23 March 2012

Circular to Licensed Corporations and Associated Entities

Anti-Money Laundering / Combating Terrorist Financing

(1) United Nations Sanctions (Libya) Regulation 2011 (Amendment) Regulation 2012

(2) United Nations Sanctions (Afghanistan) Regulation 2012 and United Nations Sanctions (Afghanistan) Regulation (Repeal) Regulation

(1) United Nations Sanctions (Libya) Regulation 2011 (Amendment) Regulation 2012

The United Nations Sanctions (Libya) Regulation 2011 (Amendment) Regulation 2012 ("the Amendment Regulation"), made under the United Nations Sanctions Ordinance (Cap. 537), was published in the Gazette on 16 March 2012 (L.N. 42 of 2012). It came into effect on 16 March 2012.

The Amendment Regulation amends the existing sanctions against Libya to implement certain decisions of the United Nations Security Council under Resolution 2009 and 2016. The following provisions in the Amendment Regulation are of particular relevance to licensed corporations ("LCs") and associated entities ("AEs"):

• section 2 provides a definition of "designated Libyan entity", replacing the definition of "Libya", which has been repealed; and

• section 3 which amends the asset freeze measures in section 7 of United Nations Sanctions (Libya) Regulation 2011, Cap. 537AW by providing prohibition against dealing with, directly or indirectly, any funds or other financial assets or economic resources, which are frozen as of the date of United Nations Security Council Resolution 2009 (i.e. 16 September 2011), and owned by or otherwise belonging to, or held by any one of the designated Libyan entities.

(2) United Nations Sanctions (Afghanistan) Regulation 2012 and United Nations Sanctions (Afghanistan) Regulation (Repeal) Regulation

The United Nations Sanctions (Afghanistan) Regulation 2012 ("the Regulation") and the United Nations Sanctions (Afghanistan) Regulation (Repeal) Regulation ("the Repeal Regulation"), made under the United Nations Sanctions Ordinance (Cap. 537), were published in the Gazette (L.N. 43 & 44 of 2012) on 16 March 2012. They came into effect on 23 March 2012.

The Regulation implements sanctions against Afghanistan imposed by the United Nations Security Council under Resolution 1988. We would like to draw LCs' and AEs' attention, to section 6 of the Regulation which prohibits making available funds or other financial assets or economic resources to certain persons or entities, or dealing with

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funds or other financial assets or economic resources belonging to such persons or entities, except with a licence.

The aforesaid regulations can be found on the Government's website (http://www.gld.gov.hk/cgi-bin/gld/egazette/index.cgi?lang=e).

LCs and AEs are reminded to take all necessary steps to ensure compliance with the amended United Nations Sanctions (Libya) Regulation 2011 and United Nations Sanctions (Afghanistan) Regulation 2012.

Should you have any queries regarding the contents of this circular, please contact Ms Kammy Kwok on 2840 9455.

Intermediaries Supervision Department
Securities and Futures Commission

End

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