



LIBYA

This Notice is issued in respect of financial measures relating to Libya.

Introduction

1. Her Majesty's Treasury issues this Notice to advise that on 26 February 2011 the United Nations Security Council adopted Resolution 1970 (2011) concerning Libya. The Resolution introduced, inter alia, financial sanctions against:
 - (a) those persons designated in Annex II to the Resolution or by the competent United Nations Sanctions Committee;
 - (b) persons acting on behalf, or at the direction, of, or entities owned or controlled by, the above.
2. The Libya (Financial Sanctions) Order 2011 ('the Order'), which gives effect to Resolution 1970 (2011) in the UK, came into force at 5:15pm on 27 February 2011.
3. The relevant articles of the Order apply to any person in the UK or any person elsewhere who is:
 - (a) a British citizen, a British overseas territories citizen, a British Overseas citizen, a person who under the British Nationality Act 1981 is a British subject, a British National (Overseas) or a British protected person; or
 - (b) a body incorporated or constituted under the law of any part of the UK including a Scottish partnership.

The Order therefore applies to banks, financial institutions, charitable organisations and non-governmental organisations in the UK or established under UK law. The Order does not apply to subsidiaries of UK companies operating wholly outside the UK and which do not have legal personality under UK law.

Freezing of funds and economic resources

4. Article 3 of the Order provides that all funds, other financial assets and economic resources owned or controlled by (a) persons listed in Annex II to Resolution 1970 (2011) or designated by the competent United Nations Sanctions Committee pursuant to paragraph 24 of the Resolution, or (b) persons acting for or on their behalf or at their direction or entities owned or controlled by a designated person, must be frozen. Articles 4 to 7 provide that no funds, financial assets or economic resources shall be made available to or for the benefit of persons listed in Annex II or designated by the Committee.
5. The effect of the asset freeze is not limited to assets held in the name of a designated person. As stated in paragraph 4, it also extends to any funds, other financial assets or economic resources owned or controlled by them. The financial sector and other persons should bear in mind that Muammar Qadhafi and his family have considerable control over the Libyan state and its enterprises in deciding how to conduct proper due diligence over any transactions involving Libyan state assets.
6. The participation, knowingly and intentionally, in activities the object or effect of which is, directly or indirectly, to circumvent the measures referred to above is prohibited.
7. The list of persons designated in Annex II to Resolution 1970 (2011) is included as the Annex to this Notice.
8. A consolidated list of individuals and entities subject to these and other UK financial sanctions regimes is available from the Financial Sanctions pages of the Treasury website:
http://www.hm-treasury.gov.uk/fin_sanctions_index.htm

Definition of funds

9. For the purposes of the Order "funds" means financial assets and economic benefits of any kind, including (but not limited to):
 - (i) gold, cash, cheques, claims on money, drafts, money orders and other payment instruments;
 - (ii) deposits with relevant institutions or other persons, balances on accounts, debts and debt obligations;
 - (iii) publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative products;

- (iv) interest, dividends or other income on or value accruing from or generated by assets;
- (v) credit, rights of set-off, guarantees, performance bonds or other financial commitments;
- (vi) letters of credit, bills of lading, bills of sale; and
- (vii) documents providing evidence of an interest in funds or financial resources.

“Economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but may be used to obtain funds, goods or services.

Frozen accounts

10. All funds, other financial assets and economic resources that are owned or controlled by those listed in the Annex to this Notice held by banks, building societies, stockbrokers, solicitors, accountants, etc must be frozen. No funds, other financial assets or economic resources may be made available to or for the benefit of the listed persons. The only exceptions are those permitted under the Order.
11. In this context “freezing of funds” means preventing any move, transfer, alteration, use of, access to, or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management.
12. In this context “freezing of economic resources” means preventing their use to obtain funds, goods or services in any way, including, but not limited to, by selling, hiring or mortgaging them.
13. No payment or transfer may be made from a frozen account, including to another frozen account, without prior authorisation. This includes the deduction of fees or service charges for routine holding or maintenance of frozen accounts. Loans and other forms of credit should not be made available to designated persons.

Interest, other payments and credits

14. For the purposes of the Order, interest or other earnings on frozen accounts, or payments due under contracts, agreements or obligations that were concluded or arose prior to the date on which financial sanctions were imposed, may be added to frozen accounts provided that any such interest, other earnings or payments continue to be frozen.

15. The prohibition against making funds, other financial assets or economic resources available does not prevent the crediting of frozen accounts by financial or credit institutions that receive funds transferred by third parties to the frozen account of the listed person provided that any additions to such accounts are also frozen. Financial institutions are required to inform the Treasury of any such transactions without delay.

Exemptions

16. The Treasury is able to authorise the release of or making available of certain frozen funds, other financial assets or economic resources, if it has determined that the funds, other financial assets or economic resources concerned are:

- (a) necessary to satisfy the basic expenses of those designated by the relevant UN Sanctions Committee and their dependent family members, including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
- (b) intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services;
- (c) intended exclusively for payment of fees or service charges for routine holding or maintenance of frozen funds, other financial assets or economic resources;
- (d) necessary for extraordinary expenses.

Provision of information

17. All financial institutions and other bodies and persons in the UK are required to check whether they maintain any accounts or otherwise hold any funds for the persons listed in the Annex to this Notice and, if so, they should report to the Treasury details of all funds, other financial assets or economic resources that they have frozen in accordance with the Order. They must also provide the Treasury with all relevant information necessary for ensuring compliance with the Order.

Enquiries

18. Non-media enquiries should be addressed by post to the Asset Freezing Unit, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ, or by phone 020 7270 5454 or by e-mail to AFU@hmtreasury.gsi.gov.uk

19. Media enquiries should be addressed to the Treasury Press Office on 020 7270 5238.

HM Treasury
27/02/2011

ANNEX TO NOTICE

FINANCIAL SANCTIONS: LIBYA

PERSONS DESIGNATED IN ANNEX II TO RESOLUTION 1970 (2011) ON 26 FEBRUARY 2011

ADDITIONS

Individuals

1. **QADHAFI, Aisha, Muammar**
DOB: 1978
POB: Tripoli, Libya
Other Information: Daughter of Muammar Qadhafi. Closeness of association with regime
2. **QADHAFI, Hannibal, Muammar**
DOB: 20 September 1975
POB: Tripoli, Libya
Passport Details: B/002210
Other Information: Son of Muammar Qadhafi. Closeness of association with regime
3. **QADHAFI, Khamis, Muammar**
DOB: 1978
POB: Tripoli, Libya
Other Information: Son of Muammar Qadhafi. Closeness of association with regime. Command of military units involved in repression of demonstrations
4. **QADHAFI, Muammar, Mohammed, Abu Minyar**
DOB: 1942
POB: Sirte, Libya
Other Information: Leader of the Revolution, Supreme Commander of Armed Forces. Responsibility for ordering repression of demonstrations, human rights abuses
5. **QADHAFI, Mutassim**
DOB: 1976
POB: Tripoli, Libya
Position: National Security Adviser
Other Information: Son of Muammar Qadhafi. Closeness of association with regime
6. **QADHAFI, Saif al-Islam**
DOB: 25 June 1972
POB: Tripoli, Libya
Passport Details: B014995
Position: Director Qadhafi Foundation
Other Information: Son of Muammar Qadhafi. Closeness of association with regime. Inflammatory public statements encouraging violence against demonstrators

Asset Freezing Unit
HM Treasury
27/02/2011