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## **DEPARTMENT OF THE TREASURY**

### **Office of Foreign Assets Control**

#### **31 CFR Part 540**

#### **Highly Enriched Uranium (HEU) Agreement Assets Control Regulations**

**AGENCY:** Office of Foreign Assets Control, Treasury

**ACTION:** Final rule.

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**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control (OFAC) is removing from the Code of Federal Regulations the Highly Enriched Uranium (HEU) Agreement Assets Control Regulations as a result of the termination of the national emergency on which the regulations were based.

**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 and Facsimile Availability**

This document and additional information concerning OFAC are available from OFAC’s website ([www.treasury.gov/ofac](http://www.treasury.gov/ofac)). Certain general information pertaining to OFAC’s sanctions programs also is available via facsimile through a 24-hour fax-on-demand service, tel.: 202/622-0077.

**Background**

On June 21, 2000, the President signed Executive Order 13159, “Blocking Property of the Government of the Russian Federation Relating to the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons” (E.O. 13159), finding that the risk of nuclear proliferation created by the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation constituted an

unusual and extraordinary threat to the national security and foreign policy of the United States, and declaring a national emergency to deal with that threat. In E.O. 13159, the President ordered blocked the property and interests in property of the Russian Federation directly related to the implementation of the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, dated February 18, 1993, and related contracts and agreements (collectively, the “HEU Agreements”).

On July 25, 2001, OFAC issued the Highly Enriched Uranium (HEU) Agreement Assets Control Regulations, 31 CFR part 540 (the “Regulations”), as a final rule to implement Executive Order 13159.

On June 21, 2012, the national emergency declared in E.O. 13159 automatically terminated pursuant to section 202(d) of the National Emergencies Act, 50 U.S.C. 1622(d) (NEA).

On June 25, 2012, President Obama signed Executive Order 13617, “Blocking Property of the Government of the Russian Federation Relating to the Disposition of Highly Enriched Uranium Extracted From Nuclear Weapons” (E.O. 13617). In E.O. 13617, the President found that the risk of nuclear proliferation created by the accumulation of a large volume of weapons-usable fissile material in the territory of the Russian Federation constituted an unusual and extraordinary threat to the national

security and foreign policy of the United States, and declared a new national emergency to deal with that threat. The President issued E.O. 13617 to continue to protect the same property and interests in property that had been blocked pursuant to the national emergency declared in E.O. 13159.

On May 26, 2015, the President issued Executive Order 13695, “Termination of Emergency With Respect to the Risk of Nuclear Proliferation Created by the Accumulation of a Large Volume of Weapons-Usable Fissile Material in the Territory of the Russian Federation” (E.O. 13695). In E.O. 13695, the President found that the situation that gave rise to the declaration of a national emergency in E.O. 13617 had been significantly altered by the successful implementation of the HEU Agreements. As a result, he terminated the national emergency declared in E.O. 13617 and revoked that order, noting that, pursuant to section 202 of the NEA (50 U.S.C. 1622), termination of the national emergency shall not affect any action taken or proceeding pending that was not fully concluded or determined as of the date of E.O. 13695, any action or proceeding based on any act committed prior to such date, or any rights or duties that matured or penalties that were incurred prior to such date.

Accordingly, OFAC is removing the Regulations from the Code of Federal Regulations. Removal of this part does not affect ongoing enforcement proceedings or prevent the initiation of enforcement proceedings with respect to violations of the Regulations or of E.O. 13617 when they were in effect.

## **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 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 Paperwork Reduction Act does not apply because this rule does not impose information collection requirements that would require the approval of the Office of Management and Budget under 44 U.S.C. 3501 et seq.

## **List of Subjects in 31 CFR Part 540**

Administrative practice and procedure, Blocking of assets, Government of the Russian Federation, HEU Agreement, Nuclear materials, Penalties, Reporting and recordkeeping requirements, Uranium.

For the reasons set forth in the preamble, and under the authority of 3 U.S.C. 301; 50 U.S.C. 1601-1651; E.O. 13159, 66 FR 39279, 3 CFR, 2001 Comp., p. 277; E.O. 13617, 77 FR 38459, 3 CFR, 2013 Comp., p. 217; E.O. 13695, 80 FR 30331, OFAC amends 31 CFR chapter V as follows:

**PART 540-[REMOVED]**

1. Remove part 540.

Dated: March 22, 2016.

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John E. Smith,

Acting Director, Office of Foreign Assets Control.

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