

MEMO# 15495

December 27, 2002

OFAC REMOVES BLOCKS ON MOST ASSETS FROZEN UNDER YUGOSLAVIA AND SERBIA SANCTIONS REGULATIONS

URGENT/ACTION REQUESTED [15495] December 27, 2002 TO: COMPLIANCE ADVISORY COMMITTEE No. 116-02 INTERNATIONAL COMMITTEE No. 90-02 INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 64-02 MONEY LAUNDERING RULES WORKING GROUP No. 75-02 PRIMARY CONTACTS - MEMBER COMPLEX No. 99-02 TRANSFER AGENT ADVISORY COMMITTEE No. 109-02 RE: OFAC REMOVES BLOCKS ON MOST ASSETS FROZEN UNDER YUGOSLAVIA AND SERBIA SANCTIONS REGULATIONS As part of the U.S.

Government's efforts to assist the Federal Republic of Yugoslavia (Serbia & Montenegro) in recovering from the effects of the Milosevic regime, the Office of Foreign Assets Control (OFAC)¹ has issued general licenses authorizing the unblocking of all remaining blocked property and interests in property under the Yugoslavia and Serbia sanctions regulations,² with the following three exceptions: 1. Property or interests in property of diplomatic and/or consular missions of the former Socialist Federal Republic of Yugoslavia; 2. Property or interests in property of those persons who are presently subject to sanctions under either the Milosevic Regulations (31 C.F.R. 587) or the Western Balkans Transactions Regulations (31 C.F.R. 588), or who are otherwise subject to sanctions under other parts of chapter V of Title 31; and 3. OFAC regulations require US persons, including investment companies, to block all accounts and assets of persons or entities named by OFAC. For an overview of OFAC regulations and a description of the various measures that mutual fund organizations may wish to consider adopting to ensure compliance with those regulations, refer to the Institute's paper entitled "Foreign Assets Control Compliance for Mutual Funds." This paper is available on the Institute's members' website at <http://members.ici.org>. The members' website is password-protected; staff at Institute member firms may request access codes by filling out the enrollment form on the website. 2 Federal Republic of Yugoslavia (Serbia & Montenegro) Sanctions Regulations (31 C.F.R. 585) and Federal Republic of Yugoslavia (Serbia & Montenegro) Kosovo Sanctions Regulations (31 C.F.R. 586). 3. Property or interests in property of the central bank of the former Socialist Federal Republic of Yugoslavia, i.e., the National Bank of Yugoslavia, that have been blocked pursuant to 31 C.F.R. 585.3 These licenses are effective February 25, 2003 (60 days after the publication of the OFAC notice in today's Federal Register). OFAC has also issued general licenses, effective immediately, authorizing any person or government to seek judicial or other legal process with respect to property or interests in property being unblocked. These general licenses are intended to help persons and governments, including the successor states to the former Socialist Federal Republic of Yugoslavia, to protect any rights they may have with respect to such property or interests in property. All of OFAC's informational material has been updated accordingly, including OFAC's brochure on Yugoslavia and its industry

overviews for Exporters & Importers and for the Financial Community. These materials are available on the OFAC web site, www.treas.gov/ofac. Robert C. Grohowski Associate Counsel 3 Property and interests in property of the National Bank of Yugoslavia blocked pursuant to 31 C.F.R. 586 will be unblocked in accordance with the general license issued at 31 C.F.R. 586.520.

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