

Order 13304 that continuation of prohibitions with regard to transactions involving property blocked pursuant to Executive Orders 12808 or 13088 that continued to be blocked as of May 29, 2003 (the effective date of Executive Order 13304), was necessary on account of claims involving successor states to the former Socialist Federal Republic of Yugoslavia or other potential claimants.

Since the effective date of Executive Order 13304, the successor states to the former Socialist Federal Republic of Yugoslavia have reached an agreement concerning the division of assets of the former Socialist Federal Republic of Yugoslavia.

Accordingly, OFAC is removing the Federal Republic of Yugoslavia (Serbia & Montenegro) and Bosnian Serb-controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 CFR part 585, the Federal Republic of Yugoslavia (Serbia & Montenegro) Kosovo Sanctions Regulations, 31 CFR part 586, and the Federal Republic of Yugoslavia (Serbia & Montenegro) Milosevic Sanctions Regulations, 31 CFR part 587, from 31 CFR chapter V. The removal of these three parts from 31 CFR chapter V does not affect ongoing enforcement proceedings or prevent the initiation of enforcement proceedings where the relevant statute of limitations has not run.

Please note that certain transactions relating to the Western Balkans region remain subject to Executive Order 13219 of June 26, 2001, Executive Order 13304 of May 28, 2003, and the Western Balkans Stabilization Regulations, 31 CFR part 588 (the "WBSR"), and property and interests in property blocked pursuant to those Executive Orders and regulations remain blocked. In a separate final rule also published today, OFAC is amending the WBSR to implement Executive Order 13304 and to make other changes.

### Public Participation

Because the Regulations involve a foreign affairs function, the provisions of Executive Order 12866 of September 30, 1993, and 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

#### 31 CFR Part 585

Administrative practice and procedure, Banking and finance, Blocking of assets, Exports, Federal Republic of Yugoslavia (Serbia and Montenegro), Foreign trade, Imports, Intellectual property, Loans, Penalties, Reporting and recordkeeping requirements, Securities, Services, Shipping, Telecommunications, Transfer of assets, Vessels.

#### 31 CFR Part 586

Administrative practice and procedure, Banks, Banking, Blocking of assets, Federal Republic of Yugoslavia (Serbia & Montenegro), Investments, Kosovo, Montenegro, New investment, Penalties, Reporting and recordkeeping requirements, Serbia.

#### 31 CFR Part 587

Administrative practice and procedure, Banks, Banking, Blocking of assets, Credit, Federal Republic of Yugoslavia (Serbia & Montenegro), Investments, Milosevic, Penalties, Reporting and recordkeeping requirements, Securities, Services.

### PARTS 585, 586, AND 587— [REMOVED]

For the reasons set forth in the preamble, under the authority of Executive Order 13304 (68 FR 32315, May 29, 2003) and 50 U.S.C. 1701 *et seq.*, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR chapter V by removing parts 585, 586, and 587.

Dated: June 16, 2011.

**Adam J. Szubin,**

*Director, Office of Foreign Assets Control,  
Department of the Treasury.*

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## DEPARTMENT OF THE TREASURY

### Office of Foreign Assets Control

#### 31 CFR Part 588

### Western Balkans Stabilization Regulations

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control ("OFAC") is amending and reissuing in their entirety the Western Balkans Stabilization Regulations, part 588 of 31 CFR chapter V, to implement

Executive Order 13304 of May 28, 2003, and to make additional conforming and technical changes to the regulations.

**DATES:** *Effective Date:* June 29, 2011.

**FOR FURTHER INFORMATION CONTACT:**

Assistant Director for Sanctions Compliance & Evaluation, *tel.*: 202/622–2490, Assistant Director for Licensing, *tel.*: 202/622–2480, Assistant Director for Policy, *tel.*: 202/622–4855, Office of Foreign Assets Control, or Chief Counsel (Foreign Assets Control), *tel.*: 202/622–2410, Office of the General Counsel, Department of the Treasury (not toll free numbers).

**SUPPLEMENTARY INFORMATION:**

**Electronic and Facsimile Availability**

This document and additional information concerning OFAC are available from OFAC's Web site (<http://www.treasury.gov/ofac>). Certain general information pertaining to OFAC's sanctions programs also is available via facsimile through a 24-hour fax-on-demand service, *tel.*: 202/622–0077.

**Background**

On June 26, 2001, the President issued Executive Order 13219 (66 FR 34777, June 29, 2001) ("E.O. 13219"), invoking the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701–1706) ("IEEPA") and the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (the "NEA"). In E.O. 13219, the President determined that the actions of persons engaged in, or assisting, sponsoring, or supporting, (i) extremist violence in the former Yugoslav Republic of Macedonia, southern Serbia, the Federal Republic of Yugoslavia, and elsewhere in the Western Balkans region, or (ii) acts obstructing implementation of the Dayton Accords in Bosnia or United Nations Security Council Resolution ("UNSCR") 1244 of June 10, 1999, in Kosovo, constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and declared a national emergency to deal with that threat. E.O. 13219 blocked, with certain exceptions, all property and interests in property that were in the United States, that came within the United States, or that were or came within the possession or control of United States persons, of persons listed in the Annex to E.O. 13219 or designated by the Secretary of the Treasury, in consultation with the Secretary of State, pursuant to criteria set forth in E.O. 13219. E.O. 13219 also prohibited any transaction by a U.S. person that evades or avoids, has the purpose of evading or avoiding, or

attempts to violate any of the prohibitions set forth in E.O. 13219, as well as any conspiracy formed to violate such prohibitions.

Acting under authority delegated by the Secretary of the Treasury, OFAC promulgated the Western Balkans Stabilization Regulations, 31 CFR part 588 (67 FR 37671, May 30, 2002) (the "WBSR"), to implement E.O. 13219.

