

ELECTRONIC CODE OF FEDERAL REGULATIONS

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Title 31: Money and Finance: Treasury

PART 561—IRANIAN FINANCIAL SANCTIONS REGULATIONS

Subpart C—General Definitions

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§561.301 Effective date.

(a) The effective date of a prohibition or condition imposed pursuant to §§561.201, 561.203, 561.204, or 561.205 on the opening or maintaining of a correspondent account or a payable-through account in the United States by a U.S. financial institution for a particular foreign financial institution is the earlier of the date the U.S. financial institution receives actual or constructive notice of such prohibition or condition.

(b) The effective date of the prohibition contained in §561.202 with respect to Iran's Islamic Revolutionary Guard Corps and any of its agents or affiliates whose property and interests in property are blocked as of August 16, 2010, is August 16, 2010.

(c) The effective date of the prohibition contained in §561.202 with respect to an agent or affiliate of Iran's Islamic Revolutionary Guard Corps whose property and interests in property become blocked after August 16, 2010, is the earlier of the date of actual or constructive notice that such person's property and interests in property are blocked.

(d) For the purposes of this section, *constructive notice* is the date that notice of the blocking of the relevant person's property and interests in property is published in the FEDERAL REGISTER.

[77 FR 11726, Feb. 27, 2012, as amended at 78 FR 16408, Mar. 15, 2013; 84 FR 38547, Aug. 7, 2019]

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§561.302 UNSC Resolution 1737.

The term *UNSC Resolution 1737* means United Nations Security Council Resolution 1737, adopted December 23, 2006.

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§561.303 UNSC Resolution 1747.

The term *UNSC Resolution 1747* means United Nations Security Council Resolution 1747, adopted March 24, 2007.

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§561.304 UNSC Resolution 1803.

The term *UNSC Resolution 1803* means United Nations Security Council Resolution 1803, adopted March 3, 2008.

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§561.305 UNSC Resolution 1929.

The term *UNSC Resolution 1929* means United Nations Security Council Resolution 1929, adopted June 9, 2010.

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§561.306 Correspondent account.

The term *correspondent account* means an account established by a U.S. financial institution for a foreign financial institution to receive deposits from, or to make payments on behalf of, the foreign financial institution, or to handle other financial transactions related to such foreign financial institution.

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§561.307 Payable-through account.

The term *payable-through account* means a correspondent account maintained by a U.S. financial institution for a foreign financial institution by means of which the foreign financial institution permits its customers to engage, either directly or through a subaccount, in banking activities usual in connection with the business of banking in the United States.

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§561.308 Foreign financial institution.

The term *foreign financial institution* means any foreign entity that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, money service businesses, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones, or jewels, and holding companies, affiliates, or subsidiaries of any of the foregoing. The term does not include the international financial institutions identified in 22 U.S.C. 262r(c)(2), the International Fund for Agricultural Development, the North American Development Bank, or any other international financial institution so notified by the Office of Foreign Assets Control.

[77 FR 66920. Nov. 8. 2012]

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§561.309 U.S. financial institution.

The term *U.S. financial institution* means any U.S. entity that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, money service businesses, trust companies, insurance companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions' foreign branches, offices, or agencies.

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§561.310 Money laundering.

The term *money laundering* means engaging in deceptive practices to obscure the nature of transactions involving the movement of illicit cash or illicit cash equivalent proceeds into, out of, or through a country, or into, out of, or through a financial institution, such that the transactions are made to appear legitimate.

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§561.311 Agent.

The term *agent* includes an entity established by a person for purposes of conducting transactions on behalf of the person in order to conceal the identity of the person.

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§561.312 Act of international terrorism.

The term *act of international terrorism* has the same definition as that provided under section 14 of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note). As of February 27, 2012, the term *act of international terrorism* means an act which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any state or that would be a criminal violation if committed within the jurisdiction of the United States or any state and which appears to be intended to intimidate or coerce a civilian population; to influence the policy of a government by intimidation or coercion; or to affect the conduct of a government by assassination or kidnapping.

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§561.313 Financial services.

The term *financial services* includes loans, transfers, accounts, insurance, investments, securities, guarantees, foreign exchange, letters of credit, and commodity futures or options.

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§561.314 Knowingly.

The term *knowingly*, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

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§561.315 Person.

The term *person* means an individual or entity.

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§561.316 Entity.

The term *entity* means a partnership, association, trust, joint venture, corporation, or other organization.

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§561.317 Money service businesses.

