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**MOST SOUTH AFRICAN SANCTIONS LIFTED**

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**AUGUST 1991**

SUMMARY PAGE

White Paper -

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On July 10, 1991 President Bush, acting pursuant to the Comprehensive Anti-Apartheid Act of 1986 concluded that the Government of South Africa has taken all the steps specified in the Act as preconditions for the lifting of U.S. sanctions against South Africa and ordered the sanctions lifted. Although the sanctions that were lifted were the key commercial ones, several other important sanctions remain in force. This White Paper describes the sanctions that were lifted and the ones that remain effective.

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**Most South African Sanctions Lifted**

On July 10, 1991 President Bush, acting pursuant to the Comprehensive Anti-Apartheid Act of 1986 (the "Act" or "CAAA") (see our White Papers dated October and December 1986 and January 1987) concluded that the Government of South Africa has taken all the steps specified in the Act as preconditions for the lifting of U.S. sanctions against South Africa. Accordingly, the President ordered all affected executive departments and agencies to immediately take all steps necessary to implement the termination of the sanctions imposed by Title III and Sections 501(c) and 504(b) of the Act.

The President's action removed existing bans on:

- the import of Krugerrands and other gold coins;
- the import of military articles;
- the import of products of South African parastatal organizations;
- computer exports for the South African military, police, apartheid-enforcing entities and certain others;
- loans to the South African Government;
- air transportation with South Africa;
- certain kinds of nuclear trade with South Africa;
- South African Government bank accounts in the United States
- the import of South African uranium ore, uranium oxide, coal, and textiles;
- new investments in South Africa;
- U.S. Government procurement from South African parastatal organizations, except for diplomatic and consular purposes;
- promoting U.S. tourism in South Africa;
- U.S. Government assistance to investment in, or subsidy for trade with, South Africa;
- exports of Munitions List items;

- the import of South African agricultural products and articles suitable for human consumption;
- the import of iron and steel;
- export to South Africa of crude oil and refined petroleum products;
- cooperation with South African armed forces;
- South African sugar imports;

On July 12, 1991, the Department of the Treasury issued a Federal Rule in compliance with the Executive Order terminating, effective July 10, 1991, all sanctions then in force pursuant to the South African Transactions Regulations, 31 C.F.R. pt. 545 (1991). See 56 Fed. Reg. 32056 (1991). The Department of Commerce is expected to take similar official action to confirm that the special export control sanctions imposed on South Africa under the Act are no longer effective.

Some Restrictions Still in Force

The Executive Order does not affect any action taken or proceeding pending and not finally concluded or determined on July 10, 1991, or any action or proceeding based on any act committed prior to July 10, 1991, or any rights and duties that matured or penalties that were incurred prior to July 10, 1991.

Although the sanctions that were lifted were the key commercial ones, several other important provisions of the CAAA remain in force. These are:

- various statements of congressional policy (supporting nonracial democracy, suspension of violence, support for victims of apartheid, a negotiated settlement, and end to "necklacing," etc.);
- authority for assistance, including: a human rights fund; support for scholarships for victims of apartheid; and economic support funds to assist disadvantaged South Africans, but not for support to organizations or groups which are financed or controlled by the South African Government (except for scholarships to students who choose to attend South African-supported institutions);
- bans on U.S. assistance to: (1) groups containing members who violate internationally recognized human rights; and (2) any person or group engaged in "necklacing;"

- requirements that the U.S. Government, to the maximum extent practicable, procure from black-owned businesses in South Africa and that U.S. Government labor practices in South Africa "represent the best labor practices in the United States;"
- an exception for activities of black-owned businesses to the ban against U.S. Export-Import Bank support;
- the Fair Labor Standards Program for U.S. nationals employing more than 25 persons in South Africa, including a ban on U.S. export marketing assistance worldwide for firms that are determined to have failed to adhere;
- authority for the President to use "Emergency Reserve for African Famine Relief" to meet food shortages in South Africa;
- a legal right for U.S. nationals to seek damages against any person who takes commercial advantage of a sanction or prohibition under the CAAA;
- the requirement of annual report on progress in dismantling apartheid; and
- a prohibition on the importation of Soviet gold coins.

