



Libya Sanctions Guidance Note

3rd March 2018

1. The United Nations Security Council (UNSC) has explicitly condemned all illicit attempts to exploit Libya's natural resources. The UNSC first condemned "*attempts to illicitly export crude oil from Libya*"¹, and subsequently the illicit exploitation of "*crude oil or any other natural resources in Libya*"². The UNSC defined the illicit exploitation of Libya's natural resources as being one of a number of acts that threaten the peace, stability or security of Libya, since such acts provide support for armed groups or criminal networks in Libya.³
2. The United Nations Security Council has also encouraged Libya as well as all regional States to promote regional cooperation aimed at stabilizing the situation in Libya, including through the prevention of illicit acts that the UNSC itself defined as contributing to the destabilization of Libya.⁴
3. The UNSC reaffirmed the "*importance of international support for Libyan sovereignty over its territory and resources*" and, in this context, extended measures previously adopted⁵ in duration, as well as scope⁶. The UNSC explicitly applied previous measures to "*...vessels loading, transporting, or discharging petroleum, including crude oil and refined petroleum products, illicitly exported or attempted to be exported from Libya.*"
4. The President of the United States of America used UNSC Resolutions as a basis for Presidential Executive Order 13726⁷, in which persons may be subjected to an asset freeze if identified as being responsible for or complicit in, or to have engaged in, directly or indirectly, a range of activities including "*...the illicit exploitation of crude oil or any other natural resources in Libya, including the illicit production, refining, brokering, sale, purchase, or export of Libyan oil.*"
5. The United States Office of Foreign Assets Control (OFAC) used Executive Order 13726 as a basis to sanction 6 individuals, 24 entities and 7 vessels⁸. The OFAC publicly identified these persons, entities and bodies as being involved in the illicit exploitation of Libya's natural resources as prohibited by UNSC Resolutions.

¹ UNSC Resolution 2146 of 2014.

² UNSC Resolution 2174 of 2014.

³ UNSC Resolution 2174 of 2014 - paragraph 4 in particular.

⁴ UNSC Resolution 2213 of 2015.

⁵ UNSC Resolution 2146 of 2014.

⁶ UNSC Resolution 2362 of 2017.

⁷ Executive Order 13726 – Blocking Property and Suspending Entry Into the United States of Persons Contributing to the Situation in Libya.

⁸ OFAC sanction decision of 26th February 2018.



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6. The OFAC has stated that these sanctioned persons, entities and bodies have generated funds through illicit actions, and therefore all funds and economic resources owned or controlled by said persons is subject to scrutiny.

7. In this respect, all information regarding the said persons, entities and bodies, and their assets, funds and economic resources, must be available in order for the Sanctions Monitoring Board (SMB), as well as the UN Panel of Experts⁹, to evaluate the implementation of Measures decided in UNSC Resolutions.

8. The SMB is therefore calling for special attention regarding the decision taken by the OFAC, considering that Maltese national and legal persons, entities and bodies feature on the list. The SMB strongly recommends that all economic operators and financial institutions in the Republic of Malta exercise enhanced due diligence when dealing with the persons, entities and bodies listed by the OFAC and with assets belonging to these persons, entities and bodies. Economic operators and financial institutions should closely monitor and record the activities and transactions carried out by the persons, entities and bodies on the list and ensure that they keep an up to date record of all assets, funds and economic resources held by the said persons, entities and bodies with them.

⁹ Established in Resolution 1973 (2011) by paragraph 24.