



U.S. Department of the Treasury
Office of Foreign Assets Control



FORMER LIBERIAN REGIME OF CHARLES TAYLOR

What You Need To Know About U.S. Sanctions

An overview of the Former Liberian Regime of Charles Taylor Sanctions Regulations -- Title 31 Part 593 of the U.S. Code of Federal Regulations

■ **INTRODUCTION** - On May 23, 2007, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued the Former Liberian Regime of Charles Taylor Sanctions Regulations, 31 C.F.R. part 593 (the "Regulations"), to implement Executive Order 13348 of July 22, 2004 ("E.O. 13348"). The sanctions set forth in E.O. 13348 and implemented in the Regulations are targeted sanctions directed at the regime of former President Charles Taylor. The sanctions are not directed against the country of Liberia, the Government of Liberia, or the Central Bank of Liberia. They do not prohibit the provision of banking services to Liberia, including the maintenance of correspondent banking relationships with Liberian banks, unless the bank in question is a person whose property and interests in property are blocked pursuant to the Regulations.

The President issued E.O. 13348 based in part on the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) ("IEEPA") and section 5 of the United Nations Participation Act (22 U.S.C. 287c) ("UNPA"). E.O. 13348 noted United Nations Security Council Resolutions 1521 of December 22, 2003, and 1532 of March 12, 2004, which, among other things, called on member states to impose an asset freeze on certain senior members of former Liberian President Charles Taylor's government and certain other persons and to prevent the import into their territories of all rough diamonds, round logs, and timber products originating in Liberia.

In E.O. 13348, the President declared a national emergency based on the unusual and extraordinary threat to the foreign policy of the United States posed by the actions and policies of former Liberian President Charles Taylor. To deal with that threat, the order blocked all property and interests in property of senior members of the former Charles Taylor regime, immediate family members of Charles Taylor, and certain other persons, and prohibited the importation into the United States of all round logs or timber products.

This fact sheet provides general information about the Regulations as implemented and administered by OFAC.

■ **PROHIBITED TRANSACTIONS** - Section 593.201 of the Regulations blocks the property and interests in property¹ in the United States, or in the possession or control of United States persons, of the persons listed in the Annex to E.O. 13348, as well as of any person determined by the Secretary of the Treasury, after consultation with the Secretary of State:

- to be or have been an immediate family member of Charles Taylor;
- to have been a senior official of the former Liberian regime headed by Charles Taylor or otherwise to have been or be a close ally or associate of Charles Taylor or the former Liberian regime;
- to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the unlawful depletion of Liberian resources, the removal of Liberian resources from that country, and the secreting of Liberian funds and property by any person whose property and interests in property are blocked pursuant to § 593.201(a) of the Regulations; or
- to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to § 593.201(a) of the Regulations.

Any person or entity referenced in the Annex or determined by the Secretary of the Treasury to meet one or more of the criteria listed above (collectively, "Specially Designated Nationals" or "SDNs") will be incorporated into OFAC's List of Specially Designated Nationals and Blocked Persons ("SDN List") using the descriptor [LIBERIA]. The SDN List is available at <http://www.treas.gov/offices/enforcement/ofac/sdn/index.shtml>.

The Regulations not only block all property of these SDNs that is in the United States or in the possession of U.S. persons, but it also prohibits U.S. persons from engaging in any transaction involving these SDNs, unless otherwise authorized by OFAC. Examples of prohibited transactions include importing, export-

¹ The terms *property* and *property interest* include, but are not limited to, money, checks, drafts, bullion, bank deposits, savings accounts, debts, indebtedness, obligations, notes, guarantees, debentures, stocks, bonds, coupons, any other financial instruments, bankers acceptances, mortgages, pledges, liens or other rights in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, any other evidences of title, ownership, or indebtedness, letters of credit and any documents relating to any rights or obligations thereunder, powers of attorney, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate mortgages, deeds of trust, vendors' sales agreements, land contracts, leaseholds, ground rents, real estate and any other interest therein, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks or copyrights, insurance policies, safe deposit boxes and their contents, annuities, pooling agreements, services of any nature whatsoever, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future, or contingent. Blockable property also includes any property in which there is any interest of a person that is listed on OFAC's list of Specially Designated Nationals and Blocked Persons pursuant to E.O. 13348, including direct, indirect, future or contingent, and tangible or intangible interests.

ing, brokering, financing, and providing other financial services. In addition, the Regulations prohibit any attempts by a U.S. person to evade or avoid these sanctions.

As of April 2007, a total of 61 persons have been named as SDNs pursuant to E.O. 13348: 28 individuals were listed in the Annex to the order, and OFAC designated an additional 34 entities and individuals on April 26, 2005. In June 2006, one individual was removed from the list, bringing the total to 61.

■ **IMPORTATION OF ROUND LOGS OR TIMBER PRODUCTS**

- Section 2 of E.O. 13348 prohibits the direct or indirect importation into the United States of any round log or timber product originating in Liberia, and OFAC has implemented this prohibition in § 593.205 of the Regulations. However, in Resolution 1689 of June 20, 2006, the United Nations Security Council decided to lift the multilateral prohibition on importation of round logs or timber products set forth in paragraph 10 of Resolution 1521. In accordance with the decision of the Security Council in Resolution 1689, OFAC issued § 593.510, a general license authorizing all importations into the United States of round logs and timber products originating in Liberia. Therefore, provided that the importation does not involve any person whose property and interests in property are blocked pursuant to § 593.201 of the Regulations, the importation into the United States of rough logs or timber products originating in Liberia is authorized.

■ **IMPORTATION OF ROUGH DIAMOND** - In Executive Order 13312 of July 29, 2003, pursuant to, *inter alia*, the Clean Diamond Trade Act (Pub. L. 108-19), IEEPA, and the UNPA, the President prohibited the importation into, or exportation from, the United States of any rough diamond, unless the rough diamond has been controlled through the Kimberley Process Certification Scheme ("KPCS"). OFAC implemented the provisions of Executive Order 13312 in the Rough Diamonds Control Regulations, 31 C.F.R. part 592, which now control all imports of rough diamonds, from any country.

As of May 3, 2007, Liberia is a participant in the Kimberley Process. At such time as the Secretary of State publishes a notice in the *Federal Register* that Liberia has become a Kimberley Process participant, rough diamond imports from Liberia will be permitted, provided they are made in compliance with the KPCS and the Rough Diamonds Controls Regulations.

■ **PENALTIES** - Criminal fines for violating the Regulations range, upon conviction, up to \$500,000 for an entity and \$250,000 for an individual; individuals may also face imprisonment of up to 20 years. In addition, civil penalties of up to \$50,000 per violation may be imposed administratively.

If you have information regarding possible violations of these sanctions, please call OFAC at 202/622-2430. Your call will be handled confidentially.

This document is explanatory only and does not have the force of law. The Executive Orders and implementing regulations pertaining to Liberia contain the legally binding provisions governing the sanctions. This document does not supplement or modify the Executive Order or regulations from a legal perspective.

The Treasury Department's Office of Foreign Assets Control administers sanctions programs involving Iraq, Cuba, Liberia, North Korea, Iran, Syria, Sudan, Burma (Myanmar), targets in the Western Balkans and Zimbabwe, diamond trading, designated international narcotics traffickers, international terrorists, Foreign Terrorist Organizations, and the Weapons of Mass Destruction Trade Control Regulations or the Highly Enriched Uranium (HEU) Agreement Assets Control Regulations. For additional information about these programs, please contact the:

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