



7 March 2011

Dear Colleague

Members may welcome a brief summary of international and UK measures now governing bilateral business relations with Libya.

The Foreign & Commonwealth Office (FCO) advises against all travel to Libya. It urges those who remain and want to leave to take opportunities to do so as soon as possible. For those British (and especially dual nationals) in Libya, it recommends that they keep a low profile and, if not in Tripoli, not to travel there.<sup>1</sup>

The FCO refers requests for current information about entry requirements for Libya, to the Libyan People's Bureau in London.<sup>2</sup>

On 22 February 2011, the UK visa application centre in Tripoli was temporarily closed. Visa applicants wishing to travel to the UK were advised to consider submitting their applications in either Rome or Istanbul and to visit the Worldbridge website<sup>3</sup> for information on how to apply outside Libya. Applicants were strongly advised to contact their commercial partner in each location before travelling to confirm that they would be able to submit an application.

On 26 February, the Foreign & Commonwealth Office announced the temporary suspension of the British Embassy in Tripoli and the departure of Embassy staff. British interests in Libya are currently represented by the Turkish Embassy where a British consular official is based.

On 26 February, the UN Security Council unanimously adopted Security Council Resolution 1970 (2011)<sup>4</sup> imposing an arms embargo on Libya and a travel ban and assets freeze on Muammar Al Qadhafi, his family and other named officials.

Following the announcement of the UN Arms Embargo, the Department for Business, Innovation and Skills (BIS) revoked all existing UK export licences for goods and technology that could be used for internal repression. The BIS announced that future export licences for military or paramilitary equipment to Libya would not be issued unless they fit within one of the exceptions set out in the Embargo (for example, if an export is humanitarian, or for the media, or for UN peacekeeping).

On 27 February, HM Treasury issued the Libya (Financial Sanctions) Order 2011<sup>5</sup> implementing the financial measures in UN SCR 1970 (2011). The Order applies to banks, financial institutions, charitable organisations and non-governmental organisations in the UK

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<sup>1</sup> <http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/middle-east-north-africa/libya>

<sup>2</sup> [www.fco.gov.uk/content/en/contact/middle-east-north-africa/dl-libya](http://www.fco.gov.uk/content/en/contact/middle-east-north-africa/dl-libya)

<sup>3</sup> [www.visainfoservices.com](http://www.visainfoservices.com)

<sup>4</sup> <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/245/58/PDF/N1124558.pdf?OpenElement>

<sup>5</sup> [http://www.hm-treasury.gov.uk/d/libya\\_financial\\_sanctions\\_order270211.pdf](http://www.hm-treasury.gov.uk/d/libya_financial_sanctions_order270211.pdf)

or established under UK law. The freeze is not limited to assets held in the name of a designated person but extends to any funds, other financial assets or economic resources owned or controlled by them. It reminded the financial sector and others that Muammar Qadhafi and his family had considerable control over the Libyan state and its enterprises.

On 27 February, the Department for Business, Innovation and Skills signed an Order, under the Export Control Act 2002, prohibiting the export of uncirculated Libyan banknotes without a licence from the UK. This Order applies only to uncirculated bank notes.

On 2 March 2011, the Council of the European Union adopted Council Regulation (EU) No 204/2011<sup>6</sup> implementing UNSCR 1970 (2011) and imposing an arms embargo on Libya, a visa ban on Muammar Qadhafi and fifteen other persons belonging to his family and regime and an asset freeze on Muammar Qadhafi and five members of his family. The Council also approved separately a visa ban on ten other individuals and an asset freeze on a further twenty people.

Article 10 of the EU Council Regulation provides for the release of frozen funds or economic resources when a payment is due under a contract or agreement concluded by, or an obligation that arose for, a person, entity or body before the date on which the person, entity or body had been designated.

**The LBBC has asked HM Treasury's Asset Freezing Unit for guidance on arrangements for implementation of Article 10 in the UK.** Article 9 of the Libya (Financial Sanctions) Order 2011 allows the Treasury to grant general or individual licences authorising activity otherwise prohibited by the Order.

Parliament approved The Libya (Asset-Freezing) Regulations 2011<sup>7</sup> on 3 March, providing for enforcement of Council Regulation (EU) No 204/2011. The Regulations assert the prohibitions of the Council Regulation, provide a licensing procedure to enable funds and economic resources to be exempted but create offences when prohibitions are contravened and set penalties (up to two years imprisonment, a fine or both on conviction on indictment; up to three months imprisonment, a fine or both on summary conviction).

On 3 March, HM Treasury issued The Libya (Financial Sanctions) Order 2011 General Licence 1<sup>8</sup> authorising business under specified conditions with non-Libyan financial institutions which are such bodies as are referred to in Article 3(1)(b) or (c) of the Order (ie an individual or entity acting on behalf, or at the direction, of a designated person; or an entity owned or controlled by a designated person).

Before acting on any of the advice or information above, we recommend that members consult with HM Treasury and/or take legal advice.

Robin Lamb  
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LBBC

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<sup>6</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:058:0001:0013:EN:PDF>

<sup>7</sup> <http://www.legislation.gov.uk/ukxi/2011/605/contents/made>

<sup>8</sup> [www.hm-treasury.gov.uk/d/finsanc\\_libya\\_generalllicence\\_030311.pdf](http://www.hm-treasury.gov.uk/d/finsanc_libya_generalllicence_030311.pdf)

The information contained in this summary is intended to be a general guide only and not to be comprehensive, nor to provide legal advice. You should not rely on the information contained in this summary as if it were legal or other professional advice.