



IRAQI SANCTIONS REGULATIONS GENERAL LICENSE

(Granted under the authority of Section 203 of the International Emergency Economic Powers Act (50 U.S.C. § 1702), Section 5 of the United Nations Participation Act (22 U.S.C. § 287c), Executive Order No. 12722 of August 2, 1990, Executive Order No. 12724 of August 9, 1990, and Parts 501 and 575 of Title 31 of the Code of Federal Regulations.)

§ 575.533 Certain new transactions.

(a) New Transactions. Except as provided in paragraph (b) of this section, on or after the effective date of this section, all transactions that are otherwise prohibited by subpart B of 31 CFR part 575 are authorized.

Note to paragraph (a): This authorization does not eliminate the need to comply with other provisions of 31 CFR chapter V or with other applicable provisions of law, including any aviation, financial, or trade requirements of agencies other than the Department of the Treasury's Office of Foreign Assets Control. Such requirements include the International Traffic in Arms Regulations (22 CFR chapters 120-130) administered by the Department of State.

(b) Continued Blocking, Special Provisions for Certain Exports and Reexports, and Additional Conditions. (1) All property and interests in property that were blocked pursuant to subpart B of 31 CFR part 575 as of the effective date of this section remain blocked and subject to the prohibitions and requirements of 31 CFR part 575.

(2) The exportation from the United States or, if subject to U.S. jurisdiction, the exportation or reexportation from a third country to Iraq of any goods or technology (including technical data or other information) controlled by the Department of Commerce under the Export Administration Regulations (15 CFR chapter VII, subchapter C) for exportation to Iraq must be separately authorized by or pursuant to 31 CFR part 575. Note to paragraph (b)(2): The term "controlled by the Department of Commerce" means subject to a license requirement under the Department of Commerce's Export Administration Regulations (EAR). Items subject to a license requirement under the EAR include items on the Commerce Control List that are listed in section 746.3 of the EAR as requiring a license for exportation or reexportation to Iraq, as well as items and activities that require a license under the end-use and end-user provisions of part 744 of the EAR. To inquire whether particular goods or technology are controlled by the Department of Commerce under the Export Administration Regulations for exportation to Iraq, the exporter or re-exporter should contact the Department of Commerce, Bureau of Industry and Security.

(3) This section does not authorize any transactions with (i) persons or organizations determined by the Director of the Office of Foreign Assets Control to be included within 31 CFR § 575.306, (ii) persons on the Defense Department's 55-person Watch List, or (iii) persons identified by the 661 Committee pursuant to paragraphs 19 and 23 of United Nations Security Council Resolution 1483, adopted May 22, 2003.

Note to paragraph (b)(3): Persons determined by the Director of the Office of Foreign Assets Control to be included within 31 CFR § 575.306 are also known as specially-designated nationals ("SDNs") of the Government of Iraq. These persons are included in Appendix A to 31 CFR chapter V, and an up-to-date list is maintained on the Office of Foreign Assets Control's website at .

(4) This section does not authorize any transactions with respect to Iraqi cultural property or other items of archaeological, historical, cultural, rare scientific, and religious importance illegally removed from the Iraq National Museum, the National Library, and other locations in Iraq since August 6, 1990. Any trade in or transfer of such items, including items with respect to which reasonable suspicion exists that they have been illegally removed, remains prohibited by subpart B of 31 CFR part 575.

(c) Effective Date. This section is effective May 23, 2003. Issued by direction and on behalf of the Secretary of the Treasury:

OFFICE OF FOREIGN ASSETS CONTROL

By R. Richard Newcomb Director

President Bush has issued an Executive Order protecting the Development Fund for Iraq and the marketing and sale of Iraqi petroleum and petroleum products to assure the orderly reconstruction of Iraq, the restoration of peace and security in the country, and the development of political, administrative, and economic institutions there. It provides immunity from attachment or other judicial process against the Fund or against Iraqi petroleum and petroleum products, and "interests therein, and proceeds, obligations, or any financial instruments of any nature whatsoever," arising from or related to the sale or marketing of Iraqi petroleum or petroleum products. The text of the Executive Order follows:

"PROTECTING THE DEVELOPMENT FUND FOR IRAQ AND CERTAIN OTHER PROPERTY IN WHICH IRAQ HAS AN INTEREST

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act, as amended (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code,

I, GEORGE W. BUSH, President of the United States of America, find that the threat of attachment or other judicial process against the Development Fund for Iraq, Iraqi petroleum and petroleum products, and interests therein, and proceeds, obligations, or any financial instruments of any nature whatsoever arising from or related to the sale or marketing thereof, and interests therein, obstructs the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and the development of political, administrative, and economic institutions in Iraq. This situation constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States and I hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. Unless licensed or otherwise authorized pursuant to this order, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is prohibited, and shall be deemed null and void, with respect to the following:

(a) the Development Fund for Iraq, and

(b) all Iraqi petroleum and petroleum products, and interests therein, 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 hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons.

Sec. 2. (a) As of the effective date of this order, Executive Order 12722 of August 2, 1990, Executive Order 12724 of August 9, 1990, and Executive Order 13290 of March 20, 2003, shall not apply to the property and interests in property described in section 1 of this order.

(b) Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders, licenses or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under Executive Orders 12722, 12724, or 13290, or under the authority of IEEPA or the UNPA, except as hereafter terminated, modified, or suspended by the issuing Federal agency and except as provided in section 2(a) of this order.

Sec. 3. For the purposes of this order:

(a) The term 'person' means an individual or entity;

(b) The term 'entity' means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) The term 'United States person' means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States;

(d) The term 'Iraqi petroleum and petroleum products' means any petroleum, petroleum products, or natural gas originating in Iraq, including any Iraqi-origin oil inventories, wherever located; and

(e) The term 'Development Fund for Iraq' means the fund established on May 22, 2003, on the books of the Central Bank of Iraq, by the Administrator of the Coalition Provisional Authority responsible for the temporary governance of Iraq and all accounts held for the fund or for the Central Bank of Iraq in the name of the fund.

Sec. 4. (a) The Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Defense, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by IEEPA and the UNPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their statutory authority to carry out the provisions of this order. (b) Nothing contained in this order shall relieve a person from any requirement to obtain a license or other authorization in compliance with applicable laws and regulations. Sec. 5. This order is not intended to, and does not, create any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity by a party against the United States, its departments, agencies, entities, officers, employees, or agents, or any other person."

In addition, the following foreign entities have been designated by the Secretary of State as being subject to the import ban of the Weapons of Mass Destruction Trade Control Regulations (31 C.F.R. Part 539). The applicable effective date of the restrictions is given in brackets:

NORTH CHINA INDUSTRIES CORPORATION (NORINCO), China [effective May 9, 2003]

SHAHID HEMMAT INDUSTRIAL GROUP, Iran [effective May 9, 2003].

OFAC's **Nonproliferation brochure** and **industry overviews** have been updated accordingly.