

§ 575.323

United States. This term does not include U.S. branches of persons organized under foreign law, or aliens, regardless of whether they have permanent resident status in the United States.

[56 FR 5636, Feb. 11, 1991]

§ 575.323 661 Committee.

The term *661 Committee* means the Security Council Committee established by UNSC Resolution 661, and persons acting for or on behalf of the Committee under its specific delegation of authority for the relevant matter or category of activity, including the overseers appointed by the UN Secretary-General to examine and approve agreements for purchases of petroleum and petroleum products from the Government of Iraq pursuant to UNSC Resolution 986 (1995).

[61 FR 36628, July 12, 1996]

§ 575.324 UNSC Resolution 986.

The term *UNSC Resolution 986* means United Nations Security Council Resolution 986, adopted April 14, 1995.

[61 FR 36628, July 12, 1996]

§ 575.325 986 Escrow Account; United Nations Iraq Account.

The term *986 Escrow Account* or *United Nations Iraq Account* means the escrow account established by the Secretary-General of the United Nations pursuant to paragraph 7 of UNSC Resolution 986.

[61 FR 65313, Dec. 11, 1996]

§ 575.326 Executory contract.

The term *executory contract* means a contract which cannot be performed according to its terms until a stated condition has been fulfilled, such as a contract which requires the approval of a regulatory body before the contracting parties may begin performance.

[61 FR 36628, July 12, 1996]

§ 575.327 Memorandum of Understanding.

The term *Memorandum of Understanding* means the Memorandum of Understanding Between the Secretariat of the United Nations and the Govern-

31 CFR Ch. V (7-1-02 Edition)

ment of Iraq on the Implementation of Security Council Resolution 986 (1995).

[61 FR 65313, Dec. 11, 1996]

§ 575.328 Guidelines.

The term *Guidelines* means the Procedures to be Employed by the Security Council Committee Established by Resolution 661 (1990) Concerning the Situation Between Iraq and Kuwait in the Discharge of its Responsibility as Required by Paragraph 12 of Security Council Resolution 986 (1995).

[61 FR 65313, Dec. 11, 1996]

Subpart D—Interpretations

§ 575.401 Reference to amended sections.

Except as otherwise specified, reference to any section of this part or to any regulation, ruling, order, instruction, direction, or license issued pursuant to this part shall be deemed to refer to the same as currently amended.

§ 575.402 Effect of amendment.

Any amendment, modification, or revocation of any section of this part or of any order, regulation, ruling, instruction, or license issued by or under the direction of the Director of the Office of Foreign Assets Control shall not, unless otherwise specifically provided, be deemed to affect any act done or omitted to be done, or any civil or criminal suit or proceeding commenced or pending prior to such amendment, modification, or revocation. All penalties, forfeitures, and liabilities under any such order, regulation, ruling, instruction, or license shall continue and may be enforced as if such amendment, modification, or revocation had not been made.

§ 575.403 Termination and acquisition of an interest of the Government of Iraq.

(a) Whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) from the Government of Iraq, such property shall no longer be deemed to be property in which the Government of Iraq has or has had an interest unless there

exists in the property another such interest, the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization issued pursuant to this part, if property (including any property interest) is transferred or attempted to be transferred to the Government of Iraq, such property shall be deemed to be property in which there exists an interest of the Government of Iraq.

§ 575.404 Payments from blocked accounts to U.S. exporters and for other obligations prohibited.

No debits may be made to a blocked account to pay obligations to U.S. persons or other persons, including payment for goods, technology or services exported prior to the effective date, except as authorized pursuant to this part.

§ 575.405 Acquisition of instruments including bankers acceptances.

No U.S. person may acquire or deal in any obligation, including bankers acceptances, where the documents evidencing the obligation indicate, or the U.S. person has actual knowledge, that the underlying transaction is in violation of §§ 575.201, 575.204, or § 575.205. This interpretation does not apply to obligations arising from an underlying transaction licensed or otherwise authorized pursuant to this part.

§ 575.406 Extensions of credits or loans to Iraq.

(a) The prohibition in § 575.210 applies to the unlicensed renewal of credits or loans in existence on the effective date, whether by affirmative action or operation of law.

(b) The prohibition in § 575.210 applies to credits to loans extended in any currency.

§ 575.407 Payments in connection with certain authorized transactions.

Payments are authorized in connection with transactions authorized in or pursuant to subpart E.

§ 575.408 Offshore transactions.

(a) The prohibitions contained in §§ 575.201 and 575.206 apply to trans-

actions by U.S. persons in locations outside the United States with respect to property in which the U.S. person knows, or has reason to know, that the Government of Iraq has or has had an interest since the effective date.

(b) Prohibited transactions include, but are not limited to, importation into locations outside the United States of, or dealings within such locations in, goods or services of Iraqi origin.

(c) *Examples.* (1) A U.S. person may not, within the United States or abroad, purchase, sell, finance, insure, transport, act as a broker for the sale or transport of, or otherwise deal in, Iraqi crude oil or petroleum products refined in Iraq.

(2) A U.S. person may not, within the United States or abroad, conduct transactions of any nature whatsoever with an entity that the U.S. person knows or has reason to know is an Iraqi Government entity unless the entity is licensed by the Office of Foreign Assets Control to conduct such transactions with U.S. persons.

§ 575.409 Transshipments through the United States prohibited.

(a) The prohibitions in § 575.205 apply to the importation into the United States, for transshipment or transit, of goods which are intended or destined for Iraq, or an entity operated from Iraq.

(b) The prohibitions in § 575.204 apply to the importation into the United States, for transshipment or transit, of goods of Iraqi origin which are intended or destined for third countries.

(c) Goods in which the Government of Iraq has an interest which are imported into or transshipped through the United States are blocked pursuant to § 575.201.

§ 575.410 Imports of Iraqi goods from third countries; transshipments.

Importation into the United States from third countries of goods, including refined petroleum products, containing raw materials or components of Iraqi origin is prohibited. In light of the universal prohibition in UNSC Resolution 661 on the importation of goods exported from Iraq or Kuwait after August 6, 1990, substantial transformation