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#### § 2370a. Expropriation of United States property

*How Current is This?*

##### (a) Prohibition

None of the funds made available to carry out this Act, the Foreign Assistance Act of 1961 [22 U.S.C. 2151 et seq.], or the Arms Export Control Act [22 U.S.C. 2751 et seq.] may be provided to a government or any agency or instrumentality thereof, if the government of such country (other than a country described in <sup>[1]</sup> subsection (d) of this section)—

**(1)** has on or after January 1, 1956—

**(A)** nationalized or expropriated the property of any United States person,

**(B)** repudiated or nullified any contract with any United States person, or

**(C)** taken any other action (such as the imposition of discriminatory taxes or other exactions) which has the effect of seizing ownership or control of the property of any United States person, and

**(2)** has not, within the period specified in subsection (c) of this section, either—

**(A)** returned the property,

**(B)** provided adequate and effective compensation for such property in convertible foreign exchange or other mutually acceptable compensation equivalent to the full value thereof, as required by international law,

**(C)** offered a domestic procedure providing prompt, adequate and effective compensation in accordance with international law, or

**(D)** submitted the dispute to arbitration under the rules of the Convention for the Settlement of Investment Disputes or other mutually agreeable binding international arbitration procedure.

##### (b) Other actions

The President shall instruct the United States Executive Directors of each multilateral development bank and international financial institution to vote against any loan or other utilization of the funds of

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such bank or institution for the benefit of any country to which assistance is prohibited under subsection (a) of this section, unless such assistance is directed specifically to programs which serve the basic human needs of the citizens of that country.

**(c) Period for settlement of claims**

The period of time described in subsection (a)(2) of this section is the latest of the following—

- (1) 3 years after the date on which a claim was filed,
- (2) in the case of a country that has a totalitarian or authoritarian government at the time of the action described in subsection (a)(1) of this section, 3 years after the date of installation of a democratically elected government, or
- (3) 90 days after April 30, 1994.

**(d) Excepted countries and territories**

This section shall not apply to any country established by international mandate through the United Nations or to any territory recognized by the United States Government to be in dispute.

**(e) Resumption of assistance**

A prohibition or termination of assistance under subsection (a) of this section and an instruction to vote against loans under subsection (b) of this section shall cease to be effective when the President certifies in writing to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate that such government has taken one of the steps described in subsection (a)(2) of this section.

**(f) Reporting requirement**

Not later than 90 days after April 30, 1994, and at the beginning of each fiscal year thereafter, the Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, a report containing the following:

- (1) A list of every country in which the United States Government is aware that a United States person has an outstanding expropriation claim.
- (2) The total number of such outstanding expropriation claims made by United States persons against each such country.
- (3) The period of time in which each such claim has been outstanding.
- (4) The status of each case and efforts made by the United States Government and the government of the country in which such claim has been made, to take one or more of the steps described in subsection (a)(2) of this section.
- (5) Each project a United States Executive Director voted against as a result of the action described in subsection (b) of this section.

**(g) Waiver**

The President may waive the prohibitions in subsections (a) and (b) of this section for a country, on an annual basis, if the President

determines and so notifies Congress that it is in the national interest to do so.

**(h) "United States person" defined**

For the purpose of this section, the term "United States person" means a United States citizen or corporation, partnership, or association at least 50 percent beneficially owned by United States citizens.

**(i) Certain claims for expropriation by the Government of Nicaragua**

**(1)** Any action of the types set forth in subparagraphs (A), (B), and (C) of subsection (a)(1) of this section that was taken by the Government of Nicaragua during the period beginning on January 1, 1956, and ending on January 9, 2002, shall not be considered in implementing the prohibition under subsection (a) of this section unless the action has been presented in accordance with the procedure set forth in paragraph (2).

**(2)** An action shall be deemed presented for purposes of paragraph (1) if it is—

**(A)** in writing; and

**(B)** received by the United States Department of State on or before 120 days after the date specified in paragraph (3) at—

**(i)** the headquarters of the United States Department of State in Washington, D.C.; or

**(ii)** the Embassy of the United States of America to Nicaragua.

**(3)** The date to which paragraph (2) refers is a date after December 8, 2004, that is specified by the Secretary of State, in the Secretary's discretion, in a notice published in the Federal Register.

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[1] So in original. Probably should be "in".

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