



DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 594

Global Terrorism 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 amending the Global Terrorism Sanctions Regulations pursuant to a provision of the Countering America's Adversaries Through Sanctions Act of 2017. This provision requires the imposition of certain terrorism-related sanctions with respect to foreign persons that are officials, agents, or affiliates of Iran's Islamic Revolutionary Guard Corps.

DATES: *Effective:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: The Department of the Treasury’s Office of Foreign Assets Control: Assistant Director for Licensing, tel.: 202-622-2480, Assistant Director for Regulatory Affairs, tel.: 202-622-4855, Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490; or the Department of the Treasury’s Office of the Chief Counsel (Foreign Assets Control), Office of the General Counsel, tel.: 202-622-2410.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available from OFAC’s website (www.treasury.gov/ofac).

Background

On June 6, 2003, OFAC issued the Global Terrorism Sanctions Regulations, 31 CFR part 594 (the “Regulations”) (68 FR 34196, June 6, 2003), to implement Executive Order 13224 of September 23, 2001 (66 FR 49079, September 25, 2001) (E.O. 13224). OFAC has amended the Regulations on several occasions. Today, OFAC is amending the Regulations pursuant to section 105 of the Countering America’s Adversaries Through Sanctions Act of 2017, Pub. L. 115-44, Aug. 2, 2017, 131 Stat. 886 (22 U.S.C. 9401 *et seq.*) (CAATSA).

CAATSA. The President signed CAATSA into law on August 2, 2017. Section 105 of CAATSA requires the President to impose the sanctions applicable with respect to a foreign person pursuant to E.O. 13224 on Iran's Islamic Revolutionary Guard Corps (IRGC) and foreign persons that are officials, agents, or affiliates of the IRGC. Such sanctions must be imposed beginning on the date that is 90 days after enactment of CAATSA, which is October 31, 2017. Section 111(b) of CAATSA provides that the President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out the purposes of CAATSA.

Pursuant to Presidential Memorandum of October 11, 2017: Delegation of Certain Functions and Authorities under the Countering America's Adversaries Through Sanctions Act of 2017, the President delegated to the Secretary of State and the Secretary of the Treasury the functions and authorities vested in the President by section 105(b) of CAATSA to be exercised in consultation with each other and commensurate with their respective areas of responsibility set forth in previous Presidential actions under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), including E.O. 13224, and the functions and authorities set forth in section 111(b) of CAATSA to be exercised commensurate with their respective areas of responsibility set forth in the delegation memorandum.

Sanctions applicable with respect to a foreign person pursuant to E.O. 13224.

E.O. 13224 blocks and prohibits all transactions in, with certain exceptions, all property and interests in property of foreign persons listed in the Annex to E.O. 13224 or persons designated pursuant to criteria set forth in that order by the Secretary of State or the Secretary of the Treasury. On October 13, 2017, OFAC designated the IRGC pursuant to E.O. 13224 and consistent with the CAATSA for its activities in support of the IRGC-Qods Force (82 FR 48591, October 18, 2017), which was designated pursuant to E.O. 13224 on October 25, 2007 (72 FR 65837, November 23, 2007).

Regulatory action. OFAC is taking this regulatory action pursuant to section 105(b) of CAATSA to extend the sanctions applicable pursuant to E.O. 13224 to foreign persons that are officials, agents, or affiliates of the IRGC. Subpart B of the Regulations currently implements the prohibitions contained in E.O. 13224. *See, e.g.*, §§ 594.201 and 594.204. With this rule, OFAC is adding § 594.201(a)(5) to Subpart B of the Regulations to include the following as persons whose property and interests in property are blocked pursuant to the Regulations: foreign persons that are identified on the Specially Designated Nationals and Blocked Persons List (SDN List) maintained by OFAC as officials, agents, or affiliates of the IRGC.

