

MEMBER ALERT



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ECONOMIC SANCTIONS UPDATE: US LIBYA SANCTIONS LIFTED

Members should note that the United States has lifted economic sanctions it imposed with respect to Libya, with certain limited exceptions. The exceptions relate to certain previously frozen asset accounts which remain frozen, and transactions with certain members of the Qadhafi family and members of the former regime which remain prohibited.

The US sanctions with respect to Libya blocked (froze) the property and property interests (including funds and other assets) of Muammar Qadhafi, certain members of his family and his inner circle, and of the Libyan Government, including Libya's central bank (collectively, "Libyan Sanctions Targets"). The blocking of property both froze assets in accounts and prohibited all transactions with Libyan Sanctions Targets. Although trade with Libya was not expressly prohibited unless the trade involved a Libyan Sanctions Target, permissible trade, and the American Club's ability to provide cover and engage in transactions involving Libya, was nevertheless affected by prohibitions applicable to Libyan Sanctions Targets.

Now, through a series of general licenses, the US Treasury's Office of Foreign Assets Control (OFAC), the agency responsible for administering and enforcing US economic sanctions, has lifted the sanctions by unblocking and prospectively authorizing transactions with the Government of Libya and other Libyan Sanctions Targets, except, as noted above, with the Qadhafi family members, and elements of the former Qadhafi regime. Additionally, certain accounts and other property of the Libyan Investment Authority remain blocked. However, it is highly unlikely that the prohibitions of these very limited residual sanctions will affect the activities of the American Club and its Members.