

No. 3 2011/2012 - Sanctions in Respect of Libya

March 2011

Dear Sirs,

SANCTIONS IN RESPECT OF LIBYA

A number of new sanctions have recently been imposed in respect of Libya.

United Nations Resolution 1970/2011

This resolution was adopted by the UN Security Council on 26 February 2011. It requires UN states to prevent the delivery or supply or sale to Libya by their nationals, or from or through their territories, or by ships or aircraft registered in those states, of arms, military and paramilitary equipment as well as financial or other assistance for military activities, technical help, training and mercenaries. The sanctions do not extend to arms, military equipment or related services supporting UN personnel, the media and humanitarian work.

The resolution includes a prohibition on procurement of such arms, equipment and services from Libya and the use of vessels flagged in UN states for the purpose of so doing.

UN states are required to inspect goods coming from or going to Libya, subject to the requirements of their own and international law, if there is reason to believe that the goods include arms or equipment prohibited by the Resolution. States are required to destroy such goods or make them inoperable or keep them in a secure place.

The UN Resolution imposes a travel ban to UN States on the Qadhafi family and members of the Libyan regime believed to be linked to the suppression of dissent. Their names are listed in Annex 1 to the Resolution.

UN states are required to freeze funds, financial assets and economic resources in their territories owned or controlled, directly or indirectly by Muammar Qadhafi and his family (as listed in Annex 2 to the Resolution) or by individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them. A UN Committee has been set up which may designate additional individuals and entities.

European Union Sanctions

The Council of the European Union has adopted UN Resolution 1970/2011 in the form of European Council Regulation 204/2011 of 3 March 2011. The EU Regulation goes further than the UN Resolution in identifying more individuals linked to the Qadhafi family and the regime and extends a travel ban and/or an asset freeze to them. The additional individuals are listed in Annexes II and III of the EU Regulation.

United States Sanctions

The US Government issued an Executive Order on 25 February 2011 blocking payments or transfers of property or assets in the US or which come into the US or into the possession or control of US citizens or entities where such property or assets are owned by the Qadhafi family, by senior members of the Libyan regime or by persons considered to be involved

in or responsible for human rights abuse or repression in Libya. This blocking order also extends to persons or entities which have sponsored, materially assisted or provided financial support either to the listed individuals or in respect of human rights abuse or repression. The order extends to any overseas branch of the Libyan regime and its agencies and controlled entities, including the Libyan Central Bank.

Club Cover

The situation in Libya remains fluid and changeable; the existing sanctions may be varied or new sanctions imposed in the near future. In these circumstances it is not possible to provide any general guidance in relation to cover in connection with the situation in Libya, because the impact, if any, on cover will depend on the factual circumstances at the relevant time. Members undertaking, or who have contracted or intend to contract for, voyages to or from Libya or who are conducting or intending to conduct business with Libyan entities which may be subject to sanctions are therefore advised to contact the Managers for guidance in the light of the prevailing information before undertaking or continuing such trade or business.

Yours faithfully

For: **West of England Insurance Services (Luxembourg) S.A.**
(As Managers)

R J B Searle
Director