

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)
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) **Case No. 04-07**
National Bank of Egypt (New York))
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.....)

ORDER

The Office of Antiboycott Compliance, Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C. §§ 2401-2420 (2000)) (the "Act")¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the "Regulations"), against National Bank of Egypt (New York) ("NBE"), a branch of a foreign concern doing business in the State of New York, based on allegations set forth in the Proposed Charging Letter, dated April 17, 2006, that alleged that NBE committed eight violations of the Regulations;

¹ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 3, 2006 (71 Fed. Reg. 44551 (August 7, 2006)), continues the Regulations in effect under IEEPA.

Specifically, the charges are:

1. *Four Violations of 15 C.F.R. §760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons*

During the years 2001 and 2002, NBE engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Syria, activities in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations. In connection with these activities, on four occasions, NBE, with intent to comply with, further or support an unsanctioned foreign boycott, furnished information concerning another person's business relationships with or in a boycotted country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted.

2. *Four Violations of 15 C.F.R. § 762 - Failure to Maintain Records*

During the years 2001 and 2002, NBE engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Syria, activities in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations. In connection with these activities, on four occasions, NBE engaged in transactions involving a restrictive trade practice or boycott. Section 760.5(b)(8) and Part 762 of the Regulations require NBE to maintain records relating to restrictive trade practices

or boycotts for a five year period. NBE failed to produce these records, when requested, within this five year period.

BIS and NBE having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby the parties have agreed to settle this matter in accordance with the terms and conditions set forth therein and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED THAT:

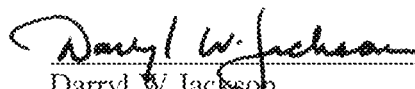
FIRST, a civil penalty of \$ 22,500 is assessed against NBE and shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment of these sums shall be made in the manner specified in the attached instructions.

SECOND, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice and, if payment is not made by the due dates specified herein, NBE will be assessed, in addition to the full amount of the penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$ 22,500 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to NBE. Accordingly, if NBE should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order under the authority of Section 11(d) of the Act denying all of NBE's export privileges for a period of one year from the date of the entry of this Order.

FOURTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon NBE.

This Order, which constitutes the final agency action in this matter, is effective immediately.


Darryl W Jackson
Assistant Secretary of Commerce for
Export Enforcement

Entered this 12th day of January, 2007

Attachments

NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)) and the Federal Claims Collection Standards (65 Fed. Reg. 70390-70406, November 22, 2000, to be codified at 31 C.F.R. Parts 900-904), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed respondent is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C. §3717 and 31 C.F.R. §901.9.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and respondent will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C. §3717 and 4 C.F.R. §901.9.

The foregoing constitutes the initial written notice and demand to respondent in accordance with Section 901.2 of the Federal Claims Collection Standards (31 C.F.R. §901.2(b)).

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The check should be mailed to:

U.S. Department of Commerce
Bureau of Industry and Security
Room 6622
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: Jennifer Kuo

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)
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National Bank of Egypt (New York))
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Case No. 04 - 07

SETTLEMENT AGREEMENT

This agreement is made by and between National Bank of Egypt (New York) ("NBE"), a branch of a foreign concern doing business in the State of New York, and the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce ("BIS"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. §§ 2401-2420 (2000)) (the "Act").¹

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¹ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 3, 2006 (71 Fed. Reg. 44551 (August 7, 2006)), continues the Regulations in effect under IEEPA.

WHEREAS, BIS has notified NBE of its intention to initiate an administrative proceeding against NBE pursuant to Section 11(c) of the Act by issuing the Proposed Charging Letter dated April 17, 2006, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, NBE has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; NBE fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and NBE states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, NBE neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, NBE agrees to be bound by the appropriate Order ("Order") when entered;

NOW, THEREFORE, NBE and BIS agree as follows:

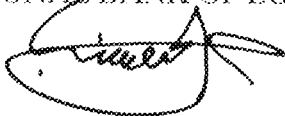
1. Under the Act and the Regulations, BIS has jurisdiction over NBE with respect to the matters alleged in the Proposed Charging Letter.
2. BIS will impose a civil penalty in the amount of \$ 22,500. NBE will pay to the U.S. Department of Commerce, within 30 days of receipt of service of the Order, and in accordance with the terms of the Order, when entered, the amount of \$ 22,500 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to NBE. Failure to make payment of this amount shall result in the denial of all of NBE's export privileges for a period of one year from the date of entry of the Order.
4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 9 hereof, NBE hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Order, when entered) including, without limitation, any right to:
 - A. An administrative hearing regarding the allegations in the Proposed Charging Letter;

- B. Request a refund of the funds paid by NBE pursuant to this Settlement Agreement and the Order, when entered; or
 - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.
5. BIS, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against NBE with respect to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by BIS in the course of its investigation.
6. NBE understands that BIS will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by NBE that it has violated the Regulations, or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary for Export Enforcement, BIS may not use this Settlement Agreement against NBE in any administrative or judicial proceeding.

8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed. This paragraph shall not limit NBE's right to challenge any action brought by any other agency based on a referral by BIS or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

9. This Settlement Agreement will become binding on BIS only when approved by the Assistant Secretary for Export Enforcement by entering the Order.

