U.S. Department of Justice

National Security Division

Washington, DC 20530

December 3, 2012

[addressee deleted]

Re: Request for a Rule 2 Advisory Opinion

Dear [name deleted]:

This is in reference to your October 11, 2012, request for an advisory opinion under the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq*. (FARA or the Act), pursuant to Rule 2, 28 C.F.R. § 5.2. You represent [US law firm], a law firm located in Washington, DC, which represents [foreign bank], described by you as "one of the largest private financial institutions in [foreign country]." [US law firm]'s practice includes representing clients before the Treasury Department's Office of Foreign Asset Control (OFAC) concerning licensing and sanctions compliance.

Your letter indicated that [foreign bank] expects [US law firm] "to provide legal and political consultancy services regarding the establishment of a direct banking relationship between [foreign bank] and U.S. financial institutions to facilitate licensed transactions between the United States and [foreign country]." This goal is contrary to Executive Order [number deleted], issued on [date deleted], which blocks U.S. persons and U.S. financial institutions from engaging in any transactions with any [foreign country] financial institution, unless authorized to do so. On [dated deleted], OFAC issued a Specially Designated Nationals Update naming [foreign bank] as one of the [foreign country] banks covered by Executive Order [number deleted].

To accomplish the expectations of [foreign bank], [US law firm] intends to do the following: (1)obtain appropriate authorization from the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) for this [foreign country] bank to have a direct banking relationship with U.S. financial institutions; (2) meet with members of Congress, U.S. government officials, and federal agency representatives and provide them with informational materials; (3) propose legislation and other legal measures; (4) appeal to the public and industry leaders; and (5) meet with representatives of financial institutions to discuss compliance assurances.

The length and breadth of [US law firm]'s proposed public, legislative, and executive branch agendas constitute political activities as defined in 22 U.S.C. § 611(o). Political activity is conduct engaged in to in any way influence any U.S. government official or agency or section of the public within the United States with reference to formulating, adopting or changing the

foreign or domestic policy of the United States, or with reference to the political or public interests, policies or relations of a government of a foreign country or foreign political party.

The activities contemplated by [US law firm] fit within both categories of defined political activities. The activities will seek to formulate, adopt or change the domestic or foreign policies of the United States, and concern the political or public interests, policies or relations of a foreign country. The United States for years has implored [foreign country] to terminate its nuclear development program, to stop its state sponsored aid to terrorism, and to implement better control of anti-money laundering programs. The President of the United States and OFAC have issued numerous sanctions against [foreign country] to have it comply with requests of the United States and its allies. The use of economic sanctions against the [foreign country] government and certain [foreign country] institutions by the United States is part of an unequivocal framework of present day U.S. foreign policy. The proposed work of [US law firm] for this [foreign government] bank is an attempt to promote, within the United States, the political or public interests, policies, and relations of [foreign country].

For the reasons given above, we conclude that the political activities planned by [US law firm] will be serving predominantly the foreign interest of[foreign country] and will directly promote the political and public interests of [foreign country]. In addition, we find that not only [foreign bank], but also the Government of [foreign country] will be principal beneficiaries of the political activities of [US law firm] and therefore, [US law firm] is ineligible for the exemption under 22 U.S.C. § 613(h). As the regulation under 28 C.F.R. § 5.307 states, "[i]n no case where a foreign government or foreign political party is the principal beneficiary will the exemption under 3(h) be recognized."

If you have any questions, please call me at (202) 233-0777.

Sincerely,

Heather H. Hunt, Chief
Registration Unit
Counterespionage Section