

in which activities are authorized under a general license (GL) issued pursuant to the Syrian Sanctions Regulations. The list of areas of northeast and northwest Syria previously existed as an annex to GL 22 (the “List”), which was previously made available on OFAC’s website.

DATES: This list is effective June 6, 2024.

FOR FURTHER INFORMATION CONTACT:

OFAC: Assistant Director for Licensing, 202–622–2480; Assistant Director for Regulatory Affairs, 202–622–4855; or Assistant Director for Compliance, 202–622–2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC is available on OFAC’s website (<https://ofac.treasury.gov>).

Background

On May 12, 2022, OFAC, in consultation with the Department of State, issued GL 22 to authorize certain transactions otherwise prohibited by the Syrian Sanctions Regulations, 31 CFR part 542 (the “Regulations”). GL 22 was made available on OFAC’s website (<https://ofac.treasury.gov>) when it was issued. OFAC subsequently published GL 22 in the **Federal Register** (88 FR 25278, April 28, 2023). GL 22 includes an annex listing the areas of northwest and northeast Syria in which activities are authorized under GL 22.

On June 6, 2024, OFAC, in consultation with the Department of State, amended the Regulations to include additional interpretive and definitional guidance, general licenses, and other regulatory provisions that will provide further guidance to the public. As part of this regulatory amendment, OFAC incorporated GL 22 into the Regulations as § 542.533. OFAC is now publishing the annex to GL 22 as the List in the **Federal Register**. The text of the List is provided below.

List of Areas of Northeast and Northwest Syria in Which Activities are Authorized by 31 CFR 542.533

The areas of northeast and northwest Syria in which activities are authorized by 31 CFR 542.533, subject to conditions in paragraph (c) of 31 CFR 542.533, including the exclusion of transactions involving the Government of Syria, are:

- (a) Halab (Aleppo) Governorate
 - (1) Manbij District, excluding the following subdistricts:
 - (i) Khafsah subdistrict
 - (ii) Maskanah subdistrict
 - (2) Al Bab District, excluding the

following subdistricts:

- (i) Tadif subdistrict
- (ii) Dayr Hafir subdistrict
- (iii) Rasm Harmal al Imam subdistrict
- (iv) Kuwayris Sharqi subdistrict
- (3) Ayn Al Arab District
- (4) I’zaz District, excluding the following subdistricts:
 - (i) Tall Rif’at subdistrict
 - (ii) Nubl subdistrict
 - (5) Jarabulus District
- (b) Ar Raqqa Governorate
 - (1) Markaz ar Raqqa District, excluding the following subdistricts:
 - (i) Ma’dan subdistrict
 - (2) Tall Abyad District
 - (3) Ath Thawrah District, excluding the following subdistricts:
 - (i) Al Mansurah subdistrict
- (c) Dayr az Zawr Governorate
 - (1) Markaz Dayr az Zawr District, excluding areas west of the Euphrates in the following subdistricts:
 - (i) Markaz Dayr az Zawr subdistrict
 - (ii) At Tibni subdistrict
 - (iii) Muhasan subdistrict
 - (iv) Khusham subdistrict
 - (2) Al Mayadin District, excluding areas west of the Euphrates in the following subdistricts:
 - (i) Markaz al Mayadin subdistrict
 - (ii) Asharah subdistrict
 - (3) Albu Kamal District, excluding areas west of the Euphrates in the following subdistricts:
 - (i) Markaz Albu Kamal subdistrict
 - (ii) Al Jala subdistrict
- (d) Al Hasakah Governorate
 - (1) Markaz al Hasakah District
 - (2) Al Malikiyah District
 - (3) Al Qamishli District
 - (4) Ra’as al Ayn District

Bradley T. Smith,

Director, Office of Foreign Assets Control.

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 542

Syrian 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 Syrian Sanctions Regulations to, among other things, implement the relevant provisions of a May 1, 2012 Executive order regarding

foreign sanctions evaders with respect to Syria and Iran, and certain provisions of the Iran Threat Reduction and Syria Human Rights Act of 2012, the Countering America’s Adversaries Through Sanctions Act, and the Caesar Syria Civilian Protection Act of 2019. In addition to new prohibitions, OFAC is adding several relevant definitions and interpretations and one new general license. OFAC is also incorporating, with amendments, one general license, which has until now appeared only on OFAC’s website, and updating six general licenses.

DATES: This rule is effective June 6, 2024.

FOR FURTHER INFORMATION CONTACT:

OFAC: Assistant Director for Licensing, 202–622–2480; Assistant Director for Regulatory Affairs, 202–622–4855; or Assistant Director for Compliance, 202–622–2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC’s website: <https://ofac.treasury.gov>.

Background

On April 5, 2005, OFAC issued the Syrian Sanctions Regulations, 31 CFR part 542 (70 FR 17201, April 5, 2005) (the “Regulations”), to implement Executive Order (E.O.) 13338 of May 11, 2004, “Blocking Property of Certain Persons and Prohibiting the Export of Certain Goods to Syria” (69 FR 26751, May 13, 2004), pursuant to authorities delegated to the Secretary of the Treasury in E.O. 13338. The Regulations were initially issued in abbreviated form for the purpose of providing immediate guidance to the public. On May 2, 2014, OFAC reissued the Regulations in their entirety (79 FR 25414, May 2, 2014), and, among other things, implemented E.O. 13399 of April 25, 2006 (“Blocking Property of Additional Persons in Connection With the National Emergency With Respect to Syria”) (71 FR 25059, April 28, 2006), E.O. 13460 of February 13, 2008 (“Blocking Property of Additional Persons in Connection With the National Emergency With Respect to Syria”) (73 FR 8991, February 15, 2008), E.O. 13572 of April 29, 2011 (“Blocking Property of Certain Persons With Respect to Human Rights Abuses in Syria”) (76 FR 24787, May 3, 2011), E.O. 13573 of May 18, 2011 (“Blocking Property of Senior Officials of the Government of Syria”) (76 FR 29143, May 20, 2011), E.O. 13582 of August 17, 2011 (“Blocking Property of the Government of Syria and

Prohibiting Certain Transactions With Respect to Syria”) (76 FR 52209, August 22, 2011), and E.O. 13606 of April 22, 2012 (“Blocking the Property and Suspending Entry Into the United States of Certain Persons With Respect to Grave Human Rights Abuses by the Governments of Iran and Syria via Information Technology”) (77 FR 24571, April 24, 2012). OFAC has amended the Regulations several times, most recently on November 26, 2021 to expand an authorization related to certain activities of nongovernmental organizations in Syria (86 FR 67324, November 26, 2021).

In this document, OFAC is further amending the Regulations to implement E.O. 13608 of May 1, 2012, “Prohibiting Certain Transactions With and Suspending Entry Into the United States of Foreign Sanctions Evaders With Respect to Iran and Syria” (77 FR 26409, May 3, 2012), the Syria Human Rights Accountability Act of 2012 (22 U.S.C. 8791 *et seq.*) (SHRAA), the Countering America’s Adversaries Through Sanctions Act (22 U.S.C. 9401 *et seq.*) (CAATSA), and the Caesar Syria Civilian Protection Act of 2019 (Pub. L. 116–92, Div. F, Title LXXIV, 133 Stat. 2290 (22 U.S.C. 8791 note)) (Caesar Act).

Executive and Statutory Authorities

On May 11, 2004, the President, invoking the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA) and the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003 (Pub. L. 108–175, 117 Stat. 2482 (22 U.S.C. 2151 note)), issued E.O. 13338. In E.O. 13338, the President determined that the actions of the Government of Syria in supporting terrorism, continuing its occupation of Lebanon, pursuing weapons of mass destruction and missile programs, and undermining United States and international efforts with respect to the stabilization and reconstruction of Iraq constituted an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and declared a national emergency to deal with that threat.

The national emergency declared in E.O. 13338 was subsequently modified in scope and relied upon for additional steps in E.O.s 13399, 13460, 13572, 13573, 13582, 13606, and 13608, which were issued pursuant to, *inter alia*, IEEPA, and, among other things, blocked the property and interests in property that are or come within the United States or the possession or control of a U.S. person of the Government of Syria as well as of

persons determined to meet certain criteria related to Syria, including persons engaged in human rights abuses. In addition, E.O. 13582 imposed new investment, services-related, and petroleum-related prohibitions involving Syria.

E.O. 13608. On May 1, 2012, the President, invoking the authority of, *inter alia*, IEEPA, issued E.O. 13608, in which he found that efforts by foreign persons to engage in activities intended to evade U.S. economic and financial sanctions with respect to Iran and Syria undermine our efforts to address the national emergencies declared in, among others, E.O. 13338, as modified in scope and relied on for additional steps in subsequent Executive orders, and took additional steps pursuant to these national emergencies.

Section 1(a) of E.O. 13608 authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to impose the measures described in section 1(b) of E.O. 13608 on a foreign person upon determining that the foreign person: (i) has violated, attempted to violate, conspired to violate, or caused a violation of any license, order, regulation, or prohibition contained in, or issued pursuant to: (A) any Executive order relating to the national emergencies declared in E.O. 12957 of March 15, 1995, or in E.O. 13338 of May 11, 2004, as modified in scope in subsequent Executive orders; or (B) to the extent such conduct relates to property and interests in property of any person subject to United States sanctions concerning Iran or Syria, E.O. 13382 of June 28, 2005, any Executive order subsequent to E.O. 13382 of June 28, 2005, that relates to the national emergency declared in E.O. 12938 of November 14, 1994, or any Executive order relating to the national emergency declared in E.O. 13224 of September 23, 2001; (ii) has facilitated deceptive transactions for or on behalf of any person subject to United States sanctions concerning Iran or Syria; or (iii) is owned or controlled by, or is acting or purporting to act for or on behalf of, directly or indirectly, any person determined to meet the criteria set forth in section 1(a) of E.O. 13608.