Sanctions contained in other U.S. legislation also remain in place. These include:

- the Gramm Amendment to the Bretton Woods Agreements Act, which prohibits U.S. support for any International Monetary Fund drawing for a country engaging in apartheid unless the drawing meets certain criteria relating to: (1) the reduction of constraints on labor and capital mobility; (2) the reduction of other labor and capital rigidities; (3) the degree of economic benefit for the majority; and (4) the existence of a balance of payments imbalance that cannot be met by recourse to private markets;
- the ban in the Export-Import Bank Act on Export-Import Bank support for activities in South Africa (except, in accordance with the CAAA, for activities that support black-owned businesses);
- the ban on all exports to the South African military and police under the 1985 Export Administration Amendments Act;

- the mandatory U.S. embargo on the export of arms and arms material and prohibition on cooperation with the South African Government with respect to the manufacture and development of nuclear weapons (U.N. Security Council Resolution 418 of November 4, 1977);
- the voluntary U.N. ban on the import of arms from South Africa (Security Council Resolution 558 of December 13, 1984); and
- the ban on intelligence cooperation with South Africa under Section 107 of the FY 1987 Intelligence Authorization Act.

All measures imposed by state and local authorities remain effective.

Joseph P. Griffin  
Michael R. Calabrese

## OTHER ML&B MATERIALS ON RELATED SUBJECTS

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### INTERNATIONAL

- "A Primer on United States Taxation of Aliens" (To be published in 1991 Major Tax Planning, The University of Southern California, Law Center, January 1991), John I. Forry, John W. Darcy and Jane Peebles [MLB91-00714]
- "Competition Policy Issues in the Asia-Pacific Region" (Presented at the Tokyo Conference, "Harmonization of Trade and Investment Practices in The Asia-Pacific Region and Organizational Meeting," Inter-Pacific Bar Association, April 21-24, 1991), Mark R. Joelson [MLB91-00721]
- "Current International Issues in United States Antitrust Law Enforcement" (Outline of remarks presented to the Japanese Institute of International Business Law, Inc., April 26, 1991), Mark R. Joelson [MLB91-00722]
- "Description of Services of Morgan, Lewis & Bockius' European Offices" (Presentation at the Urban Land Institute Seminar in New York, "Development Opportunities in Europe," April 15, 1991, David G. Ellsworth [MLB91-00760]
- "Doing Business in Eastern Europe" (Speech presented in Japan and Korea on the subject of investment in Eastern Europe and the Soviet Union, February 1991), E. Clive Anderson [MLB91-00690]
- "EC Directive on Strict Liability - Are the Member States of the European Economic Community Heading for an American-Style Liability Crisis in 1992?" (International Quarterly, Business Laws, Inc., Vol. 3, No. 2, April 1991, p. 1), James D. Pagliaro and Brady L. Green [MLB91-00713]
- "EC Takeover Proposal Aims to Harmonize Rules of Member States, Facilitate Changes in Ownership" (Corporate Counsel Weekly, The Bureau of National Affairs, Inc., February 20, 1991), Joseph P. Griffin [MLB91-00674]
- "Entering Eastern European Markets" (Paper presented to IHOKEN members at seminars in Tokyo and Osaka, February 6-7, 1991), E. Clive Anderson [MLB91-00689]
- "Entering Western European Markets: The European Community Perspective" (Presented to IHOKEN members at seminars in Tokyo and Osaka, February 6-7, 1991), E. Clive Anderson [MLB91-00688]
- "Fortino v. Quasar Company: Liability of U.S. Operations of Foreign Companies for Discrimination Against Employees of American National Origin" (ML&B White Paper, June 1991), Robert A. Dufek, Andrew J. Schaffran and Christopher A. Parlo [MLB91-00739]

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