

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. In § 301.6103(n)–1, paragraph (c) is revised and paragraph (f) is added to read as follows:

§ 301.6103(n)–1 Disclosure of returns and return information in connection with procurement of property and services for tax administration purposes.

* * * * *

(c) *Notification requirements.* Persons to whom returns or return information is or may be disclosed as authorized by paragraph (a) of this section shall provide written notice to their officers or employees—

(1) That returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized by paragraph (a) of this section;

(2) That further inspection of any returns or return information for a purpose or to an extent unauthorized by paragraph (a) of this section constitutes a misdemeanor, punishable upon conviction by a fine of as much as \$1,000, or imprisonment for as long as 1 year, or both, together with costs of prosecution;

(3) That further disclosure of any returns or return information for a purpose or to an extent unauthorized by paragraph (a) of this section constitutes a felony, punishable upon conviction by a fine of as much as \$5,000, or imprisonment for as long as 5 years, or both, together with the costs of prosecution;

(4) That any such unauthorized further inspection or disclosure of returns or return information may also result in an award of civil damages against any person who is not an officer or employee of the United States in an amount not less than \$1,000 for each act of unauthorized inspection or disclosure or the sum of actual damages sustained by the plaintiff as a result of such unauthorized disclosure or inspection as well as an award of costs and reasonable attorneys fees; and

(5) If such person is an officer or employee of the United States, a conviction for an offense referenced in paragraph (c)(2) or (c)(3) of this section shall result in dismissal from office or discharge from employment.

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(f) *Effective date.* Section 301.6103(n)–1(c) is applicable on March 12, 2003.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 4. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

Par. 5. In § 602.101, paragraph (b) is amended by adding an entry in numerical order to the table to read as follows:

§ 602.101 OMB Control numbers.

* * * * *

(b) * * *

CFR part or section where identified and described	Current OMB control No.
301.6103(n)–1(c).	
* * * * *	
	1545–1841

Approved: February 11, 2003.

David A. Mader,

Assistant Deputy Commissioner of Internal Revenue.

Pamela F. Olsen,

Assistant Secretary of the Treasury.

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DEPARTMENT OF THE TREASURY**Office of Foreign Assets Control****31 CFR Parts 560 and 575****Authorization of Certain Humanitarian Activities by Nongovernmental Organizations in Iraq and Iran**

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Interim final rule.

SUMMARY: The Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury is adding new provisions to the Iraqi Sanctions Regulations, 31 CFR part 575, to facilitate certain humanitarian activities in and around Iraq. These new regulations provide for the establishment of a registration program that would authorize nongovernmental organizations to engage in humanitarian activities in the areas of Iraq not controlled by the Government of Iraq. They also permit certain humanitarian assessment missions in Iraq. Related regulations are being added to the Iranian Transactions Regulations, 31 CFR part 560, authorizing certain activities in Iran by nongovernmental

organizations to the extent necessary to support authorized humanitarian activities in Iraq, as well as certain assessment activities in Iran.

DATES: Effective March 12, 2003.

Written comments must be received no later than May 12, 2003.

ADDRESSES: Comments may be submitted to the Chief of Records, ATTN: Request for Comments, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW., Washington, DC 20220. Alternatively, comments may be submitted via facsimile to the Chief of Records at (202) 622–1657 or via OFAC’s Web site <<http://www.treas.gov/offices/enforcement/ofac/comment.html>>.

FOR FURTHER INFORMATION CONTACT:

Chief of Licensing, tel. (202) 622–2480, Chief of Compliance Programs, tel. (202) 622–2490, or Chief Counsel, tel. (202) 622–2410.

SUPPLEMENTARY INFORMATION:**Background**

On August 2, 1990, upon Iraq’s invasion of Kuwait, the President issued Executive Order 12722, declaring a national emergency with respect to Iraq. This order, issued under the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the U.S. Code, imposed economic sanctions, including a complete trade embargo, against Iraq. In keeping with United Nations Security Council Resolution 661 of August 6, 1990, and under the United Nations Participation Act (22 U.S.C. 287c), the President also issued Executive Order 12724 of August 9, 1990, which imposed additional restrictions. The Iraqi Sanctions Regulations, 31 CFR part 575, implement Executive Orders 12722 and 12724 and are administered by the Treasury Department’s Office of Foreign Assets Control (“OFAC”).

The new sections published today are intended to facilitate humanitarian activities with respect to Iraq, including certain activities in neighboring Iran that are directly incidental and essential to such humanitarian activities. Section 575.527 provides for the case-by-case authorization of nongovernmental organizations to conduct certain defined humanitarian activities in the areas of Iraq not controlled by the Government of Iraq. These provisions incorporate the procedures and requirements set forth in 31 CFR 501.801(c) with respect to the application for obtaining a registration number. Applications from interested