

License No. SDG-597-c

The Global Terrorism Sanctions Regulations, 31 CFR Part 594  
The Terrorism Sanctions Regulations, 31 CFR Part 595  
The Foreign Terrorist Organizations Sanctions Regulations, 31 CFR Part 597

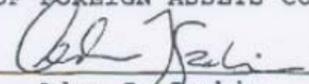
LICENSE AMENDMENT

(Granted under the authority of 31 U.S.C. § 321(b), 50 U.S.C. §§ 1601-1605, 1701-1706, 22 U.S.C. § 287c, 8 U.S.C. § 1189, 18 U.S.C. § 2339B, Executive Orders 12947, 13224 and 31 C.F.R. Parts 501, 594, 595 and 597.)

To: United States Department of State  
United States Agency for International Development  
c/o Economics Bureau  
Office of Economic Sanctions Policy  
United States Department of State  
Washington, D.C. 20520  
Attn: David D. Nelson, Director

1. Based on the memorandum of April 12, 2006 (the "Application"), information otherwise available to the Office of Foreign Assets Control (the "Application"), the transactions and activities delineated on the following pages are hereby authorized.
2. This License is granted upon the statements and representations made in the Application or otherwise filed with or made to the Treasury Department as a supplement to the Application, or based on information available to the Treasury Department, and is subject to the condition, among others, that the Licensee(s) comply in all respects with all regulations, rulings, orders and instructions issued by the Secretary of the Treasury under the authority of 31 U.S.C. § 321(b), the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*), the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, the National Emergencies Act (50 U.S.C. §§ 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. § 287c), section 301 of title 3 of the United States Code, and the terms of this License.
3. The Licensee(s) shall furnish and make available for inspection any relevant information, records or reports requested by the Secretary of the Treasury, or any other duly authorized officer or agency.
4. This License **expires September 30, 2006**, is not transferable and is subject to the provisions of the Antiterrorism and Effective Death Penalty Act of 1996, Executive Orders 12947 and 13224, and 31 C.F.R. Parts 501, 594, 595, and 597, and any regulations and rulings issued pursuant thereto. This License may be revoked or modified at any time at the discretion of the Secretary of the Treasury. If this License was issued as a result of willful misrepresentation on the part of the applicant or his duly authorized agent, it may, at the discretion of the Secretary of the Treasury, be declared void from the date of its issuance, or from any other date.
5. This License does not excuse compliance with any law or regulation administered by the Office of Foreign Assets Control or another agency (including reporting requirements) applicable to the transaction(s) herein licensed, nor does it release Licensee(s) or third parties from civil or criminal liability for violation of any law or regulation.

Issued by direction and on behalf of the Secretary of the Treasury:

OFFICE OF FOREIGN ASSETS CONTROL  
By  AUG 29 2006  
Adam J. Szubin  
Acting Director

Attention is directed to 18 U.S.C. § 1001, 50 U.S.C. § 1705, 18 U.S.C. § 2339B, and 31 C.F.R. §§ 594.701, 595.701 and 597.701 for provisions relating to penalties.

**SECTION 1 - AUTHORIZATION:** (a) Subject to the terms and limitations stated herein, the United States Department of State ("State"), the United States Agency for International Development ("USAID"), and U.S. persons who are grantees or contractors of the foregoing (collectively, the "Licensees") are authorized to engage in all transactions necessary for entry into and execution of State or USAID grants or contracts for the provision of assistance or economic support involving Palestinian governmental authorities in the West Bank or Gaza, including working with or through public international organizations, as authorized by the grant or contract. This authorization includes incidental transactions with individuals, acting in their individual capacity, who may be affiliated with a designated entity, provided that the individual has not been listed by OFAC as a Specially Designated National or Blocked Person.

(b) Subject to the terms and limitations stated herein, State and USAID are further authorized to engage in all transactions necessary for the support of public international organizations providing assistance or economic support involving Palestinian governmental authorities in the West Bank or Gaza.