Section 1(b) of E.O. 13608 describes the measures that the Secretary of the Treasury, in consultation with the Secretary of State, may impose on foreign persons determined to meet the criteria of section 1(a) of E.O. 13608. The measures that the Secretary of the Treasury may impose with respect to such foreign persons include prohibiting all transactions or dealings, whether direct or indirect, involving such person, including any exporting,

reexporting, importing, selling, purchasing, transporting, swapping, brokering, approving, financing, facilitating, or guaranteeing, in or related to (i) any goods, services, or technology in or intended for the United States, or (ii) any goods, services, or technology provided by or to United States persons, wherever located.

In section 2 of E.O. 13608, the President determined that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)), by, to, or for the benefit of any person subject to the measures described in section 1 of E.O. 13608, would seriously impair the President’s ability to deal with the national emergency declared in E.O. The President therefore prohibited the donation of such items except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to E.O. 13608.

Section 3 of E.O. 13608 provides that the prohibitions in section 1 of E.O. 13608 include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person subject to the measures described in E.O. 13608, and the receipt of any contribution or provision of funds, goods, or services from any such person.

Section 5 of E.O. 13608 prohibits any transaction by a U.S. person or within the United States that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in E.O. 13608, as well as any conspiracy formed to violate such prohibitions.

Section 6 of E.O. 13608 provides that nothing in section 1 of E.O. 13608 shall prohibit transactions for the conduct of the official business of the United States government by employees, grantees, or contractors thereof.

Section 9 of E.O. 13608 authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA, as may be necessary to carry out the purposes of the order. This section also provides that the Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the U.S. government.

Syria Human Rights Accountability Act of 2012 (SHRAA). On August 10, 2012, the President signed the SHRAA into law as Title VII of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Pub. L. 112–158, Title VII, sec. 705, Aug. 10, 2012, 126 Stat. 1268.) (22

U.S.C. 8791 *et seq.*). Among other things, the SHRAA requires the President to impose sanctions including blocking of property, subject to such regulations as the President may prescribe, on persons included in a report to Congress that the President determined, among other things: (i) are officials of the Government of Syria or persons acting on behalf of the Government of Syria who are responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens of Syria or their family members, regardless of whether such abuses occurred in Syria; (ii) on or after August 10, 2012, have knowingly engaged in the transfer, or the facilitation of the transfer, to Syria of goods or technologies that the President determines are likely to be used by the Government of Syria or any of its agencies or instrumentalities to commit human rights abuses against the people of Syria, including certain firearms and ammunition, law enforcement equipment, surveillance technology, or sensitive technology, or have knowingly provided services with respect to such goods or technologies after such goods or technologies are transferred to Syria, as well as successor entities and certain persons that own or control or are owned or controlled by such persons, even if not included in the report; or (iii) have engaged in censorship, or activities relating to censorship, in a manner that prohibits, limits, or penalizes the legitimate exercise of freedom of expression by citizens of Syria.

On October 9, 2012, the President delegated to the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, certain authorities with respect to the determinations and the imposition of IEEPA sanctions set out in the SHRAA. Further, the President delegated to the Secretary of State, in consultation with the Secretary of the Treasury, certain authorities with respect to the submission of reports set out in the SHRAA.

Countering America's Adversaries Through Sanctions Act. On August 2, 2017, the President signed CAATSA into law. Section 234(a) of CAATSA (22 U.S.C. 9528(a)), requires the President to impose sanctions, including blocking of property, on any foreign person determined by the President to, on or after August 2, 2017, have knowingly exported, transferred, or otherwise provided to Syria significant financial, material, or technological support that contributes materially to the ability of

the Government of Syria to acquire or develop certain weapons or defense articles, as well as on any foreign person that is a successor entity to, is owned or controlled by, or has acted for or on behalf of, a foreign person sanctioned for engaging in such activities.

On September 29, 2017, the President delegated the functions and authorities vested in the President by section 234(a) of CAATSA to the Secretary of State and the Secretary of the Treasury, to be exercised commensurate with authorizations in previous Presidential actions. In addition, the President delegated the functions and authorities vested in the President by section 234(b)(1) of CAATSA (22 U.S.C. 9528(b)(1)), which sets forth the blocking of property as an available sanction, to the Secretary of the Treasury, in consultation with the Secretary of State.

Caesar Syria Civilian Protection Act of 2019. On December 20, 2019, the President signed the Caesar Act into law as Title LXXIV of the National Defense Authorization Act for Fiscal Year 2020 (Pub. L. 116–92, Div. F, Title LXXIV, 133 Stat. 2290 (22 U.S.C. 8791 note)). Among other things, section 7412 of the Caesar Act requires the President to impose sanctions, including blocking of property, on any foreign person determined by the President to knowingly, on or after June 17, 2020, engage in certain activities, including to knowingly provide significant financial, material, or technological support to, or knowingly engage in a significant transaction with, the Government of Syria, a senior political figure of the Government of Syria, a foreign person that is a military contractor, mercenary, or paramilitary force in certain cases, or a foreign person subject to U.S. sanctions laws with respect to Syria.

On March 31, 2020, the President delegated to the Secretary of the Treasury, in consultation with Secretary of State, certain authorities with respect to the determinations and the imposition of IEEPA sanctions set out in the Caesar Act.

Current Regulatory Action

OFAC is amending the Regulations to implement the provisions related to Syria of E.O. 13608, SHRAA, CAATSA, and the Caesar Act described above. In subpart B of the Regulations, which implements the prohibitions contained in the various Executive orders and statutes, OFAC is adding to § 542.201 the prohibitions set forth pursuant to sections 702 through 704 of the SHRAA; section 234 of CAATSA; section 7412 of the Caesar Act; and the prohibitions contained in any further Executive

orders issued pursuant to the national emergency declared in E.O. 13338. In addition, OFAC is adding § 542.212 to the Regulations to implement the restrictions on foreign persons determined to be foreign sanctions evaders pursuant to sections 1 and 5 of E.O. 13608. Persons blocked pursuant to § 542.201, including persons blocked pursuant to the criteria being added to § 542.201 through this amendment, are referred to throughout the Regulations as “persons whose property and interests in property are blocked pursuant to § 542.201.” The names of persons designated or identified as blocked pursuant to § 542.201 are published on OFAC’s Specially Designated Nationals and Blocked Persons List (SDN List), which is accessible via OFAC’s website, and published in the **Federal Register**. The names of persons who are determined to be subject to the prohibitions of § 542.212 are published on OFAC’s Foreign Sanctions Evaders (FSE) List, which is also accessible via OFAC’s website, and published in the **Federal Register**. Also in subpart B, OFAC is adding to § 542.211 a paragraph that explains that the exemptions of the section do not apply to persons blocked pursuant to the authority of the United Nations Participation Act, as well as adding the exemption relating to the official business of the United States Government in section 6 of E.O. 13608 and the exemption relating to the importation of goods in section 7434 of the Caesar Act.

In subpart C of the Regulations, new definitions are being added for the terms “construction or engineering services,” “deceptive transaction,” “foreign person,” “knowingly,” “person subject to United States sanctions concerning Syria,” and “sensitive technology.” Because these new definitions were inserted in alphabetical order, the definitions that were in the prior set of regulations have been renumbered. In subpart D, which contains interpretive sections regarding the Regulations, § 542.405 has been renamed and updated to reflect that the receipt of services from a person whose property and interests in property are blocked pursuant to § 542.201 is also prohibited pursuant to § 542.201. OFAC is also adding two new interpretive sections: § 542.414 provides guidance on significant or significance; and § 542.415 clarifies that foreign persons will not be subject to sanctions pursuant to certain sections solely on the basis of a transaction for which a U.S. person would not require a specific license.

In subpart E, which sets forth general licenses and statements of licensing

policy for transactions otherwise prohibited by the Regulations but found to be consistent with U.S. policy, OFAC is adding a new general license at § 542.534 to authorize any transaction prohibited pursuant to § 542.212 due to the involvement of a person determined to be subject to the prohibitions of § 542.212, to the same extent such transaction would be authorized for a person whose property and interests in property are blocked pursuant to § 542.201 by a general license issued pursuant to this part.

OFAC is also incorporating, in new § 542.533, Syria General License 22, which authorizes activities in certain economic sectors in non-regime held areas of northeast and northwest Syria and was previously issued only on OFAC's website. General License 22 was issued on May 12, 2022 and will be removed from OFAC's website upon publication of this rule.

OFAC is also updating the general license at § 542.511 for the export of certain services incident to internet-based communications to reflect changes in the technologies that underlie modern communication tools. These changes include listing additional technologies that are deemed incident to the exchange of communications over the internet and expanding the scope of the authorization to cover the exportation or reexportation of services incident to the exportation or reexportation of software or hardware incident to the exchange of communications over the internet. The authorization is also being updated to explicitly exclude the direct or indirect exportation of web-hosting services that are for websites of commercial entities located in Syria or of domain name registration services for or on behalf of the Government of Syria or a person whose property and interests in property are blocked pursuant to § 542.201. The updated § 542.511 also includes a statement of licensing policy providing a case-by-case review standard for applications for the exportation or reexportation of services, including services incident to the exportation or reexportation of software or hardware, that are incident to communications, involve the telecommunications sector, or that support internet freedom in Syria. Accordingly, OFAC is also removing the statement of licensing policy on activities related to the telecommunications sector that previously appeared at § 542.527 and reserving the section.

As a continuation of OFAC's efforts to ensure that humanitarian assistance and related trade continues to reach at-risk

populations through legitimate and transparent channels, while maintaining the effective use of targeted sanctions, OFAC is amending two general licenses at §§ 542.513 and 542.516. In § 542.513, which authorizes official business of certain international organizations and entities, OFAC is removing the requirement that contractors or grantees must provide a copy of their contract or grant and identifying additional international organizations and entities covered. In § 542.516, which authorizes certain services in support of nongovernmental organizations' activities, OFAC is revising the authorization to align more closely with similar authorizations in other parts of 31 CFR chapter V.

OFAC is also revising general licenses at: § 542.507, to clarify that U.S. persons do not need to obtain specific authorization to provide services related to authorized legal services; § 542.508, to remove the requirements that U.S. persons provide a copy of the engagement letter to OFAC prior to receiving payment and submit quarterly reports, and to instead require U.S. persons to retain records of such payments for five years; and § 542.531, to align the authorization for emergency medical services with similar authorizations in other parts of 31 CFR chapter V.

