

# Rules and Regulations

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## 31 CFR Parts 500, 515, 535, 550, 560, and 575

### Foreign Assets Control Regulations, Cuban Assets Control Regulations, Iranian Assets Control Regulations, Libyan Sanctions Regulations, Iranian Transactions Regulations, Iraqi Sanctions Regulations; Implementation of Section 321 of the Antiterrorism and Effective Death Penalty Act of 1996

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

**ACTION:** Final rule; amendments.

**SUMMARY:** This final rule amends the Foreign Assets Control Regulations, Cuban Assets Control Regulations, Iranian Assets Control Regulations, Libyan Sanctions Regulations, Iranian Transactions Regulations, and Iraqi Sanctions Regulations (the "Regulations") to implement section 321 of the Antiterrorism and Effective Death Penalty Act of 1996, by adding the Act as authority for the Regulations and advising the public of the criminal penalties imposed for violations.

**EFFECTIVE DATE:** 12:01 a.m. EDT, August 22, 1996.

**FOR FURTHER INFORMATION CONTACT:** Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220; tel.: 202/622-2520.

#### SUPPLEMENTARY INFORMATION:

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#### Background

On April 24, 1996, President Clinton signed into law the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1214-1319 (the "Act"). Section 321 of that Act (18 U.S.C. 2332d) makes it a criminal offense for United States persons, except as provided in regulations issued by the Secretary of the Treasury in consultation with the Secretary of State, to engage in financial transactions with the governments of countries designated under section 6(j) of the Export Administration Act (50 U.S.C. App. 2405) as supporting international terrorism. U.S. persons who engage in such transactions shall be fined under title 18, United States Code, or imprisoned for up to 10 years, or both. This final rule amends the Regulations to add the Act as an authority for the Regulations, and to indicate the penalties imposed for violations of the Act. No other change to the Regulations is made. A separate rule adding the Terrorism List Governments Sanctions Regulations to implement section 321 of the Act with respect to financial transactions of U.S. persons with the governments of other countries designated under section 6(j) is being published simultaneously in the **Federal Register**.

Since the Regulations involve a foreign affairs function, Executive Order

12886 and the provisions of 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.

This rule contains no collection of information.

#### List of Subjects

##### 31 CFR Part 500

Administrative practice and procedure, Banks, banking, Blocking of assets, Cambodia, Exports, Fines and penalties, Finance, Foreign claims, Foreign investment in the United States, Foreign trade, Imports, Information and informational materials, International organizations, North Korea, Publications, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Travel restrictions, Trusts and estates, Vietnam.

##### 31 CFR Part 515

Administrative practice and procedure, Air carriers, Banks, banking, Blocking of assets, Cuba, Currency, Estates, Exports, Fines and penalties, Foreign investment in the United States, Foreign trade, Imports, Informational materials, Publications, Reporting and recordkeeping requirements, Securities, Shipping, Specially designated nationals, Travel restrictions, Trusts and trustees, Vessels.

##### 31 CFR Part 535

Administrative practice and procedure, Banks, banking, Blocking of assets, Currency, Foreign investment in the United States, Iran, Penalties, Reporting and recordkeeping requirements, Securities.

##### 31 CFR Part 550

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign investment, Foreign trade, Government of Libya, Imports, Libya, Loans, penalties, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Travel restrictions.

**31 CFR Part 560**

Administrative practice and procedure, Agriculture commodities, Banking and finance, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Transportation.

**31 CFR Part 575**

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign trade, Humanitarian aid, Imports, Iraq, Oil imports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals, Travel restrictions.

For the reasons set forth in the preamble, 31 CFR chapter V is amended as follows:

**PART 500—FOREIGN ASSETS CONTROL REGULATIONS**

1. The authority citation for part 500 is revised to read as follows:

**Authority:** 50 U.S.C. App. 1-44; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9989, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 748.

**Subpart G—Penalties**

2. Section 500.701 is amended by adding paragraph (c) to read as follows:

**§ 500.701 Penalties.**

\* \* \* \* \*

(c) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

**PART 515—CUBAN ASSETS CONTROL REGULATIONS**

1. The authority citation for part 515 is revised to read as follows:

**Authority:** 50 U.S.C. App. 1-44; 22 U.S.C. 6001-6010; 22 U.S.C. 2370(a); Pub. L. 104-114, 106 Stat. 785 (22 U.S.C. 6021-6091); Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); Proc. 3447, 27 FR 1085, 3 CFR, 1959-1963 Comp., p. 157; E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1147;

E.O. 9989, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 748; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614.

