



Foreign Assets Control Act

FIL-72-96
September 13, 1996

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Blocking of Transactions*

The Department of the Treasury's Office of Foreign Assets Control (OFAC) recently issued Bulletin 96110 relating to the Anti-Terrorism Act. It states that banks located in the United States and U.S. banks located offshore must reject transfers, in the form of gifts or charitable contributions, from the government of Syria, the government of Sudan, or entities owned or controlled by either government unless the bank knows or has reasonable cause to believe that the transaction poses a risk of furthering terrorism in the United States, in which case the transfers should be accepted and the funds retained by the bank.

Banks should immediately notify OFAC Compliance about any retained items. Rejected items are to be reported to OFAC within 10 business days of rejection. For the purposes of this program only, transfers not originated by the governments of Syria or Sudan, including their central banks and government owned-or-controlled banks acting for their own accounts, but transferred to the United States through one of those banks, are not considered to be prohibited financial transactions with the government of Syria or with the government of Sudan.

In FIL-36-95, dated May 19, 1995, the FDIC provided information about OFAC and a series of laws administered by OFAC that impose economic sanctions against targeted hostile foreign countries. Also provided in FIL-36-95 were details about the availability of computer-based, up-to-date OFAC data.

Please distribute this information to the appropriate persons in your institution. For questions about this notice or the procedures to block accounts, please call OFAC's Compliance Programs Division at 1-800-540-6322

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Director

Distribution: FDIC-Supervised Banks (Commercial and Savings)