



United Nations Security Council Sanctions Implementation Guideline

International Relations and Legal Cooperation Department
Ministry of Justice of Georgia

*Secretariat of the Governmental Commission
on the implementation of United Nations Security Council resolutions*

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Introduction

This guideline is prepared by the secretariat of the Governmental commission working on the implementation of the United Nations Security Council resolutions. The guideline aims to help the representatives of the public and private sectors to get acquainted with the peculiarities of the established regimes against the financing of terrorism and proliferation of weapons of mass destruction within the UN Security Council. To receive information on the necessity of implementation of obligations under the relevant UN Security Council resolutions, to understand the role of each national or international actor in this process, and finally, to be able to fulfill their professional duties properly.

1. International legal and institutional framework for sanctions implementation

1.1. United Nations sanctions regimes and Sanctions Committees

The Security Council is one of the six main bodies of the UN, and it is also primarily responsible for ensuring international peace and security.¹ Each UN member state is obliged to fulfill the obligations established by the resolutions adopted by the Security Council in accordance with Chapter 7 of the UN Charter to restore and maintain international peace and security.² In addition, Article 41 of the UN Charter allows the Security Council to establish certain sanctions regimes in order to ensure international peace and security. Such sanctions regimes may include restrictive measures of any nature other than the armed intervention. As of today, the primary purposes of such sanctions include the stabilization of political conflicts, the proliferation of nuclear weapons and the fight against international terrorism. It should be noted that sanctions regimes range from comprehensive economic and trade sanctions to tailored, targeted sanctions, such as an *arms embargo, restriction of freedom of movement (also known as travel bans)*, and *freezing of financial funds and assets and commodity restrictions*.

In order to ensure the monitoring of the implementation of the prescribed sanctions and the implementation by the states, the Security Council shall establish the respective sanctions committee. The first sanctions committee of the UN Security Council was established back in 1968 in response to the illegitimate seizure of power in Southern Rhodesia. Since this period, the UN Security Council has established 30 sanctions committees taking into account the conflict situation in a particular state at different times. Of these, only 14 sanctions committees operate today, including the oldest Somali and the new Mali sanctions committees.

¹ [Charter of the United Nations](#), 1945, Article 24 (1)

² *Ibid*, Article 25.

The sanctions regimes and relevant committees established within the framework of the UN for the purposes of this guideline may be divided into several areas:

- *Sanctions regimes related to terrorism and/or financing of terrorism;*
- *Sanctions regimes related to the proliferation of nuclear weapons; and*
- *Sanctions regimes that have been established to stabilize political conflicts in a particular state, however, may be related to the financing of terrorism;*
- *Sanctions regimes may also relate to human rights.*

1.1.1. Peculiarities of functioning of sanctions units

The UN Security Council, in accordance with the resolution adopted by Chapter 7 of the UN charter, establishes the sanctions committee, which is composed of each member of the council and whose primary duty is to support and monitor the implementation of sanctions regimes established by the resolutions by the member states. It should be noted that the UN Security Council, together with the sanctions committee, establishes groups of experts - panels of experts whose primary responsibility is to support the technical-contextual functioning of the committees on sanctions, including to obtain and process necessary information for its activities.

The UN Security Council sets sanction criteria for targeting specific individuals within most sanctions regimes. These kinds of criteria, in most cases, represent:

- *Creating threats to peace, security, and stability;*
- *Violation of established sanctions regimes;*
- *Violations of human rights, norms of international humanitarian law, and obstruction of humanitarian aid delivery;*
- *Participation in the proliferation of nuclear weapons, etc.*

According to the Sanctioning Criteria, each Sanctions Committee establishes a list of sanctioned persons (both natural and legal) **aggregated in the UN Consolidated List of Sanctioned Persons**.³

It is important to note that due to the temporary nature of the sanctions regimes, within the framework of each sanctions committee, there is a periodic system for reviewing the status of sanctioned persons. If there is no longer a basis for sanctioning a person, they are removed from the list.

³ The consolidated list can be accessed at: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

Considering all of the above, the lists of sanctioned persons may be subject to daily updates.

1.1.2. Ongoing sanctions regimes and Sanctions Committees

The United Nations Secretariat publishes an annually updated summary of Security Council sanctions regimes and their Committees.⁴

As mentioned above, for the purposes of this guideline, the sanctions regimes and Sanctions Committees under the UN may be grouped into three main areas.

UN sanctions committees related to terrorism and terrorism-financing

ISIL (Da'esh) and Al-Qaida sanctions regimes⁵

In 1999, UN Security Council Resolution 1267 (1999) issued certain air- and financial embargoes on the Taliban in order to stop the Taliban from giving shelter to terrorists, including Osama bin Laden, and including facilitating their training. Later, the UN Security Council amended the existing sanctions regime by means of resolutions 1333 (2000) and 1390 (2002), which included targeted financial sanctions on persons (individuals and/or legal entities) associated with the Taliban and Al-Qaeda.