(c) The regulations authorize other transactions ordinarily incident to the transactions authorized herein and necessary to give effect thereto, including transactions with non-U.S. persons, except for transactions with designated persons not explicitly authorized herein, or a debit to a blocked account or other transfer of blocked property not explicitly authorized herein. 31 CFR §§ 594.405, 595.405, 597.405.

(d) Any transfer of funds through the U.S. financial system pursuant to the authorization set forth above should reference the number of this license to avoid the blocking or rejection of the transfer.

**SECTION 2 - CONDITIONS AND LIMITATIONS:** (a) The Licensees shall take adequate measures to prevent any items authorized for export or re-export pursuant to the authorization provided herein from being obtained or acquired by a Palestinian governmental authority in the West Bank or Gaza, including its agencies or instrumentalities, except as expressly and specifically authorized by the Licensee's State or USAID grant or contract.

(b) This license authorizes transactions otherwise prohibited by the Global Terrorism Sanctions Regulations, 31 CFR Part 594, the Terrorism Sanctions Regulations, 31 CFR Part 595, and the Foreign Terrorist Organizations Sanctions Regulations, 31 CFR Part 597. Compliance with the terms of this license does not excuse a U.S. person from the need to comply with other provisions of 31 C.F.R. chapter V, and with other applicable provisions of law. Such requirements include the Export Administration Regulations, 15 C.F.R. Parts 730 *et seq.*, administered by the Department of Commerce, and the International Traffic in Arms Regulations, 22 C.F.R. Parts 120-130, administered by the Department of State.

**SECTION 3 - RECORDKEEPING AND REPORTING REQUIREMENTS:** (a) In accordance with 31 C.F.R. Part 501, the Licensees are required to keep full and accurate records of all transactions engaged in pursuant to the authorization contained in this license. Such records shall be made available for examination upon demand for at least five years from the date of each transaction. Such records shall clearly demonstrate the applicability of the authorization set forth in SECTION 1 hereof. (Attention is drawn to the recordkeeping, retention and reporting requirements of 31 C.F.R. §§ 501.601 and 501.602.)

(b) With respect to transactions authorized pursuant to Section I(a) of this license, it is a condition of this license that State or USAID notify OFAC electronically of the name and address of each existing grantee, contractor, or public international organization within ten business days of the issuance of this license or within two business days with respect to potential grantees, contractors or public international organizations after a grant or contract is approved. It is also a condition of this license that State or USAID notify OFAC electronically within two business days after a grant is revoked. Each notification is to be cumulative, reflecting all current Licensees with new Licensees highlighted with an asterisk, and is to be submitted to the Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury. The notifications are to be sent by email to [OfacReport@do.treas.gov](mailto:OfacReport@do.treas.gov) and are to reference in their headers the Department of State and License No. SDG-597.

**SECTION 4 - CERTIFICATION:** It is a condition of this license that within 30 business days of the issuance of this license, or within ten (10) business days of the awarding of a future grant or contract by State or USAID subject to Section I(a) of this license, and on an annual basis thereafter, each grantee or contractor shall certify directly to the Office of Foreign Assets Control that it is and will continue to be in compliance with all the conditions set forth herein. The certifications are to be sent by email to [OfacReport@do.treas.gov](mailto:OfacReport@do.treas.gov) and are to reference in their headers the Department of State and License No. SDG-597.

**SECTION 5 - WARNING: (a)** Except as expressly authorized herein, nothing in this license authorizes transactions prohibited by the Global Terrorism Sanctions Regulations, the Terrorism Sanctions Regulations, the Foreign Terrorist Organizations Sanctions Regulations, or by any other laws and regulations administered by the Office of Foreign Assets Control.

**(b)** No payment made pursuant to this license may involve a credit or debit to an account of the Palestinian Authority on the books of a U.S. financial institution.

**SECTION 6 - PRECEDENCE:** The authorization contained in this license is limited to the facts and circumstances specific to the Application.

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