On May 28, 2003, the President issued Executive Order 13304 (68 FR 32315, May 29, 2003) ("E.O. 13304"), invoking the authority of, *inter alia*, IEEPA, the NEA, and section 5 of the United Nations Participation Act (22 U.S.C. 287c) (the "UNPA"). In E.O. 13304, the President first determined that the situations that gave rise to the national emergencies declared in Executive Order 12808 of May 30, 1992 (57 FR 23299, June 2, 1992), and Executive Order 13088 of June 9, 1998 (63 FR 32109, June 12, 1998), with respect to the former Socialist Federal Republic of Yugoslavia had been significantly altered by the peaceful transition to democracy and other positive developments in Serbia and Montenegro, terminated the national emergencies declared in those orders, and revoked those and all related orders. Section 1 of E.O. 13304 invokes certain residual authorities of the NEA and IEEPA with respect to the terminated national emergencies. In a separate final rule also published today, OFAC is removing from the Code of Federal Regulations those regulations that implemented the orders revoked by E.O. 13304, parts 585 through 587 of 31 CFR chapter V.

In E.O. 13304, the President then took additional steps with respect to continuing, widespread, and illicit actions obstructing implementation of the Ohrid Framework Agreement of 2001 relating to Macedonia, UNSCR 1244 relating to Kosovo, or the Dayton Accords relating to Bosnia and Herzegovina, including the harboring of individuals indicted by the International Criminal Tribunal for the former Yugoslavia, and with respect to the national emergency described and declared in E.O. 13219. E.O. 13304 amended E.O. 13219 to expand and clarify the scope of persons targeted by the blocking sanctions.

Section 2 of E.O. 13304 provides that the Annex to E.O. 13219 is replaced and superseded in its entirety by the Annex to E.O. 13304. Section 3 of E.O. 13304 revises section 1(a) and 1(b) of E.O. 13219. As so amended, section 1(a) of E.O. 13219 now blocks, with certain exceptions, all property and interests in property that are in the United States, that come within the United States, or

that are or come within the possession or control of United States persons, of: (i) Persons listed in the Annex to the order, as amended by E.O. 13304, and (ii) persons determined by the Secretary of the Treasury, in consultation with the Secretary of State, because they are determined: (A) To be under open indictment by the International Criminal Tribunal for the former Yugoslavia (the "ICTY"), unless circumstances warrant otherwise; (B) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of threatening the peace in or diminishing the stability or security of any area or state in the Western Balkans region, undermining the authority, efforts, or objectives of international organizations or entities present in the region, or endangering the safety of persons participating in or providing support to the activities of those international organizations or entities; (C) to have actively obstructed, or pose a significant risk of actively obstructing, the Ohrid Framework Agreement of 2001 relating to Macedonia, UNSCR 1244 relating to Kosovo, or the Dayton Accords or the Conclusions of the Peace Implementation Conference held in London on December 8–9, 1995, including the decisions or conclusions of the High Representative, the Peace Implementation Council or its Steering Board, relating to Bosnia and Herzegovina; (D) to have materially assisted in, sponsored, or provided financial, material, or technological support for, or goods or services in support of, such acts of violence or obstructionism or any person listed in or designated pursuant to E.O. 13219, as amended by E.O. 13304; or (E) to be owned or controlled by, or acting or purporting to act directly or indirectly for or on behalf of, any person listed in or designated pursuant to E.O. 13219, as amended by E.O. 13304.

Section 1(b) of E.O. 13219, as amended by section 3 of E.O. 13304, clarifies that the President's determination—that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) (*i.e.*, donations of certain articles, such as food, clothing, and medicine, intended to be used to relieve human suffering) would seriously impair the ability to deal with the national emergency declared in E.O. 13219—applies to such donations by or to persons whose property and interests in property are blocked pursuant to E.O. 13219, as amended by E.O. 13304, and that such donations therefore are prohibited.

Section 5 of E.O. 13304 authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and the UNPA, as may be necessary to carry out the purposes of E.O. 13304. Section 5 of E.O. 13304 also provides that the Secretary of the Treasury may redelgate any of these functions to other officers and agencies of the U.S. Government.

Acting under authority delegated by the Secretary of the Treasury, OFAC today is amending the WBSR to implement E.O. 13304 and to make additional conforming and technical changes to the regulations. Due to the extensive nature of these amendments, OFAC is reissuing the WBSR in their entirety.

Section 588.201 of subpart B of the WBSR has been revised to make it consistent with section 1 of E.O. 13219, as amended by section 3 of E.O. 13304.

New section 588.312, has been added to subpart C of the WBSR, to define the term "financial, material, or technological support," as used in revised section 588.201(a)(2)(iv) of the WBSR, to mean any property, tangible or intangible, and to include a list of specific examples. Please note that, in adding new section 588.312 to the WBSR, OFAC does not imply any limitation on the scope of paragraphs (a)(1), (a)(2)(i), (a)(2)(ii), (a)(2)(iii), or (a)(2)(v) of section 588.201. Furthermore, the designation criteria in these paragraphs, as well as in paragraph (a)(2)(iv) of section 588.201, will be applied in a manner consistent with pertinent federal law, including, where applicable, the First Amendment to the United States Constitution.

A new section 588.411 has been added to subpart D of the WBSR to incorporate guidance, issued by OFAC on February 14, 2008, titled "Entities Owned by Persons Whose Property and Interests in Property Are Blocked." A note referencing this section has been added to section 588.301 of subpart C.

Section 588.507 of Subpart E of the WBSR has been revised to incorporate the provisions of General License No. 1, issued by OFAC on July 9, 2003, which authorized the provision of professional legal services relating to the representation of persons in matters pending before the International Criminal Tribunal for the former Yugoslavia.

This final rule also makes additional conforming and technical changes to the WBSR.

**Public Participation**

Because the Regulations involve a foreign affairs function, the provisions of Executive Order 12866 of September 30, 1993, and 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.

**Paperwork Reduction Act**

The collections of information related to the Regulations are contained in 31 CFR part 501 (the “Reporting, Procedures and Penalties Regulations”). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505–0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

**List of Subjects in 31 CFR Part 588**

Administrative practice and procedure, Banks, Banking, Blocking of assets, Credit, Penalties, Reporting and recordkeeping requirements, Securities, Services, Western Balkans.

For the reasons set forth in the preamble, the Department of the Treasury’s Office of Foreign Assets Control revises part 588 of 31 CFR chapter V to read as follows:

**PART 588—WESTERN BALKANS STABILIZATION REGULATIONS****Subpart A—Relation of This Part to Other Laws and Regulations**

Sec.

