

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Notice to Financial Services Licence Holders

International Sanctions

The MFSA brings to the attention of all Financial Services Licence Holders the coming into effect of restrictive measures which have been issued recently in respect of various regimes by the Council of the European Union

These Regulations have immediate effect in Maltese law and require no implementation measures. The full text can be viewed at the website of the Official Journal of the European Union or on the MFSA website www.mfsa.com.mt under “International Sanctions”.

1. COUNCIL IMPLEMENTING REGULATION (EU) No 265/2012 of 23 March 2012 implementing Article 8a(1) of Regulation (EC) No 765/2006 concerning restrictive measures in respect of Belarus

This EU Council Regulation places restrictive measures against President Lukashenko and other officials of Belarus, who are held responsible for violations of international electoral standards in the Presidential elections in Belarus on 19 March 2006 and the crackdown on civil society and democratic opposition.

The Regulation has amended Annex IB to Council Regulation (EC) No 765/2006 with effect from 24 March 2012. As a result 12 individuals and 29 entities have been added to the sanction lists which are subject to the asset freeze in accordance with Regulation 765/2006.

2. COUNCIL IMPLEMENTING REGULATION (EU) No 266/2012 of 23 March 2012 implementing Article 32(1) of Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria

This EU Council Regulation relates to the international sanctions which have been put in place by the European Union in view of the situation in Syria since May 2011. These measures imposed various restrictive measures including asset freezing measures directed against a number of designated persons and associated natural or legal persons, identified as being responsible for the violent repression of the civilian population in Syria.

The latest Council Implementing Regulation (EU) No 266/2012 of 23 March 2012 has amended Annex II to Council Regulation (EU) No 36/2012 by adding 12 individuals and 2 entities to the sanction list. Changes to identification information regarding 8 existing entries were also carried out.

The latest additions to Annex II are therefore subject to the asset freeze imposed by Regulation 36/2012 in addition to existing designated entities and individuals.

3. COUNCIL REGULATION (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010 (Nuclear Proliferation)

EU Council Regulation No 267/2012 places a range of restrictive measures against individuals and entities which are considered to provide support for the proliferation of sensitive nuclear activities or the development of nuclear weapon delivery systems in Iran. This latest regulation has superseded and replaced Council Regulation (EU) No 961/2010.

Restrictive measures in place as a result of this Regulation also reflect UN Security Council Resolutions issued in this respect. Measures include a ban on the purchase, import or transport from Iran of crude oil and petroleum products, restrictions on funds transfer, a ban on the supply of specialised financial messaging services used to exchange financial data and asset freezing measures.

4. COUNCIL REGULATION (EU) No 264/2012 of 23 March 2012 amending Regulation (EU) No 359/2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran (Human Rights)

This Regulation places restrictive measures on persons, entities or bodies associated with them, that have been designated by the Council as responsible for serious human rights violations in Iran. EU Council Regulation 264/2012 added 17 persons to sanction list of EU Council Regulation 359/2011.

5. COMMISSION IMPLEMENTING REGULATION (EU) No 253/2012 of 22 March 2012 amending for the 167th time Council Regulation (EC) No 881/2002 imposing certain specific restrictive measures directed against certain persons and entities associated with the Al Qaida network

This Regulation refers to the restrictive measures directed against certain persons and entities associated with the Al-Qaida network. EU Council Regulation 253/2012 is the latest regulation issued amending Annex I of EC Regulation 881/2002 listing persons, groups and entities targeted by the freezing of funds and economic resources requirement under that Regulation.

Licence Holders Obligations

The MFSA requires its licence holders to take note of all international sanctions as issued from time to time (including new designations of individuals and entities) and to exercise caution and vigilance in order to ensure that they do not in any way support activities, individuals or entities which are subject to sanctions or other restrictive measures. Licence holders have a legal obligation to comply with international sanctions and to take all steps as may be required for their immediate implementation. They are therefore required to monitor their business relationships and to verify their records on an on-going basis for any information or transactions known or suspected to be connected or related in any manner whatsoever with designated individuals and entities and to identify and freeze any funds, financial assets and economic resources in accordance with the requirements of the sanctions.

REPORTING

Licence holders are also required to report the findings of their verifications to the MFSA and to inform the MFSA of any action taken. In particular, licence holders are to report and give all relevant details to the MFSA about any funds, financial assets and economic resources which have been identified to be owned or controlled, directly or indirectly, by the designated individuals and entities and which they have frozen in terms of sanctions.

Information may be sent by mail to Director - Enforcement Unit or via email on sanctions@mfsa.com.mt

It is also required that any person who identifies, holds and freezes any such funds, financial assets or economic resources is required to without delay notify in writing the Sanctions Monitoring Board at the Ministry of Foreign affairs.

**Communications Unit
Malta Financial Services Authority
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