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## DEPARTMENT OF THE TREASURY

### Office of Foreign Assets Control

#### 31 CFR Part 585 and Chapter V

#### Federal Republic of Yugoslavia (Serbia & Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations: Resolution of Claims Regarding Blocked Yugoslav Vessels and Removal of Names from Appendix C to 31 CFR Chapter V

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

**ACTION:** Final rule; amendment.

**SUMMARY:** The Office of Foreign Assets Control is amending the Federal Republic of Yugoslavia (Serbia & Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations to authorize all transactions on and after May 19, 1997 with respect to the following five blocked vessels: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR and M/V BAR (a.k.a. M/V INVIKEN). These vessels are simultaneously being removed from the list of blocked vessels contained in appendix C to 31 CFR chapter V. U.S. persons are generally licensed to seek and obtain judicial warrants of maritime arrest against these vessels. Such warrants may be served during the ten days prior to the vessels' unblocking if outstanding claims have not been settled with the vessels' owners or agents.

**EFFECTIVE DATE:** The amendment to 31 CFR part 585 is effective April 18, 1997; the amendment to appendix C to 31 CFR chapter V is effective May 19, 1997.

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##### Background

On November 22, 1995, the United Nations Security Council passed Resolution 1022 ("Resolution 1022"), immediately and indefinitely suspending economic sanctions against the Federal Republic of Yugoslavia (Serbia & Montenegro) (the "FRY (S&M)"). Those sanctions were subsequently terminated by United Nations Security Council Resolution 1074 of October 1, 1996. This termination, however, did not end the requirement of Resolution 1022 that blocked funds and assets that are subject to claims and encumbrances, or that are the property of persons deemed insolvent, remain blocked until

"released in accordance with applicable law." This requirement was implemented in the United States on December 27, 1995, by Presidential Determination No. 96-7. The Office of Foreign Assets Control is amending the Federal Republic of Yugoslavia (Serbia & Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 CFR part 585 (the "Regulations"), by adding new § 585.528, authorizing transactions with respect to the following vessels currently blocked pursuant to the Regulations, effective May 19, 1997: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR and M/V BAR (a.k.a. M/V INVIKEN). Appendix C to 31 CFR chapter V, containing the names of vessels blocked pursuant to the various economic sanctions programs administered by the Office of Foreign Assets Control (see 61 FR 32936, June 26, 1996), is also being amended to remove these vessels from the list on May 19, 1997.

During the 30-day period, U.S. persons may negotiate settlements of their outstanding claims with respect to the vessels with the vessels' owners or agents, and are generally licensed to seek and obtain judicial warrants of maritime arrest against the vessels. If claims remain unresolved by 10:00 a.m. local time in the location of the vessel, May 8, 1997, U.S. persons are generally licensed to effect service of such warrants through the U.S. Marshal's Office in the district where the vessel is located during the ten-day period prior to the vessel's unblocking.

Because the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of 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.

##### List of Subjects in 31 CFR Part 585

Administrative practice and procedure, Banks, banking, Blocking of assets, Bosnia and Herzegovina, Foreign investments in the United States, Foreign trade, Penalties, Reporting and recordkeeping requirements, Securities,

Specially designated nationals, Transportation, Vessels, Yugoslavia.

For the reasons set forth in the preamble, 31 CFR part 585 and appendix C to 31 CFR chapter V are amended as set forth below:

**PART 585—FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA & MONTENEGRO) AND BOSNIAN SERB-CONTROLLED AREAS OF THE REPUBLIC OF BOSNIA AND HERZEGOVINA SANCTIONS REGULATIONS**

1. The authority citation for part 585 is revised to read as follows:

**Authority:** 3 U.S.C. 301; 22 U.S.C. 287c; 49 U.S.C. 40106; 50 U.S.C. 1601-1651, 1701-1706; Pub.L. 101-410, 104 Stat 890 (28 U.S.C. 2461 note); E.O. 12808, 57 FR 23299, 3 CFR, 1992 Comp., p. 305; E.O. 12810, 57 FR 24347, 3 CFR, 1992 Comp., p. 307; E.O. 12831, 58 FR 5253, 3 CFR, 1993 Comp., p. 576; E.O. 12846, 58 FR 25771, 3 CFR, 1993 Comp., p. 599; E.O. 12934, 59 FR 54117, 3 CFR, 1994 Comp., p. 930.

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

2. Section 585.528 is added to subpart E to read as follows:

**§ 585.528 Unblocking of certain vessels.**

(a) All transactions with respect to the following vessels are authorized as of May 19, 1997: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR, and M/V BAR (a.k.a. M/V INVIKEN).

(b) All transactions by U.S. persons to seek and obtain judicial warrants of maritime arrest against the blocked vessels referenced in paragraph (a) of this section are authorized, but service of a warrant of maritime arrest on a blocked vessel referenced in paragraph (a) of this section may be effected not before 10:00 a.m. local time in the location of the vessel, May 8, 1997.

(c) Nothing in this section authorizes a debit to an account blocked prior to December 27, 1995, unless such debit is

independently authorized by or pursuant to this part.

**APPENDIX C TO CHAPTER V—ALPHABETICAL LISTING OF VESSELS THAT ARE THE PROPERTY OF BLOCKED PERSONS, OR SPECIALLY DESIGNATED NATIONALS**

1. Under the same authority previously cited for 31 CFR part 585, appendix C to chapter V of 31 CFR is amended by removing the entries for the vessels “M/V MOSLAVINA”, “M/V ZETA”, “M/V LOVCEN”, “M/V DURMITOR”, and “M/V BAR”, effective May 19, 1997.

Dated: April 4, 1997.

**R. Richard Newcomb,**

*Director, Office of Foreign Assets Control.*

Approved: April 11, 1997.

**James E. Johnson,**

*Assistant Secretary (Enforcement).*

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