588.101 Relation of this part to other laws and regulations.

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588.802 Delegation by the Secretary of the Treasury.

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588.901 Paperwork Reduction Act notice.

**Authority:** 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110–96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13219, 66 FR 34777, 3 CFR, 2001 Comp., p. 778; E.O. 13304, 68 FR 32315, 3 CFR, 2004 Comp. p. 229.

**Subpart A—Relation of This Part to Other Laws and Regulations****§ 588.101 Relation of this part to other laws and regulations.**

This part is separate from, and independent of, the other parts of this

chapter, with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. Actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. Differing foreign policy and national security circumstances may result in differing interpretations of similar language among the parts of this chapter. No license or authorization contained in or issued pursuant to those other parts authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to any other provision of law or regulation authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations.

**Subpart B—Prohibitions****§ 588.201 Prohibited transactions involving blocked property.**

(a) All property and interests in property 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 U.S. persons, including their overseas branches, of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(1) Any person listed in the Annex to Executive Order 13219 of June 26, 2001 (66 FR 34777, 3 CFR, 2001 Comp., p. 778), as amended by Executive Order 13304 of May 28, 2003 (68 FR 32315, 3 CFR, 2004 Comp. p. 229); and

(2) Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) To be under open indictment by the International Criminal Tribunal for the former Yugoslavia, unless circumstances warrant otherwise; or

(ii) To have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of threatening the peace in or diminishing the stability or security of any area or state in the Western Balkans region, undermining the authority, efforts, or objectives of international organizations or entities present in the region, or endangering the safety of persons participating in or providing support to the activities of those international organizations or entities; or

(iii) To have actively obstructed, or pose a significant risk of actively

obstructing, the Ohrid Framework Agreement of 2001 relating to Macedonia, United Nations Security Council Resolution 1244 relating to Kosovo, or the Dayton Accords or the Conclusions of the Peace Implementation Conference held in London on December 8–9, 1995, including the decisions or conclusions of the High Representative, the Peace Implementation Council or its Steering Board, relating to Bosnia and Herzegovina; or

(iv) To have materially assisted in, sponsored, or provided financial, material, or technological support for, or goods or services in support of, such acts of violence or obstructionism or any person whose property and interests in property are blocked pursuant to this paragraph (a); or

(v) To be owned or controlled by, or acting or purporting to act directly or indirectly for or on behalf of, any person whose property and interests in property are blocked pursuant to this paragraph (a).

**Note 1 to paragraph (a) of § 588.201:** The names of persons listed in or designated pursuant to Executive Order 13219, as amended by Executive Order 13304, whose property and interests in property are blocked pursuant to paragraph (a) of this section, are published on the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List ("SDN" list) (which is accessible via the Office of Foreign Assets Control's Web site), published in the **Federal Register**, and incorporated into Appendix A to this chapter with the identifier "[BALKANS]." See § 588.411 concerning entities that may not be listed on the SDN list but whose property and interests in property are nevertheless blocked pursuant to paragraph (a) of this section.

**Note 2 to paragraph (a) of § 588.201:** The International Emergency Economic Powers Act (50 U.S.C. 1701–1706) ("IEEPA"), in Section 203 (50 U.S.C. 1702), authorizes the blocking of property and interests in property of a person during the pendency of an investigation. The names of persons whose property and interests in property are blocked pending investigation pursuant to paragraph (a) of this section also are published on the SDN list, published in the **Federal Register**, and incorporated into Appendix A to this chapter with the identifier "[BPI-BALKANS]."

**Note 3 to paragraph (a) of § 588.201:** Sections 501.806 and 501.807 of this chapter describe the procedures to be followed by persons seeking, respectively, the unblocking of funds that they believe were blocked due to mistaken identity, or administrative reconsideration of their status as persons whose property and interests in property are blocked pursuant to paragraph (a) of this section.

(b) The prohibitions in paragraph (a) of this section include, but are not limited to, prohibitions on the following transactions:

(1) The making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to paragraph (a) of this section; and

(2) The receipt of any contribution or provision of funds, goods, or services from any person whose property and interests in property are blocked pursuant to paragraph (a) of this section.

(c) Unless authorized by this part or by a specific license expressly referring to this section, any dealing in any security (or evidence thereof) held within the possession or control of a U.S. person and either registered or inscribed in the name of, or known to be held for the benefit of, or issued by, any person whose property and interests in property are blocked pursuant to paragraph (a) of this section is prohibited. This prohibition includes but is not limited to the transfer (including the transfer on the books of any issuer or agent thereof), disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guaranty of signatures on, any such security on or after the effective date. This prohibition applies irrespective of the fact that at any time (whether prior to, on, or subsequent to the effective date) the registered or inscribed owner of any such security may have or might appear to have assigned, transferred, or otherwise disposed of the security.

(d) The prohibitions in paragraph (a) of this section apply except to the extent transactions are authorized by regulations, orders, directives, rulings, instructions, licenses, or otherwise, and notwithstanding any contracts entered into or any license or permit granted prior to the effective date.

**§ 588.202 Effect of transfers violating the provisions of this part.**

(a) Any transfer after the effective date that is in violation of any provision of this part or of any regulation, order, directive, ruling, instruction, or license issued pursuant to this part, and that involves any property or interest in property blocked pursuant to § 588.201(a), is null and void and shall not be the basis for the assertion or recognition of any interest in or right, remedy, power, or privilege with respect to such property or property interests.

(b) No transfer before the effective date shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or any interest in, any property or interest

in property blocked pursuant to § 588.201(a), unless the person who holds or maintains such property, prior to that date, had written notice of the transfer or by any written evidence had recognized such transfer.

(c) Unless otherwise provided, an appropriate license or other authorization issued by the Office of Foreign Assets Control before, during, or after a transfer shall validate such transfer or make it enforceable to the same extent that it would be valid or enforceable but for the provisions of this part and any regulation, order, directive, ruling, instruction, or license issued pursuant to this part.