OFAC is reissuing subpart G, Penalties, to add § 542.705, which describes Findings of Violations, and make other technical updates to the subpart (for example, to account for submission by email). OFAC is also reorganizing the part by moving §§ 542.601, 541.801, and 542.901 to subpart A, revising and moving § 542.802 to subpart A, renaming the subpart, reserving subpart F, and removing subparts H and I. Finally, throughout the part, OFAC is making technical and conforming updates to certain provisions and updating cross references.

Public Participation

Because the Regulations involve a foreign affairs function, the provisions of E.O. 12866 of September 30, 1993, "Regulatory Planning and Review" (58 FR 51735, October 4, 1993), and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date 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 542

Administrative practice and procedure, Banks, banking, Blocking of assets, Credit, Foreign trade, Investments, Penalties, Reporting and recordkeeping requirements, Sanctions, Securities, Services, Syria.

For the reasons set forth in the preamble, OFAC amends 31 CFR part 542 as follows:

PART 542—SYRIAN SANCTIONS REGULATIONS

■ 1. The authority citation for part 542 is revised to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 18 U.S.C. 2332d; 22 U.S.C. 287c; 22 U.S.C. 8791–8793; 22 U.S.C. 9528; 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 108–175 (22 U.S.C. 2151 note); Pub. L. 116–92, Div. F, Title LXXIV, 133 Stat. 2291 (22 U.S.C. 8791 note); Pub. L. 101–410, 104 Stat. 890, as amended (28 U.S.C. 2461 note); E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p. 168; E.O. 13399, 71 FR 25059, 3 CFR, 2006 Comp., p. 218; E.O. 13460, 73 FR 8991, 3 CFR 2008 Comp., p. 181; E.O. 13572, 76 FR 24787, 3 CFR 2011 Comp., p. 236; E.O. 13573, 76 FR 29143, 3 CFR 2011 Comp., p. 241; E.O. 13582, 76 FR 52209, 3 CFR 2011 Comp., p. 264; E.O. 13606, 77 FR 24571, 3 CFR 2012 Comp., p. 243; E.O. 13608, 77 FR 26409, 3 CFR, 2012 Comp., p. 252.

■ 2. Revise the heading of subpart A to read as follows:

Subpart A—General Provisions

§§ 542.601, 542.801, and 542.901
[Redesignated as §§ 542.102 through 542.104]

■ 3. Redesignate §§ 542.601, 542.801, and 542.901 as §§ 542.102 through 542.104, respectively.

§ 542.105 [Added and Reserved]

■ 4. Add reserved § 542.105.

■ 5. Add § 542.106 to read as follows:

§ 542.106 Delegation of certain authorities of the Secretary of the Treasury.

Any action that the Secretary of the Treasury is authorized to take pursuant

to E.O. 13338 of May 11, 2004, and any further Executive orders relating to the national emergency declared therein, any action that the Secretary of the Treasury is authorized to take pursuant to the Presidential Memorandum of October 9, 2012: Delegation of Certain Functions and Authorities under the Iran Threat Reduction and Syria Human Rights Act of 2012; the Presidential Memorandum of September 29, 2017: Memorandum on Delegation of Certain Functions and Authorities Under the Countering America's Adversaries Through Sanctions Act of 2017, the Ukraine Freedom Support Act of 2014, and the Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014; or the Presidential Memorandum of March 31, 2020: Delegation of Certain Functions and Authorities Under the National Defense Authorization Act for Fiscal Year 2020, may be taken by the Director of OFAC or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

Subpart B—Prohibitions

■ 6. Revise and republish § 542.201 to read as follows:

§ 542.201 Prohibited transactions involving blocked property.

(a) All property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any U.S. person are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(1) *E.O. 13582*. The Government of Syria and any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the Government of Syria or any other person whose property and interests in property are blocked pursuant to this paragraph (a)(1); or

(ii) To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, the Government of Syria or any other person whose property and interests in property are blocked pursuant to this paragraph (a)(1).

(2) *E.O. 13338, as amended by E.O. 13460*. Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) To be or to have been directing or otherwise significantly contributing to the Government of Syria's provision of

safe haven to or other support for any person whose property and interests in property are blocked under United States law for terrorism-related reasons, including, but not limited to, Hamas, Hizballah, Palestinian Islamic Jihad, the Popular Front for the Liberation of Palestine, the Popular Front for the Liberation of Palestine-General Command, and any persons designated pursuant to E.O. 13224 of September 23, 2001;

(ii) To be or to have been directing or otherwise significantly contributing to the Government of Syria's military or security presence in Lebanon;

(iii) To be or to have been directing or otherwise significantly contributing to the Government of Syria's pursuit of the development and production of chemical, biological, or nuclear weapons and medium- and long-range surface-to-surface missiles;

(iv) To be or to have been responsible for or otherwise significantly contributing to actions taken or decisions made by the Government of Syria that have the purpose or effect of undermining efforts to stabilize Iraq or of allowing the use of Syrian territory or facilities to undermine efforts to stabilize Iraq; or

(v) To be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property or interests in property are blocked pursuant to this paragraph (a)(2).

(3) *E.O. 13399*. Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) To be, or to have been, involved in the planning, sponsoring, organizing, or perpetrating of:

(A) The terrorist act in Beirut, Lebanon, that resulted in the assassination of former Lebanese Prime Minister Rafiq Hariri and the deaths of 22 others; or

(B) Any other bombing, assassination, or assassination attempt in Lebanon since October 1, 2004, that is related to Hariri's assassination or that implicates the Government of Syria or its officers or agents;

(ii) To have obstructed or otherwise impeded the work of the Commission established pursuant to United Nations Security Council Resolution 1595 of April 7, 2005;

(iii) To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, any such terrorist act, bombing, or assassination attempt, or any person designated pursuant to this paragraph (a)(3); or

(iv) To be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person designated pursuant to this paragraph (a)(3).

(4) *E.O. 13460*. Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be responsible for, to have engaged in, to have facilitated, or to have secured improper advantage as a result of, public corruption by senior officials within the Government of Syria.

(5) *E.O. 13572 Annex*. The persons listed in the Annex to E.O. 13572 of April 29, 2011.

(6) *E.O. 13572*. Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) To be responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, or to have participated in, the commission of human rights abuses in Syria, including those related to repression;

(ii) To be a senior official of an entity whose property and interests in property are blocked pursuant to paragraph (a)(5) of this section or this paragraph (a)(6);

(iii) To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the activities described in paragraph (a)(6)(i) of this section or any person whose property and interests in property are blocked pursuant to paragraph (a)(2) of this section or paragraphs (a)(4) and (5) of this section and this paragraph (a)(6); or

(iv) To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to paragraphs (a)(4) and (5) of this section and this paragraph (a)(6).

(7) *E.O. 13573 Annex*. The persons listed in the Annex to E.O. 13573 of May 18, 2011.

(8) *E.O. 13573*. Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

(i) To be a senior official of the Government of Syria;

(ii) To be an agency or instrumentality of the Government of Syria, or owned or controlled, directly or indirectly, by the Government of Syria or by an official or officials of the Government of Syria;

(iii) To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, any person whose property and interests in

property are blocked pursuant to paragraph (a)(7) of this section or this paragraph (a)(8); or

(iv) To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to paragraph (a)(7) of this section or this paragraph (a)(8).

(9) *E.O. 13606 Annex*. The persons listed in the Annex to E.O. 13606 of April 22, 2012.

(10) *E.O. 13606*. Any person determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State:

(i) To have operated, or to have directed the operation of, information and communications technology that facilitates computer or network disruption, monitoring, or tracking that could assist in or enable serious human rights abuses by or on behalf of the Government of Syria;

(ii) To have sold, leased, or otherwise provided, directly or indirectly, goods, services, or technology to Syria likely to be used to facilitate computer or network disruption, monitoring, or tracking that could assist in or enable serious human rights abuses by or on behalf of the Government of Syria;

(iii) To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the activities described in paragraph (a)(10)(i) or (ii) of this section, or any person whose property and interests in property are blocked pursuant to paragraph (a)(9) of this section or this paragraph (a)(10); or

(iv) To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to paragraph (a)(9) of this section or this paragraph (a)(10).

(11) *Syria Human Rights Accountability Act of 2012*. (i) A person that is included by the Secretary of State, in consultation with the Secretary of Treasury, in the list submitted pursuant to section 702(b) of the Syria Human Rights Accountability Act of 2012 (22 U.S.C. 8791(b)) (SHRAA), because the person is an official of the Government of Syria or a person acting on behalf of the Government of Syria, that is determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, based on credible evidence, to be responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of

serious human rights abuses against citizens of Syria or their family members, regardless of whether such abuses occurred in Syria;

(ii) A person that is included by the Secretary of State, in consultation with the Secretary of Treasury, in the list submitted pursuant to section 703(b) of the SHRAA (22 U.S.C. 8792(b)), because the person is determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, to have knowingly engaged in one of the following activities on or after August 10, 2012:

(A) The transfer, or the facilitation of the transfer of, goods or technologies described in paragraph (a)(11)(ii)(C) of this section to Syria; or

(B) The provision of services with respect to goods or technologies described in paragraph (a)(11)(ii)(C) of this section after such goods or technologies are transferred to Syria.

