

§ 585.412

third countries is prohibited if the exporter knows, or has reason to know, that the goods or technology are intended for reexportation or transshipment to the FRY (S&M), including passage through, or storage in, intermediate destinations. The exportation of goods and technology intended specifically for incorporation or substantial transformation into a third-country product is also prohibited if the particular product is to be used in the FRY (S&M), is being specifically manufactured to fill an order from the FRY (S&M), or if the manufacturer's sales of the particular product are predominantly to the FRY (S&M).

§ 585.412 Release of goods originating in the FRY (S&M) from a bonded warehouse or foreign trade zone.

Section 585.204 does not prohibit the release from a bonded warehouse or foreign trade zone of goods originating in the FRY (S&M) imported into a bonded warehouse or a foreign trade zone either prior to the effective date or in a transaction authorized pursuant to this part after the effective date.

(NOTE: property blocked pursuant to § 585.201 may not be released unless authorized or licensed by the Office of Foreign Assets Control.)

[58 FR 13201, Mar. 10, 1993, as amended at 60 FR 34146, June 30, 1995]

§ 585.413 Imports of goods originating in the FRY (S&M), and purchases of goods from the FRY (S&M).

Goods originating in the FRY (S&M) imported into the United States pursuant to an authorization or license are not blocked by the provisions of § 585.201. However, any payment in connection with such importation is subject to the prohibitions contained in §§ 585.201 and 585.210.

[58 FR 13201, Mar. 10, 1993, as amended at 60 FR 34146, June 30, 1995]

§ 585.414 Services performed in the Federal Republic of Yugoslavia (Serbia and Montenegro) or by the Government of the FRY (S&M).

Services performed in the FRY (S&M), or by the Government of the FRY (S&M), as defined in § 585.312, are imported into the United States when the benefit of such services is received

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in the United States. Services performed in the FRY (S&M) or by the Government of the FRY (S&M) for the benefit of a U.S. person outside the United States are prohibited pursuant to §§ 585.201 and 585.206. Services provided in the United States by a national of the FRY (S&M) resident in the United States and not acting on behalf of the Government of the FRY (S&M) are not imported into the United States.

§ 585.415 Setoffs prohibited.

A setoff against blocked property (including a blocked account), whether by a U.S. bank or other U.S. person, is a prohibited transfer under § 585.201 if effected after May 30, 1992.

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

(a) The prohibition on the exportation of services contained in § 585.205 applies to services performed:

- (1) In the United States;
- (2) Outside the United States 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 the FRY (S&M), or where the benefit of such services is otherwise received in the FRY (S&M). The benefit of services performed anywhere in the world on behalf of the Government of the FRY (S&M), including services performed for a controlled entity or specially designated national of the Government of the FRY (S&M), is presumed to be received in the FRY (S&M).

(b) The prohibitions contained in §§ 585.201 and 585.209 apply to services performed by U.S. persons, wherever located:

(1) On behalf of the Government of the FRY (S&M);

(2) With respect to property interests of the Government of the FRY (S&M); or

(3) In support of an industrial or other commercial or governmental project in the FRY (S&M).

(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 the FRY (S&M). See § 585.517 on licensing policy with regard to the provision of certain legal services.

§ 585.417 Transactions incidental to a licensed transaction.

(a) Any transaction ordinarily incidental to a licensed transaction and necessary to give effect thereto is also authorized, except a transaction by an unlicensed, blocked person or involving an unlicensed debit to a blocked account.

(b) *Example:* A license authorizing an exportation of goods to the FRY (S&M) also authorizes all activities by other parties required to complete the sale, including transactions by the buyer, brokers, transfer agents, banks, etc.

§ 585.418 Vessels of the Federal Republic of Yugoslavia (Serbia and Montenegro).

Any vessel in which a majority or controlling interest is held by a person or entity in, or operating from the FRY (S&M) shall be considered as a vessel of the FRY (S&M) regardless of the flag under which the vessel sails.

[58 FR 35829, July 1, 1993]

§ 585.419 Effect of E.O. 12846 on outstanding licenses and authorizations.

Executive Order 12846 does not affect the provisions of licenses and authorizations issued pursuant to Executive Order 12808, 12810 or 12831 or this part by the Office of Foreign Assets Control and in force as of 12:01 a.m. EDT, April 26, 1993, except as such licenses or authorizations are thereafter terminated, modified or suspended by the Director, Office of Foreign Assets Control.

[58 FR 35829, July 1, 1993]

§ 585.420 Prohibited transfer of funds involving those areas of the Republic of Bosnia and Herzegovina under the control of Bosnian Serb forces.

Sections 585.201(c) and 585.218(b) prohibit U.S. financial institutions from

committing or transferring, directly or indirectly, funds or other financial or economic resources to or for the benefit of any person whose property or interests in property are blocked pursuant to § 585.201(c).

[60 FR 34146, June 30, 1995]

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

§ 585.500 Licensing procedures.

For provisions relating to licensing procedures, see part 501, subpart E, of this chapter. Licensing actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part.

[68 FR 53659, Sept. 11, 2003]

§ 585.501 Effect of license or authorization.

(a) No license or other authorization contained in this part, or otherwise issued by or under the direction of the Director of the Office of Foreign Assets Control, shall be deemed to authorize or validate any transaction effected prior to the issuance of the license, unless specifically provided in such license or authorization.

(b) No regulation, ruling, instruction, or license authorizes any transaction prohibited under this part unless the regulation, ruling, instruction, or license is issued by the Office of Foreign Assets Control and specifically refers to this part. No regulation, ruling, instruction, or license referring to this part shall be deemed to authorize any transaction prohibited by any provision of this chapter unless the regulation, ruling, instruction or license specifically refers to such provision.

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited under this part has the effect of removing a prohibition or prohibitions contained in subpart B from the transaction, but only to the extent specifically stated by its terms. Unless the regulation, ruling, instruction, or license otherwise specifies, such an authorization does not create any right, duty, obligation, claim, or interest in, or with respect