

BY FAX

February 19, 2004

TO: All Banks
Federally Regulated Trust and Loan Companies
Federally Regulated Life Insurance Companies
Federally Regulated Property and Casualty Insurance Companies
Federally Regulated Cooperative Credit Associations
Fraternal Benefit Societies

cc: Provincial Regulators and Supervisors
Canadian Association of Direct Response Insurers
Canadian Bankers Association
Canadian Fraternal Association
Canadian Life and Health Insurance Association
Canadian Securities Administrators
Credit Union Central of Canada
Insurance Bureau of Canada
Investment Dealers Association of Canada
Trust Companies Association of Canada

RE: Repeal of the United Nations Federal Republic of Yugoslavia
Regulations.

OSFI has been informed by the Department of Foreign Affairs and International Trade (DFAIT) that *Regulations Repealing the United Nations Federal Republic of Yugoslavia Regulations* were registered and entered into force on February 10, 2004. The *United Nations Federal Republic of Yugoslavia Regulations* maintained an asset freeze on property situated in Canada prior to the adoption of United Nations Security Council Resolution 1022 (1995) of 22 November 1995 that was owned or controlled directly or indirectly by the Federal Republic of Yugoslavia. Such property included the assets of all the successor states to the former Federal Republic of Yugoslavia.

The Canadian government had maintained the asset freeze in support of the negotiations of an *Agreement on Succession Issues* among successor states. Such an Agreement was signed in April 2001 but has not yet come into force and is not expected to do so in the foreseeable

future. As a result, the Canadian government has decided to remove the asset freeze. This action is in line with the practice of our international partners.

OSFI has also been informed by DFAIT that *Regulations Repealing the United Nations International Criminal Tribunal for the Former Yugoslavia Regulations* were registered and entered into force on February 3, 2004. The *United Nations International Criminal Tribunal for the Former Yugoslavia Regulations* maintained an asset freeze on the assets of five indicted Yugoslav government officials pursuant to an order by the International Criminal Tribunal: Slobodan Milosevic, Milan Milutinovic, Nikola Sainovic, Dragoljub Ojdanic, and Vljako Stojiljkovic. Four of the five named individuals are now in custody. The other individual is deceased. As a result, the International Criminal Tribunal has confirmed that the order has been extinguished.

For further information, please consult DFAIT's Web site at: <http://www.dfait-maeci.gc.ca/trade/sanctions-en.asp> or contact the department at (613) 995-1108.

As always, OSFI expects federally regulated financial institutions to observe the relevant laws and regulations of all jurisdictions in which they operate.

Julie Dickson
Assistant Superintendent
Regulation Sector