(C) Goods or technologies described in paragraphs (a)(11)(ii)(A) and (B) of this section are goods or technologies that the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, determines are likely to be used by the Government of Syria or any of its agencies or instrumentalities to commit human rights abuses against the people of Syria, including:

(1) Firearms or ammunition (as those terms are defined in 18 U.S.C. 921), rubber bullets, police batons, pepper or chemical sprays, stun grenades, electroshock weapons, tear gas, water cannons, or surveillance technology; or

(2) Sensitive technology, as defined in § 542.320;

(iii) A person that the Secretary of Treasury, in consultation with or at the recommendation of the Secretary of State, determines:

(A) Is a successor entity to a person blocked pursuant to paragraph (a)(11)(ii) of this section;

(B) Owns or controls a person blocked pursuant to paragraph (a)(11)(ii) of this section, if the person that owns or controls such blocked person had actual knowledge, or should have known, that the blocked person engaged in the activity described in paragraph (a)(11)(ii) for which the person was blocked pursuant to paragraph (a)(11)(ii); or

(C) Is owned or controlled by, or under common ownership or control with, a person blocked pursuant to paragraph (a)(11)(ii) of this section, if the person owned or controlled by, or under common ownership or control with (as the case may be), the person blocked pursuant to paragraph (a)(11)(ii)

knowingly engaged in the activity described in paragraph (a)(11)(ii) for which the person was blocked pursuant to paragraph (a)(11)(ii); or

(iv) A person that is included by the Secretary of State, in consultation with the Secretary of the Treasury, in the list submitted pursuant to section 704(b) of the SHRAA (22 U.S.C. 8793(b)), because the person is determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, to have engaged in censorship, or activities relating to censorship, in a manner that prohibits, limits, or penalizes the legitimate exercise of freedom of expression by citizens of Syria.

(12) *Section 234 of the Countering America's Adversaries Through Sanctions Act (22 U.S.C. 9528)*. (i) A foreign person determined by the Secretary of the State, in consultation with the Secretary of the Treasury, to have, on or after August 2, 2017, knowingly exported, transferred, or otherwise provided to Syria, significant financial, material, or technological support that contributes materially to the ability of the Government of Syria to:

(A) Acquire or develop chemical, biological, or nuclear weapons or related technologies;

(B) Acquire or develop ballistic or cruise missile capabilities;

(C) Acquire or develop destabilizing numbers and types of advanced conventional weapons;

(D) Acquire significant defense articles, defense services, or defense information (as such terms are defined under the Arms Export Control Act (22 U.S.C. 2751 *et seq.*); or

(E) Acquire those items designated as items on the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1));

(ii) A foreign person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be a successor entity to a foreign person described in paragraph (a)(12)(i) of this section; or

(iii) A foreign person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be owned or controlled by, or to have acted for or on behalf of, a foreign person described in paragraph (a)(12)(i) of this section.

(13) *Section 7412 of the Caesar Syria Civilian Protection Act of 2019*. Any foreign person that the Secretary of the Treasury, in consultation with the Secretary of State, determines knowingly engages in one of the

following activities on or after June 17, 2020:

(i) Knowingly provides significant financial, material, or technological support to, or knowingly engaged in a significant transaction with:

(A) The Government of Syria (including any entity owned or controlled by the Government of Syria) or a senior political figure of the Government of Syria;

(B) A foreign person that is a military contractor, mercenary, or a paramilitary force knowingly operating in a military capacity inside Syria for or on behalf of the Government of Syria, the Government of the Russian Federation, or the Government of Iran; or

(C) A foreign person subject to sanctions pursuant to International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) with respect to Syria or any other provision of law that imposes sanctions with respect to Syria;

(ii) Knowingly sells or provides significant goods, services, technology, information, or other support that significantly facilitates the maintenance or expansion of the Government of Syria's domestic production of natural gas, petroleum, or petroleum products;

(iii) Knowingly sells or provides aircraft or spare aircraft parts that are used for military purposes in Syria for or on behalf of the Government of Syria to any foreign person operating in an area directly or indirectly controlled by the Government of Syria or foreign forces associated with the Government of Syria;

(iv) Knowingly provides significant goods or services associated with the operation of aircraft that are used for military purposes in Syria for or on behalf of the Government of Syria to any foreign person operating in an area described in paragraph (a)(13)(iii) of this section; or

(v) Knowingly, directly or indirectly, provides significant construction or engineering services to the Government of Syria.

(b) The prohibitions in paragraph (a) of this section include prohibitions on the following transactions:

(1) The making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to paragraph (a) of this section; and

(2) The receipt of any contribution or provision of funds, goods, or services from any person whose property and interests in property are blocked pursuant to paragraph (a) of this section.

(c) Unless authorized by this part or by a specific license expressly referring to this part, any dealing in securities (or

evidence thereof) held within the possession or control of a U.S. person and either registered or inscribed in the name of, or known to be held for the benefit of, or issued by, the Government of Syria or any other person whose property and interests in property are blocked pursuant to paragraph (a) of this section is prohibited. The prohibition in paragraph (a) includes the transfer (including the transfer on the books of any issuer or agent thereof), disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guaranty of signatures on, any securities on or after the effective date. The prohibition in paragraph (a) applies irrespective of the fact that at any time (whether prior to, on, or subsequent to the effective date) the registered or inscribed owner of any such securities may have or might appear to have assigned, transferred, or otherwise disposed of the securities.

(d) The prohibitions in paragraph (a) of this section apply except to the extent provided by statutes, or in regulations, rulings, instructions, orders, directives, or licenses that may be issued pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to the effective date.

(e) All transactions prohibited pursuant to any Executive order issued after May 1, 2012 pursuant to the national emergency declared in E.O. 13338 of May 11, 2004, are prohibited pursuant to this part.

Note 1 to § 542.201. The names of persons designated or identified as blocked pursuant to E.O. 13338, E.O. 13399, E.O. 13460, E.O. 13572, E.O. 13573, E.O. 13582, E.O. 13606, or any further Executive orders issued pursuant to the national emergency declared in E.O. 13338, whose property and interests in property therefore are blocked pursuant to this section, are published in the **Federal Register** and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) using the following identifiers: for E.O. 13338, E.O. 13399, E.O. 13460, E.O. 13572, E.O. 13573, or E.O. 13582: "[SYRIA]"; for E.O. 13606: "[HRIT-SY]"; and for any further Executive orders issued pursuant to the national emergency declared in E.O. 13338: using the identifier formulation "[SYRIA-E.O.[E.O. number pursuant to which the person's property and interests in property are blocked]]." The names of persons designated or identified as blocked pursuant to the Syria Human Rights Accountability Act of 2012, whose property and interests in property therefore are blocked pursuant to this section, are published in the **Federal Register** and incorporated into the SDN List with the identifier "[SYRIA-TRA]." The names of persons designated or identified as blocked pursuant to Section 234(a) of the Countering America's Adversaries Through Sanctions

Act, whose property and interests in property therefore are blocked pursuant to this section, are published in the **Federal Register** and incorporated into the SDN List with the identifier "[CAATSA-SYRIA]." The names of persons designated or identified as blocked pursuant to Section 7412 of the Caesar Syria Civilian Protection Act of 2019 ("Caesar Act"), whose property and interests in property therefore are blocked pursuant to this section, are published in the **Federal Register** and incorporated into the SDN List with the identifier "[SYRIA-CAESAR]." E.O. 13582 blocks the property and interests in property of the Government of Syria, as defined in § 542.308. The property and interests in property of persons who meet the definition of the term Government of Syria are blocked pursuant to paragraph (a) of this section regardless of whether the names of such persons are published in the **Federal Register** or incorporated into the SDN List. Certain transactions with persons blocked pursuant to paragraph (a) of this section may result in the imposition of secondary sanctions pursuant to the Caesar Act, and therefore such blocked persons' entries on the SDN List will be updated to include the descriptive prefix text "Secondary sanctions risk:", followed by information about the applicable secondary sanctions authority. The SDN List is accessible through the following page on OFAC's website: <https://ofac.treasury.gov>. Additional information pertaining to the SDN List can be found in appendix A to this chapter. See § 542.411 concerning entities that may not be listed on the SDN List but whose property and interests in property are nevertheless blocked pursuant to this section.

Note 2 to § 542.201. Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) authorizes the blocking of property and interests in property of a person during the pendency of an investigation. Except as described in note 3 to this section, the names of persons whose property and interests in property are blocked pending investigation pursuant to this section are published in the **Federal Register** and incorporated into the SDN List using the following identifiers: for E.O. 13338, E.O. 13399, E.O. 13460, E.O. 13572, E.O. 13573, or E.O. 13582: "[BPI-SYRIA]"; for E.O. 13606: "[BPI-HRIT-SY]"; for the Syria Human Rights Accountability Act of 2012: "[BPI-SYRIA-TRA]"; for Section 234 of the Countering America's Adversaries Through Sanctions Act: "[BPI-CAATSA-SYRIA]"; for Section 7412 of the Caesar Syria Civilian Protection Act of 2019: "[BPI-CAESAR]"; or for any further Executive orders issued pursuant to the national emergency declared in E.O. 13338: using the identifier formulation "[BPI-SYRIA-E.O.[E.O. number pursuant to which the person's property and interests in property are blocked pending investigation]]."

Note 3 to § 542.201. Subpart E of part 501 of this chapter describes the procedures to be followed for the unblocking of property and interests in property blocked pursuant to this section, including funds blocked due to mistaken identity or typographical or similar

errors, and for administrative reconsideration of one's status as a person whose property and interests in property are blocked pursuant to this section.

§ 542.206 [Amended]

- 7. Amend § 542.206 by removing “§ 542.311” and adding in its place “§ 542.315”.
- 8. Amend § 542.211 as follows:
 - a. Redesignate paragraphs (a) through (e) as paragraphs (b) through (f), respectively.
 - b. Add new paragraph (a).
 - c. In newly redesignated paragraph (c)(1), remove “§ 542.307” and add in its place “§ 542.310”.
 - d. Redesignate notes 1 and 2 to paragraph (b)(3) of § 542.211 as notes 2 and 3 to paragraph (c)(3).
 - e. Revise newly redesignated paragraph (e).
 - f. In newly redesignated paragraph (f), add a heading and redesignate the note to paragraph (e) of § 542.211 as note 5 to paragraph (f).
 - g. Adding paragraph (g).
The revision and addition read as follows:

§ 542.211 Exempt transactions.

(a) *United Nations Participation Act.* The exemptions described in this section do not apply to transactions involving property or interests in property of persons whose property and interests in property are blocked pursuant to the authority of the United Nations Participation Act, as amended (22 U.S.C. 287c(b)) (UNPA).

Note 1 to paragraph (a). Persons whose property and interests in property are blocked pursuant to the authority of the UNPA include those listed on *both* OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) and the Consolidated United Nations Security Council Sanctions List (UN List) (*see https://www.un.org*), as well as persons listed on the SDN List for being owned or controlled by, or acting for or on behalf of, persons listed on *both* the SDN List and the UN List.

