

issued pursuant to this part, if property (including any property interest) is transferred to the Government of Libya, such property shall be deemed to be property in which there exists an interest of the Government of Libya.

[51 FR 2464, Jan. 16, 1986]

§ 550.413 Payments to Libya prohibited.

The prohibition of transfers of property or interests in property to the Government of Libya in § 550.209 applies to payments and transfers of any kind whatsoever, including payment of debt obligations, fees, taxes, and royalties owed to the Government of Libya, and also including payment or transfer of dividend checks, interest payments, and other periodic payments. Such payments may be made into blocked accounts as provided in § 550.511.

[51 FR 2464, Jan. 16, 1986]

§ 550.414 Exports of Libyan-titled goods.

(a) The prohibitions contained in § 550.209 shall apply to any goods in the possession or control of a U.S. person if the Government of Libya had title to such property as of 4:10 p.m. e.s.t., on January 8, 1986, or acquired title after such time.

(b) Section 550.209 does not prohibit the export to Libya of the goods described in paragraph (a) of this section if such export is either not prohibited by § 550.202 or permitted by an authorization or license issued pursuant to this part.

(c) If the goods described in paragraph (a) of this section are not exported as described in paragraph (b) of this section, the property shall remain blocked and no change in title or other transaction regarding such property is permitted, except pursuant to an authorization or license issued pursuant to this part.

[51 FR 2464, Jan. 16, 1986]

§ 550.415 Advance payments.

The prohibitions contained in § 550.209 do not apply to goods manufactured, consigned, or destined for export to Libya, if the Government of Libya did not have title to such goods on or at any time after 4:10 p.m. e.s.t., Janu-

ary 8, 1986. However, if such goods are not exported to Libya prior to 12:01 p.m. e.s.t., February 1, 1986, then any advance payment received in connection with such property is subject to the prohibitions contained in § 550.209.

[51 FR 2464, Jan. 16, 1986]

§ 550.416 Imports of Libyan goods and purchases of goods from Libya.

The prohibitions contained in § 550.209 shall not apply to the goods described in §§ 550.201 and 550.204 if the importation or purchase of such goods is either not prohibited by §§ 550.201 and 550.204 or permitted by an authorization or license issued pursuant to this part. However, any payments in connection with such imports or purchases are subject to the prohibitions contained in § 550.209.

[51 FR 2464, Jan. 16, 1986]

§ 550.417 Letters of credit.

(a) *Question.* Prior to 4:10 p.m. e.s.t., January 8, 1986, a bank that is a U.S. person has issued or confirmed a documentary letter of credit for the Government of Libya as account party in favor of a U.S. person. The bank does not hold funds for the Government of Libya out of which it could reimburse itself for payment under the letter of credit. The U.S. person presents documentary drafts for exports to Libya made after 4:10 p.m. e.s.t., January 8, 1986. May the bank pay the U.S. exporter against the drafts?

Answer. No. Such a payment is prohibited by §§ 550.206 and 550.209, as an extension of credit to the Government of Libya and a transfer of property in which there is an interest of the Government of Libya.

(b) *Question.* On the same facts as in paragraph (a), the bank holds deposits for the Government of Libya. May it pay on the letter of credit and debit the blocked funds for reimbursement?

Answer. No. A debit to a blocked account is prohibited by § 550.209 except as licensed.

(c) *Question.* On the same facts as in paragraph (a), the Government of Libya, after 4:10 p.m. e.s.t., January 8, 1986, transfers funds to the bank to collateralize the letter of credit for purposes of honoring the obligation to

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the U.S. exporter. Is the transfer authorized and may the bank pay against the draft?

Answer. Yes. In accordance with § 550.515, the transfer by the Government of Libya to the bank is licensed. The funds are not blocked and the bank is authorized to pay under the letter of credit and reimburse itself from the funds.

(d) *Question.* Prior to 4:10 p.m. e.s.t., January 8, 1986, a foreign bank confirms a documentary letter of credit issued by its U.S. agency or branch for a non-Libyan account party in favor of a Libyan entity. Can the U.S. agency or branch of the foreign bank transfer funds to that foreign bank in connection with that foreign bank's payment under the letter of credit?

Answer. No, the payment of the U.S. agency or branch is blocked, unless the foreign bank made payment to the Libyan entity prior to 4:10 p.m. e.s.t., January 8, 1986.

[51 FR 2465, Jan. 16, 1986]

§ 550.418 Payments from blocked accounts for U.S. exporters and 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 12:01 a.m. e.s.t., February 1, 1986, except as authorized pursuant to this part.

[51 FR 2465, Jan. 16, 1986]

§ 550.419 Acquisition of instruments, including bankers' acceptances.

Section 550.209 prohibits the acquisition by any U.S. person of any obligation, including bankers' acceptances, in which the documents evidencing the obligation indicate, or the U.S. person has actual knowledge, that the transaction being financed covers property in which, on or after 4:10 p.m. e.s.t., January 8, 1986, the Government of Libya has an interest of any nature whatsoever.

[51 FR 2465, Jan. 16, 1986]

§ 550.420 Indirect payments to the Government of Libya.

The prohibition in § 550.209 on payments or transfers to the Government

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of Libya applies to indirect payments (including reimbursement of a non-U.S. person for payment, as, for example, on a guarantee) made after 4:10 p.m. e.s.t., January 8, 1986.

[51 FR 2465, Jan. 16, 1986]

§ 550.421 Setoffs prohibited.

A setoff against a blocked account, whether by a bank or other U.S. person, is a prohibited transfer under § 550.209 if effected after 4:10 p.m. e.s.t., January 8, 1986.

[51 FR 2465, Jan. 16, 1986]

§ 550.422 Exportation of services; performance of service contracts; legal services.

(a) The prohibition on the exportation of services contained in § 550.202 applies to services performed:

(1) In the United States;

(2) By an entity located in the United States, including its overseas branches; or

(3) Outside the United States by an individual U.S. person ordinarily resident in the United States; on behalf of the Government of Libya, or where the benefit of such services is otherwise received in Libya. The benefit of services performed anywhere in the world on behalf of the Government of Libya, including services performed for a controlled entity or specially designated national of the Government of Libya, is presumed to be received in Libya.

(b) The prohibitions contained in §§ 550.205 and 550.209 apply to services performed by U.S. persons, wherever located:

(1) On behalf of the Government of Libya;

(2) With respect to property interests of the Government of Libya; or

(3) In support of an industrial or other commercial or governmental project in Libya.

(c) *Example:* U.S. persons may not, without specific authorization from the Office of Foreign Assets Control, represent an individual or entity with respect to contract negotiations, contract performance, commercial arbitration, or other business dealings with the Government of Libya. See § 550.517