

Subpart A—Relation of This Part to Other Laws and Regulations

§ 585.101 Relation of this part to other laws and regulations.

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. Differing foreign policy and national security contexts may result in differing interpretations of similar language among the parts of this chapter. No license or authorization contained in or issued pursuant to those other parts authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to any other provision of law or regulation authorizes any transaction prohibited by this part.

(b) No license or authorization contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations.

[58 FR 13201, Mar. 10, 1993, as amended at 62 FR 45110, Aug. 25, 1997]

Subpart B—Prohibitions

§ 585.201 Prohibited transactions involving blocked property; transactions with respect to securities.

(a) Except as authorized by regulations, orders, directives, rulings, instructions, licenses, or otherwise, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before 11:59 p.m. Eastern Daylight Time (“EDT”), May 30, 1992, no property or interest in property of the Government of the FRY (S&M), or that is held in the name of the Federal Republic of Yugoslavia or the former Government of the Socialist Federal Republic of Yugoslavia, that is in the United States, that hereafter comes within the United States, or that is or hereafter comes within the possession or control of U.S. persons, including their overseas branches, may be transferred, paid, ex-

ported, withdrawn or otherwise dealt in.

(b) Except as otherwise authorized, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before 12:01 a.m. EDT, April 26, 1993, no property or interest in property of any commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro), including, without limitation, the property and all interests in property of entities (wherever organized or located) owned or controlled by such undertakings or entities, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, may be transferred, paid, exported, withdrawn or otherwise dealt in.

(c) Except as otherwise authorized, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before 11:59 p.m. EDT, October 25, 1994, no property or interest in property of the following persons that is in the United States, that hereafter comes within the United States, or that is or hereafter comes within the possession or control of United States persons, including their overseas branches, may be transferred, paid, exported, withdrawn, or otherwise dealt in:

(1) The Bosnian Serb military and paramilitary forces and the authorities in those areas of the Republic of Bosnia and Herzegovina under the control of those forces;

(2) Any entity, including any commercial, industrial, or public utility undertaking, organized or located in those areas of the Republic of Bosnia and Herzegovina under the control of Bosnian Serb forces;

(3) Any entity, wherever organized or located, which is owned or controlled directly or indirectly by any person in, or resident in, those areas of the Republic of Bosnia and Herzegovina

under the control of Bosnian Serb forces; and

(4) Any person acting for or on behalf of any person included within the scope of paragraphs (c)(1), (2), or (3) of this section.

NOTE TO §585.201(c): PLEASE REFER TO THE APPENDICES AT THE END OF THIS CHAPTER FOR LISTINGS OF PERSONS DESIGNATED PURSUANT TO THIS SECTION. SECTION 501.807 OF THIS CHAPTER SETS FORTH THE PROCEDURES TO BE FOLLOWED BY PERSONS SEEKING ADMINISTRATIVE RECONSIDERATION OF THEIR DESIGNATION OR THAT OF A VESSEL AS BLOCKED, OR WHO WISH TO ASSERT THAT THE CIRCUMSTANCES RESULTING IN THE DESIGNATION ARE NO LONGER APPLICABLE.

(d) Unless otherwise authorized by this part or by a specific license expressly referring to this section, the transfer (including the transfer on the books of any issuer or agent thereof), the endorsement or guaranty of signatures on, or any other dealing in any security (or evidence thereof) registered or inscribed in the name of the Government of the Federal Republic of Yugoslavia or the former Government of the Socialist Federal Republic of Yugoslavia and held within the possession or control of a U.S. person is prohibited, irrespective of the fact that at any time either at or subsequent to the effective date the registered or inscribed owner thereof may have, or appears to have, assigned, transferred, or otherwise disposed of any such security.

(e) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in §501.806 of this chapter.

[58 FR 13201, Mar. 10, 1993, as amended at 58 FR 35828, July 1, 1993; 60 FR 34145, June 30, 1995; 61 FR 32938, June 26, 1996; 62 FR 45110, Aug. 25, 1997]

§ 585.202 Effect of transfers violating the provisions of this part.

(a) Any transfer after the effective date specified in §585.301 which is in violation of any provision of this part or of any regulation, order, directive, ruling, instruction, license, or other

authorization hereunder and involves any property or interest in property blocked pursuant to §585.201 is null and void and shall not be the basis for the assertion or recognition of any interest in or right, remedy, power or privilege with respect to such property or property interests.

(b) No transfer before the effective date shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or interest in, any property or interest in property blocked pursuant to §585.201, unless the person with whom such property is held or maintained, prior to such date, had written notice of the transfer or by any written evidence had recognized such transfer.

(c) Unless otherwise provided, an appropriate license or other authorization issued by or pursuant to the direction or authorization of the Director of the Office of Foreign Assets Control before, during, or after a transfer shall validate such transfer or render it enforceable to the same extent that it would be valid or enforceable but for the provisions of the International Emergency Economic Powers Act, the United Nations Participation Act, this part, and any regulation, order, directive, ruling, instruction, or license issued hereunder.

(d) Transfers of property which otherwise would be null and void or unenforceable by virtue of the provisions of this section shall not be deemed to be null and void or unenforceable as to any person with whom such property was held or maintained (and as to such person only) in cases in which such person is able to establish to the satisfaction of the Director of the Office of Foreign Assets Control each of the following:

(1) Such transfer did not represent a willful violation of the provisions of this part by the person with whom such property was held or maintained;

(2) The person with whom such property was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization by or pursuant to this part and was not so licensed or