* * * * *

(e) *Official business.* The prohibitions contained in §§ 542.201(a)(1), (9), and (10), as well as §§ 542.206, 542.207, 542.208, 542.209, 542.210, and 542.212 do not apply to transactions for the conduct of the official business of the United States government by employees, grantees, or contractors thereof.

Note 4 to paragraph (e). *See* § 542.522 for a general license authorizing transactions for the conduct of the official business of the United States Government.

(f) *Inapplicability of exemptions.*
* * *

(g) *Importation of goods.* The prohibitions contained in § 542.201(a) do not apply to the importation of any goods that would otherwise be prohibited solely because of the interest of a person whose property and interests in property are blocked solely pursuant to § 542.201(a)(13). For the purposes of this paragraph (g), the term *good(s)* means any article, natural or manmade substance, material, supply or manufactured product, including inspection and test equipment, and excluding technical data.

- 9. Add § 542.212 to read as follows:

§ 542.212 Prohibited transactions involving foreign sanctions evaders.

(a) Pursuant to E.O. 13608, the Secretary of the Treasury, in consultation with the Secretary of State, may determine that a foreign person:

(1) Has violated, attempted to violate, conspired to violate, or caused a violation of any license, order, regulation, or prohibition contained in, or issued pursuant to:

(i) Any Executive order relating to the national emergency declared in E.O. 13338 of May 11, 2004, as modified in scope in subsequent Executive orders; or

(ii) To the extent such conduct relates to property and interests in property of any person subject to United States sanctions concerning Syria, E.O. 13382 of June 28, 2005, any Executive order subsequent to E.O. 13382 of June 28, 2005, that relates to the national emergency declared in E.O. 12938 of November 14, 1994, or any Executive order relating to the national emergency declared in E.O. 13224 of September 23, 2001;

(2) Has facilitated deceptive transactions for or on behalf of any person subject to United States sanctions concerning Syria; or

(3) Is owned or controlled by, or is acting or purporting to act for or on behalf of, directly or indirectly, any person determined to meet the criteria set forth in this paragraph (a).

(b) Upon determining that a foreign person is subject to paragraph (a) of this section, the Secretary of the Treasury may prohibit all transactions or dealings, whether direct or indirect, involving such person, including any exporting, reexporting, importing, selling, purchasing, transporting, swapping, brokering, approving, financing, facilitating, or guaranteeing, in or related to:

- (1) Any goods, services, or technology in or intended for the United States; or
- (2) Any goods, services, or technology provided by or to United States persons, wherever located.

Note 1 to paragraph (b). The names of persons subject to the prohibitions in paragraph (b) of this section are published in the **Federal Register** and incorporated into OFAC's Foreign Sanctions Evaders (FSE) List using the following identifier formulation: “[FSE–SY].” The FSE List is accessible through the following page on OFAC's website: <https://ofac.treasury.gov>.

(c) The prohibitions in paragraph (b) of this section include prohibitions on the following transactions:

(1) The making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person subject to the measures described in paragraph (b) of this section; and

(2) The receipt of any contribution or provision of funds, goods, or services from any person subject to the measures described in paragraph (b) of this section.

(d) The prohibitions in paragraph (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this part, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the measures described in paragraph (b) are imposed.

Subpart C—General Definitions

§§ 542.302, 542.303, 542.304, 542.305, 542.306, 542.307, 542.308, 542.309, 542.310, 542.311, 542.312, 542.313, 542.314, 542.315, 542.316, 542.317, 542.318, 542.319, 542.320, 542.321, 542.322, and 542.323
[Redesignated as §§ 542.304, 542.305, 542.306, 542.308, 542.309, 542.310, 542.311, 542.313, 542.314, 542.315, 542.316, 542.317, 542.319, 542.321, 542.322, 542.323, 542.324, 542.325, 542.326, 542.327, 542.328, and 542.329]

- 10. Redesignate §§ 542.302 through 542.323 as follows:

Old section	New section
542.302	542.304
542.303	542.305
542.304	542.306
542.305	542.308
542.306	542.309
542.307	542.310
542.308	542.311
542.309	542.313
542.310	542.314
542.311	542.315
542.312	542.316
542.313	542.317
542.314	542.319
542.315	542.321
542.316	542.322
542.317	542.323
542.318	542.324
542.319	542.325
542.320	542.326
542.321	542.327
542.322	542.328
542.323	542.329

■ 11. Add new § 542.302 to read as follows:

§ 542.302 Construction or engineering services.

The term *construction or engineering services*, as used in § 542.201(a)(13)(v), means the provision of services for the construction of buildings or structures, or for the production, procurement, devising, framing, or arranging in Syria of parts or materials to fabricate, shape, or form buildings or structures, and assistance, advisory, consultative, design, and recommendation services concerning engineering matters or during any phase of an engineering project, including the on-site design, development, assembly, or construction of residential, commercial, or institutional buildings in Syria. The term applies to engaging in new work, additions, or alterations of commercial or institutional buildings. Engineering design services may be for: the construction of foundations and building structures (*i.e.*, structural engineering); mechanical and electrical installations for buildings; the construction of civil engineering works; industrial processes and production; or other engineering designs, such as those for acoustics, vibration, traffic control systems, or prototype development for new products.

■ 12. Add new § 542.303 to read as follows:

§ 542.303 Deceptive transaction.

The term *deceptive transaction*, as used in § 542.212, means any transaction where the identity of any person subject to United States sanctions concerning Syria is withheld or obscured from other participants in the transaction or any relevant regulatory authorities.

■ 13. Revise newly redesignated § 542.304 as follows:

§ 542.304 Effective date.

(a) The term *effective date* refers to the effective date of the applicable prohibitions and directives contained in this part as follows:

(1) With respect to prohibited transfers or other dealings in blocked property and interests in property of the Government of Syria, as defined in § 542.308, 12:01 a.m. eastern daylight time, August 18, 2011;

(2) With respect to a person whose property and interests in property are blocked pursuant to § 542.201(a)(5), 1 p.m. eastern daylight time, April 29, 2011;

(3) With respect to a person whose property and interests in property are blocked pursuant to § 542.201(a)(7), 1

p.m. eastern daylight time, May 18, 2011;

(4) With respect to a person whose property and interests in property are blocked pursuant to § 542.201(a)(9), 12:01 a.m. eastern daylight time, April 23, 2012;

(5) With respect to a person whose property and interests in property are otherwise blocked pursuant to § 542.201, the earlier of the date of actual or constructive notice that such person's property and interests in property are blocked;

(6) With respect to the transactions prohibited by §§ 542.206 through 542.210, 12:01 a.m. eastern daylight time, August 18, 2011; and

(7) With respect to the transactions prohibited by § 542.212, the earlier of the date of actual or constructive notice that such prohibitions apply to the foreign person determined to be subject to the prohibitions in § 542.212.

(b) For the purposes of this section, *constructive notice* is the date that a notice of the blocking of the relevant person's property and interests in property, or a notice of the imposition of a prohibition imposed pursuant to § 542.212, is published in the **Federal Register**.

§ 542.306 [Amended]

■ 14. Amend newly redesignated § 542.306 by removing the phrase “, as used in § 542.201(a)(1)(i), (a)(2)(ii)(L), and (a)(3)(ii)(C),”.

■ 15. Add new § 542.307 to read as follows:

§ 542.307 Foreign person.

The term *foreign person* means any person that is not a U.S. person.

§ 542.308 [Amended]

■ 16. Amend newly redesignated § 542.308 by redesignating notes 1 and 2 to § 542.305 as notes 1 and 2 to § 542.308.

■ 17. Add new § 542.312 to read as follows:

§ 542.312 Knowingly.

The term *knowingly*, as used in § 542.201(a)(11) through (13), with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

§ 542.313 [Amended]

■ 18. Amend newly redesignated § 542.313 by redesignating the note to § 542.309 as note 1 to § 542.313.

§ 542.315 [Amended]

■ 19. Amend newly redesignated § 542.315 in paragraph (b) by removing “§ 542.310” and adding in its place “§ 542.314”.

■ 20. Add new § 542.318 to read as follows:

§ 542.318 Person subject to United States sanctions concerning Syria.

The term *person subject to United States sanctions concerning Syria*, as used in § 542.212, means:

(a) Any person, including the Government of Syria, with whom transactions are restricted pursuant to any Executive order relating to the national emergency declared in E.O. 13338; or

(b) Any person whose property and interests in property are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) in connection with Syria's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction, or Syria's support for international terrorism.

■ 21. Add new § 542.320 to read as follows:

§ 542.320 Sensitive technology.

The term *sensitive technology*, as used in § 542.201(a)(11)(ii)(C)(2), means hardware, software, telecommunications equipment, or any other technology, that the Secretary of the Treasury, in consultation with the Secretary of State, determines is to be used specifically to restrict the free flow of unbiased information in Syria or to disrupt, monitor, or otherwise restrict speech of the people of Syria. The term *sensitive technology* does not include information or informational materials that are exempt from regulation or prohibition pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

■ 22. Revise newly redesignated § 542.327 as follows:

§ 542.327 U.S. financial institution.

The term *U.S. financial institution* means any U.S. entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, purchasing or selling foreign exchange, securities, futures, or options, or procuring purchasers and sellers thereof, as principal or agent. It includes depository institutions, banks, savings banks, money services businesses, operators of credit card systems, trust companies, insurance companies, securities brokers and dealers, futures

and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones, or jewels, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions' foreign branches, offices, or agencies.

Subpart D—Interpretations

■ 23. Revise and republish § 542.401 to read as follows:

§ 542.401 Reference to amended sections.

(a) Reference to any section in this part is a reference to the same as currently amended, unless the reference includes a specific date. *See* 44 U.S.C. 1510.

(b) Reference to any regulation, ruling, instruction, order, directive, or license issued pursuant to this part is a reference to the same as currently amended unless otherwise specified.

■ 24. Revise and republish § 542.405 to read as follows:

§ 542.405 Exportation, reexportation, sale, or supply of services; provision and receipt of services.