(d) Transfers of property that otherwise would be null and void or unenforceable by virtue of the provisions of this section shall not be deemed to be null and void or unenforceable as to any person with whom such property is or was held or maintained (and as to such person only) in cases in which such person is able to establish to the satisfaction of the Office of Foreign Assets Control each of the following:

(1) Such transfer did not represent a willful violation of the provisions of this part by the person with whom such property is or was held or maintained (and as to such person only);

(2) The person with whom such property is or was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization issued pursuant to this part and was not so licensed or authorized, or, if a license or authorization did purport to cover the transfer, that such license or authorization had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained; and

(3) The person with whom such property is or was held or maintained filed with the Office of Foreign Assets Control a report setting forth in full the circumstances relating to such transfer promptly upon discovery that:

(i) Such transfer was in violation of the provisions of this part or any regulation, ruling, instruction, license, or other directive or authorization issued pursuant to this part;

(ii) Such transfer was not licensed or authorized by the Office of Foreign Assets Control; or

(iii) If a license did purport to cover the transfer, such license had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained.

**Note to paragraph (d) of § 588.202:** The filing of a report in accordance with the provisions of paragraph (d)(3) of this section shall not be deemed evidence that the terms of paragraphs (d)(1) and (d)(2) of this section have been satisfied.

(e) Unless licensed pursuant to this part, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property in which, on or since the effective date, there existed an interest of a person whose property and interests in property are blocked pursuant to § 588.201(a).

**§ 588.203 Holding of funds in interest-bearing accounts; investment and reinvestment.**

(a) Except as provided in paragraphs (e) or (f) of this section, or as otherwise directed by the Office of Foreign Assets Control, any U.S. person holding funds, such as currency, bank deposits, or liquidated financial obligations, subject to § 588.201(a) shall hold or place such funds in a blocked interest-bearing account located in the United States.

(b)(1) For purposes of this section, the term *blocked interest-bearing account* means a blocked account:

(i) In a federally-insured U.S. bank, thrift institution, or credit union, provided the funds are earning interest at rates that are commercially reasonable; or

(ii) With a broker or dealer registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), provided the funds are invested in a money market fund or in U.S. Treasury bills.

(2) Funds held or placed in a blocked account pursuant to paragraph (a) of this section may not be invested in instruments the maturity of which exceeds 180 days.

(c) For purposes of this section, a rate is commercially reasonable if it is the rate currently offered to other depositors on deposits or instruments of comparable size and maturity.

(d) For purposes of this section, if interest is credited to a separate blocked account or subaccount, the name of the account party on each account must be the same.

(e) Blocked funds held in instruments the maturity of which exceeds 180 days at the time the funds become subject to § 588.201(a) may continue to be held until maturity in the original instrument, provided any interest, earnings, or other proceeds derived therefrom are paid into a blocked interest-bearing account in accordance with paragraphs (a) or (f) of this section.

(f) Blocked funds held in accounts or instruments outside the United States at

the time the funds become subject to § 588.201(a) may continue to be held in the same type of accounts or instruments, provided the funds earn interest at rates that are commercially reasonable.

(g) This section does not create an affirmative obligation for the holder of blocked tangible property, such as chattels or real estate, or of other blocked property, such as debt or equity securities, to sell or liquidate such property. However, the Office of Foreign Assets Control may issue licenses permitting or directing such sales or liquidation in appropriate cases.

(h) Funds subject to this section may not be held, invested, or reinvested in a manner that provides immediate financial or economic benefit or access to any person whose property and interests in property are blocked pursuant to § 588.201(a), nor may their holder cooperate in or facilitate the pledging or other attempted use as collateral of blocked funds or other assets.

**§ 588.204 Expenses of maintaining blocked physical property; liquidation of blocked property.**

(a) Except as otherwise authorized, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or contract entered into or any license or permit granted prior to the effective date, all expenses incident to the maintenance of physical property blocked pursuant to § 588.201(a) shall be the responsibility of the owners or operators of such property, which expenses shall not be met from blocked funds.

(b) Property blocked pursuant to § 588.201(a) may, in the discretion of the Office of Foreign Assets Control, be sold or liquidated and the net proceeds placed in a blocked interest-bearing account in the name of the owner of the property.

**§ 588.205 Evasions; attempts; conspiracies.**

(a) Except as otherwise authorized, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, any transaction by a U.S. person or within the United States on or after the effective date that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this part is prohibited.

(b) Except as otherwise authorized, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, any

conspiracy formed to violate the prohibitions set forth in this part is prohibited.

**Subpart C—General Definitions**

**§ 588.301 Blocked account; blocked property.**

The terms *blocked account* and *blocked property* shall mean any account or property subject to the prohibitions in § 588.201 held in the name of a person whose property and interests in property are blocked pursuant to § 588.201(a), or in which such person has an interest, and with respect to which payments, transfers, exportations, withdrawals, or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control expressly authorizing such action.

**Note to § 588.301:** See § 588.411 concerning the blocked status of property and interests in property of an entity that is 50 percent or more owned by a person whose property and interests in property are blocked pursuant to § 588.201(a).

**§ 588.302 Effective date.**

The term *effective date* refers to the effective date of the applicable prohibitions and directives contained in this part as follows:

(a)(1) With respect to a person whose property and interests in property are blocked pursuant to § 588.201(a)(1), whose name appeared on the Annex to Executive Order 13219 as originally issued and also appeared on the Annex to Executive Order 13304, 12:01 a.m. eastern daylight time on June 27, 2001;

(2) With respect to a person whose property and interests in property are blocked pursuant to § 588.201(a)(1), whose name first appeared on the Annex to Executive Order 13304, which replaced and superseded the Annex to Executive Order 13219, 12:01 a.m. eastern daylight time on May 29, 2003; and

(b) With respect to a person whose property and interests in property are blocked pursuant to § 588.201(a)(2), the earlier of the date of actual or constructive notice that such person's property and interests in property are blocked.

**§ 588.303 Entity.**

The term *entity* means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.

**§ 588.304 Interest.**

Except as otherwise provided in this part, the term *interest*, when used with respect to property (*e.g.*, "an interest in

property”), means an interest of any nature whatsoever, direct or indirect.

