

§575.519

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

U.S. bank for payment to a Iraqi beneficiary under a standby letter of credit, except by payments into a blocked account in accordance with §575.503 or paragraph (b) or (c) of this section.

(h) A person receiving a specific license under paragraph (b) or (c) of this section shall certify to the Office of Foreign Assets Control within 5 business days after receipt of that license that it has established the blocked account on its books as provided in those paragraphs. However, in appropriate cases, this time period may be extended upon application to the Office of Foreign Assets Control when the account party has filed a petition with an appropriate court seeking a judicial order barring payment by the issuing or confirming bank.

(i) For the purposes of this section:

(1) The term *standby letter of credit* shall mean a letter of credit securing performance of, or repayment of, any advance payments or deposits under a contract, or any similar obligation in the nature of a performance bond;

(2) The term *account party* shall mean the person for whose account the standby letter of credit is opened; and

(3) The term *Iraqi beneficiary* shall mean a beneficiary that is

- (i) A person in Iraq,
- (ii) An entity operated from Iraq, or
- (iii) The Government of Iraq.

§575.519 Certain imports for diplomatic or official personnel authorized.

All transactions ordinarily incident to the importation of any goods or services into the United States destined for official or personal use by personnel employed by the diplomatic missions of the Government of Iraq to the United States and to international organizations located in the United States are authorized, not for resale, and unless the importation is otherwise prohibited by law.

§575.520 Donations of food to relieve human suffering authorized.

(a) Specific licenses may be issued on a case-by-case basis to permit exportation to Iraq of donated food intended to relieve human suffering.

(b) In general, specific licenses will only be granted for donations of food to

be provided through the United Nations in accordance with United Nations Security Council Resolutions 661 and 666 and in cooperation with the International Committee of the Red Cross or other appropriate humanitarian agencies for distribution by them or under their supervision, or in such other manner as may be approved under United Nations Security Council Resolution 666 and any other applicable Security Council resolutions, in order to ensure that such donations reach the intended beneficiaries.

(c) Applications for specific licenses pursuant to paragraph (a) of this section shall be made in advance of the proposed exportation, and provide the following information:

(1) The nature, quantity, value, and intended use of the donated food; and

(2) The terms and conditions of distribution, including the intended method of compliance with such terms and conditions of distribution as may have been adopted by the United Nations Security Council or a duly authorized body subordinate thereto to govern the shipment of foodstuffs under applicable United Nations Security Council resolutions, including Resolutions 661 and 666.

§575.521 Donations of medical supplies authorized.

(a) Specific licenses may be issued on a case-by-case basis to permit exportation to Iraq of donated supplies intended strictly for medical purposes, in accordance with the provisions of United Nations Security Council Resolutions 661 and 666 and other applicable Security Council resolutions.

(b) In general, specific licenses will only be granted for the exportation of medical supplies through the International Committee of the Red Cross or other appropriate humanitarian agencies for distribution by them or under their supervision, or in such other manner as may be approved under applicable Security Council resolutions, in order to ensure that such supplies reach the intended recipient.

(c) Applications for specific licenses pursuant to paragraph (a) shall be made in advance of the proposed exportation, and provide the following information:

(1) The nature, quantity, value, and intended use of the medical supplies;

(2) The terms and conditions of distribution, including the intended method of compliance with such terms and conditions of distribution as may have been adopted by the United Nations Security Council or a duly authorized body subordinate thereto to govern the shipment of medical supplies under applicable Security Council resolutions.

§ 575.522 Executory contracts with the Government of Iraq for trade in petroleum, pipeline parts and equipment, humanitarian goods, and oil field equipment authorized.

(a) United States persons are authorized to enter into executory contracts with the Government of Iraq for the following transactions, the performance of which (including any preparatory activities, payments or deposits related to such executory contracts) is contingent upon the prior authorization of the Office of Foreign Assets Control in or pursuant to this part:

(1) The purchase and exportation from Iraq of Iraqi-origin petroleum and petroleum products;

(2) The sale and exportation to Iraq of parts and equipment that are essential for the safe operation of the Kirkuk-Yumurtalik pipeline system in Iraq;

(3) The sale and exportation to Iraq of medicines, health supplies, foodstuffs, and materials and supplies for essential civilian needs; and

(4) The sale and exportation to Iraq of oilfield parts and equipment to the extent necessary to enable Iraq to export petroleum and petroleum products in accordance with United Nations Security Council Resolutions No. 1153 and 1175 and other relevant UNSC Resolutions.

(b) United States persons are authorized to enter into executory contracts for the trading, importation, exportation, or other dealings in or related to Iraqi-origin petroleum and petroleum products outside Iraq, the performance of which is contingent upon the prior authorization of the Office of Foreign Assets Control in or pursuant to this part.

(c) The authorization contained in paragraphs (a) and (b) of this section applies only to executory contracts

meeting both of the following conditions:

(1) The executory contracts, including all related financing, insurance, transportation, delivery, and other incidental contracts, are consistent with all requirements of UNSC Resolution 986, other applicable Security Council resolutions, the May 20, 1996 Memorandum of Understanding Between the Secretariat of the United Nations and the Government of Iraq on the Implementation of Security Council Resolution 986 (1995), and applicable guidance issued by the 661 Committee; and

(2) The executory contracts make any performance involving the exportation, reexportation, transfer or supply of any goods, technology or services that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. See § 575.101(b).

(d) Nothing in this section authorizes any transaction related to a United States person's travel to Iraq or activity within Iraq, or any debit to an account blocked pursuant to this part.

(e) Note: U.S. passports must be validated by the U.S. Department of State for travel to Iraq.

(f) Attention is drawn to the record-keeping and retention requirements of § 575.601.

[61 FR 36628, July 12, 1996, as amended at 61 FR 65313, Dec. 11, 1996; 63 FR 62942, Nov. 10, 1998]

§ 575.523 Certain transactions in Iraqi petroleum and petroleum products.

(a) Specific licenses may be issued on a case-by-case basis to permit United States persons to purchase Iraqi-origin petroleum or petroleum products from the Government of Iraq in accordance with the provisions of UNSC Resolution 986, other relevant Security Council resolutions, the Memorandum of Understanding, and other guidance issued by the 661 Committee. Licensees will be included on the U.S. oil purchaser list to be provided to the 661 Committee, authorizing such U.S. persons to seek approval from the 661