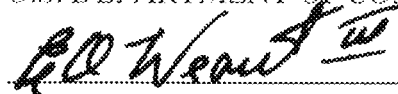
NATIONAL BANK OF EGYPT (NEW YORK)



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HASSAN BISSA
GENERAL MANAGER

DATE: 1.8.2007

U.S. DEPARTMENT OF COMMERCE



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Edward O. Weant III
Director
Office of Antiboycott Compliance

DATE: 1-11-07

Attachment



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

PROPOSED CHARGING LETTER

17 April 2006

National Bank of Egypt (New York)
40 East 52 Street
New York, NY 10022

Attention : Ahmed El-Sherbini, Vice President

Case No. 04-07

Gentlemen/Ladies:

We, the Bureau of Industry and Security, United States Department of Commerce ("BIS"), have reason to believe that you, National Bank of Egypt (New York), on eight occasions, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. §§ 2401-2420 (2000)) (the "Act").²

We charge that you committed four violations of Section 760.2(d) of the Regulations, in that, on four occasions, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished information concerning another person's business relationships with or in a boycotted country.

¹ The alleged violations occurred during the years 2001 and 2002. The Regulations governing the violations at issue are found in the 2001 and 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001 and 2002)). The prior years' Regulations are substantially the same as the 2006 version of the Regulations which govern the procedural aspects of this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2005 (70 Fed. Reg. 45273 (August 5, 2005)), continues the Regulations in effect under IEEPA.



We also charge that you committed four violations of Section 760.5 (b)(8) and Part 762 of the Regulations in that, on four occasions, you failed to maintain records pertaining to transactions involving a restrictive trade practice or boycott for a five-year period after your receipt of the boycott-related requirement, as required by the Regulations.

We allege that:

You are a branch of a foreign concern doing business in the State of New York. As such, you are a United States person as defined in Section 760.1(b) of the Regulations.

During the years 2001 and 2002, you engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Syria, activities in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations.

Charges 1 - 4 (15 C.F.R. § 760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons)

In connection with the activities referred to above, on four occasions, you furnished information as described in Table A, which is attached and incorporated herein by this reference, concerning another person's business relationships with or in a boycotted country. Providing the information described in Table A, with intent to comply with, further or support an unsanctioned foreign boycott, is an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We therefore charge you with four violations of Section 760.2(d).

Charges 5 - 8 (15 C.F.R. § 762 - Failure to Maintain Records)

In connection with the activities referred to above, during the years 2001 and 2002, on four occasions, you engaged in transactions involving a restrictive trade practice or boycott. On or about 24 June 2003, BIS' Office of Antiboycott Compliance requested that you produce and make available certain documents pertaining to these transactions. Section 760.5(b)(8) and Part 762 of the Regulations require you to maintain records relating to restrictive trade practices or boycotts for a five year period. You failed to produce the requested records, as described in Table B, which is attached and incorporated herein by this reference. We, therefore, charge you with four violations of Sections 760.5(b)(8) and 762.1, 762.2 and 762.6 of the Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions.³

³ Administrative sanctions may include any or all the following:

- a. A civil penalty of \$11,000 per violation (see § 764.3(a)(1) of the Regulations and 15 C.F.R. § 6.4(a)(4)(2004));
- b. Denial of export privileges (see § 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice before BIS (see § 764.3(a)(3) of the Regulations).

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and under Section 766.18 of the Regulations, to seek a settlement agreement.

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BIS and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Industry and Security at:

Office of the Chief Counsel for Industry and Security
Room H-3839
Bureau of Industry and Security
U.S. Department of Commerce
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

Sincerely,

Edward O Weant, III
Director
Office of Antiboycott Compliance

TABLE A

Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Business Information

National Bank of Egypt (New York)
Case No. 04-07

Item	Document Furnished	On or About	Reference	Information Furnished
1	Commercial Invoice # 24789	05.03.01	COL 00001061 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice
2	Commercial Invoice # AR-AM/Syria/001- 2001	07.26.01	COL 00001063 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice
3	Commercial Invoice # 25820	01.25.02	COL 00001068 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice
4	Commercial Invoice # 25840	03.22.02	COL 00001070 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice

TABLE B

Schedule of Alleged Violations of Section 760.5(b)(8) and Part 762
Failure to Maintain Records

National Bank of Egypt (New York)
Case No. 04-07

Item	Document Requested	Received	Reference	Boycott-Related Requirement
1	DMA Med-Chem Commercial Invoice # 24789	05.01.01	COL 00001061 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice
2	AR-AM Medical Services Commercial Invoice # AR-AM/Syria/001-2001	07.23.01	COL 00001063 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice
3	AR-AM Medical Services Commercial Invoice # 25820	01.22.02	COL 00001068 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice
4	AR-AM Medical Services Commercial Invoice # 25840	03.20.02	COL 00001070 : Al Issar Trading Co (Syria)The goods are neither of Israeli materials nor (sic) they contain any Israeli materials nor are they exported from Israel. We declare that no raw material of Israeli origin has been used for production or preparation of the goods mentioned in this invoice