

Government Contracts Blog

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New Sanctions Block Continuing Performance Of Libyan Government Contracts In Addition To Targeting Col. Qadhafi's Assets

By [Curtis M. Dombek](#)

On February 25, the President issued an Executive Order blocking not only the assets of Muammar Qadhafi, Ayesha Qadhafi, Khamis Qadhafi, Mutassim Qadhafi, and Saif Al Islam Al Qadhafi, but also blocking all assets of the Government of Libya, as follows:

“All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any overseas branch, of the Government of Libya, its agencies, instrumentalities, and controlled entities, and the Central Bank of Libya, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.”

The prohibitions include “(a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and (b) the receipt of any contribution or provision of funds, goods, or services from any such person.”

The Executive Order provides expressly that the prohibitions apply “notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.”

The effect of the new Libyan sanctions, therefore, extends beyond the blocking of Qadhafi’s own assets. It blocks the performance of contracts with the Government of Libya, including its “agencies, instrumentalities and controlled entities.” Moreover, existing contracts are not grandfathered.

The sanctions will affect the performance of infrastructure, telecommunications, oil and gas and other projects underway in the country as well as any contracts with Libyan Government entities, including commercial companies controlled by the Government.

If you have questions about how these new sanctions affect specific transactions relating to Libya, please feel free to contact us.

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