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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 560

Iranian Transactions Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendment.

SUMMARY: The Office of Foreign Assets Control of the U.S. Department of the Treasury is amending the Iranian Transactions Regulations to clarify the reporting requirement in § 560.603 for oil-related transactions.

EFFECTIVE DATE: November 14, 1996.

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SUPPLEMENTARY INFORMATION:

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Background

In Executive Order 12957 of March 15, 1995 (60 FR 14615, March 17, 1995), President Clinton declared a national emergency with respect to the actions and policies of the Government of Iran and imposed sanctions against Iran supplementing those which were imposed in 1987, invoking the authority, *inter alia*, of the International Emergency Economic Powers Act (50 U.S.C. 1701-06 — "IEEPA"). The President substantially supplemented and amended those sanctions in Executive Order 12959 of May 6, 1995 (60 FR 24757, May 9, 1995), invoking the authority, *inter alia*, of IEEPA and the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9). In implementation of these orders, the Office of Foreign Assets Control amended the Iranian Transactions Regulations in September 1995 (60 FR 47061, September 11, 1995 — the "Regulations").

This final rule further amends the Regulations to clarify that the scope of the reporting requirement in § 560.603 extends beyond transactions directly involving crude oil or natural gas to include transactions involving petrochemicals and the provision of goods and services related to the financing, lifting, transporting, insuring, refining or processing of crude oil, natural gas and petrochemicals, including the sale to Iran of oilfield supplies or equipment.

Because the Regulations involve a foreign affairs function, Executive Order 12866 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.

List of Subjects in 31 CFR Part 560

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

For the reasons set forth in the preamble, 31 CFR part 560 is amended as follows:

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority section 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); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 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 F—Reports

2. Section 560.603 is amended by revising paragraph (f)(2) to read as follows:

§ 560.603 Reports on oil transactions engaged in by foreign affiliates.

* * * * *

(f) * * *

(2) The term "reportable transaction" includes:

(i) Any purchase, sale, or swap of Iranian-origin crude oil, natural gas, or petrochemicals;

(ii) The provision of goods or services to Iran or the Government of Iran relating to the financing, lifting, transporting, insuring, refining or processing of crude oil, natural gas, or petrochemicals, including oilfield supplies or equipment.

Dated: October 24, 1996.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: October 25, 1996.

James E. Johnson,
Assistant Secretary (Enforcement).
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