

# U.S. DEPARTMENT OF THE TREASURY

## Resource Center

### **Questions Related to the Iranian Transactions and Sanctions Regulations and the Statement of Licensing Procedure on Support Of Human Rights-, Humanitarian-, and Democracy-Related Activities With Respect to Iran**

#### **241. What are the major changes that the ITSR implement in superseding the ITR?**

The ITSR block the property and interests in property of the Government of Iran and all Iranian financial institutions that come within the possession or control of any U.S. person, including any foreign branch, and prohibit all U.S. persons from dealing with any property interests whatsoever, present, future, or contingent, of persons identified as already blocked pursuant to E.O. 13599 and the NDAA.

OFAC is adding section 560.211 to the ITSR to implement the blocking prohibitions set forth in E.O. 13599 and the NDAA. New sections 560.212 through 560.214 are being added to set forth certain consequences and requirements that stem from the blocking prohibitions, including, *inter alia*, the requirement to hold blocked funds in interest-bearing accounts. New paragraphs (e) and (f) are being added to section 560.210 to incorporate two exemptions from the blocking prohibitions that are set forth in E.O. 13599. These exemptions concern the official business of the Federal Government and the property and interests in property of the Government of Iran that were blocked pursuant to Executive Order 12170 of November 14, 1979.

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#### **242. The ITSR includes revisions to the ITR pertaining to the transfer of funds to or from Iran. Accordingly, how may I transfer funds to or from Iran that arise from, and are ordinarily incident and necessary to give effect to, an underlying transaction that is authorized under the ITSR?**

The ITSR authorize United States depository institutions to process transfers of funds to or from Iran, or for the direct or indirect benefit of persons in Iran or the Government of Iran, if the transfer arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction that has been authorized by a specific or general license issued pursuant to, or set forth in, the ITSR and does not involve debiting or crediting an Iranian account. See 31 CFR 560.516(a).

In addition, the ITSR authorize United States registered brokers or dealers in securities to process transfers of funds to or from Iran, or for the direct or indirect benefit of persons in Iran or the Government of Iran, if the transfer arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction that has been authorized by a specific or general license issued pursuant to, or set forth in, the ITSR and does not involve debiting or crediting an Iranian account. See 31 CFR 560.516(b).

The authorizations set forth in section 560.516 of the ITSR do not allow a U.S. person who is authorized to engage in the underlying transaction to deal directly with money service businesses (MSBs) or hawalas, wherever located. However, these authorizations do not preclude United States depository institutions or United States registered brokers or dealers in securities from engaging or dealing with third-country MSBs or hawalas in the processing of the authorized transfers pursuant to section 560.516 of the ITSR.

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#### **243. How can I send personal remittances to or from Iran under the ITSR?**

The ITSR authorize the transfer of funds that are noncommercial and personal in nature to or from Iran or for or on behalf of an individual ordinarily resident in Iran, other than an individual whose property and interests in property are blocked pursuant to § 560.211, subject to certain restrictions and limitations. See 31 CFR 560.550. Such transfers must be processed by a United States depository institution or a United States registered broker or dealer in securities and not by any other U.S. person. The personal remittances general license does not permit a U.S. person to deal directly with money service businesses (MSBs) or hawalas, wherever located. However, this general license does not preclude United States depository institutions or United States registered brokers or dealers in securities from engaging or dealing with third-country MSBs or hawalas in the processing of the authorized transfers pursuant to section 560.550 of the ITSR.

The hand-carrying of certain noncommercial, personal remittances is also authorized, provided that the individual who is a U.S. person is hand-carrying the funds on his or her behalf, but not on behalf of another person. See 31 CFR 560.550.

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#### **244. What effect will the ITSR have on Iranian-Americans and the people of Iran?**

The ITSR include several general licenses that newly authorize, or continue to authorize, activities that are otherwise prohibited by the regulations. Categories of activities affected by these changes include, among other things, visa-related transactions, journalistic activities in Iran, the sale of real property in Iran and the transfer of related proceeds to the United States, educational activities (including certain exchange programs), participation in conferences, and the exportation and reexportation of medicine and basic medical supplies to Iran.

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#### **245. What does the Statement of Licensing Procedure on Support of Human Rights-, Humanitarian-, and Democracy-Related Activities with Respect to Iran do?**

The Statement of Licensing Procedure reflects procedures established pursuant to section 413 of the TRA. These procedures stipulate that, as of the effective date of the TRA, license determinations for complete requests for authorization under this policy shall be made not later than 90 days after receipt by OFAC, with certain exceptions. The Statement of Licensing Policy applies to applications submitted by the following categories of U.S. persons seeking to engage in certain human rights-, humanitarian-, and democracy-related activities with respect to Iran: (1) entities receiving funds from the Department of State to engage in the proposed activity; (2) the Broadcasting Board of Governors; and (3) other appropriate agencies of the United States Government. The ITSR also include separate statements of licensing policy related to the sharing of information over the Internet in Iran and the support of democracy and human rights in Iran and academic and cultural exchange programs.