The term *money service businesses* means any agent, agency, branch, or office of any person doing business, whether or not on a regular basis or as an organized business concern, in one or more of the capacities listed in 31 CFR 103.11(uu)(1) through (5). The term does not include a bank or a person registered with, and regulated or examined by, the Securities and Exchange Commission or the Commodity Futures Trading Commission.

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§561.318 Petroleum.

The term *petroleum* (also known as crude oil) means a mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities.

[78 FR 16408, Mar. 15, 2013]

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§561.319 Petroleum products.

The term *petroleum products* includes unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline, naphtha-type jet fuel, kerosene-type jet

fuel, kerosene, distillate fuel oil, residual fuel oil, petrochemical feedstocks, special naphthas, lubricants, waxes, petroleum coke, asphalt, road oil, still gas, and miscellaneous products obtained from the processing of crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. The term does not include natural gas, liquefied natural gas, biofuels, methanol, and other non-petroleum fuels.

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§561.320 Iranian financial institution.

The term *Iranian financial institution* means any entity (including foreign branches), wherever located, organized under the laws of Iran or any jurisdiction within Iran, or owned or controlled by the Government of Iran, or in Iran, or owned or controlled by any of the foregoing, that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, money service businesses, trust companies, insurance companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones, or jewels, and holding companies, affiliates, or subsidiaries of any of the foregoing.

[77 FR 66920, Nov. 8, 2012]

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§561.321 Government of Iran.

The term *Government of Iran* includes:

(a) The state and the Government of Iran, as well as any political subdivision, agency, or instrumentality thereof;

(b) Any entity owned or controlled directly or indirectly by the foregoing;

(c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, acting or purporting to act directly or indirectly on behalf of any of the foregoing; and

(d) Any person or entity identified by the Secretary of the Treasury to be the Government of Iran under 31 CFR part 560.

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§561.322 Entity owned or controlled by the Government of Iran.

The phrase *entity owned or controlled by the Government of Iran* means any entity, including a financial institution, in which the Government of Iran owns a 50 percent or greater

interest or a controlling interest, and any entity, including a financial institution, which is otherwise controlled by that government.

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§561.323 Foreign financial institution owned or controlled by the government of a foreign country.

The phrase *foreign financial institution owned or controlled by the government of a foreign country* means any foreign financial institution, including a central bank of a foreign country, in which a government of a foreign country owns a 50 percent or greater interest and any foreign financial institution which is otherwise controlled by a government of a foreign country.

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§561.324 Designated Iranian financial institution.

The term *designated Iranian financial institution* means any Iranian financial institution whose property and interests in property are blocked by the Department of the Treasury pursuant to any part of this chapter or any Executive order issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and whose name is listed on the Specially Designated Nationals and Blocked Persons List on the Office of Foreign Assets Control's Web site, except for any Iranian financial institution whose property and interests in property are blocked solely pursuant to Executive Order 13599 of February 5, 2012.

NOTE TO §561.324: Facilitating significant transactions or providing significant financial services for a financial institution whose property and interests in property are blocked pursuant to parts 544 or 594 of this chapter in connection with Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction or Iran's support for international terrorism has, since the enactment of CISADA on July 1, 2010, constituted an activity that could subject a foreign financial institution to prohibitions or strict conditions on correspondent accounts or payable-through accounts in the United States. See §561.201.

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§561.325 Financial transaction.

The term *financial transaction* means any transfer of value involving a financial institution.

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§561.326 Privately owned foreign financial institution.

The phrase *privately owned foreign financial institution* means any foreign financial institution that is not owned or controlled by the government of a foreign country.

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§561.327 Agricultural commodities, food, medicine, and medical devices.

(a) The term *agricultural commodities* means:

(1) Products not listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement no. 1, that fall within the term “agricultural commodity” as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602); and

(2) Products not listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement no. 1, that are intended for ultimate use in Iran as:

(i) Food for humans (including raw, processed, and packaged foods; live animals; vitamins and minerals; food additives or supplements; and bottled drinking water) or animals (including animal feeds);

(ii) Seeds for food crops;

(iii) Fertilizers or organic fertilizers; or

(iv) Reproductive materials (such as live animals, fertilized eggs, embryos, and semen) for the production of food animals.

(b) The term *food* means items that are intended to be consumed by and provide nutrition to humans or animals in Iran, including vitamins and minerals, food additives and supplements, and bottled drinking water, and seeds that germinate into items that are intended to be consumed by and provide nutrition to humans or animals in Iran. For purposes of this definition, the term *food* does not include:

(1) Alcoholic beverages, cigarettes, gum, or fertilizer; and

(2) The following excluded food items: castor beans, castor bean seeds, raw eggs, fertilized eggs (other than fish and shrimp roe), dried egg albumin, live animals, Rosary/Jequirity peas, non-food-grade gelatin powder, and peptones and their derivatives.

