

§ 575.504

blocked account in a different U.S. financial institution such transfer must be made to a blocked account in a U.S. financial institution located in the United States, and the transferee financial institution must furnish within 10 business days of the date of transfer, the notification described in paragraph (h) of this section to the Office of Foreign Assets Control, Blocked Assets Section.

(c) This section does not authorize any transfer from a blocked account within the United States to an account held outside the United States.

(d) This section does not authorize any payment or transfer to any blocked account held in a name other than that of the Government of Iraq where such government is the ultimate beneficiary of such payment or transfer.

(e) This section does not authorize any payment or transfer of credit comprising an integral part of a transaction which cannot be effected without the subsequent issuance of a further license.

(f) This section does not authorize the crediting of the proceeds of the sale of securities or other assets, held in a blocked account or a sub-account thereof, or the income derived from such securities or assets, to a blocked account or sub-account, under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such securities or assets were or are held.

(g) This section does not authorize any payment or transfer from a blocked account in a U.S. financial institution to a blocked account held under any name or designation which differs from the name or designation of the specified blocked account or sub-account from which the payment or transfer is made.

NOTE TO § 575.503: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

[56 FR 2113, Jan. 18, 1991, as amended at 56 FR 5636, Feb. 11, 1991; 58 FR 47646, Sept. 10, 1993; 62 FR 45109, Aug. 25, 1997]

31 CFR Ch. V (7-1-01 Edition)

§ 575.504 [Reserved]

§ 575.505 Completion of certain transactions related to bankers acceptances authorized.

(a) Persons other than the Government of Iraq are authorized to buy, sell, and satisfy obligations with respect to bankers acceptances, and to pay under deferred payment undertakings, involving an interest of the Government of Iraq as long as the bankers acceptances were created or the deferred payment undertakings were incurred prior to the effective date.

(b) Persons other than the Government of Iraq are authorized to buy, sell, and satisfy obligations with respect to bankers acceptances, and to pay under deferred payment undertakings, involving the importation or exportation of goods to or from Iraq that do not involve an interest of the Government of Iraq as long as the bankers acceptances or the deferred payment undertakings were accepted prior to the effective date.

(c) Nothing in this section shall authorize or permit a debit to a blocked account. Specific licenses for the debiting of a blocked account may be issued on a case-by-case basis.

§ 575.506 Payment by the Government of Iraq of obligations to persons within the United States authorized.

(a) The transfer of funds after the effective date by, through, or to any U.S. financial institution or other U.S. person solely for the purpose of payment of obligations of the Government of Iraq to persons or accounts within the United States is authorized, provided that the obligation arose prior to the effective date, and the payment requires no debit to a blocked account. Property is not blocked by virtue of being transferred or received pursuant to this section.

(b) A person receiving payment under this section may distribute all or part of that payment to any person, provided that any such payment to the Government of Iraq must be to a blocked account in a U.S. financial institution.