(a) The prohibition on the exportation, reexportation, sale, or supply of services contained in § 542.207 applies to services performed on behalf of a person in Syria or the Government of Syria or where the benefit of such services is otherwise received in Syria, if such services are performed:

- (1) In the United States; or
- (2) Outside the United States by a United States person.

(b) The benefit of services performed anywhere in the world on behalf of the Government of Syria is presumed to be received in Syria.

(c) The prohibitions contained in § 542.201 apply to services performed in the United States or by U.S. persons, wherever located:

(1) On behalf of or for the benefit of the Government of Syria or any other person in whose property and interests in property are blocked pursuant to § 542.201; or

(2) With respect to property interests of the Government of Syria or any other person whose property and interests in property are blocked pursuant to § 542.201.

(d) The prohibitions on transactions contained in § 542.201 apply to services

received in the United States or by U.S. persons, wherever located, where the service is performed by, or at the direction of, a person whose property and interests in property are blocked pursuant to § 542.201.

(e)(1) For example, U.S. persons may not, except as authorized by or pursuant to this part, provide legal, accounting, financial, brokering, freight forwarding, transportation, public relations, or other services to any person in Syria or to the Government of Syria or to any other person whose property and interests in property are blocked pursuant to § 542.201 or negotiate or enter into contracts signed by a person whose property and interests in property are blocked pursuant to § 542.201.

(2) For example, a U.S. person is engaged in a prohibited exportation of services to Syria when it extends credit to a third-country firm specifically to enable that firm to manufacture goods for sale to Syria or the Government of Syria.

Note 1 to § 542.405. *See* §§ 542.507 and 542.531 for general licenses authorizing the provision of certain legal and emergency medical services.

■ 25. Revise and republish § 542.406 to read as follows:

§ 542.406 Offshore transactions involving blocked property.

The prohibitions in § 542.201 on transactions or dealings involving blocked property, as defined in § 542.301, including property held in the name of the Government of Syria, apply to transactions by any U.S. person in a location outside the United States.

■ 26. Revise and republish § 542.409 to read as follows:

§ 542.409 Credit extended and cards issued by financial institutions.

The prohibitions in §§ 542.201 and 542.212 on dealing in property subject to those sections and the prohibition in § 542.207 on exporting services to Syria prohibit U.S. financial institutions from performing under any existing credit agreements, including charge cards, debit cards, or other credit facilities issued by a financial institution to a person whose property and interests in property are blocked pursuant to § 542.201 or a person determined to be subject to the prohibitions of § 542.212.

§ 542.411 [Amended]

■ 27. Amend § 542.411 in paragraph (b) by removing “§ 542.305” and adding in its place “§ 542.308”.

■ 28. Add § 542.414 to read as follows:

§ 542.414 Significant; significant transaction.

In determining, for purposes of § 542.201(a)(13), whether a transaction is significant, or transactions are significant, the Secretary of the Treasury may consider the totality of the facts and circumstances. As a general matter, the Secretary may consider some or all of the following factors:

(a) *Size, number, and frequency.* The size, number, and frequency of transactions performed over a period of time, including whether the transactions are increasing or decreasing over time and the rate of increase or decrease.

(b) *Nature.* The nature of the transaction(s), including the type, complexity, and commercial purpose of the transaction(s).

(c) *Level of awareness; pattern of conduct.* (1) Whether the transaction(s) is performed with the involvement or approval of management or only by clerical personnel; and

(2) Whether the transaction(s) is part of a pattern of conduct or the result of a business development strategy.

(d) *Nexus.* The proximity between the foreign person engaging in the transaction(s) and the persons blocked pursuant § 542.201 or subject to the prohibitions of § 542.212.

(e) *Impact.* The impact of the transaction(s) on the objectives of the Caesar Act, including:

(1) The economic or other benefit conferred on or attempted to be conferred on a sanctioned person blocked pursuant to § 542.201 or subject to the prohibitions of § 542.212; and

(2) Whether and how the transaction(s) contribute to the proliferation of weapons of mass destruction or delivery systems for such weapons, to support for international terrorism, or to the suppression of human rights.

(f) *Deceptive practices.* Whether the transaction(s) involves an attempt to obscure or conceal the actual parties or true nature of the transaction(s) or to evade sanctions.

(g) *Other relevant factors.* Such other factors that the Secretary of the Treasury or the Secretary's designee deems relevant on a case-by-case basis in determining the significance of a transaction(s).

(h) *Applicability.* For the purposes of this part, a transaction is not significant if U.S. persons would not require a specific license from OFAC to participate in it.

■ 29. Add § 542.415 to read as follows:

§ 542.415 Transactions by foreign persons for which a U.S. person would not require a specific license.

For the purposes of this part, foreign persons will not be subject to sanctions pursuant to § 587.201(a)(1), (3), (6), (8), or (13) or § 542.212 solely on the basis of transaction for which a U.S. person would not require a specific license.

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

■ 30. Amend § 542.507 as follows:

■ a. Remove “§ 542.201(a)” wherever it appears and add in its place “§ 542.201”.

■ b. Redesignate paragraphs (c) and (d) as paragraphs (d) and (e), respectively.

■ c. Add new paragraph (c).

■ d. In newly redesignated paragraph (e)(2), remove “paragraph (d)(1) of this section” and add in its place “paragraph (e)(1) of this section”.

The addition reads as follows:

§ 542.507 Provision of certain legal services authorized.

* * * * *

(c) *Ordinarily incident services.* U.S. persons do not need to obtain specific authorization to provide related services, such as making filings and providing other administrative services, that are ordinarily incident to the provision of services authorized by paragraph (a) of this section. Additionally, U.S. persons who provide services authorized by paragraph (a) do not need to obtain specific authorization to contract for related services that are ordinarily incident to the provision of those legal services, such as those provided by private investigators or expert witnesses, or to pay for such services. *See* § 542.404.

* * * * *

■ 31. Revise and republish § 542.508 to read as follows:

§ 542.508 Payments for legal services from funds originating outside the United States.

(a) *Professional fees and incurred expenses.* (1) Receipt of payment of professional fees and reimbursement of incurred expenses for the provision of legal services authorized pursuant to § 542.507(a) to or on behalf of the Government of Syria or any other person whose property and interests in property are blocked pursuant to § 542.201 is authorized from funds originating outside the United States, provided that the funds do not originate from:

- (i) A source within the United States;
- (ii) Any source, wherever located, within the possession or control of a U.S. person; or

(iii) Any individual or entity, other than the person on whose behalf the legal services authorized pursuant to § 542.507(a) are to be provided, whose property and interests in property are blocked pursuant to any part of this chapter or any Executive order or statute.

(2) Nothing in this paragraph (a) authorizes payments for legal services using funds in which any other person whose property and interests in property are blocked pursuant to § 542.201, any other part of this chapter, or any Executive order or statute has an interest.

(b) *Records.* Consistent with § 501.601 of this chapter, U.S. persons who receive payments pursuant to paragraph (a) of this section must retain for five years from the date of the relevant payment a record that specifies the following for each payment:

(1) The individual or entity from whom the funds originated and the amount of funds received; and

(2) If applicable:

(i) The names of any individuals or entities providing related services to the U.S. person receiving payment in connection with authorized legal services, such as private investigators or expert witnesses;

(ii) A general description of the services provided; and

(iii) The amount of funds paid in connection with such services.

(3) These records must be furnished to OFAC on demand consistent with § 501.602 of this chapter.

■ 32. Revise and republish § 542.511 to read as follows:

§ 542.511 Exportation of certain services incident to internet-based communications.

(a) *Authorized services—*(1) *Services related to the exchange of communications over the internet.*

Except as provided in paragraph (c) of this section, all transactions prohibited by this part that are related to the exportation, reexportation, sale, or supply, directly or indirectly, from the United States or by U.S. persons, wherever located, to persons in Syria of services incident to the exchange of communications over the internet, such as instant messaging, chat and email, social networking, sharing of photos and movies, web browsing, blogging, social media platforms, collaboration platforms, video conferencing, e-gaming, e-learning platforms, automated translation, web maps, and user authentication services, as well as cloud-based services in support of the foregoing, are authorized.

(2) *Services incident to the export or reexport of software and hardware not*

subject to the Export Administration Regulations (EAR). Except as provided in paragraph (c) of this section, all transactions prohibited by this part that are related to the exportation, reexportation, sale, or supply, directly or indirectly, from the United States or by U.S. persons, wherever located, of services incident to the exportation or reexportation to persons in Syria of software or hardware that is incident to, or enables services incident to, the exchange of communications over the internet, such as instant messaging, chat and email, social networking, sharing of photos and movies, web browsing, blogging, social media platforms, collaboration platforms, video conferencing, e-gaming, e-learning platforms, automated translation, web maps, and user authentication services, as well as cloud-based services in support of the foregoing, are authorized, provided that any such hardware would be designated EAR99 if it were subject to the EAR, 15 CFR parts 730 through 774, and that any such software is the type of software described in 15 CFR 734.3(b)(3) or would be classified under Export Control Classification Number (ECCN) 5D992.c or designated EAR99 if it were subject to the EAR.

Note 1 to paragraph (a)(2). *See* § 542.510 for a general license authorizing the exportation or reexportation of certain items subject to the EAR and services to Syria.

(b) *Internet connectivity services and telecommunications capacity.* Except as provided in paragraph (c) of this section, all transactions prohibited by this part that are related to the exportation or reexportation to Syria of non-commercial-grade internet connectivity services, to include non-commercial-grade cloud-based services, and the provision, sale, or leasing of capacity on telecommunications transmission facilities (such as satellite or terrestrial network connectivity) incident to communications, are authorized.

(c) *Exclusions.* This section does not authorize:

(1) The direct or indirect exportation of services with knowledge or reason to know that such services are intended for the benefit of the Government of Syria, except for services described in paragraph (a) of this section that are publicly available at no cost to the user, or any other person whose property and interests in property are blocked pursuant to § 542.201;

(2) The direct or indirect exportation of commercial-grade internet connectivity services or commercial-grade telecommunications transmission facilities (such as dedicated satellite

links or dedicated lines that include quality of service guarantees); or

(3) The direct or indirect exportation of web-hosting services that are for websites of commercial entities located in Syria or of domain name registration services for or on behalf of the Government of Syria, as defined in § 542.308, or any other person whose property and interests in property are blocked pursuant to § 542.201.