The names of persons whose property and interests in property are blocked pursuant to § 594.201(a) are published in the Federal Register and incorporated into OFAC's SDN List with the identifier "[SDGT]." Persons who have been identified by OFAC as officials, agents, or affiliates of the IRGC are identified by a special reference

to the “IRGC” at the end of their entries on the SDN List, in addition to the reference to this part. For example, an affiliate of the IRGC whose property and interests in property are blocked pursuant to this part will have the program tags “[SDGT][IRGC]” at the end of its entry on the SDN List. In addition, OFAC is amending the delegation provision in § 594.802.

Public Participation

Because the Regulations involve a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of Executive Order 13771, 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 594

Administrative practice and procedure, Banks, banking, Blocking of assets, Credit, Penalties, Reporting and recordkeeping requirements, Terrorism.

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends part 31 CFR part 594 to read as follows:

PART 594—GLOBAL TERRORISM SANCTIONS REGULATIONS

1. The authority citation for part 594 is revised to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; Pub. L. 115-44, 131 Stat. 886 (22 U.S.C. 9401 *et seq.*), E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; E.O. 13268, 67 FR 44751, 3 CFR, 2002 Comp., p. 240; E.O. 13284, 68 FR 4075, 3 CFR, 2003 Comp., p. 161; E.O. 13372, 70 FR 8499, 3 CFR, 2006 Comp., p. 159.

Subpart B—Prohibitions

2. Remove the word “or” at the end of paragraph (a)(3); remove the period at the end of paragraph (a)(4)(ii) and add the text “; or” in its place; add new paragraph (a)(5); and revise Note 2 to paragraph (a) of § 594.201 to read as follows:

§ 594.201 Prohibited transactions involving blocked property.

(a) * * *

(5) Foreign persons that are identified on the Specially Designated Nationals and Blocked Persons List (SDN List) maintained by the Office of Foreign Assets Control as officials, agents, or affiliates of Iran’s Islamic Revolutionary Guard Corps (IRGC).

* * * * *

Note 2 to paragraph (a) of § 594.201: The names of persons whose property and interests in property are blocked pursuant to § 594.201(a) are published in the Federal Register and incorporated into the Office of Foreign Assets Control’s SDN List with the identifier “[SDGT].” Persons who have been identified by the Office of Foreign Assets Control as officials, agents, or affiliates of the IRGC are identified by a special reference to the “IRGC” at the end of their entries on the SDN List, in addition to the reference to this part. For example, an affiliate of the IRGC whose property and interests in property are blocked pursuant to this part will have the program tags “[SDGT]

[IRGC]” at the end of its entry on the SDN List. The SDN List is accessible through the following page on the Office of Foreign Assets Control’s website:

<http://www.treasury.gov/sdn>. Additional information pertaining to the SDN List can be found in appendix A to this chapter. *See* § 594.412 concerning entities that may not be listed on the SDN List but whose property and interests in property are nevertheless blocked pursuant to paragraph (a) of this section.

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Subpart H—Procedures

3. Revise § 594.802 to read as follows:

§ 594.802 Delegation by the Secretary of the Treasury.

Any action that the Secretary of the Treasury is authorized to take pursuant to Executive Order 13224 of September 23, 2001, and any further Executive orders relating to the national emergency declared therein, and any action that the Secretary of the Treasury is authorized to take pursuant to Presidential Memorandum of October 11, 2017: Delegation of Certain Functions and Authorities under the Countering America's Adversaries Through Sanctions Act of 2017 or any further Presidential action relating to Title I of the Countering America’s Adversaries Through Sanctions Act of 2017 (Public

Law 115-44), may be taken by the Director of the Office of Foreign Assets Control or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

Dated: October 23, 2017

John E. Smith
Director, Office of Foreign Assets Control.

Approved:

Dated: October 24, 2017

Sigal P. Mandelker,
Under Secretary, Office of Terrorism and Financial Intelligence,
Department of the Treasury.

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