**§ 588.305 Licenses; general and specific.**

(a) Except as otherwise specified, the term *license* means any license or authorization contained in or issued pursuant to this part.

(b) The term *general license* means any license or authorization the terms of which are set forth in subpart E of this part.

(c) The term *specific license* means any license or authorization not set forth in subpart E of this part but issued pursuant to this part.

**Note to § 588.305:** See § 501.801 of this chapter on licensing procedures.

**§ 588.306 Person.**

The term *person* means an individual or entity.

**§ 588.307 Property; property interest.**

The terms *property* and *property interest* include, but are not limited to, money, checks, drafts, bullion, bank deposits, savings accounts, debts, indebtedness, obligations, notes, guarantees, debentures, stocks, bonds, coupons, any other financial instruments, bankers acceptances, mortgages, pledges, liens or other rights in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, any other evidences of title, ownership or indebtedness, letters of credit and any documents relating to any rights or obligations thereunder, powers of attorney, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate mortgages, deeds of trust, vendors' sales agreements, land contracts, leaseholds, ground rents, real estate and any other interest therein, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks or copyrights, insurance policies, safe deposit boxes and their contents, annuities, pooling agreements, services of any nature whatsoever, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future, or contingent.

**§ 588.308 Transfer.**

The term *transfer* means any actual or purported act or transaction, whether or not evidenced by writing, and whether or not done or performed within the United States, the purpose, intent, or effect of which is to create, surrender, release, convey, transfer, or alter, directly or indirectly, any right, remedy, power, privilege, or interest with respect

to any property. Without limitation on the foregoing, it shall include the making, execution, or delivery of any assignment, power, conveyance, check, declaration, deed, deed of trust, power of attorney, power of appointment, bill of sale, mortgage, receipt, agreement, contract, certificate, gift, sale, affidavit, or statement; the making of any payment; the setting off of any obligation or credit; the appointment of any agent, trustee, or fiduciary; the creation or transfer of any lien; the issuance, docketing, filing, or levy of or under any judgment, decree, attachment, injunction, execution, or other judicial or administrative process or order, or the service of any garnishment; the acquisition of any interest of any nature whatsoever by reason of a judgment or decree of any foreign country; the fulfillment of any condition; the exercise of any power of appointment, power of attorney, or other power; or the acquisition, disposition, transportation, importation, exportation, or withdrawal of any security.

**§ 588.309 United States.**

The term *United States* means the United States, its territories and possessions, and all areas under the jurisdiction or authority thereof.

**§ 588.310 U.S. financial institution.**

The term *U.S. financial institution* means any U.S. entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, or commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, clearing corporations, investment companies, employee benefit plans, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions' foreign branches, offices, or agencies.

**§ 588.311 United States person; U.S. person.**

The term *United States person* or *U.S. person* means any United States citizen, permanent resident alien, entity

organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

**§ 588.312 Financial, material, or technological support.**

The term *financial, material, or technological support*, as used in § 588.201(a)(2)(iv) of this part, means any property, tangible or intangible, including but not limited to currency, financial instruments, securities, or any other transmission of value; weapons or related materiel; chemical or biological agents; explosives; false documentation or identification; communications equipment; computers; electronic or other devices or equipment; technologies; lodging; safe houses; facilities; vehicles or other means of transportation; or goods. “Technologies” as used in this definition means specific information necessary for the development, production, or use of a product, including related technical data such as blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals, or other recorded instructions.

**Subpart D—Interpretations**

**§ 588.401 Reference to amended sections.**

Except as otherwise specified, reference to any provision in or appendix to this part or chapter or to any regulation, ruling, order, instruction, directive, or license issued pursuant to this part refers to the same as currently amended.

**§ 588.402 Effect of amendment.**

Unless otherwise specifically provided, any amendment, modification, or revocation of any provision in or appendix to this part or chapter or of any order, regulation, ruling, instruction, or license issued by the Office of Foreign Assets Control does not affect any act done or omitted, or any civil or criminal proceeding commenced or pending, prior to such amendment, modification, or revocation. All penalties, forfeitures, and liabilities under any such order, regulation, ruling, instruction, or license continue and may be enforced as if such amendment, modification, or revocation had not been made.

**§ 588.403 Termination and acquisition of an interest in blocked property.**

(a) Whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) away from a person, such property shall no

longer be deemed to be property blocked pursuant to § 588.201(a), unless there exists in the property another interest that is blocked pursuant to § 588.201(a), the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization issued pursuant to this part, if property (including any property interest) is transferred or attempted to be transferred to a person whose property and interests in property are blocked pursuant to § 588.201(a), such property shall be deemed to be property in which that person has an interest and therefore blocked.

**§ 588.404 Transactions ordinarily incident to a licensed transaction.**

(a) Any transaction ordinarily incident to a licensed transaction and necessary to give effect thereto is also authorized, except:

(1) An ordinarily incident transaction, not explicitly authorized within the terms of the license, by or with a person whose property and interests in property are blocked pursuant to § 588.201(a); or

(2) An ordinarily incident transaction, not explicitly authorized within the terms of the license, involving a debit to a blocked account or a transfer of blocked property.

(b) *Example.* A license authorizing Company A, whose property and interests in property are blocked pursuant to § 588.201(a), to complete a securities sale also authorizes other parties to engage in activities that are ordinarily incident and necessary to complete the sale, including transactions by the buyer, broker, transfer agents, and banks, provided that such other parties are not themselves persons whose property and interests in property are blocked pursuant to § 588.201(a).

**§ 588.405 Provision of services.**

(a) Except as provided in § 588.206, the prohibitions on transactions involving blocked property contained in § 588.201 apply to services performed in the United States or by U.S. persons, wherever located, including by an overseas branch of an entity located in the United States:

(1) On behalf of or for the benefit of a person whose property and interests in property are blocked pursuant to § 588.201(a); or

(2) With respect to property interests subject to § 588.201.

(b) *Example.* U.S. persons may not, except as authorized by or pursuant to this part, provide legal, accounting,

financial, brokering, freight forwarding, transportation, public relations, or other services to a person whose property and interests in property are blocked pursuant to § 588.201(a).

