

judgement, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property or interest in property blocked pursuant to § 585.201.

[58 FR 13201, Mar. 10, 1993, as amended at 60 FR 34145, June 30, 1995]

§ 585.203 Holding of certain types of blocked property in interest-bearing accounts.

(a)(1) Any person, including a U.S. financial institution, currently holding property subject to § 585.201, which, as of July 15, 1992, or the date of receipt if subsequent to July 15, 1992, is not being held in an interest-bearing account or otherwise invested in a manner authorized by the Office of Foreign Assets Control, shall transfer such property to, or hold such property or cause such property to be held in, an interest-bearing account or interest-bearing status in a U.S. financial institution as of July 15, 1992, or the date of receipt if subsequent to July 15, 1992, unless otherwise authorized or directed by the Office of Foreign Assets Control.

(2) The requirement set forth in paragraph (a)(1) of this section shall apply to currency, bank deposits, accounts, obligations, and any other financial or economic resources or assets, and any proceeds resulting from the sale of tangible or intangible property. If interest is credited to an account separate from that in which the interest-bearing asset is held, the name of the account party on both accounts must be the same and must clearly indicate the person(s) having an interest in the accounts. If the account is held in the name of the Government of the Federal Republic of Yugoslavia or the former Government of the Socialist Federal Republic of Yugoslavia, the name of the account to which interest is credited must be the same.

(b) For purposes of this section, the term "interest-bearing account" means a blocked account in a U.S. financial institution earning interest at rates that are commercially reasonable for the amount of funds in the account, *i.e.*, a rate similar to that currently offered other depositors on deposits of comparable size and maturity. Overnight investment of blocked funds is authorized, provided that the funds re-

main within the possession and control of the U.S. person holding the funds and that the funds remain in a blocked status at all times. Except as otherwise authorized, the funds may not be re-invested or held in instruments the maturity of which exceeds 90 days.

(c) U.S. financial institutions receiving instructions to execute a payment or transfer of funds they hold in which a person has an interest whose property or interests in property are blocked pursuant to § 585.201, shall block the funds and provide written notification to the Compliance Programs Division, Office of Foreign Assets Control, U.S. Treasury Department, 1500 Pennsylvania Ave., NW.-2131 Annex, Washington, DC 20220, within 10 business days from the value date of the payment or transfer. The notification shall include a photocopy of the payment or transfer instructions received, shall confirm that the payment or transfer has been deposited into an existing or newly-established blocked account, and shall provide the account number, the name of the account, the location of the account, the name and address of the transferor and transferee financial instructions, the date of the deposit and the amount of the payment or transfer.

(d) This section does not apply to blocked tangible property, such as chattels, nor does it create an affirmative obligation on the part of the holder of such blocked tangible property to sell or liquidate the property and put the proceeds in a blocked account. However, the Office of Foreign Assets Control may issue licenses permitting or directing sales of tangible property in appropriate cases.

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§ 585.204 Prohibited importation of goods or services from the FRY (S&M).

Except as otherwise authorized, no goods originating in, or services performed in, the FRY (S&M), exported from the FRY (S&M) after May 30, 1992, may be imported into the United States, nor may any U.S. person engage in any activity that promotes or is intended to promote such importation.