In 2011, the UN Security Council divided the Al - Qaeda and Taliban sanctions regime by resolutions 1988 (2011) and 1989 (2011), in particular creating two Sanctions Committees, one of which aimed to enforce the Al-Qaeda Sanctions regime and the other the Taliban sanctions regime.

A few years later, the authority of the Al-Qaeda Sanctions Committee was increased by UN Security Council Resolution 2253 (2015). It included the so-called issue of drawing up sanctions lists for persons connected to the Islamic State of Iraq and the Levant (Da'esh) and supervising the implementation of sanctions by states against persons included in these lists. As a result, it was called *ISIL (Da'esh)* and *Al-Qaida Sanctions Committee*.

⁴ Subsidiary Organs of the United Nations Security Council Fact Sheet: The 2022 version can be found at https://www.un.org/securitycouncil/sites/www.un.org.securitycouncil/files/subsidiary_organs_factsheets_06nov22.pdf

⁵ [ISIL \(Da'esh\) and Al-Qaida Sanctions Committee Official website \(https://www.un.org/securitycouncil/sanctions/1267\)](https://www.un.org/securitycouncil/sanctions/1267).

As of today, the sanctions regime for Al-Qaeda and the Islamic State (Da'esh) include *restrictions on freedom of movement of designated individuals, and also freezing of funds, financial assets and other economic resources* and *arms embargoes on designated* individuals and legal entities.

Taliban sanctions regime⁶

As mentioned above, the Taliban sanctions regime existed in conjunction with the Al - Qaeda Sanctions regime from 1999 to 2011. However, the resolutions of 1988 (2011) and 1989 (2011) established two independent and, in addition, interconnected regimes.

Thus, the Taliban sanctions regime operating in accordance with the UN Security Council resolution 1988 (2011) includes all three types of sanctions - *Financial sanctions, an arms embargo, and restrictions on freedom of movement (travel bans)*.

Sanctions regime established by Resolution 1373 (2001) ⁷

The sanctions regime established by Resolution 1373 (2001) is somewhat different from the two aforementioned regimes related to the financing of terrorism. The main distinguishing factor is that in accordance with Resolution 1373 (2001), the sanctions regimes are imposed by the member states themselves, and they determine the circle of persons to whom the sanctions regime is to be applied. In particular, Resolution 1373 (2001), adopted by the UN Security Council in accordance with Chapter 7 of the UN Charter, imposes on the Member States, among other obligations, the imposition of a national sanction on persons responsible for terrorism and/or terrorist financing and their inclusion in the relevant national list. In turn, this obligation implies the consideration of the issue of the inclusion of a specific person (natural and/or legal) in the list of sanctioned persons and the application of the relevant financial sanction based on a substantiated appeal of the competent state body or relevant body of another jurisdiction.⁸

Based on the goals of UN Security Council Resolution 1373 (2001), the list of sanctioned persons may include:

⁶ Taliban sanctions committee: [Official website \(https://www.un.org/securitycouncil/sanctions/1988\)](https://www.un.org/securitycouncil/sanctions/1988).

⁷ The UN Security Council [Resolution 1373 \(2001\) and successor resolutions \(https://www.un.org/securitycouncil/ctc/content/security-council-resolutions\)](https://www.un.org/securitycouncil/ctc/content/security-council-resolutions).

⁸ FATF, [International Best Practices, Targeted Financial Sanctions Related to Terrorism and Terrorist Financing \(Recommendation 6\)](#), Jun 2013, Page 5.

A) Any person who carries out or attempts to carry out a terrorist act or any person who participates in or facilitates the commission of such act;

B) A person who owns or disposes any benefit in favor of the person specified in paragraph "a";

C) any person acting in favor (on behalf of) of the person specified in Paragraph "a" or according to his/her instructions.⁹

Sanctions regimes related to the proliferation of weapons of mass destruction

The resolutions adopted in accordance with Chapter 7 of the UN Charter include sanctions regimes against the proliferation of weapons of mass destruction and its financing. For its part, the proliferation of weapons of mass destruction includes the development, transfer and use of nuclear, chemical, or biological weapons and their delivery systems. There are two sanctions regimes in force against the proliferation of weapons of mass destruction and the financing of its distribution within the UN: The sanctions regime of the Democratic People's Republic of Korea and the sanctions regime of the Islamic Republic of Iran.

⁹ 7 FATF (2012-2021), International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation, FATF, Paris, France, www.fatf-gafi.org/recommendations.html, Page 50.

Sanctions regime of the Democratic People's Republic of Korea¹⁰

Since 2006, the Democratic People's Republic of Korea (DPRK) has conducted six nuclear tests, the last of them in 2017, on 03 September. On the latter, the DPRK side actively claimed to have tested a hydrogen bomb. