



Guidance Note on the listings by OFAC of Maltese individuals and entities

31st March 2022

1. Since March 2014, the EU has progressively imposed restrictive measures (sanctions) against Russia, initially in response to the illegal annexation of Crimea and Sevastopol and the deliberate destabilisation of Ukraine. These measures have been reviewed on a regular basis, and regularly expanded. The most recent sanctions package adopted by the EU was on 15th March 2022, the “fourth package of sanctions in response to Russia’s invasion of Ukraine.” The sanctions cover a wide range of activities, including the prohibition to: directly or indirectly provide, sell, supply, transfer or export dual-use goods and technology including the provision of technical assistance, brokering and other services in relation to such goods subject to the limited exemptions as defined down in Council Decision 2014/512. Moreover, should such goods be exported under any of the exemptions, these must be specifically authorized, declared to Customs Authorities and notified to the competent authority of the state where the exporter is resident or established within 30 days from the date when the first export took place.
2. On 15 April 2021, the President of the United States of America issued Presidential Executive Order 14024: Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation.
3. On 31 March 2022, the United States Office of Foreign Assets Control (OFAC) used Executive Order 14024 as a basis to sanction [Maltese individuals and entities](#). OFAC publicly identified these persons, entities and bodies as being involved in actions to illicitly procure technology to advance conventional weapons programs.
4. The Sanctions Monitoring Board (SMB) is aware of the network referred to in the OFAC Notice and is participating in investigations involving European and international partners. The SMB recalls that OFAC sanctions are not enforceable in Malta, in line with its Guidance Note regarding hits on National sanctions issued by Other States dated May 2021. However, the SMB recommends that Maltese economic operators undertake the necessary due diligence when dealing with persons, entities and bodies listed by national sanctions of other countries, particularly paying close attention to the reasons why such sanctions have been imposed in the first place and to consider any transaction or dealings considering due diligence and KYC obligations, including AML/CFT obligations where applicable.
5. The SMB is therefore calling for special attention regarding the decision taken by the OFAC, considering that Maltese national and legal persons, entities and bodies feature on the list. The SMB strongly recommends that all Maltese economic operators and financial institutions in the Republic of Malta exercise enhanced due diligence when dealing with the persons, entities and bodies listed by the OFAC and with assets belonging to these persons, entities and bodies. The SMB is also calling public entities to undertake any necessary action, if provided for, in line with their respective local legislation.



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6. Maltese economic operators and financial institutions should keep an up-to-date record of all assets, funds and economic resources held by the said persons, entities and bodies with them.