(c) The term *medicine* has the same meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) but does not include any item listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement no. 1 (excluding items classified as EAR 99).

(d) The term *medical devices* has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) but does not include any item listed on the Commerce Control List in the Export Administration Regulations, 15 CFR part 774, supplement no. 1 (excluding items classified as EAR 99).

[77 FR 11726, Feb. 27, 2012, as amended at 78 FR 16408, Mar. 15, 2013]

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§561.328 Reduce significantly, significantly reduced, and significant reduction.

The terms *reduce significantly*, *significantly reduced*, and *significant reduction*, used with respect to purchases from Iran of petroleum and petroleum products, include a reduction in such purchases in terms of price or volume toward a complete cessation of such purchases.

[78 FR 16408, Mar. 15, 2013]

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§561.329 Iran.

The term *Iran* means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements.

[78 FR 16408, Mar. 15, 2013]

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§561.330 Petrochemical products.

The term *petrochemical products* includes any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea.

[78 FR 16409, Mar. 15, 2013]

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§561.331 Aluminum, aluminum products.

The terms *aluminum* and *aluminum products* mean any raw, semi-fabricated, fabricated, or finished form of aluminum or aluminum alloy of all grades, sizes, and thicknesses, including in the following forms: Ores and concentrates (e.g., bauxite and alumina); unwrought aluminum including ingots, slabs, and billets; powders and flakes; wrought aluminum including bars, rods, profiles, plates, sheets, strip, foil, tubes, and pipes; tube or pipe fittings; reservoirs, tanks, vats, and similar containers; wire, stranded wire, ropes, cables, and plaited band; castings, stampings, and forgings; waste and scrap, including slag, and any aluminum and aluminum products produced from the melting or recycling of aluminum scrap.

[84 FR 38547, Aug. 7, 2019]

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§561.332 Aluminum sector of Iran.

The term *aluminum sector of Iran* means the mining, refining, processing, or manufacturing of aluminum or aluminum products in Iran.

[84 FR 38547, Aug. 7, 2019]

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§561.333 Copper, copper products.

The terms *copper* and *copper products* mean any raw, semi-fabricated, fabricated, or finished form of copper or copper alloy of all grades, sizes, and thicknesses, including in the following forms: Ores and concentrates; copper mattes, cement copper (precipitated copper); refined, unrefined, wrought, or unwrought copper; billets; cathodes; bars, rods, profiles, plates, sheets, strips, foil, tubes, and pipes; tube and pipe fittings; powders and flakes; reservoirs, tanks, vats, and similar containers; wire, stranded wire, ropes, cables, and plaited band; castings, stampings, and forgings; and waste and scrap, including slag.

[84 FR 38547, Aug. 7, 2019]

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§561.334 Copper sector of Iran.

The term *copper sector of Iran* means the mining, refining, processing, or manufacturing of copper or copper products in Iran.

[84 FR 38547, Aug. 7, 2019]

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§561.335 Iron, iron products, steel, steel products.

The terms *iron*, *iron products*, *steel*, and *steel products* mean any raw, semi-fabricated, fabricated, or finished form of iron, iron alloy, alloy steel, non-alloy steel, ferroalloys, pig iron, and spiegeleisen of all grades, sizes, and thicknesses, whether or not clad, plated, or coated, including in the following forms: Iron ores and concentrates including roasted iron pyrites; pigs and blocks; ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps or pellets; granules and powders; ingots, blooms billets, slabs, and beam blanks; flat-rolled products (plates, sheets, strips, and foils) either cut-to-length or in coils; bars, and rods; structural profiles (beams, channels, angles, and other shapes); sheet piling; railway or tramway track construction materials; tubes, pipes, and hollow profiles; tube or pipe fittings; reservoirs, tanks, vats, and similar containers; wire, stranded wire, ropes, cables, and plaited band; castings, stampings, and forgings; and ferrous waste and scrap, including slag.

[84 FR 38547, Aug. 7, 2019]

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§561.336 Iron sector of Iran.

§561.336 Iron sector of Iran.

The term *iron sector of Iran* means the mining, refining, processing, or manufacturing of iron or iron products in Iran.

[84 FR 38547, Aug. 7, 2019]

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§561.337 Steel sector of Iran.

The term *steel sector of Iran* means the iron-ore smelting, ferrous-scrap melting, refining, processing, or manufacturing of steel or steel products in Iran.

[84 FR 38547, Aug. 7, 2019]

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