

§ 575.522 Executory contracts with the Government of Iraq for trade in petroleum, pipeline parts and equipment, humanitarian goods, and oil field equipment authorized.

(a) United States persons are authorized to enter into executory contracts with the Government of Iraq for the following transactions, the performance of which (including any preparatory activities, payments or deposits related to such executory contracts) is contingent upon the prior authorization of the Office of Foreign Assets Control in or pursuant to this part:

(1) The purchase and exportation from Iraq of Iraqi-origin petroleum and petroleum products;

(2) The sale and exportation to Iraq of parts and equipment that are essential for the safe operation of the Kirkuk-Yumurtaalik pipeline system in Iraq;

(3) The sale and exportation to Iraq of medicines, health supplies, foodstuffs, and materials and supplies for essential civilian needs; and

(4) The sale and exportation to Iraq of oilfield parts and equipment to the extent necessary to enable Iraq to export petroleum and petroleum products in accordance with United Nations Security Council Resolutions No. 1153 and 1175 and other relevant UNSC Resolutions.

(b) United States persons are authorized to enter into executory contracts for the trading, importation, exportation, or other dealings in or related to Iraqi-origin petroleum and petroleum products outside Iraq, the performance of which is contingent upon the prior authorization of the Office of Foreign Assets Control in or pursuant to this part.

(c) The authorization contained in paragraphs (a) and (b) of this section applies only to executory contracts meeting both of the following conditions:

(1) The executory contracts, including all related financing, insurance, transportation, delivery, and other incidental contracts, are consistent with all requirements of UNSC Resolution 986, other applicable Security Council resolutions, the May 20, 1996 Memorandum of Understanding Between the Secretariat of the United Nations and

the Government of Iraq on the Implementation of Security Council Resolution 986 (1995), and applicable guidance issued by the 661 Committee; and

(2) The executory contracts make any performance involving the exportation, reexportation, transfer or supply of any goods, technology or services that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. See § 575.101(b).

(d) Nothing in this section authorizes any transaction related to a United States person's travel to Iraq or activity within Iraq, or any debit to an account blocked pursuant to this part.

(e) Note: U.S. passports must be validated by the U.S. Department of State for travel to Iraq.

(f) Attention is drawn to the record-keeping and retention requirements of § 575.601.

[61 FR 36628, July 12, 1996, as amended at 61 FR 65313, Dec. 11, 1996; 63 FR 62942, Nov. 10, 1998]

§ 575.523 Certain transactions in Iraqi petroleum and petroleum products.

(a) Specific licenses may be issued on a case-by-case basis to permit United States persons to purchase Iraqi-origin petroleum or petroleum products from the Government of Iraq in accordance with the provisions of UNSC Resolution 986, other relevant Security Council resolutions, the Memorandum of Understanding, and other guidance issued by the 661 Committee. Licensees will be included on the U.S. oil purchaser list to be provided to the 661 Committee, authorizing such U.S. persons to seek approval from the 661 Committee or its designee for the purchase of Iraqi-origin petroleum or petroleum products. Licensees are authorized to perform a contract approved by the 661 Committee or its designee in accordance with its terms.

(b) Applications for specific licenses pursuant to this section shall provide the following information:

(1) The applicant's full legal name;

(2) The applicant's mailing and street addresses;

(3) The name of the individual(s) responsible for the license application and related commercial transactions

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and the individual's telephone and facsimile numbers;

(4) If the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business;

(5) Written certification that the applicant has entered into an executory contract for the purchase of Iraqi-origin petroleum or petroleum products with the Government of Iraq, that the contract accords with normal arms-length commercial practice, and that the applicant is familiar with this part, particularly §§ 575.601 and 575.602, and will make the executory contract and other documents related to the purchase of Iraqi-origin petroleum or petroleum products available to the Office of Foreign Assets Control in accordance with the requirements of this part; and

(6) Written certification that the applicant understands that issuance of a license pursuant to this section does not authorize a licensee to provide goods, services, or compensation of any kind to the Government of Iraq other than that specifically provided in contracts entered into by the applicant and the Government of Iraq and submitted to and approved by the 661 Committee or its designee.

(c) Applications for specific licenses pursuant to this section shall be submitted to the Licensing Division, Office of Foreign Assets Control, U.S. Treasury Department, 1500 Pennsylvania Avenue, NW.—Annex, Washington, DC 20220.

(d) Contracts may be performed only as specifically authorized pursuant to this section unless additional authorization is granted or obtained pursuant to this part for any amendment or modification.

(e) This section does not authorize any transfer of funds or other financial or economic resources to or for the benefit of the Government of Iraq or a person in Iraq except transfers to the 986 Escrow Account.

(f) Attention is drawn to § 575.418 regarding authorization for transactions ordinarily incident to a licensed transaction.

[61 FR 65313, Dec. 11, 1996]

§ 575.524 Exportation of pipeline parts and equipment.

(a) Specific licenses may be issued to U.S. persons on a case-by-case basis to permit the sale and exportation to Iraq of pipeline parts and equipment essential for the safe operation of the Kirkuk-Yumurtalik pipeline system in Iraq, in accordance with the provisions of UNSC Resolution 986, other applicable Security Council resolutions, the Memorandum of Understanding, and applicable guidance issued by the 661 Committee.

(b) Applications for specific licenses pursuant to this section shall be made in advance of the proposed sale and exportation, and provide the following information:

(1) Identification of the applicant, including:

(i) Applicant's full legal name;

(ii) Applicant's mailing and street addresses;

(iii) The name of the individual(s) responsible for the application and related commercial transactions and the individual's telephone and facsimile numbers; and

(iv) If the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business;

(2) The name and address of all parties involved in the transactions and their role, including financial institutions and any Iraqi broker, purchasing agent, or other participant in the purchase of the pipeline parts or equipment;

(3) The nature, quantity, value and intended use of the pipeline parts and equipment;

(4) The intended point(s) of entry into Iraq, proposed dates of entry and delivery, and the final destination in Iraq of the pipeline parts and equipment;

(5) A copy of the concluded contract with the Government of Iraq and other relevant documentation, all of which must comply with the provisions of UNSC Resolution 986, other applicable Security Council resolutions, the Memorandum of Understanding, and applicable guidance issued by the 661 Committee; and

(6) A statement that the applicant is familiar with the requirements of the