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EU Imposes Arms Embargo and Targeted Sanctions on Libya

On February 28, 2011, the EU's Council of Ministers adopted Decision 2011/137 concerning restrictive measures in view of the situation in Libya.¹ On March 2, the Council adopted Regulation 204/2011 implementing the EU Decision (the February 28 decision and the March 2 regulation, together, the "EU Sanctions").² The EU Sanctions are limited to named individuals and do not prohibit the conduct of business with Libyan and Libya-controlled entities in general (except for the supply of arms, ammunition and related material and equipment that might be used for internal repression).

The EU Sanctions implement the UN Security Council's February 26 Resolution on Libya (the "UN Resolution").³ The EU Sanctions cover 20 individuals not named in the UN Resolution, but they are less restrictive than the U.S. sanctions imposed on February 25, which prohibit transactions with the Government of Libya, the Central Bank of Libya and State-owned or controlled companies.⁴ The EU may of course impose further sanctions depending on the evolution of the current unrest in Libya. Meanwhile, EU Member States will take the necessary measures to impose penalties for violations of the EU Sanctions.

The EU Sanctions prohibit (subject to certain exceptions, in particular for humanitarian purposes) transfers to and from Libya of arms, ammunition and related material which might be used for internal repression. The provision of technical and

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:058:0053:0062:EN:PDF>

² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:058:0001:0013:EN:PDF>

³ <http://www.un.org/News/Press/docs/2011/sc10187.doc.htm>

⁴ United States Imposes Sanctions on the Government of Libya - http://www.cgsh.com/united_states_imposes_sanctions_on_the_government_of_libya/

financial assistance, brokering services, and financing in relation to arms and related material is also prohibited. Member States are required to inspect all cargo to and from Libya if there are reasonable grounds to believe that it contains prohibited items.

The EU Sanctions freeze the assets and impose a visa ban on Muammar Qadhafi, five members of his family and 20 individuals found to be involved in ordering, controlling or otherwise directing the execution of serious human rights abuses against persons in Libya. As usual with sanctions of this kind, under certain circumstances the competent authorities may release frozen funds, for example to satisfy basic needs, to satisfy pre-existing judicial, administrative or arbitral liens and to make payments due under pre-existing contracts. Additions to frozen accounts are not prohibited, but the amounts added are also frozen.

The list of person or entities covered by this restriction will be amended to reflect any new decisions taken by the Security Council or the EU Council of Ministers. However, the EU Sanctions do not oblige Member States to refuse the entry of their own nationals. Exemptions can be granted, for example for humanitarian or reconciliation purposes.

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If you have any questions, please feel free to contact any of your regular contacts at the firm.

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