

Trade & Customs - USA

New economic sanctions imposed against Libya

Contributed by [Sidley Austin LLP](#)

March 18 2011

In response to the growing violence in Libya, the United States imposed economic sanctions against Libya on February 25 2011. Entities with business ties to Libya should ensure that their compliance programmes adequately address these new measures.

Effective at 8:00pm Eastern Standard Time on February 25, the United States blocked all property interests of the Libyan government, certain senior officials and others implicated in human rights abuses. Any such property interests that are in the United States or within the possession or control of a US person may not be transferred, paid, exported, withdrawn or otherwise dealt in. US persons holding such blocked property were given a 10 business-day period in which to report it to the US Treasury Department's Office of Foreign Assets Control (OFAC).

US persons are also barred from transferring or donating funds to, or having other business dealings with, the newly designated Libyan persons. The 'government of Libya' includes its agencies, instrumentalities and controlled entities, as well as the Central Bank of Libya. As a result of the president's executive order, the following individuals have been added to OFAC's List of Specially Designated Nationals:

- Ayesha Gaddafi (lieutenant general in the Libyan army);
- Khamis Gaddafi (Muammar Gaddafi's son);
- Muammar Gaddafi (head of state of Libya);
- Mutassim Gaddafi (national security adviser and lieutenant colonel in the Libyan army); and
- Saif Al Islam Gaddafi (Muammar Gaddafi's son).

Further designations may follow.

Simultaneously with the imposition of these new sanctions, OFAC issued a general licence authorising transactions with financial institutions owned or controlled by the government of Libya that are organised under the laws of a country other than Libya. Thus, any such financial institutions in the United States may continue to do business. No other exceptions to the newly imposed sanctions are currently authorised.

These sanctions come more than six years after the United States lifted economic sanctions against Libya in response to the Gaddafi government's renunciation of terrorism. The US sanctions are complemented by similar measures imposed by the United Nations on February 26 2011.

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