**Subpart G—Penalties**

2. Section 515.701 is amended by adding paragraph (e) to read as follows:

**§ 515.701 Penalties.**

\* \* \* \* \*

(e) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

**PART 535—IRANIAN ASSETS CONTROL REGULATIONS**

1. The authority citation for part 535 is revised to read as follows:

**Authority:** 50 U.S.C. 1701-1706; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); E.O. 12710, 44 FR 65729, 3 CFR, 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR, 1980 Comp., p. 248; E.O. 12211, 45 FR 26685, 3 CFR, 1980 Comp., p. 253; E.O. 12276, 46 FR 7913, 3 CFR, 1981 Comp., p. 104; E.O. 12279, 46 FR 7919, 3 CFR, 1981 Comp., p. 109; E.O. 12280, 46 FR 7921, 3 CFR, 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR, 1981 Comp., p. 112; E.O. 12282, 46 FR 7925, 3 CFR, 1981 Comp., p. 113; E.O. 12282, 46 FR 7927, 3 CFR, 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR, 1981 Comp., p. 114; and E.O. 12294, 46 FR 14111, 3 CFR, 1981 Comp., p. 139.

**Subpart G—Penalties**

2. Section 535.701 is amended by adding paragraph (c) to read as follows:

**§ 535.701 Penalties.**

\* \* \* \* \*

(c) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be

fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

**PART 550—LIBYAN SANCTIONS REGULATIONS**

1. The authority citation for part 550 is revised to read as follows:

**Authority:** 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 22 U.S.C. 287c; 49 U.S.C. App. 1514; 22 U.S.C. 2349aa-8 and 2349aa-9; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); 3 U.S.C. 301; E.O. 12543, 51 FR 875, 3 CFR, 1986 Comp., p. 181; E.O. 12544, 51 FR 1235, 3 CFR, 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR, 1992 Comp., p. 294.

**Subpart G—Penalties**

2. Section 550.701 is amended by redesignating the existing paragraph (c) as (d) and adding paragraph (c) to read as follows:

**§ 550.701 Penalties.**

\* \* \* \* \*

(c) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

**PART 560—IRANIAN TRANSACTIONS REGULATIONS**

1. The authority citation for part 560 is revised to read as follows:

**Authority:** 50 U.S.C. 1701-1706; 50 U.S.C. 1601-1651; 22 U.S.C. 2349aa-9; Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d); 3 U.S.C. 301; E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR 1995 Comp., p. 356.

**Subpart G—Penalties**

2. Section 560.701 is amended by adding paragraph (e) to read as follows:

**§ 560.701 Penalties.**

\* \* \* \* \*

(e) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in

consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

#### **PART 575—IRAQI SANCTIONS REGULATIONS**

1. The authority citation for part 575 is revised to read as follows:

**Authority:** 50 U.S.C. 1701–1706; 50 U.S.C. 1601–1651; 22 U.S.C. 287c; Pub. L. 101–513, 104 Stat. 2047–55 (50 U.S.C. 1701 Note); Pub. L. 104–132, 110 Stat. 1214, 1254 (18 U.S.C.

2332d); 3 U.S.C. 301; E.O. 12722, 55 FR 31803, 3 CFR, 1990 Comp., p. 294; E.O. 12724, 55 FR 33089, 3 CFR, 1992 Comp., p. 317.

#### **Subpart G—Penalties**

2. Section 575.701 is amended by redesignating the existing paragraph (d) as (e) and adding paragraph (d) to read as follows:

#### **§ 575.701 Penalties.**

\* \* \* \* \*

(d) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104–132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having

reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

Dated: August 16, 1996.

**Loren L. Dohm,**

*Acting Director, Office of Foreign Assets Control.*

Approved: August 20, 1996.

**James E. Johnson,**

*Assistant Secretary (Enforcement).*

[FR Doc. 96–21704 Filed 8–21–96; 3:11 pm]

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