
Bank of England Notice

UNITED NATIONS ACT 1946

LIBYA

1 December 1993

This Notice draws attention in convenient form to certain provisions of the Libya (United Nations Sanctions) Order 1993 and the Libya (United Nations Sanctions) (Channel Islands) Order 1993 made under section 1 of the United Nations Act 1946. It grants, on behalf of HM Treasury and pursuant to those Orders, certain permissions; it also provides guidance in relation to applications for permission for other transactions. Any permission granted in this Notice or otherwise may, at any time, be varied or revoked by, or on behalf of, HM Treasury.

INTRODUCTION

- 1 The Orders in Council made under Section 1 of the United Nations Act 1946 are the Libya (United Nations Sanctions) Order 1993 (Statutory Instrument 1993 No 2807) and the Libya (United Nations Sanctions) (Channel Islands) Order 1993 (Statutory Instrument 1993 No 2811). These are referred to below as "The Orders", copies may be obtained from HM Stationery Office. In this notice, references to the United Kingdom include the Channel Islands.

- 2 The Orders provide that:

- (1) Except with permission granted by or on behalf of the Treasury, no person shall

- (a) make any payment or part with any gold, securities or investments; or

- (b) make any change in the persons to whose credit any sum is to stand or to whose order any gold, securities or investments are to be held;

where any such action is action to which this article applies.

- (2) Action which is covered by the Orders is action which is likely to make available to or for the benefit of any of the following persons:

- (a) the Government of Libya;

- (b) any persons or bodies exercising for the time being public functions in Libya; or

- (c) any Libyan undertaking¹,

any funds or other financial resources, whether by their removal from the United Kingdom or otherwise, or otherwise to remit or transfer funds or other such resources to or for the benefit of any of the above-mentioned persons.

- 3 The Orders shall not apply to any funds or other financial resources which represent amounts derived from or are otherwise attributable to the sale of petroleum or petroleum products or agricultural products or commodities originating in Libya and exported therefrom on or after 1 December 1993. However any such funds (but not other financial resources) must be held in an account with a relevant institution in the United Kingdom which is used exclusively for such funds and any relevant interest derived from them.

- 4 The Orders apply to any person in the United Kingdom and to any person elsewhere who is a British citizen, a British Dependent Territories citizen, a British Overseas citizen, a British subject or a British protected person; or who is a body incorporated under the law of any part of the United Kingdom.

5 Libyan Persons

For the purposes of the Orders, a person listed in paragraph 2.2 above in this Notice is referred to as a Libyan person. One of the categories is a Libyan Undertaking and for the purposes of the Order is ascribed the meaning given to it in Article 12(5)(c) of the Order.

Cases of doubt about whether a person is a "Libyan person" should be referred to the Bank of England.

LIBYAN ACCOUNTS

6 Blocked Libyan Accounts

- (a) The sterling, foreign currency and gold bullion accounts of Libyan persons held in the United Kingdom with institutions authorised under the Banking Act 1987 or the Building Societies Act 1986 ("Banks") should be designated and are referred to below as "Blocked Libyan Accounts". Funds held by stockbrokers, accountants, etc, on behalf of Libyan persons should be placed in a separate account which should be designated as a "Blocked Libyan Account".

¹ "any Libyan undertaking" means any entity, wherever incorporated or constituted, which is controlled by any of the persons referred to in paragraphs 2(a) and 2(b) of this Notice and any person acting on their behalf.

- (b) For each "Blocked Libyan Account" maintained a further account may be opened which should be designated as a "Libyan External Account".

7 Payments Involving Blocked Libyan Accounts

- (a) Permission is hereby given for any payment whether in sterling or in foreign currency to be made to a Blocked Libyan Account. No payment or transfer may be made out of a Blocked Libyan Account without permission.

8 Libyan External Accounts

- (a) No payment may be credited to a Libyan External Account except as provided for in (b) below.
- (b) Any payment, whether in sterling or in foreign currency arising from the sale of petroleum or petroleum products or agricultural products or commodities, originating in and exported from Libya on or after 1 December 1993 may in conformity with the Orders be credited to a Libyan External Account.

Banks must be satisfied from documentary evidence eg bills of lading that the payment is eligible for credit to a Libyan External Account.

- (c) A Libyan External Account may be debited for any purpose provided that in respect of payments for exports to Libya:
- (i) any necessary licence issued by the DTI, and, if appropriate;
 - (ii) the written approval of the UN Sanctions Committee
- are exhibited to the bank making the payment.
- (d) A Libyan External Account may not be overdrawn without permission, which will not normally be given.

9 Transfers between Libyan External Accounts

Where appropriate, the remitting bank should provide the receiving bank with a certificate that the payment is eligible for credit to a Libyan External Account.

10 Any payments not covered by the terms of this Notice should be referred to the Bank of England.

11 Securities and Investments

In the Orders, "securities" (see paragraph 2.1 above) has the same meaning as in section 2 of the Emergency Laws (Re-enactments and Repeals) Act 1964, and includes -

- (a) shares, stocks, bonds, notes (other than promissory notes), debentures, debenture stock, certificates of deposit and Treasury and other government bills;
- (b) a deposit receipt in respect of the deposit of securities;
- (c) a unit or sub-unit of a unit trust;
- (d) an annuity granted under the Government Annuities Act 1929 or to which either Part I or Part II of that Act applies, and a life assurance policy or other contract entered into with an assurance company for securing the payment in the future of any capital sum or sums or of an annuity;
- (e) a warrant conferring an option to acquire a security;
- (f) a share in an oil royalty;

but excludes bills of exchange.

In the Orders, "investments" (see also paragraph 2.1 above) means any asset, right or interest falling within any paragraph of Part 1 of Schedule 1 of the Financial Services Act 1986, which is not a security.

- 12 Permission is required for persons subject to the Orders to do anything which involves parting with any securities or investments to or on behalf of a Libyan person or making any change in the persons to whose order any securities or investments are to be held.
- 13 Permission is given for securities or investments purchased with funds held on a Libyan External Account to be transferred into the beneficial ownership of a Libyan person.
- 14 Where securities are registered in the name of, or investments are held by, a Libyan person or where persons subject to the Orders hold bearer securities for account of Libyan persons, no payment of capital monies, dividends or interest may, under the Orders, be made to any person outside the United Kingdom. Permission is hereby given for such payments to be made to a Blocked Libyan Account unless proof of purchase from a Libyan External Account can be provided in which case reference should be made to the Bank of England for permission for the payment to be made to a Libyan External Account.
- 15 **Performance bonds and indemnities**
Applications to extend or meet calls under bonds and indemnities should be referred to the Department of Trade and Industry.
- 16 **Contracts of insurance and reinsurance**
Applications for payments under contracts of insurance and reinsurance should be referred to the Department of Trade and Industry.
- 17 **Applications and enquiries**
Application should be made to the Bank of England in respect of any transaction which is not covered by the permissions given in this Notice.
Applications for permissions should be addressed to the Bank of England, Threadneedle Street, London EC2R 8AH and marked for the attention of the Sanctions Emergency Unit (SEU). Applications may also be made by facsimile transmission (071-601 4309).
Telephone enquiries may be made to 071-601 4607/3848/4768/3500.