



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF FOREIGN ASSETS CONTROL

Foreign Narcotics Kingpin Sanctions Regulations
31 C.F.R. Part 598

GENERAL LICENSE NO. 5C

**Authorizing Certain Transactions and Activities Related to
the Panamanian Government Seizure of Balboa Bank & Trust**

(a) General License No. 5B, dated July 21, 2016, is replaced and superseded in its entirety by this General License No. 5C.

(b) Except as provided in paragraph (c), the following transactions and activities otherwise prohibited by the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. 1901-1908, and the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. part 598, are authorized:

(1) Transactions and activities that are necessary during the reorganization of Balboa Bank & Trust (Balboa Bank) by the Superintendency of Banking of Panama (*Superintendencia de Bancos de Panama*) (Superintendency) and the reorganizer appointed by the Superintendency pursuant to applicable Panamanian law following Balboa Bank's seizure by the Superintendency, for the analysis of, and recommendations regarding, financial viability and reorganization, or to facilitate, negotiate, or agree to

Balboa Bank's reorganization and any related sale, disposition, or transfer, including the exportation, re-exportation, or provision, directly or indirectly, of the following:

(i) Software, hardware, and related services, including information technology management services;

(ii) Goods and services related to bank employment and administration, as well as building maintenance and building operations; and

(iii) Auditing, consulting, legal, investment banking, and other professional services.

(2) Transactions and activities related to payments on loans and other obligations, in effect prior to May 5, 2016, by any non-designated Balboa Bank customers to Balboa Bank, provided such payments are remitted to the account established at Banco Nacional de Panama by the Superintendency.

(c) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. 1901-1908, and the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. part 598;

(2) Any transactions or activities otherwise prohibited by any Executive order or any other part of 31 C.F.R. chapter V, or any transactions or activities with any individual or entity other than Balboa Bank that is listed on the Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons or that otherwise constitutes a person whose property and interests in property are blocked; or

(3) Any transactions or activities to finalize, close, or exchange assets or any other thing of value related to the sale, disposition, or transfer of Balboa Bank.

Note to paragraph (c)(3): In the event a transaction or activity to finalize, close, or exchange assets or any other thing of value related to the sale, disposition, or transfer of Balboa Bank involves a U.S. person or is otherwise subject to U.S. jurisdiction, a separate license from the Office of Foreign Assets Control is required.

(d) U.S. persons participating in transactions authorized by this general license are required, within 10 business days after the transactions, to file a report on the transactions, including the parties involved, the type and scope of activities conducted, and the dates of the activities, with the Office of Foreign Assets Control, Sanctions Compliance & Evaluation Division, U.S. Department of the Treasury, 1500 Pennsylvania Avenue N.W., Freedman's Bank Building, Washington, DC 20220. Reports may also be filed via email to OFACReport@treasury.gov.

(e) Unless extended or revoked, this authorization expires at 12:01 a.m. eastern daylight time, April 7, 2017.

Note to paragraph (e): Grounds for revocation include: (1) suspension or termination of the Panamanian Government's seizure of administrative and operating control of Balboa Bank; (2) return of control, directly or indirectly, to any Specially Designated National (SDN); or (3) return of assets to any SDN.



Andrea Gacki
Acting Director
Office of Foreign Assets Control

Dated: February 1, 2017