

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

LIBYA SANCTIONS

Notice to Financial Services Licence Holders

- 1. COUNCIL IMPLEMENTING REGULATION (EU) No 925/2011 of 15 September 2011 implementing Article 16(2) of Regulation (EU) No 204/2011 concerning restrictive measures in view of the situation in Libya**

COUNCIL IMPLEMENTING REGULATION (EU) No 941/2011 of 22 September 2011 implementing Article 16(2) and (5) of Regulation (EU) No 204/2011 concerning restrictive measures in view of the situation in Libya.

The MFSA brings to the attention of all licence holders the coming into effect of the above regulations concerning restrictive measures in view of the situation in Libya which have deleted three entities from the list of sanctioned entities as set out in Annex III of EU Regulation 204/2011. These Regulations have immediate effect in Maltese law and require no implementation measures. Accordingly, licence holders are hereby notified that the entities reproduced hereunder are no longer subject to restrictive measures, including freezing of assets.

Afriqiyah Airways

Libyan National Oil Corporation.

Zueitina Oil Company (a.k.a. ZOC; a.k.a. Zueitina)

- 2. United Nations Security Council Resolution 2009 (2011) Adopted by the Security Council at its 6620th meeting, on 16 September 2011.**

COUNCIL REGULATION (EU) No 965/2011 of 28 September 2011 amending Regulation (EU) No 204/2011 concerning restrictive measures in view of the situation in Libya

**LN 406/ 2011 NATIONAL INTEREST (ENABLING POWERS) ACT (CAP. 365)
United Nations Sanctions (Libyan Arab Jamahirija) (Availability of Assets) Regulations,
2011**

All licence holders are also hereby notified of United Nations Security Council Resolution 2009 (2011) issued on 16 September 2011, on Libya which included measures that modified the UN asset-freezing requirements.

Council Regulation (EU) No 965/2011 which amends Regulation 204/2011 was also adopted by the Council of the European Union on 28 September 2011 and came into force on publication on 29

September 2011. This regulation has modified asset freezing requirements in accordance with the above mentioned UN resolution.

Licence holders should also be aware of the publication of LN 406/2011 which introduces the requirements of the UNSCR 2009/2011 into Maltese law.

In summary, the above measures have modified the asset freezing requirements in respect of Central Bank of Libya, Libyan Arab Foreign Bank (aka Libyan Foreign Bank), Libyan Investment Authority and Libyan Africa Investment Portfolio. It is required that funds, other financial assets and economic resources belonging to, owned, held or controlled, directly or indirectly by these entities outside Libya as at 16 September 2011 shall **remain frozen**.

Additionally, the Regulation **allows** making funds or economic resources available, directly or indirectly, to or for the benefit of the above mentioned four entities. Effectively, Council Regulation (EU) No 965/2011 and LN 406/2011 allow new transactions to be entered into with these entities. However, it should be stressed that funds frozen before 16 September 2011 should be maintained as such and any movements only conducted with the authorisation as required by relevant legislation.

The UN resolution and the new EU regulation allow Member States to authorise the release of frozen funds to the Libyan people specifically for: humanitarian needs, fuel, electricity and water for strictly civilian uses, resuming Libyan production and sale of hydrocarbons, establishing, operating, or strengthening institutions of civilian government and civilian public infrastructure, or facilitating the resumption of banking sector operations, including to support or facilitate international trade with Libya. Funds can only be released following approval of the UN Sanctions Committee and after consultation and approval by the Libyan National Transition Council.

This notice is only intended to provide a summary position and general guidance regarding the measures described herein. In fulfilling their obligations, licence holders are required to refer directly to the full text of the measures in question. Copies of the above mentioned documents can be viewed at the website of the Official Journal of the European Union, UN Security Council or on the MFSA website www.mfsa.com.mt under “EU & International Affairs/International Affairs/International Sanctions”.

The MFSA calls upon licence holders to consider the terms of the new UN resolution and EU Regulations carefully and to take all steps as may be required for their immediate implementation. The MFSA reminds its licence holders to continue to exercise vigilance, to monitor their business relationships and to verify their records on an on-going basis to ensure that they do not in any way support activities, individuals or entities which are subject to sanctions or other restrictive measures which remain in place.

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