



## **DEPARTMENT OF THE TREASURY**

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

#### **31 CFR Parts 561 and 566**

#### **List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)**

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

**ACTION:** Final rule; technical amendments.

**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Iranian Financial Sanctions Regulations (IFSR) and the Hizballah Financial Sanctions Regulations (HFSR) to incorporate references to the new List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List).

**DATES:** *Effective:* March 15, 2019.

**FOR FURTHER INFORMATION CONTACT:** OFAC: 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](http://www.treasury.gov/ofac)).

## **Background**

Pursuant to a number of sanctions authorities, the Secretary of the Treasury may impose strict conditions or prohibitions on the opening or maintaining of correspondent or payable-through accounts in the United States (collectively, “correspondent or payable-through account sanctions”) for a foreign financial institution (FFI) that the Secretary determines knowingly engages in specified transactions. As a general matter, the Secretary of the Treasury further delegates these authorities to the Director of OFAC.

With respect to the first two such authorities established, OFAC created separate sanctions lists to identify FFIs subject to correspondent or payable-through account sanctions. Specifically, §§ 561.201 and 561.203 of the IFSR (31 CFR part 561) provide that, upon a finding by the Secretary of the Treasury that an FFI knowingly engages in one or more of the activities described in § 561.201(a) or § 561.203(a), the Secretary of the Treasury will impose correspondent or payable-through account sanctions on the FFI. Notes to §§ 561.201(b) and 561.203(a) further clarify that the name of the FFI and the relevant prohibition or strict condition(s) will be added to the List of Foreign Financial Institutions Subject to Part 561 List (Part 561 List) on the Iran sanctions page on OFAC’s website ([www.treasury.gov/ofac](http://www.treasury.gov/ofac)) and published in the *Federal Register*. As of March 14, 2019, there was one FFI on the Part 561 List.

Similarly, § 566.201 of the HFSR provides that, upon a finding by the Secretary of the Treasury that an FFI knowingly engages in one or more of the activities described in § 566.201(a), the Secretary of the Treasury will impose correspondent or payable-through account sanctions on the FFI. A note to § 566.201(c) further explains that the name of the FFI and the relevant prohibition or strict condition(s) will be added to the HFSR List on the

Counter Terrorism Sanctions webpage on OFAC's website ([www.treasury.gov/ofac](http://www.treasury.gov/ofac)) and published in the *Federal Register*. As of March 14, 2019, there was no HFSR List on the OFAC website because no FFI has been listed pursuant to the HFSR.

Additional sanctions authorities provide for correspondent or payable-through account sanctions, including the Ukraine Freedom Support Act of 2014, as amended (UFSA), and Executive Order 13810 of September 20, 2017 ("Imposing Additional Sanctions With Respect to North Korea") (82 FR 44705, September 25, 2017), as implemented in the North Korea Sanctions Regulations, 31 CFR part 510 (NKSR). In order to avoid potential confusion resulting from multiple OFAC lists addressing similar sanctions, on March 1, 2018, OFAC announced on its website the creation of a consolidated list, the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List), which would list any FFI subject to correspondent or payable-through account sanctions pursuant to UFSA or the NKSR, as well as the relevant prohibition or strict condition(s). Also on March 1, 2018, OFAC stated that the CAPTA List eventually would be expanded to include FFIs subject to correspondent or payable-through account sanctions pursuant to additional authorities, including the IFSR and the HFSR. As of March 14, 2019, the CAPTA List did not include any FFIs subject to correspondent or payable-through account sanctions under UFSA or the NKSR because OFAC has not identified any such FFIs.

This rule amends the IFSR and the HFSR to replace 14 references to the Part 561 List and seven references to the HFSR List, respectively, with references to the CAPTA List. OFAC also is making a conforming change in the IFSR and the HFSR to the location on OFAC's website for the CAPTA List.

On March 15, 2019, by separate action, OFAC is expanding the CAPTA List on the OFAC website to include FFIs subject to correspondent or payable-through account sanctions pursuant to the IFSR and the HFSR. As part of this change, OFAC will move the name of the FFI on the Part 561 List, along with the relevant prohibition or strict condition(s) to which the FFI is subject, to the CAPTA List. The CAPTA List will thus supersede the Part 561 List in its entirety, and the Part 561 List will be removed from OFAC's website. Following the publication of this rule, unless otherwise specified, the names of any FFIs that are determined by the Secretary of the Treasury to be subject to correspondent or payable-through account sanctions will be placed on the CAPTA List. The CAPTA List will be accessible via OFAC's website and updates to the list will be published on OFAC's website and in the *Federal Register*.

### **Public Participation**

Because the amendment of the IFSR and HFSR involves 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**

With respect to section 2 (44 U.S.C. 3507) of the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), the collection of information in § 561.601 of the IFSR is made pursuant to OFAC's Reporting, Procedures and Penalties Regulations, 31 CFR part 501 (RPPR), and has been approved by the Office of Management and Budget (OMB) under control number 1505-

0164. The collection of information in § 561.504 of the IFSR has been approved by OMB under control number 1505-0243.

The collection of information in § 566.601 of the HFSR is made pursuant to the RPPR and has been approved by OMB under control number 1505-0164. The collection of information in § 566.504(b) of the HFSR has been approved by OMB under control number 1505-0255. With respect to all of the foregoing collections of information, 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**

#### **31 CFR Part 561**

Administrative practice and procedure, Banks, banking, Blocking of assets, Correspondent account sanctions, Credit, Foreign financial institutions, Foreign Trade, Iran, Penalties, Reporting and recordkeeping requirements, Securities, Services.

