

MEMO# 9346

October 17, 1997

TREASURY DEPARTMENT REGULATIONS REQUIRING BLOCKING OF ASSETS OF FOREIGN TERRORIST ORGANIZATIONS

1 Letter from Dennis P. Wood, Chief, Compliance Programs Division, Office of Foreign Assets Control, to Paul Stevens, General Counsel, Investment Company Institute, dated October 8, 1997. [9346] October 17, 1997 TO: OPERATIONS COMMITTEE No. 36-97 PRIMARY CONTACTS - MEMBER COMPLEX No. 69-97 TRANSFER AGENT ADVISORY COMMITTEE No. 58-97 MONEY LAUNDERING TASK FORCE RE: TREASURY DEPARTMENT REGULATIONS REQUIRING BLOCKING OF ASSETS OF FOREIGN TERRORIST ORGANIZATIONS

The Treasury Departments Office of Foreign Assets Control ("OFAC") has asked the Institute to disseminate information to its members about certain sanctions and regulations applicable to financial institutions. According to the attached letter,¹ Section 302 of the Antiterrorism and Effective Death Penalty Act of 1996 and the Foreign Terrorist Organizations ("FTOs") Sanctions Regulations require financial institutions, including investment companies, to block all funds in which FTOs or their agents have an interest and notify OFAC within ten days of such blocking. The letter warns that failing to block or report the blocking of FTO funds to OFAC will subject the financial institution to a civil penalty of \$50,000 per violation or twice the amount that should have been blocked or reported, whichever is greater. The letter adds that an updated list of FTOs and their agents is available via OFAC's Internet web site at <http://www.ustreas.gov/treasury/services/fac/fac.html> or 24 hour fax- on-demand service at 202/622-0077. Barry E. Simmons Assistant Counsel Attachment (in .pdf format)

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