**Note to § 588.405:** See §§ 588.507 and 588.508 on licensing policy with regard to the provision of certain legal and medical services.

**§ 588.406 Offshore transactions.**

The prohibitions in § 588.201 on transactions or dealings involving blocked property apply to transactions by any U.S. person in a location outside the United States with respect to property held in the name of a person whose property and interests in property are blocked pursuant to § 588.201(a), or property in which a person whose property and interests in property are blocked pursuant to § 588.201(a) has or has had an interest since the effective date.

**§ 588.407 Payments from blocked accounts to satisfy obligations prohibited.**

Pursuant to § 588.201, no debits may be made to a blocked account to pay obligations to U.S. persons or other persons, except as authorized by or pursuant to this part.

**§ 588.408 Charitable contributions.**

Unless specifically authorized by the Office of Foreign Assets Control pursuant to this part, no charitable contribution of funds, goods, services, or technology, including contributions to relieve human suffering, such as food, clothing or medicine, may be made by, to, or for the benefit of, or received from, a person whose property and interests in property are blocked pursuant to § 588.201(a). For the purposes of this part, a contribution is made by, to, or for the benefit of, or received from, a person whose property and interests in property are blocked pursuant to § 588.201(a) if made by, to, or in the name of, or received from or in the name of, such a person; if made by, to, or in the name of, or received from or in the name of, an entity or individual acting for or on behalf of, or owned or controlled by, such a person; or if made in an attempt to violate, to evade, or to avoid the bar on the provision of contributions by, to, or for the benefit of such a person, or the receipt of contributions from any such person.

**§ 588.409 Credit extended and cards issued by U.S. financial institutions.**

The prohibition in § 588.201 on dealing in property subject to that section prohibits U.S. financial institutions from performing under any existing credit agreements, including,

but not limited to, charge cards, debit cards, or other credit facilities issued by a U.S. financial institution to a person whose property and interests in property are blocked pursuant to § 588.201(a).

**§ 588.410 Setoffs prohibited.**

A setoff against blocked property (including a blocked account), whether by a U.S. bank or other U.S. person, is a prohibited transfer under § 588.201 if effected after the effective date.

**§ 588.411 Entities owned by a person whose property and interests in property are blocked.**

A person whose property and interests in property are blocked pursuant to § 588.201(a) has an interest in all property and interests in property of an entity in which it owns, directly or indirectly, a 50 percent or greater interest. The property and interests in property of such an entity, therefore, are blocked, and such an entity is a person whose property and interests in property are blocked pursuant to § 588.201(a), regardless of whether the entity itself is listed in the Annex to Executive Order 13219, as amended by Executive Order 13304, or designated pursuant to § 588.201(a)(2).

**Subpart E—Licenses, Authorizations, and Statements of Licensing Policy**

**§ 588.501 General and specific licensing procedures.**

For provisions relating to licensing procedures, see part 501, subpart E of this chapter. Licensing actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part.

**§ 588.502 Effect of license or authorization.**

(a) No license or other authorization contained in this part, or otherwise issued by the Office of Foreign Assets Control, authorizes or validates any transaction effected prior to the issuance of such license or other authorization, unless specifically provided in such license or authorization.

(b) No regulation, ruling, instruction, or license authorizes any transaction prohibited under this part unless the regulation, ruling, instruction, or license is issued by the Office of Foreign Assets Control and specifically refers to this part. No regulation, ruling, instruction, or license referring to this part shall be deemed to authorize any transaction prohibited by any other part of this chapter unless the regulation, ruling, instruction, or license specifically refers to such part.

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited under this part has the effect of removing a prohibition contained in this part from the transaction, but only to the extent specifically stated by its terms. Unless the regulation, ruling, instruction, or license otherwise specifies, such an authorization does not create any right, duty, obligation, claim, or interest in, or with respect to, any property which would not otherwise exist under ordinary principles of law.

#### **§ 588.503 Exclusion from licenses.**

The Office of Foreign Assets Control reserves the right to exclude any person, property, transaction, or class thereof from the operation of any license or from the privileges conferred by any license. The Office of Foreign Assets Control also reserves the right to restrict the applicability of any license to particular persons, property, transactions, or classes thereof. Such actions are binding upon actual or constructive notice of the exclusions or restrictions.

#### **§ 588.504 Payments and transfers to blocked accounts in U.S. financial institutions.**

Any payment of funds or transfer of credit in which a person whose property and interests in property are blocked pursuant to § 588.201(a) has any interest that comes within the possession or control of a U.S. financial institution must be blocked in an account on the books of that financial institution. A transfer of funds or credit by a U.S. financial institution between blocked accounts in its branches or offices is authorized, provided that no transfer is made from an account within the United States to an account held outside the United States, and further provided that a transfer from a blocked account may be made only to another blocked account held in the same name.

**Note to § 588.504:** See § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers. See also § 588.203 concerning the obligation to hold blocked funds in interest-bearing accounts.

#### **§ 588.505 Entries in certain accounts for normal service charges authorized.**

(a) A U.S. financial institution is authorized to debit any blocked account held at that financial institution in payment or reimbursement for normal service charges owed it by the owner of that blocked account.

(b) As used in this section, the term *normal service charges* shall include charges in payment or reimbursement

for interest due; cable, telegraph, internet, or telephone charges; postage costs; custody fees; small adjustment charges to correct bookkeeping errors; and, but not by way of limitation, minimum balance charges, notary and protest fees, and charges for reference books, photocopies, credit reports, transcripts of statements, registered mail, insurance, stationery and supplies, and other similar items.

#### **§ 588.506 Investment and reinvestment of certain funds.**

Subject to the requirements of § 588.203, U.S. financial institutions are authorized to invest and reinvest assets blocked pursuant to § 588.201, subject to the following conditions:

(a) The assets representing such investments and reinvestments are credited to a blocked account or subaccount that is held in the same name at the same U.S. financial institution, or within the possession or control of a U.S. person, but funds shall not be transferred outside the United States for this purpose;

(b) The proceeds of such investments and reinvestments shall not be credited to a blocked account or subaccount under any name or designation that differs from the name or designation of the specific blocked account or subaccount in which such funds or securities were held; and

(c) No immediate financial or economic benefit accrues (e.g., through pledging or other use) to a person whose property and interests in property are blocked pursuant to § 588.201(a).