(d) *Specific licensing policy.* Specific licenses may be issued on a case-by-case basis to authorize transactions not specified in paragraph (a) of this section that are incident to communications, involve the telecommunications sector, or support internet freedom in Syria, including to enable private persons in Syria to better and more securely access the internet.

Note 2 to § 542.511. Nothing in this section relieves the exporter from compliance with the export license application requirements of another Federal agency.

■ 33. Revise and republish § 542.513 to read as follows:

§ 542.513 Official business of certain international organizations and entities.

All transactions prohibited by this part that are for the conduct of the official business of the following entities by employees, grantees, or contractors thereof are authorized:

(a) The United Nations, including its Programmes, Funds, and Other Entities and Bodies, as well as its Specialized Agencies and Related Organizations;

(b) The International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies; and

(c) The Global Fund to Fight AIDS, Tuberculosis, and Malaria, and Gavi, the Vaccine Alliance.

Note 1 to § 542.513. The authorization in this section includes the processing or transfer of funds on behalf of third-country entities to or from Syria in support of the transactions authorized by this section. U.S. financial institutions may rely on the originator of a funds transfer with regard to compliance with this section, provided that the financial institution does not know or have reason to know that the funds transfer is not in compliance with this section.

■ 34. Revise and republish § 542.516 to read as follows:

§ 542.516 Certain transactions in support of nongovernmental organizations' activities.

(a) Nongovernmental organizations, including employees, contractors, and grantees thereof, are authorized to engage in all transactions prohibited by this part that are in support of the activities described in paragraph (b) of

this section, provided that the nongovernmental organization is not a person whose property or interests in property are blocked pursuant to this part.

(b) The activities referenced in paragraph (a) of this section are non-commercial activities designed to directly benefit the civilian population that fall into one of the following categories:

(1) Activities to support humanitarian projects to meet basic human needs in Syria, including, disaster, drought, or flood relief; food, nutrition, or medicine distribution; the provision of health services; assistance for vulnerable or displaced populations, including refugees, individuals with disabilities, and the elderly; and environmental programs;

(2) Activities to support democracy building in Syria, including activities to support rule of law, citizen participation, government accountability and transparency, human rights and fundamental freedoms, access to information, and civil society development projects;

(3) Activities to support education in Syria, including combating illiteracy, increasing access to education, and assisting education reform projects;

(4) Activities to support non-commercial development projects directly benefiting the Syrian people, including those related to health, food security, and water and sanitation;

(5) Activities to support the preservation and protection of cultural heritage sites in Syria, including museums, historic buildings, and archaeological sites;

(6) Activities to support environmental and natural resource protection in Syria, including the preservation and protection of threatened or endangered species, responsible and transparent management of natural resources, and the remediation of pollution or other environmental damage; and

(7) Activities to support disarmament, demobilization, and reintegration (DDR) programs and peacebuilding, conflict prevention, and conflict resolution programs.

(c) U.S. financial institutions are authorized to process transfers of funds on behalf of U.S. or third-country nongovernmental organizations, including their employees, contractors, and grantees, in support of the activities authorized by paragraph (a) of this section, except as provided in paragraph (d) of this section.

Note 1 to paragraph (c). U.S. financial institutions may rely on the originator of a

funds transfer with regard to compliance with this section, provided that the financial institution does not know or have reason to know that the funds transfer is not in compliance with this section.

(d) This section does not authorize:

(1) Any funds transfers initiated or processed with knowledge or reason to know that the intended beneficiary of such transfers is a person blocked pursuant to this part, except for persons who meet the definition of the term *Government of Syria*, as defined in § 542.308(a) or for the purposes of effecting the payment of taxes, fees, or import duties, or for the purchase or receipt of permits, licenses, or public utility services as ordinarily incident and necessary to the activities authorized in paragraph (a) of this section; or

(2) The importation into the United States of petroleum or petroleum products of Syrian origin prohibited by § 542.208.

(e) Nothing in this section authorizes nongovernmental organizations to undertake any transaction or dealing that involves any foreign person that has been designated as a foreign terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189), or otherwise designated as a terrorist organization, by the Secretary of State, in consultation with or upon the request of the Attorney General or the Secretary of Homeland Security.

(f) U.S. persons engaging in transactions or processing transfers of funds to or from Syria in support of activities described in paragraph (b)(5) of this section (preservation and protection of cultural heritage sites in Syria) are required to file quarterly reports no later than 30 days following the end of the calendar quarter with OFAC. The reports should include complete information on all activities and transactions undertaken pursuant to paragraphs (a) and (c) of this section in support of the activities described in paragraph (b)(5) of this section that took place during the reporting period, including the parties involved, the value of the transactions, the services provided, and the dates of the transactions. The reports should be submitted via email to OFACReport@treasury.gov.

(g) Specific licenses may be issued on a case-by-case basis to authorize nongovernmental organizations or other entities to engage in other activities designed to directly benefit the civilian population, including support for the removal of landmines and economic development projects directly benefiting the civilian population.

Note 2 to § 542.516. See § 542.510 for a general license authorizing the exportation or reexportation of certain items and services to Syria.

§ 542.527 [Removed and Reserved]

- 35. Remove and reserve § 542.527.
- 36. Revise and republish § 542.531 to read as follows:

§ 542.531 Emergency medical services.

The provision and receipt of nonscheduled emergency medical services that are prohibited by this part are authorized.

§ 542.532 [Amended]

- 37. Amend § 542.532 in the note to paragraph (b) as follows:
 - a. Redesignate the note to paragraph (b) of § 542.532 as note 1 to paragraph (b).
 - b. Remove “§ 542.307” and add in its place “§ 542.310”.
- 38. Add § 542.533 to read as follows:

§ 542.533 Activities in certain economic sectors in non-regime held areas of Northeast and Northwest Syria.

(a) Except as provided in paragraph (c) of this section, transactions prohibited by § 542.206 or § 542.207 that are ordinarily incident and necessary to activities in the following economic sectors in the areas of northeast and northwest Syria described in the List of Areas of Northeast and Northwest Syria in Which Activities are Authorized by § 542.533 on OFAC's website (<https://ofac.treasury.gov>) and published in the **Federal Register** are authorized:

- (1) Agriculture;
- (2) Information and telecommunications;
- (3) Power grid infrastructure;
- (4) Construction;
- (5) Finance;
- (6) Clean energy;
- (7) Transportation and warehousing;
- (8) Water and waste management;
- (9) Health services;
- (10) Education;
- (11) Manufacturing; and
- (12) Trade.

(b) Except as provided in paragraph (c) of this section, the purchase of refined petroleum products of Syrian origin for use in Syria prohibited by § 542.209 that is ordinarily incident and necessary to the activities described in paragraph (a) of this section is authorized.

Note 1 to paragraphs (a) and (b). The authorizations in this section include the processing or transfer of funds on behalf of third-country entities to or from Syria in support of the transactions authorized by this section. U.S. financial institutions and U.S.

registered money transmitters may rely on the originator of a funds transfer with regard to compliance with this section, provided that the financial institution does not know or have reason to know that the funds transfer is not in compliance with this section.

(c) This section does not authorize:

- (1) Any transactions involving any person, including the Government of Syria, as defined in § 542.308, whose property or interests in property are blocked pursuant to § 542.201; or
- (2) The importation into the United States of petroleum or petroleum products of Syrian origin prohibited by § 542.208.

Note 2 to § 542.533. See § 542.510 for a general license authorizing the exportation or reexportation of certain items and services to Syria.

- 39. Add § 542.534 to read as follows:

§ 542.534 Transactions involving persons subject to certain sanctions pursuant to this part.

Any transaction prohibited pursuant to § 542.212 due to the involvement of a person determined to be subject to the prohibitions of § 542.212 is authorized to the same extent such transaction would be authorized for a person whose property and interests in property are blocked pursuant to § 542.201 by a general license set forth in or issued pursuant to this part.

Subpart F—[Removed and Reserved]

- 40. Remove and reserve subpart F.
- 41. Revise subpart G to read as follows:

Subpart G—Penalties and Findings of Violation

- Sec.
- 542.701 Penalties.
 - 542.702 Pre-Penalty Notice; settlement.
 - 542.703 Penalty imposition.
 - 542.704 Administrative collection; referral to United States Department of Justice.
 - 542.705 Findings of Violation.

§ 542.701 Penalties.

(a) Section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) (IEEPA) is applicable to violations of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under IEEPA.

(1) A civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any

regulation, ruling, instruction, order, directive, or license issued under IEEPA.

(2) IEEPA provides for a maximum civil penalty not to exceed the greater of \$368,136 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(3) A person who willfully commits, willfully attempts to commit, willfully conspires to commit, or aids or abets in the commission of a violation of any regulation in this part, ruling, instruction, order, directive, or license may, upon conviction, be fined not more than \$1,000,000, or if a natural person, be imprisoned for not more than 20 years, or both.

(b)(1) The civil penalties provided in IEEPA are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410, as amended, 28 U.S.C. 2461 note).

(2) The criminal penalties provided in IEEPA are subject to adjustment pursuant to 18 U.S.C. 3571.

(c) Pursuant to 18 U.S.C. 1001, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact; or makes any materially false, fictitious, or fraudulent statement or representation; or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry shall be fined under title 18, United States Code, imprisoned, or both.

(d) Section 5(b) of the United Nations Participation Act, as amended (22 U.S.C. 287c(b)) (UNPA), provides that any person who willfully violates or evades or attempts to violate or evade any order, rule, or regulation issued by the President pursuant to section 5(a) of the UNPA shall, upon conviction, be fined not more than \$1,000,000 or, if a natural person, be imprisoned for not more than 20 years, or both.

(e) Pursuant to 18 U.S.C. 2332d, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, who knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act of 1979, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code,

or imprisoned for not more than 10 years, or both.

