



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-38-2006
May 3, 2006

OFFICE OF FOREIGN ASSETS CONTROL

Specially Designated Nationals and Blocked Persons

Summary: The Department of the Treasury's Office of Foreign Assets Control (OFAC) has determined that Hamas – a terrorist entity whose property and interests in property are blocked in three separate OFAC sanctions programs – has a property interest in transactions of the Palestinian Authority.

Distribution:
FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:
Chief Executive Officer
BSA Compliance Officer

Related Topics:
Office of Foreign Assets Control

Attachment:
None

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Highlights:

- On April 12, 2006, the Department of the Treasury's Office of Foreign Assets Control determined that Hamas, a terrorist entity whose property and interests in property are blocked in three separate OFAC sanctions programs, has a property interest in transactions of the Palestinian Authority.
- U.S. persons are prohibited from engaging in transactions with the Palestinian Authority unless authorized, and may not transfer, pay, withdraw, export or otherwise deal in any assets in which the Palestinian Authority has an interest unless authorized.
- Certain transactions otherwise prohibited pursuant to the regulations are being authorized by general license to facilitate limited transactions by U.S. persons with the Palestinian Authority. General licenses or statements of licensing policy will be issued as appropriate to authorize additional transactions with the Palestinian Authority or to indicate limited circumstances under which other transactions may be considered for favorable licensing treatment on a case-by-case basis. Information on complying with specific aspects of these general licenses is available on OFAC's website.
- These restrictions with respect to the Palestinian Authority do not bar general transactions between U.S. persons and non-governmental persons within the West Bank or Gaza and do not prohibit transactions with private sector banks within the region.
- OFAC has asked that we distribute the information to all FDIC-supervised institutions so records can be checked for accounts that are required to be blocked.
- OFAC information also may be found on the Internet at <http://www.treas.gov/offices/enforcement/ofac>.
- Please distribute this information to the appropriate personnel in your institution.
- For further information about Executive Orders, the list of blocked accounts or the procedures to block accounts, please call OFAC's Compliance Programs Division at 1-800-540-6322.