

§ 587.101

- 587.307 Person.
- 587.308 Property; property interest.
- 587.309 Transfer.
- 587.310 United States.
- 587.311 U.S. financial institution.
- 587.312 United States person; U.S. person.

Subpart D—Interpretations

- 587.401 Reference to amended sections.
- 587.402 Effect of amendment.
- 587.403 Termination and acquisition of an interest in blocked property.
- 587.404 Transactions incidental to a licensed transaction.
- 587.405 Provision of services.
- 587.406 Offshore transactions.
- 587.407 Payments from blocked accounts to satisfy obligations prohibited.
- 587.408 Credit extended and cards issued by U.S. financial institutions.
- 587.409 Setoffs prohibited.

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

- 587.501 General and specific licensing procedures.
- 587.502 Effect of license or authorization.
- 587.503 Exclusion from licenses.
- 587.504 Payments and transfers to blocked accounts in U.S. financial institutions.
- 587.505 Entries in certain accounts for normal service charges authorized.
- 587.506 Investment and reinvestment of certain funds.
- 587.507 Provision of certain legal services authorized.
- 587.508 Authorization of emergency medical services.

Subpart F—Reports

- 587.601 Records and reports.

Subpart G—Penalties

- 587.701 Penalties.
- 587.702 Prepenalty notice.
- 587.703 Response to prepenalty notice; informal settlement.
- 587.704 Penalty imposition or withdrawal.
- 587.705 Administrative collection; referral to United States Department of Justice.

Subpart H—Procedures

- 587.801 Procedures.
- 587.802 Delegation by the Secretary of the Treasury.

Subpart I—Paperwork Reduction Act

- 587.901 Paperwork Reduction Act notice.

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13088, 63 FR 32109, 3 CFR, 1998 Comp., p. 191; E.O. 13121, 64 FR 24021, 3 CFR, 1999 Comp., p. 176; E.O. 13192, 66 FR 7379, 3 CFR, 2001 Comp., p. 733; E.O. 13304, 68 FR 32315, 3 CFR, 2003 Comp., p. 229.

SOURCE: 66 FR 50511, Oct. 3, 2001, unless otherwise noted.

Subpart A—Relation of This Part to Other Laws and Regulations

§ 587.101 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 contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations.

Subpart B—Prohibitions

§ 587.201 Prohibited transactions involving blocked property.

(a) Except as 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, property or interests in property of any person designated below 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, are blocked and may not

be transferred, paid, exported, withdrawn or otherwise dealt in:

(1) Any person listed in the Annex to Executive Order 13192 of January 17, 2001 (66 FR 7379, January 23, 2001); 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, subject to applicable laws and procedures;

(ii) To have sought, or to be seeking, through repressive measures or otherwise, to maintain or reestablish illegitimate control over the political processes or institutions or the economic resources or enterprises of the Federal Republic of Yugoslavia, the Republic of Serbia, the Republic of Montenegro or the territory of Kosovo;

(iii) To have provided material support or resources to any person designated in the Annex to Executive Order 13192 or any person otherwise designated by the Secretary of the Treasury pursuant to this section; or

(iv) To be owned or controlled by or acting or purporting to act directly or indirectly for or on behalf of any person designated in the Annex to Executive Order 13192 or any person otherwise designated by the Secretary of the Treasury pursuant to this section.

NOTE TO PARAGRAPH (a) OF § 587.201: Persons designated pursuant to § 587.201(a)(1) or (2) are listed with the acronym [FRYM] in appendix A to 31 CFR chapter V. Section 501.807 of this chapter V sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation or who wish to assert that the circumstances resulting in designation no longer apply. Similarly, when a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds to have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

(b) Except as 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, any transaction or dealing by U.S. persons, wherever located, or within the United States in property or interests in prop-

erty of any person designated in or pursuant to § 587.201(a) are prohibited.

(c) Unless otherwise 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 any person designated in or pursuant to § 587.201(a) 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 any such security or the endorsement or guaranty of signatures on any such security. 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.

§ 587.202 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 § 587.201(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 § 587.201(a), unless the person with whom such property is held or maintained, 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 or pursuant to the direction or authorization of the Director of