

blocked property in violation of the Regulations and the requirement to hold blocked property in interest-bearing blocked accounts. Section 594.206 of subpart B provides that all expenses incident to the maintenance of blocked physical property shall be the responsibility of the owners and operators of such property, and that such expenses shall not be met from blocked funds. The section further provides that blocked property may, in the discretion of the Director of OFAC, be sold or liquidated and the net proceeds placed in a blocked interest-bearing account in the name of the owner of the property.

Subpart C of the Regulations defines key terms used throughout the Regulations, and subpart D sets forth interpretive sections regarding the general prohibitions contained in subpart B. Certain transactions otherwise prohibited under the Regulations but found to be consistent with U.S. policy are authorized by one of the general licenses contained in subpart E or may be authorized by a specific license issued pursuant to the procedures described in subpart D of part 501 of 31 CFR chapter V.

Subpart F of the Regulations refers to subpart C of part 501 for applicable recordkeeping and reporting requirements. Subpart G of the Regulations describes the civil and criminal penalties applicable to violations of the Regulations, as well as the procedures governing the potential imposition of a civil monetary penalty.

Subpart H of the Regulations refers to subpart D of part 501 for applicable provisions relating to administrative procedures. Subpart I of the Regulations sets forth a Paperwork Reduction Act notice.

Request for Comments; Procedural Requirements

Because the Regulations involve a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553) (the "APA") requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date are inapplicable. However, because of the importance of the issues addressed in these regulations, this rule is being issued in interim form and comments will be considered in the development of final regulations. Accordingly, the Department encourages interested persons who wish to comment to do so at the earliest possible time to permit the fullest consideration of their views. Comments may address the impact of the Regulations on the submitter's

activities, whether of a commercial, non-commercial or humanitarian nature, as well as changes that would improve the clarity and organization of the Regulations.

The period for submission of comments will close August 5, 2003. The Department will consider all comments received before the close of the comment period in developing final regulations. Comments received after the end of the comment period will be considered if possible, but their consideration cannot be assured. The Department will not accept public comments accompanied by a request that a part or all of the submission be treated confidentially because of its business proprietary nature or for any other reason. The Department will return such submission to the originator without considering them in the development of final regulations. In the interest of accuracy and completeness, the Department requires comments in written form.

All public comments on these Regulations will be a matter of public record. Copies of the public record concerning these Regulations will be made available not sooner than September 4, 2003, and will be obtainable from OFAC's Web site (<http://www.treas.gov/ofac>). If that service is unavailable, written requests for copies may be sent to: Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW., Washington, DC 20220, Attn: Chief, Records Division.

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 and Procedures Regulations"). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been previously 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 594

Administrative practice and procedure, Banks, Banking, Blocking of assets, Penalties, Reporting and recordkeeping requirements, Specially designated global terrorist, Terrorism, Transfer of assets.

■ 1. For the reasons set forth in the preamble, part 594 is added to 31 CFR chapter V to read as follows:

PART 594—GLOBAL TERRORISM SANCTIONS REGULATIONS

Subpart A—Relation of This Part to Other Laws and Regulations

Sec.

594.101 Relation of this part to other laws and regulations.

Subpart B—Prohibitions

- 594.201 Prohibited transactions involving blocked property.
- 594.202 Effect of transfers violating the provisions of this part.
- 594.203 Holding of funds in interest-bearing accounts; investment and reinvestment.
- 594.204 Prohibited transaction or dealing in property; contributions of funds, goods, or services.
- 594.205 Evasions; attempts; conspiracies.
- 594.206 Expenses of maintaining blocked property; liquidation of blocked property.

Subpart C—General Definitions

- 594.301 Blocked account; blocked property.
- 594.302 Effective date.
- 594.303 Entity.
- 594.304 Foreign person.
- 594.305 Information or informational materials.
- 594.306 Interest.
- 594.307 Licenses; general and specific.
- 594.308 Person.
- 594.309 Property; property interest.
- 594.310 Specially designated global terrorist; SDGT.
- 594.311 Terrorism.
- 594.312 Transfer.
- 594.313 United States.
- 594.314 U.S. financial institution.
- 594.315 United States person; U.S. person.

Subpart D—Interpretations

- 594.401 Reference to amended sections.
- 594.402 Effect of amendment.
- 594.403 Setoffs prohibited.
- 594.404 Termination and acquisition of an interest in blocked property.
- 594.405 Transactions incidental to a licensed transaction.
- 594.406 Provision of services.
- 594.407 Offshore transactions.
- 594.408 Payments from blocked accounts to satisfy obligations prohibited.
- 594.409 Charitable contributions.
- 594.410 Credit extended and cards issued by U.S. financial institutions.

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

- 594.501 General and specific licensing procedures.
- 594.502 Effect of license or authorization.
- 594.503 Exclusion from licenses and other authorizations.
- 594.504 Payments and transfers to blocked accounts in U.S. financial institutions.
- 594.505 Entries in certain accounts for normal service charges authorized.
- 594.506 Provision of certain legal services authorized.