



## **LEGAL ADVISORY**

### **United States, UN, EU and Canada Impose Sanctions on Libya**

March 7, 2011– The rules governing trade and investment with Libya have already changed as countries throughout the world have moved quickly to impose sanctions on the government of Libya for its use of military force against its own civilians and other human rights abuses in connection with recent public protests. Anyone currently doing business in Libya or with Libyan nationals should seek a clear understanding of what is now prohibited and what new restrictions are in the pipeline, particularly as adopted by the United States, Canada, the European Union and the United Nations.

The United States. The Obama administration effectively blocked the property of, and prohibited transactions with, Libyan leader Muammar Qadhafi, his family, members of his government and other close associates under Executive Order (EO) 13566, issued Feb. 25, 2011. To assist in compliance with the order, designated individuals have been added to the Specially Designated Nationals lists published by the Treasury Department's Office of Foreign Assets Control (OFAC). However, EO 13566 also broadly blocks all property and interests (that are in the possession of or later come into the possession and control of a U.S. person, including any overseas branches) that belong to:

- any identified persons named in a presidential order, including Muammar Qadhafi and his immediate family; or
- any person determined by the Treasury Department to be:
  - senior officials of the government of Libya;
  - any children of Muammar Qadhafi;
  - persons responsible for or committing human rights abuses in Libya;
  - persons who materially assisted, financed, sponsored, or provided material or logistical support for the human rights abuses in Libya;
  - persons who are owned or controlled by or acted on behalf of any person whose property or interests are blocked; or
  - the spouse or dependent child of any person whose property or interests are blocked.

The U.S. State Department has suspended all export licenses for defense articles that had been issued for transactions with Libya and prohibited the export of any goods under those licenses in a decision issued February 25, 2011.

The U.S. Commerce Department's Bureau of Industry and Security (BIS) has suspended indefinitely all licenses previously issued for exports or re-exports to Libya under the Export Administration Regulations, effective March 3, 2011. No further shipments may be made against BIS licenses for exports or re-exports to Libya by any person.

**United Nations.** All member states of the UN have been directed to freeze the assets and economic resources in their territories that are directly or indirectly owned or controlled by the individuals or entities listed in UN Security Council Resolution 1970, which was issued February 25, 2011. In addition, all member states must immediately prevent the direct or indirect supply, sale or transfer of arms and related material of all types, including weapons and ammunition, to the Libyan government.

**Canada.** Canada went beyond the UN resolution by adopting a freeze on the assets of the government of Libya, its Central Bank, and all political subdivisions, including their governments, on February 27, 2011.

**European Union.** The EU adopted the UN sanctions, including the asset freeze and the arms embargo, as of March 3, 2011. Penalties vary by country, but any violation of the arms embargo may be subject to civil penalties as well criminal penalties, including fines and imprisonment.

U.S. companies, including their foreign branches and subsidiaries, are urged to review their activities with Libya, the updated Specially Designated Nationals lists, as well as any payments that may be due to Libyan persons, companies, or branches or departments of the Libyan government, to ensure they do not violate any of the sanctions that have been imposed.

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