



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Case No. SH-98179a

Salva Dut
Water for Sudan, Inc
69 Valewood Run
Penfield, NY 14526

Dear Mr. Dut:

This responds to your letters of February 20, 2004, and December 8, 2008, seeking authorization for Water for Sudan, Inc. to engage in humanitarian transactions in Sudan. Except for certain exemptions or general authorizations, the Sudanese Sanctions Regulations, 31 C.F.R. Part 538, prohibit the exportation or reexportation, directly or indirectly, to Sudan of any goods, technology (including technical data and software) or services from the United States or by a U.S. person, wherever located, or requiring the issuance of a license by a federal agency. The prohibition on the exportation of services contained in 31 C.F.R. 538.205 applies to services performed on behalf of the Government of Sudan, on behalf or in support of the Sudanese petroleum and petrochemical industries, or where the benefit of such services is otherwise received in Sudan. The Sudanese Sanctions Regulations, 31 C.F.R. 538.212(g)(1), exempts activities otherwise prohibited by 31 C.F.R. Part 538 or related transactions with respect to the Specified Areas of Sudan. As defined in 31 C.F.R. 538.320, the Specified Areas of Sudan are Southern Sudan, Southern Kordofan/Nuba Mountains State, Blue Nile State, Abyei, Darfur and the marginalized areas in and around Khartoum.

Based on the information provided in your letter, it appears that the transactions proposed therein would involve the exportation of goods or services only to the Specified Areas of Sudan listed above and would not involve an interest in property of the Government of Sudan or relate to the petroleum or petrochemical industries of Sudan. If our understanding of these facts is incorrect, please notify us immediately as additional analysis may be required.

Although Water for Sudan, Inc.'s proposed exportation of goods or services would be to Specified Areas of Sudan, there may be certain transactions incidental to such activities that remain subject to the provisions of 31 C.F.R. Part 538. Please be advised that Water for Sudan, Inc. is authorized, for a period ending January 31, 2011, to engage in financial transactions with Sudanese depository institutions in the areas still subject to 31 C.F.R. Part 538, where such financial transactions are ordinarily incidental to Water for Sudan, Inc.'s proposed activities in the Specified Areas of Sudan and provided that: i) such transactions do not involve a debit to a blocked account, and ii) funds are sent to Sudan only through depository institutions that are not owned or controlled by the Government of Sudan. Once the funds are in Sudan, Water for Sudan, Inc. may use depository institutions owned or controlled by the Government of Sudan to distribute funds in support of Water for Sudan, Inc.'s humanitarian activities within Sudan. Transfers of funds through the U.S. financial system pursuant to this authorization should

reference the number at the heading of this letter to avoid the blocking or rejection of the transfer.

Financial transactions involving Sudanese depository institutions headquartered in the Specified Areas listed above and not owned or controlled by the Government of Sudan, and financial transactions with branches of third-country depository institutions located in the Specified Areas do not require specific OFAC authorization.

Shipments to the Specified Areas of Sudan that do not transit through territory that continues to be subject to 31 C.F.R. Part 538 do not require specific authorization from OFAC. 31 C.F.R. Part 538 also authorizes the transit or transshipment to or from the Specified Areas of goods, technology, or services intended for humanitarian purposes through territory that continues to be subject to 31 C.F.R. 538.532. Consequently, Water for Sudan, Inc. does not require authorization from OFAC to transship goods or services to Southern Sudan or Darfur through the areas that continue to be subject to 31 C.F.R. Part 538.

Although Water for Sudan Inc.'s proposed exportation of goods or services would be to the Specified Areas of Sudan, there may be certain transactions incidental to such activities that remain subject to the provisions of 31 C.F.R. Part 538. Should Water for Sudan, Inc. desire to perform humanitarian or religious activities in territory that continues to be subject to 31 C.F.R. Part 538, a separate license will be required.

Although it does not appear to be relevant based on the information you have provided, we note that, as of October 31, 2007, 31 C.F.R. Part 538 authorizes all otherwise prohibited transactions and activities that are for the conduct of the official business of the United States Government or the United Nations ("UN") by contractors or grantees thereof, and all transactions and activities for the conduct of official business of UN specialized agencies, programs, and funds by employees, contractors, or grantees thereof 31 C.F.R. 538.531.

Please note that compliance with the requirements of 31 C.F.R. Part 538 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 *et seq.*, administered by the Department of State.

If you have any questions regarding this letter, please contact me at 202-622-2480.

Sincerely,

Clara David 1/22/09

Clara Y. David
Acting Assistant Director for Licensing
Office of Foreign Assets Control