#### **31 CFR Part 566**

Administrative practice and procedure, Banks, banking, Blocking of assets, Correspondent account sanctions, Credit, Foreign financial institutions, Foreign Trade, Hizballah, Penalties, Reporting and recordkeeping requirements, Securities, Services.

### **Authority and Issuance**

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR parts 561 and 566 as follows:

#### **PART 561—IRANIAN FINANCIAL SANCTIONS REGULATIONS**

1. The authority citation for part 561 is revised to read as follows:

**Authority:** 3 U.S.C. 301; 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 (50 U.S.C. 1705 note); Pub. L. 111-195, 124 Stat. 1312 (22 U.S.C. 8501-8551); Pub. L. 112-81, 125 Stat. 1298 (22 U.S.C. 8513a); Pub. L. 112-158, 126 Stat. 1214 (22 U.S.C. 8701-8795); E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 13553, 75 FR 60567, 3 CFR, 2010 Comp., p. 253; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13622, 77 FR 45897, 3 CFR, 2012 Comp., p. 290; E.O. 13628, 77 FR 62139, 3 CFR, 2012 Comp., p. 314.

## **Subpart B—Prohibitions**

### **§ 561.201 [Amended]**

2. Amend § 561.201 as follows:

a. In the last sentence of the introductory text, remove “List of Foreign Financial Institutions Subject to Part 561 (the “Part 561 List”)” and add in its place “List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)”, and remove “on the Iran Sanctions page”;

b. In the note to paragraph (b), remove “Part 561 List” and add in its place “CAPTA List”, and remove “on the Iran Sanctions page”;

c. In the note to paragraph (c), remove “Part 561 List” and add in its place “CAPTA List”, and remove “on the Iran Sanctions page”; and

d. In the note to § 561.201, in the introductory text and paragraph (4), remove “Part 561 List” and add in its place in both locations “CAPTA List”.

### **§ 561.203 [Amended]**

3. Amend § 561.203 as follows:

a. In note 2 to paragraph (a), remove “List of Foreign Financial Institutions Subject to Part 561 (the “Part 561 List”)” and add in its place “List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)”, and remove “on the Iran Sanctions page”;

b. In paragraph (j)(4), remove “List of Foreign Financial Institutions Subject to Part 561 (the “Part 561 List”)” and add in its place “List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)”, and remove “on the Iran Sanctions page”; and

c. In paragraph (k)(6), remove “Part 561 List” and add in its place “CAPTA List”.

**§ 561.204 [Amended]**

4. In note 1 to paragraph (a), remove “List of Foreign Financial Institutions Subject to Part 561 (the “Part 561 List”)” and add in its place “List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)”, and remove “on the Iran Sanctions page”.

**Subpart E—Licenses, Authorizations, and Statements of Licensing Policy**

**§ 561.504 [Amended]**

5. Amend § 561.504 as follows:

a. In paragraph (a) introductory text, remove “Part 561 List” and add in its place “List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)”, and remove “on the Iran Sanctions page”;

b. In paragraph (b), remove “Part 561 List” and add in its place “CAPTA List”, and remove “on the Iran Sanctions page”;

c. In paragraph (c), remove “Part 561 List” and add in its place “CAPTA List”;

- d. In paragraph (d), remove “Part 561 List” and add in its place “CAPTA List”; and
- e. In the note to § 561.504, remove “Part 561 List” and add in its place “CAPTA List”, and remove “on the Iran Sanctions page”.

**PART 566—HIZBALLAH FINANCIAL SANCTIONS REGULATIONS**

6. The authority citation for part 566 is revised to read as follows:

**Authority:** 3 U.S.C. 301; 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 (50 U.S.C. 1705 note); Pub. L. 114-102, 129 Stat. 2205 (50 U.S.C. 1701 note).

**Subpart B—Prohibitions**

**§ 566.201 [Amended]**

7. Amend § 566.201 as follows:

- a. In the note to paragraph (b), remove “HFSR List” and add in its place “List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)”, and remove “on the Counter Terrorism Sanctions page”; and
- b. In the note to paragraph (c), remove “HFSR List” and add in its place “CAPTA List”, and remove “on the Counter Terrorism Sanctions page”.

**Subpart E—Licenses, Authorizations, and Statements of Licensing Policy**

**§ 566.504 [Amended]**

8. Amend § 566.504 as follows:

- a. In paragraph (a) introductory text, remove “in the HFSR List” and add in its place “on the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List)”;

- b. In paragraph (b), remove “HFSR List” and add in its place “CAPTA List”, and remove “on the Hizballah Sanctions page”;
- c. In paragraph (c), remove “HFSR List” and add in its place “CAPTA List”;
- d. In paragraph (d), remove “HFSR List” and add in its place “CAPTA List”; and
- e. In the note to § 566.504, remove “HFSR List” and add in its place “CAPTA List”, and remove “on the Counter Terrorism Sanctions page”.

Dated: March 12, 2019.

---

Andrea Gacki,  
Director, Office of Foreign Assets Control.

BILLING CODE 4810-AL  
[FR Doc. 2019-04842 Filed: 3/14/2019 8:45 am; Publication Date: 3/15/2019]