#### **§ 588.507 Provision of certain legal services authorized.**

(a) The provision of the following legal services to or on behalf of persons whose property and interests in property are blocked pursuant to § 588.201(a) is authorized, provided that all receipts of payment of professional fees and reimbursement of incurred expenses must be specifically licensed:

(1) Provision of legal advice and counseling on the requirements of and compliance with the laws of the United States or any jurisdiction within the United States, provided that such advice and counseling are not provided to facilitate transactions in violation of this part;

(2) Representation of persons named as defendants in or otherwise made parties to domestic U.S. legal, arbitration, or administrative proceedings;

(3) Initiation and conduct of legal, arbitration, or administrative proceedings before any U.S. federal, state, or local court or agency;

(4) Representation of persons before any U.S. federal, state, or local court or agency with respect to the imposition, administration, or enforcement of U.S. sanctions against such persons; and

(5) Provision of legal services in any other context in which prevailing U.S. law requires access to legal counsel at public expense.

(b) The provision by a U.S. person of professional legal services relating to the representation of persons whose property and interests in property are blocked pursuant to § 588.201(a) in matters pending before the International Criminal Tribunal for the former Yugoslavia (the "ICTY") is authorized. With respect to such representation, receipt of payment of professional fees and reimbursement of incurred expenses are authorized if such payments and reimbursements are made by the ICTY. Such payments and reimbursements from any other source must be specifically licensed.

(c) The provision of any other legal services to persons whose property and interests in property are blocked pursuant to § 588.201(a), not otherwise authorized in this part, requires the issuance of a specific license.

(d) Entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property blocked pursuant to § 588.201(a) is prohibited unless licensed pursuant to this part.

#### **§ 588.508 Authorization of emergency medical services.**

The provision of nonscheduled emergency medical services in the United States to persons whose property and interests in property are blocked pursuant to § 588.201(a) is authorized, provided that all receipt of payment for such services must be specifically licensed.

### **Subpart F—Reports**

#### **§ 588.601 Records and reports.**

For provisions relating to required records and reports, see part 501, subpart C, of this chapter. Recordkeeping and reporting requirements imposed by part 501 of this chapter with respect to the prohibitions contained in this part are considered requirements arising pursuant to this part.



**Subpart G—Penalties****§ 588.701 Penalties.**

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) (“IEEPA”), which is applicable to violations of the provisions of any license, ruling, regulation, order, directive, or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under IEEPA.

(1) A civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation, or prohibition issued under IEEPA.

**Note to paragraph (a)(1) of § 588.701:** As of the date of publication in the **Federal Register** of the final rule amending this part, *inter alia*, to implement Executive Order 13304 (June 29, 2011), IEEPA provides for a maximum civil penalty not to exceed the greater of \$250,000 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(2) A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any license, order, regulation, or prohibition may, upon conviction, be fined not more than \$1,000,000, or if a natural person, be imprisoned for not more than 20 years, or both.

(b) *Adjustments to penalty amounts.* (1) The civil penalties provided in IEEPA are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410, as amended, 28 U.S.C. 2461 note).

(2) The criminal penalties provided in IEEPA are subject to adjustment pursuant to 18 U.S.C. 3571.

(c) Attention is directed to section 5 of the United Nations Participation Act, as amended (22 U.S.C. 287c(b)) (“UNPA”), which provides that any person who willfully violates or evades or attempts to violate or evade any order, rule, or regulation issued by the President pursuant to the authority granted in that section, upon conviction, shall be fined not more than \$10,000 and, if a natural person, may also be imprisoned for not more than 10 years; and the officer, director, or agent of any corporation who knowingly participates in such violation or evasion shall be punished by a like fine, imprisonment, or both and any property, funds, securities, papers, or other articles or documents, or any vessel, together with

her tackle, apparel, furniture, and equipment, or vehicle, or aircraft, concerned in such violation shall be forfeited to the United States.

(d) Violations involving transactions described at section 203(b)(1), (3), and (4) of IEEPA shall be subject only to the penalties set forth in paragraph (c) of this section.

(e) Attention is also directed to 18 U.S.C. 1001, which provides that “whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry” shall be fined under title 18, United States Code, imprisoned, or both.

(f) Violations of this part may also be subject to relevant provisions of other applicable laws.

**§ 588.702 Pre-Penalty Notice; settlement.**

(a) *When required.* If the Office of Foreign Assets Control has reason to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction, or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under IEEPA and determines that a civil monetary penalty is warranted, the Office of Foreign Assets Control will issue a Pre-Penalty Notice informing the alleged violator of the agency’s intent to impose a monetary penalty. A Pre-Penalty Notice shall be in writing. The Pre-Penalty Notice may be issued whether or not another agency has taken any action with respect to the matter. For a description of the contents of a Pre-Penalty Notice, see Appendix A to part 501 of this chapter.

(b)(1) *Right to respond.* An alleged violator has the right to respond to a Pre-Penalty Notice by making a written presentation to the Office of Foreign Assets Control. For a description of the information that should be included in such a response, see Appendix A to part 501 of this chapter.

(2) *Deadline for response.* A response to a Pre-Penalty Notice must be made within the applicable 30-day period set forth in this paragraph. The failure to submit a response within the applicable time period set forth in this paragraph

shall be deemed to be a waiver of the right to respond.

(i) *Computation of time for response.* A response to a Pre-Penalty Notice must be postmarked or date-stamped by the U.S. Postal Service (or foreign postal service, if mailed abroad) or courier service provider (if transmitted to the Office of Foreign Assets Control by courier) on or before the 30th day after the postmark date on the envelope in which the Pre-Penalty Notice was mailed. If the Pre-Penalty Notice was personally delivered by a non-U.S. Postal Service agent authorized by the Office of Foreign Assets Control, a response must be postmarked or date-stamped on or before the 30th day after the date of delivery.

(ii) *Extensions of time for response.* If a due date falls on a Federal holiday or weekend, that due date is extended to include the following business day. Any other extensions of time will be granted, at the discretion of the Office of Foreign Assets Control, only upon specific request to the Office of Foreign Assets Control.

