



**Functional Series [300](#)
Acquisition & Assistance**

INTERIM UPDATE 07-06

SUBJECT: OFAC License for Nepal

NEW MATERIAL: On February 5, 2007, the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC), issued a license to USAID and the Department of State (State), which authorizes USAID, State and U.S. grantees or contractors of USAID and State, including activities with or through public international organizations (PIOs), to "engage in transactions with the Government of Nepal (GON), including any political subdivision, agency or instrumentality thereof provided the transactions are necessary for the entry into and execution of State and USAID grants or contracts for the provision of assistance or economic support in Nepal, or to support implementation of the Comprehensive Peace Agreement."

EFFECTIVE DATE: 02/06/2007

ATTACHMENTS: [OFAC License](#)

POLICY

USAID General Notice
ANE/SAA
02/22/2007

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Designated Global Terrorist group under Executive Orders 13224 and 13372. The license does not authorize the provision of direct assistance or the issuance of contracts directly to the CPN(M). Unless further extended, the license expires February 28, 2008. A copy of the license is attached to this notice.

The license contains recordkeeping, reporting, and certification requirements. With respect to recordkeeping, USAID, State, and grantees and contractors of USAID and State are required to keep full and accurate records of all transactions authorized by the license and must maintain those records for at least five years from the date of each transaction. In addition, the license requires USAID (and State) to notify OFAC of all prime grantees and contractors, including PIOs, who are engaged in transactions authorized under the license. Accordingly, all such existing grants and contracts and all new grants and contracts (as well as grants and contracts terminated) should be notified to the point of contact listed below who, in turn, will notify OFAC. USAID is required to notify OFAC of all current grants and contracts within 10 business days of February 5 and further notify OFAC within two business days after a new grant or contract is approved or an existing grant or contract is revoked. Finally, the license requires, within 30 business days of February 5 or within 10 business days of any future grant or contract, a certification, to be renewed annually, from each grantee or contractor, whose activities are covered under the license, that it is and will continue to be in compliance with all the conditions set forth in the license. Consequently, contracting officers and agreement officers must amend each contract and grant, where appropriate, to reflect the requirements of the OFAC license, attaching a copy of the license to each such contract or grant. Sample language is available from the point of contact listed below.

Accordingly, contracting officers and agreement officers should contact contractors and grantees whose activities would fall under the scope of the OFAC license to discuss the requirements of the license and the proposed amendment to their contract or grant. As a general matter, USAID implementing partners should understand that they are responsible for (i) compliance under the license vis-a-vis OFAC, including with respect to activities of subgrantees or subcontractors, (ii) the certification process, as well as annual re-certifications, and (iii) the maintenance of records required by the license. Criminal and civil penalties may be imposed due to failure to adhere to the requirements and procedures of the OFAC license. Grantees and contractors with questions regarding their programs not funded by the U.S. government should be encouraged to contact OFAC directly via <http://www.treas.gov/offices/enforcement/ofac/>.

Questions concerning this Notice may be directed to GC/ANE, Farhad Ghaussy, 202-712-4782; or GC/DCHA, Gary Winter, 202-712-1548; or Eric Picard, ANE/SAA, 202-712-4016.

Attachment: OFAC License, dated February 5, 2007

Notice 0267

File Name	Notice Date	Effective Date	Editorial Revision Date	ADS CD No.	Remarks
IU3_0706_022207_cd47	02/22/2007	02/06/2007		CD 47	This IU will remain active until it is incorporated into an ADS chapter.

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