

(i) In a federally-insured U.S. bank, thrift institution, or credit union, provided the funds are earning interest at rates which are commercially reasonable; or

(ii) With a broker or dealer registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, provided the funds are invested in a money market fund or in U.S. Treasury bills.

(2) For purposes of this section, a rate is commercially reasonable if it is the rate currently offered to other depositors on deposits or instruments of comparable size and maturity.

(3) Funds held or placed in a blocked account pursuant to this paragraph (b) may not be invested in instruments the maturity of which exceeds 180 days. If interest is credited to a separate blocked account or sub-account, the name of the account party on each account must be the same.

(c) Blocked funds held in instruments the maturity of which exceeds 180 days at the time the funds become subject to § 586.201 may continue to be held until maturity in the original instrument, provided any interest, earnings, or other proceeds derived therefrom are paid into a blocked interest-bearing account in accordance with paragraph (b) or (d) of this section.

(d) Blocked funds held in accounts or instruments outside the United States at the time the funds become subject to § 586.201 may continue to be held in the same type of accounts or instruments, provided the funds earn interest at rates which are commercially reasonable.

(e) This section does not create an affirmative obligation for the holder of blocked tangible property, such as chattels or real estate, or of other blocked property, such as debt or equity securities, to sell or liquidate such property at the time the property becomes subject to § 586.201. However, the Office of Foreign Assets Control may issue licenses permitting or directing such sales in appropriate cases.

(f) Funds subject to this section may not be held, invested, or reinvested in a manner which provides immediate financial or economic benefit or access to persons whose property or interests in property are blocked pursuant to

§ 586.201, nor may their holder cooperate in or facilitate the pledging or other attempted use as collateral of blocked funds or other assets.

**§ 586.204 Prohibited new investment within Serbia.**

Except as otherwise provided in regulations, orders, directives, or licenses that may hereafter be issued pursuant to this order, all new investment in the territory of the Republic of Serbia by United States persons, and the approval or other facilitation by United States persons of other persons' new investment in the territory of the Republic of Serbia, are prohibited.

NOTE TO § 586.204: Section 1(b) of Executive Order 13192 of January 17, 2001 (66 FR 7379, January 23, 2001), revoked section 3 of Executive Order 13088 of June 9, 1998 (63 FR 32109, June 12, 1998), which prohibited all new investment by United States persons in the territory of the Republic of Serbia and the approval and other facilitation by United States persons of other persons' new investment in the territory of the Republic of Serbia. Consequently, with the exception of transactions involving property or interests in property of persons designated in or pursuant to 31 CFR § 587.201(a), the new investment activities of United States persons in the territory of the Republic of Serbia on or after January 19, 2001, are not prohibited by § 586.204.

[63 FR 54576, Oct. 13, 1998, as amended at 66 FR 50509, Oct. 3, 2001]

**§ 586.205 Evasions; attempts; conspiracies.**

Any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this part is prohibited. Any conspiracy formed for the purpose of engaging in a transaction prohibited by this part is prohibited.

**§ 586.206 Exempt transactions.**

(a) *Personal communications.* The prohibitions contained in this part do not apply to any postal, telegraphic, telephonic, or other personal communication, which does not involve the transfer of anything of value.

(b) *Information and informational materials.* (1) The importation from any country and the exportation to any

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country of information or informational materials as defined in § 586.309, whether commercial or otherwise, regardless of format or medium of transmission, are exempt from the prohibitions and regulations of this part.

(2) This section does not authorize transactions related to information and informational materials not fully created and in existence at the date of the transactions, or to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services. Such prohibited transactions include, but are not limited to, payment of advances for information and informational materials not yet created and completed (with the exception of prepaid subscriptions for widely circulated magazines and other periodical publications), provision of services to market, produce or co-produce, create or assist in the creation of information and informational materials, and payment of royalties to persons whose property or interests in property are blocked pursuant to § 586.201 with respect to income received for enhancements or alterations made by U.S. persons to information or informational materials imported from persons whose property and property interests are blocked pursuant to § 586.201.

(3) This section does not exempt or authorize transactions incident to the exportation of software subject to the Export Administration Regulations, 15 CFR parts 730-774, or to the exportation of goods, technology or software, or to the sale or leasing of telecommunications transmission facilities (such as satellite links or dedicated lines) for use in the transmission of any data. The exportation of such items or services and the sale or leasing of such facilities to a person whose property and interests in property are blocked pursuant to § 586.201 is prohibited.

(c) *Travel.* The prohibitions contained in this part do not apply to transactions ordinarily incident to travel to or from any country, including exportation or importation of accompanied baggage for personal use, maintenance within any country including payment of living expenses and acquisition of

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goods or services for personal use, and arrangement or facilitation of such travel including non-scheduled air, sea, or land voyages.

(d) *Journalistic activity.* The prohibitions contained in this part do not apply to transactions in the FRY (S&M) for journalistic activity by persons regularly employed in such capacity by a news-gathering organization.

(e) *Humanitarian donations.* The prohibitions of this part do not apply to donations by U.S. persons of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering.

### Subpart C—General Definitions

#### § 586.301 Blocked account; blocked property.

The terms *blocked account* and *blocked property* shall mean any account or property subject to the prohibition in § 586.201 held in the name of a person whose property is blocked pursuant to § 586.201 or in which such person has an interest, and with respect to which payments, transfers, exportations, withdrawals, or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control.

#### § 586.302 Effective date.

The term *effective date* refers to the effective date of the applicable prohibitions and directives contained in this part which is 12:01 a.m. eastern daylight time, June 10, 1998, except, with respect to § 586.201(c), 12:01 a.m. eastern standard time, January 19, 2001, shall apply.

[66 FR 50509, Oct. 3, 2001]

#### § 586.303 Entity.

The term *entity* means a partnership, association, trust, joint venture, corporation, or other organization.

#### § 586.304 Federal Republic of Yugoslavia (Serbia & Montenegro); FRY (S&M).

The term *Federal Republic of Yugoslavia (Serbia & Montenegro)* or *FRY (S&M)* means the territory of the Republics of Serbia and Montenegro.