(3) *Form and method of response.* A response to a Pre-Penalty Notice need not be in any particular form, but it must be typewritten and signed by the alleged violator or a representative thereof, must contain information sufficient to indicate that it is in response to the Pre-Penalty Notice, and must include the Office of Foreign Assets Control identification number listed on the Pre-Penalty Notice. A copy of the written response may be sent by facsimile, but the original also must be sent to the Office of Foreign Assets Control Civil Penalties Division by mail or courier and must be postmarked or date-stamped in accordance with paragraph (b)(2) of this section.

(c) *Settlement.* Settlement discussion may be initiated by the Office of Foreign Assets Control, the alleged violator, or the alleged violator’s authorized representative. For a description of practices with respect to settlement, see Appendix A to part 501 of this chapter.

(d) *Guidelines.* Guidelines for the imposition or settlement of civil penalties by the Office of Foreign Assets Control are contained in Appendix A to part 501 of this chapter.

(e) *Representation.* A representative of the alleged violator may act on behalf of the alleged violator, but any oral communication with the Office of Foreign Assets Control prior to a written submission regarding the specific allegations contained in the Pre-Penalty Notice must be preceded by a written letter of representation, unless the Pre-Penalty Notice was served upon the

alleged violator in care of the representative.

#### § 588.703 Penalty imposition.

If, after considering any written response to the Pre-Penalty Notice and any relevant facts, the Office of Foreign Assets Control determines that there was a violation by the alleged violator named in the Pre-Penalty Notice and that a civil monetary penalty is appropriate, the Office of Foreign Assets Control may issue a Penalty Notice to the violator containing a determination of the violation and the imposition of the monetary penalty. For additional details concerning issuance of a Penalty Notice, see Appendix A to part 501 of this chapter. The issuance of the Penalty Notice shall constitute final agency action. The violator has the right to seek judicial review of that final agency action in Federal district court.

#### § 588.704 Administrative collection; referral to United States Department of Justice.

In the event that the violator does not pay the penalty imposed pursuant to this part or make payment arrangements acceptable to the Office of Foreign Assets Control, the matter may be referred for administrative collection measures by the Department of the Treasury or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in a Federal district court.

#### Subpart H—Procedures

##### § 588.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see part 501, subpart E, of this chapter.

##### § 588.802 Delegation by the Secretary of the Treasury.

Any action that the Secretary of the Treasury is authorized to take pursuant to Executive Order 13219 of June 26, 2001 (66 FR 34777, June 29, 2001), Executive Order 13304 of May 28, 2003 (68 FR 32315, May 29, 2003), and any further Executive orders relating to the national emergency declared in Executive Order 13219, may be taken by the Director of the Office of Foreign Assets Control or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

#### Subpart I—Paperwork Reduction Act

##### § 588.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget (“OMB”) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) of information collections relating to recordkeeping and reporting requirements, licensing procedures (including those pursuant to statements of licensing policy), and other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

Dated: June 16, 2011.

**Adam J. Szubin,**

*Director, Office of Foreign Assets Control.*

[FR Doc. 2011–15643 Filed 6–28–11; 8:45 am]

**BILLING CODE 4810–AL–P**

#### DEPARTMENT OF HOMELAND SECURITY

##### Coast Guard

##### 33 CFR Part 165

[Docket No. USCG–2011–0114]

RIN 1625–AA00

##### Safety Zone; Hylebos Bridge Restoration, Hylebos Waterway, Tacoma, WA

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule.

**SUMMARY:** The U.S. Coast Guard is establishing a temporary safety zone extending 50 yards to the north and south of the Hylebos Bridge, Tacoma, WA in both directions along the entire length of the Hylebos Bridge to ensure the safety of the boating public during the Hylebos Bridge restoration project. This safety zone is necessary to protect vessels transiting in the vicinity of the Hylebos Bridge from falling debris resulting from concrete removal performed as part of the bridge restoration.

**DATES:** This rule is effective from 6 a.m. on August 20, 2011 through 6 p.m. on August 22, 2011. The rule will be enforced daily from 6 a.m. until 6 p.m. from August 20, 2011 through August 22, 2011.

**ADDRESSES:** Comments and material received from the public, as well as documents mentioned in this preamble as being available in the docket, are part of docket USCG–2011–0114 and are available online by going to <http://www.regulations.gov>, inserting USCG–

2011–0114 in the “Keyword” box, and then clicking “Search.” This material is also available for inspection or copying at the Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this temporary rule, call or e-mail Ensign Anthony P. LaBoy, USCG Sector Puget Sound Waterways Management Division, Coast Guard; telephone 206–217–6323, e-mail [SectorPugetSoundWWM@uscg.mil](mailto:SectorPugetSoundWWM@uscg.mil). If you have questions on viewing or submitting material to the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.

#### SUPPLEMENTARY INFORMATION:

##### Regulatory Information

On March 18, 2011, we published a notice of proposed rulemaking (NPRM) entitled Safety Zone; 2011 Hylebos Bridge Restoration, Hylebos Waterway, Tacoma, WA in the **Federal Register** (76 FR 14829). We received 0 comments on the proposed rule. No public meeting was requested, and none was held.

##### Background and Purpose

The Hylebos Bridge restoration involves removal of deteriorated concrete from the Hylebos Bridge and refinishing the bridge’s surface. The project poses a safety risk to any vessel traffic in the vicinity below the bridge due to potential falling debris. The hydro demolition machine that will be used can remove up to 16 inches of concrete in a single pass presenting a major safety hazard to vessels, persons, or property below. This safety zone will be enforced daily from 6 a.m. until 6 p.m. from August 20, 2011 through August 22, 2011, unless canceled sooner by the Captain of the Port.

##### Discussion of Comments and Changes

The notice of proposed rulemaking for this rule did not receive any comments.

##### Regulatory Analyses

We developed this rule after considering numerous statutes and executive orders related to rulemaking. Below we summarize our analyses based on 13 of these statutes or executive orders.

##### Regulatory Planning and Review

This rule is not a significant regulatory action under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not