational materials needed for the free flow of information, rice, beans, sugar, wheat flour, cooking oil, corn, corn flour, milk, edible tallow, medicine, medical supplies, or donated food. Contact the Office of Foreign Assets Control if the de facto regime or any person designated by the Secretary of the Treasury as a blocked individual or entity of Haiti is a direct or indirect party to the transaction. Humanitarian items not listed or the commercial sale of other food items must be specifically licensed. Letter of credit departments and documentary collection departments may find themselves involved in transactions relating to U.S. exporters shipping approved exports. If so, you should satisfy yourself that the export is indeed exempt or specifically approved before proceeding. Intermediary banks may rely on the findings of U.S. originating banks in such transactions. Transactions involving shipments by non-U.S. exporters need to be verified on a case-by-case basis by the Office of Foreign Assets Control, which must be contacted for explicit written approval before payments or transfers relating to any such items are processed.

If you have any questions regarding any aspect of this notification, please call the Compliance Programs Division of the Office of Foreign Assets Control at 202/622-2490.



**R. RICHARD NEWCOMB
DIRECTOR
OFFICE OF FOREIGN ASSETS CONTROL**

FAC Ref: COMPL94700

June 10, 1994