
STATUTORY INSTRUMENTS

2020 No. 1665

The Libya (Sanctions) (EU Exit) Regulations 2020

PART 3

Finance

CHAPTER 1

Asset-freeze etc.

Meaning of “designated person” in Chapter 1

11. In this Chapter a “designated person” means—

- (a) a person who is designated under regulation 5 for the purposes of regulations 12 to 16 (asset-freeze etc.), or
- (b) a person who is a designated person for the purposes of those regulations by reason of regulation 10(1).

Asset-freeze in relation to designated persons

12.—(1) A person (“P”) must not deal with funds or economic resources owned, held or controlled by a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1), a person “deals with” funds if the person—

- (a) uses, alters, moves, transfers or allows access to the funds,
- (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
- (c) makes any other change, including portfolio management, that would enable use of the funds.

(5) For the purposes of paragraph (1), a person “deals with” economic resources if the person—

- (a) exchanges the economic resources for funds, goods or services, or
- (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise).

(6) The reference in paragraph (1) to funds or economic resources that are “owned, held or controlled” by a person includes, in particular, a reference to—

- (a) funds or economic resources in which the person has any legal or equitable interest, regardless of whether the interest is held jointly with any other person and regardless of whether any other person holds an interest in the funds or economic resources;

(b) any tangible property (other than real property), or bearer security, that is comprised in funds or economic resources and is in the possession of the person.

(7) For the purposes of paragraph (1), funds or economic resources are to be treated as owned, held or controlled by a designated person if they are owned, held or controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) For the avoidance of doubt, the reference in paragraph (1) to a designated person includes P if P is a designated person.

Making funds available to designated persons

13.—(1) A person (“P”) must not make funds available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making funds available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Making funds available for benefit of designated persons

14.—(1) A person (“P”) must not make funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of this regulation—

(a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and

(b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Making economic resources available to designated persons

15.—(1) A person (“P”) must not make economic resources available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect—

(a) that P is making the economic resources so available, and

(b) that the designated person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making economic resources available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Making economic resources available for benefit of designated persons

16.—(1) A person (“P”) must not make economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

- (2) Paragraph (1) is subject to Part 8 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1)—
 - (a) economic resources are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
 - (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

CHAPTER 2

Partial asset-freeze etc.

Meaning of “designated person” in Chapter 2

17. In this Chapter a “designated person” means a person who is a designated person for the purposes of regulation 18 to 20 (partial asset-freeze etc.) by reason of regulation 10(3).

Partial asset-freeze in relation to designated persons

18.—(1) A person (“P”) must not deal with relevant funds or economic resources owned, held or controlled by a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

- (2) Paragraph (1) is subject to Part 8 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1), “relevant funds or economic resources” are—
 - (a) funds or economic resources located outside Libya immediately before 17 September 2011,
 - (b) funds credited on or after 17 September 2011 to a relevant account in discharge (or partial discharge) of an obligation which arose before the date on which the person became a designated person, and
 - (c) any interest or other earnings on the funds referred to in sub-paragraphs (a) and (b) credited on or after 17 September 2011 to a relevant account.
- (5) For the purposes of paragraph (1), a person “deals with” funds if the person—
 - (a) uses, alters, moves, transfers or allows access to the funds,
 - (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
 - (c) makes any other change, including portfolio management, that would enable use of the funds.
- (6) For the purposes of paragraph (1), a person “deals with” economic resources if the person—
 - (a) exchanges the economic resources for funds, goods or services, or
 - (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise).

(7) The reference in paragraph (1) to funds or economic resources that are “owned, held or controlled” by a person—

- (a) includes, in particular, a reference to—
 - (i) funds or economic resources in which the person has any legal or equitable interest, regardless of whether the interest is held jointly with any other person and regardless of whether any other person holds an interest in the funds or economic resources;
 - (ii) any tangible property (other than real property), or bearer security, that is comprised in funds or economic resources and is in the possession of the person;
- (b) does not include funds or economic resources owned, held or controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“relevant account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person;

“relevant institution” has the same meaning that it has in regulation 43 (finance: exceptions from prohibitions).

(9) For the avoidance of doubt the reference to a designated person in paragraph (4), and in the definition of “relevant account” in paragraph (8), includes P if P is a designated person.

Making funds available to designated persons

19.—(1) A person (“P”) must not make relevant funds available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

- (2) Paragraph (1) is subject to Part 8 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1), “relevant funds” are—
 - (a) interest or other earnings due on funds held in a relevant account (within the meaning of regulation 18) which are frozen by virtue of regulation 18(1), and
 - (b) funds due to a designated person by virtue of an obligation which arose prior to the date on which the person became a designated person.

(5) The reference in paragraph (1) to making funds available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Making funds available for benefit of designated persons

20.—(1) A person (“P”) must not make relevant funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

- (2) Paragraph (1) is subject to Part 8 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) In paragraph (1), “relevant funds” has the same meaning as in regulation 19 (making funds available to designated persons).
- (5) For the purposes of paragraph (1)—
 - (a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and

- (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

CHAPTER 3

Circumvention

Circumventing etc. prohibitions

21.—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—

- (a) to circumvent any of the prohibitions in regulations 12 to 16 (asset-freeze etc.) or regulations 18 to 20 (partial asset-freeze etc.), or
 - (b) to enable or facilitate the contravention of any such prohibition.
- (2) A person who contravenes a prohibition in paragraph (1) commits an offence.