



DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 576

Iraq Stabilization and Insurgency Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is adopting a final rule amending the Iraq Stabilization and Insurgency Sanctions Regulations to implement Executive Order (E.O.) 13668 of May 27, 2014 ("Ending Immunities Granted to the Development Fund for Iraq and Certain Other Iraqi Property and Interests in Property Pursuant to Executive Order 13303, as Amended"). These amendments also implement certain technical and conforming changes.

DATES: Effective: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: The Department of the Treasury’s Office of Foreign Assets Control: Assistant Director for Licensing, tel.: 202-622-2480, Assistant Director for Regulatory Affairs, tel.: 202-622-4855, Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490; or the Department of the Treasury’s Office of the Chief Counsel (Foreign Assets Control), Office of the General Counsel, tel.: 202-622-2410.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available from OFAC’s website (www.treasury.gov/ofac).

Background

OFAC issued the Iraq Stabilization and Insurgency Sanctions Regulations, 31 CFR part 576 (the “Regulations”), on September 13, 2010 (see 75 FR 55463), as a final rule to implement E.O. 13303 (68 FR 31931, May 28, 2003) (E.O. 13303), E.O. 13315 (68 FR 52315, September 3, 2003), E.O. 13350 (69 FR 46055, July 30, 2004), E.O. 13364 (69 FR 70177, December 2, 2004) (E.O. 13364), and E.O. 13438 (72 FR 39719, July 19, 2007). OFAC has amended the Regulations on several occasions. Today,

OFAC is making amendments to the Regulations to implement E.O. 13668 (79 FR 31019, May 29, 2014) (E.O. 13668).

In support of the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in Iraq, and the development of political, administrative, and economic institutions in Iraq, E.O. 13303, as amended by E.O. 13364, prohibited and deemed null and void, with certain limited exceptions, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process with respect to: (i) the Development Fund for Iraq; (ii) all Iraqi petroleum and petroleum products, and interests therein, but only until title passes to the initial purchaser, and proceeds, obligations, or any financial instruments of any nature whatsoever arising from or related to the sale or marketing thereof, and interests therein, in which any foreign country or a national thereof has any interest, that are in the United States, that thereafter came within the United States, or that were or thereafter came within the possession or control of United States persons; and (iii) any accounts, assets, investments, or any other property of any kind owned by, belonging to, or held by the Central Bank of Iraq, or held, maintained, or otherwise controlled by any financial institution of any kind in the name of, on behalf of, or otherwise for the Central Bank of Iraq.

E.O. 13668 terminated the protections granted under amended E.O. 13303 in response to the changed circumstances in Iraq, including the Government of Iraq's progress in resolving and managing the risk associated with outstanding debts and claims arising from actions of the previous regime. Today, OFAC is amending the Regulations

to implement E.O. 13668 by removing the regulatory provisions that implemented the protections granted under amended E.O. 13303. These amendments also make certain technical and conforming changes.

Public Participation

Because the amendment of the Regulations involves a foreign affairs function, the provisions of E.O. 12866 and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of E.O. 13771, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

Paperwork Reduction Act

The collections of information related to the Regulations are contained in 31 CFR part 501 (the “Reporting, Procedures, and Penalties Regulations”). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505-0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects in 31 CFR Part 576

Administrative practice and procedure, Banks, banking, Foreign trade, Iraq, Petroleum, Sanctions.

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR part 576 as follows:

PART 576—IRAQ STABILIZATION AND INSURGENCY SANCTIONS REGULATIONS

1. The authority citation for part 576 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 110-96, 121 Stat. 1011; E.O. 13303, 68 FR 31931, 3 CFR, 2003 Comp., p. 227; E.O. 13315, 68 FR 52315, 3 CFR, 2003 Comp., p. 252; E.O. 13350, 69 FR 46055, 3 CFR, 2004 Comp., p. 196; E.O. 13364, 69 FR 70177, 3 CFR, 2004 Comp., p. 236; E.O. 13438, 72 FR 39719, 3 CFR, 2007 Comp., p. 224; E.O. 13668, 79 FR 31019, 3 CFR, 2014 Comp., p. 248.

Subpart B—Prohibitions

§ 576.206 [Removed]

2. Remove § 576.206 from subpart B.

Subpart C—General Definitions

3. Amend § 576.303 by:

- a. Revising paragraphs (a) and (c);
- b. In paragraph (b), adding the word “and” after the semi-colon; and
- c. Removing paragraphs (d) and (e).

The revisions read as follows:

§ 576.303 Effective date.

* * * * *

(a) With respect to a person whose property and interests in property are blocked pursuant to § 576.201(a)(1):

(1) 12:01 a.m. eastern daylight time, August 29, 2003, for those persons listed on the Annex to Executive Order 13315; and

(2) 12:01 a.m. eastern daylight time, July 30, 2004, for those persons added to the Annex to Executive Order 13315 by Executive Order 13350;

* * * * *

(c) With respect to the transactions prohibited by § 576.201(b) or § 576.208,
12:01 a.m. eastern daylight time, July 30, 2004.

§ 576.308 [Removed]

4. Remove § 576.308 from Subpart C.

Subpart D—Interpretations

§ 576.404 [Amended]

5. In § 576.404, remove paragraph (c).

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

§ 576.508 [Removed]

6. Remove § 576.508 from subpart E.

Dated: December 22, 2017.

John E. Smith,
Director, Office of Foreign Assets Control.

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