(f) Violations of this part may also be subject to other applicable laws.

§ 542.702 Pre-Penalty Notice; settlement.

(a) *When required.* If OFAC has reason to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and determines that a civil monetary penalty is warranted, OFAC will issue a Pre-Penalty Notice informing the alleged violator of the agency's intent to impose a monetary penalty. A Pre-Penalty Notice shall be in writing. The Pre-Penalty Notice may be issued whether or not another agency has taken any action with respect to the matter. For a description of the contents of a Pre-Penalty Notice, see appendix A to part 501 of this chapter.

(b) *Response—(1) Right to respond.* An alleged violator has the right to respond to a Pre-Penalty Notice by making a written presentation to OFAC. For a description of the information that should be included in such a response, see appendix A to part 501 of this chapter.

(2) *Deadline for response.* A response to a Pre-Penalty Notice must be made within 30 days as set forth in paragraphs (b)(2)(i) and (ii) of this section. The failure to submit a response within 30 days shall be deemed to be a waiver of the right to respond.

(i) *Computation of time for response.* A response to a Pre-Penalty Notice must be postmarked or date-stamped by the U.S. Postal Service (or foreign postal service, if mailed abroad) or courier service provider (if transmitted to OFAC by courier), or dated if sent by email, on or before the 30th day after the postmark date on the envelope in which the Pre-Penalty Notice was mailed or date the Pre-Penalty Notice was emailed. If the Pre-Penalty Notice was personally delivered by a non-U.S. Postal Service agent authorized by OFAC, a response must be postmarked or date-stamped on or before the 30th day after the date of delivery.

(ii) *Extensions of time for response.* If a due date falls on a Federal holiday or weekend, that due date is extended to include the following business day. Any other extensions of time will be granted, at the discretion of OFAC, only upon specific request to OFAC.

(3) *Form and method of response.* A response to a Pre-Penalty Notice need not be in any particular form, but it must be typewritten and signed by the alleged violator or a representative thereof (electronic signature is acceptable), contain information sufficient to indicate that it is in response to the Pre-Penalty Notice, and include the OFAC identification number listed on the Pre-Penalty Notice. The response must be sent to OFAC's Enforcement Division by mail or courier or email and must be postmarked or date-stamped in accordance with paragraph (b)(2) of this section.

(c) *Settlement.* Settlement discussion may be initiated by OFAC, the alleged violator, or the alleged violator's authorized representative. For a description of practices with respect to settlement, see appendix A to part 501 of this chapter.

(d) *Guidelines.* Guidelines for the imposition or settlement of civil penalties by OFAC are contained in appendix A to part 501 of this chapter.

(e) *Representation.* A representative of the alleged violator may act on behalf of the alleged violator, but any oral communication with OFAC prior to a written submission regarding the specific allegations contained in the Pre-Penalty Notice must be preceded by a written letter of representation, unless the Pre-Penalty Notice was served upon the alleged violator in care of the representative.

§ 542.703 Penalty imposition.

If, after considering any written response to the Pre-Penalty Notice and any relevant facts, OFAC determines that there was a violation by the alleged violator named in the Pre-Penalty Notice and that a civil monetary penalty is appropriate, OFAC may issue a Penalty Notice to the violator containing a determination of the violation and the imposition of the monetary penalty. For additional details concerning issuance of a Penalty Notice, see appendix A to part 501 of this chapter. The issuance of the Penalty Notice shall constitute final agency action. The violator has the right to seek judicial review of that final agency action in Federal district court.

§ 542.704 Administrative collection; referral to United States Department of Justice.

In the event that the violator does not pay the penalty imposed pursuant to this part or make payment arrangements acceptable to OFAC, the matter may be referred for administrative collection measures by the Department of the Treasury or to the United States Department of Justice for appropriate

action to recover the penalty in a civil suit in a Federal district court.

§ 542.705 Findings of Violation.

(a) *When issued.* (1) OFAC may issue an initial Finding of Violation that identifies a violation if OFAC:

(i) Determines that there has occurred a violation of any provision of this part, or a violation of the provisions of any regulation, ruling, instruction, order, directive, or license issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*);

(ii) Considers it important to document the occurrence of a violation; and

(iii) Based on the Guidelines contained in appendix A to part 501 of this chapter, concludes that an administrative response is warranted but that a civil monetary penalty is not the most appropriate response.

(2) An initial Finding of Violation shall be in writing and may be issued whether or not another agency has taken any action with respect to the matter. For additional details concerning issuance of a Finding of Violation, see appendix A to part 501 of this chapter.

(b) *Response—(1) Right to respond.* An alleged violator has the right to contest an initial Finding of Violation by providing a written response to OFAC.

(2) *Deadline for response; default determination.* A response to an initial Finding of Violation must be made within 30 days as set forth in paragraphs (b)(2)(i) and (ii) of this section. The failure to submit a response within 30 days shall be deemed to be a waiver of the right to respond, and the initial Finding of Violation will become final and will constitute final agency action. The violator has the right to seek judicial review of that final agency action in Federal district court.

(i) *Computation of time for response.* A response to an initial Finding of Violation must be postmarked or date-stamped by the U.S. Postal Service (or foreign postal service, if mailed abroad) or courier service provider (if transmitted to OFAC by courier), or dated if sent by email, on or before the 30th day after the postmark date on the envelope in which the initial Finding of Violation was served or date the Finding of Violation was sent by email. If the initial Finding of Violation was personally delivered by a non-U.S. Postal Service agent authorized by OFAC, a response must be postmarked

or date-stamped on or before the 30th day after the date of delivery.

(ii) *Extensions of time for response.* If a due date falls on a Federal holiday or weekend, that due date is extended to include the following business day. Any other extensions of time will be granted, at the discretion of OFAC, only upon specific request to OFAC.

(3) *Form and method of response.* A response to an initial Finding of Violation need not be in any particular form, but it must be typewritten and signed by the alleged violator or a representative thereof (electronic signature is acceptable), contain information sufficient to indicate that it is in response to the initial Finding of Violation, and include the OFAC identification number listed on the initial Finding of Violation. The response must be sent to OFAC's Enforcement Division by mail or courier or email and must be postmarked or date-stamped in accordance with paragraph (b)(2) of this section.

(4) *Information that should be included in response.* Any response should set forth in detail why the alleged violator either believes that a violation of the regulations in this part did not occur and/or why a Finding of Violation is otherwise unwarranted under the circumstances, with reference to the General Factors Affecting Administrative Action set forth in the Guidelines contained in appendix A to part 501 of this chapter. The response should include all documentary or other evidence available to the alleged violator that supports the arguments set forth in the response. OFAC will consider all relevant materials submitted in the response.

(c) *Determination—(1) Determination that a Finding of Violation is warranted.* If, after considering the response, OFAC determines that a final Finding of Violation should be issued, OFAC will issue a final Finding of Violation that will inform the violator of its decision. A final Finding of Violation shall constitute final agency action. The violator has the right to seek judicial review of that final agency action in Federal district court.

(2) *Determination that a Finding of Violation is not warranted.* If, after considering the response, OFAC determines a Finding of Violation is not warranted, then OFAC will inform the alleged violator of its decision not to issue a final Finding of Violation.

Note 1 to paragraph (c)(2). A determination by OFAC that a final Finding of Violation is not warranted does not preclude OFAC from pursuing other enforcement actions consistent with the

Guidelines contained in appendix A to part 501 of this chapter.

(d) *Representation.* A representative of the alleged violator may act on behalf of the alleged violator, but any oral communication with OFAC prior to a written submission regarding the specific alleged violations contained in the initial Finding of Violation must be preceded by a written letter of representation, unless the initial Finding of Violation was served upon the alleged violator in care of the representative.

Subpart H—[Removed]

- 42. Remove subpart H.

Subpart I—[Removed]

- 43. Remove subpart I.

§§ 542.202, 542.203, 542.204, 542.301, 542.305, 542.403, 542.404, 542.408, 542.504, 542.505, 542.506, 542.509, 542.510, 542.512, 542.514, 542.515, 542.517, 542.518, 542.519, 542.521, 542.523, 542.524, 542.526, 542.527, 542.528, 542.529, and 542.530 [Amended]

- 44. In addition to the amendments set forth above, in 31 CFR part 542, remove “§ 542.201(a)” and add in its place “§ 542.201” in the following sections:

- a. Section 542.202;
- b. Section 542.203;
- c. Section 542.204;
- d. Section 542.301;
- e. Section 542.305;
- f. Section 542.403;
- g. Section 542.404;
- h. Section 542.408;
- i. Section 542.504;
- j. Section 542.505;
- k. Section 542.506;
- l. Section 542.509;
- m. Section 542.510;
- n. Section 542.512;
- o. Section 542.514;
- p. Section 542.515;
- q. Section 542.517;
- r. Section 542.518;
- s. Section 542.519;
- t. Section 542.521;
- u. Section 542.523;
- v. Section 542.524;
- w. Section 542.526;
- x. Section 542.527;
- y. Section 542.528;
- z. Section 542.529; and
- aa. Section 542.530.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 587

Publication of Russian Harmful Foreign Activities Sanctions Regulations Determinations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of two determinations.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing one determination issued pursuant to a March 11, 2022 Executive Order, as amended on December 22, 2023, and one determination issued pursuant to an April 6, 2022 Executive Order. The determinations were previously issued on OFAC's website.

DATES: The determination pursuant to Executive Order 14068, as amended, and the determination pursuant to Executive Order 14071 were issued on April 12, 2024. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Licensing, 202–622–2480; Assistant Director for Regulatory Affairs, 202–622–4855; or Assistant Director for Compliance, 202–622–2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov>.

Background

On March 11, 2022, the President, invoking the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), issued Executive Order (E.O.) 14068, “Prohibiting Certain Imports, Exports, and New Investment With Respect to Continued Russian Federation Aggression” (87 FR 14381, March 15, 2022). Among other prohibitions, E.O. 14068 section 1(a)(i) prohibits the importation into the United States of the following products of Russian Federation origin: fish, seafood, and preparations thereof; alcoholic beverages; non-industrial diamonds; and any other products of Russian Federation origin as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce.