



**THOMPSON
HINE**

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**INTERNATIONAL TRADE &
CUSTOMS UPDATE**

U.S. Eases Sanctions Against Libya

The U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) recently lifted most U.S. sanctions against Libya. As noted in our previous [Update](#), these sanctions were initially imposed by Executive Order in February 2011 and expanded by OFAC regulations issued in July. On September 19, 2011, OFAC issued [General License 7A](#) and [General License 8](#), the effect of which is to significantly ease U.S. sanctions against Libya. OFAC's actions are consistent with the September 16, 2011 United Nations Security Council Resolution lifting most multilateral sanctions against Libya.

These new General Licenses may be of particular interest to U.S. oil companies and providers of associated equipment because now, with certain restrictions, U.S. persons are permitted to resume transactions with the Libyan National Oil Company and its subsidiaries.

GENERAL LICENSE 7A

Under the amended [General License 7A](#) (which supersedes General License No. 7, dated September 9, 2011), U.S. persons are permitted to enter new transactions with Libya's state-owned oil company, the National Oil Company (NOC), and its affiliated subsidiaries. This General License specifically authorizes transactions with the following NOC subsidiaries, though this list is not intended to be exhaustive:

- Arabian Gulf Oil Company
- Azzawiya Oil Refining Company
- Brega Petroleum Marketing Company
- Harouge Oil Operations
- Jamahiriya Oil Well Fluids and Equipment
- Mediterranean Oil Services Company
- Mediterranean Oil Services GmbH
- National Oil Fields and Terminals Catering Company
- National Oil Wells Drilling and Workover Company
- North African Geophysical Exploration Company
- Oilinvest (Netherlands) B.V.
- Ras Lanuf Oil and Gas Processing Company
- Sirte Oil Company for Production Manufacturing of Oil and Gas
- Tamoil Group
- Waha Oil Company
- Zueitina Oil Company



All property and interests in property associated with these entities or other entities owned or controlled by the NOC are also unblocked. However, as the General License stipulates, OFAC requires financial institutions releasing blocked funds to electronically file a report with OFAC within 10 business days of the release of the blocked funds.

GENERAL LICENSE 8

[General License 8](#) authorizes new transactions involving the Government of Libya – transactions that were explicitly blocked under the February 2011 Executive Order. Transactions involving the Government of Libya, its agencies, instrumentalities, and controlled entities, and the Central Bank of Libya, are now authorized – as long as such transactions do not involve prohibited entities named in the General License (e.g., Colonel Moammar Gaddafi, his family members and close associates).

The authorizations provided by General License 8 do not extend to payment for blocked transactions or to prior transactions blocked by the previous Executive Order. Accordingly, such payments cannot be made unless or until OFAC issues a license authorizing prior transactions.

OTHER EXPORT LICENSING REQUIREMENTS

Separate from OFAC economic sanctions, U.S. persons are also subject to the export controls administered by the U.S. Department of Commerce Bureau of Industry and Security (BIS) and the U.S. Department of State Directorate of Defense Trade Controls (DDTC). BIS and DDTC regulate the export and reexport of dual use items and defense articles, respectively. Export licenses issued by BIS and DDTC for export to Libya remain suspended.

FOR MORE INFORMATION

Please contact [James A. Losey](#) or any member of our [International Trade & Customs](#) practice group for more information.

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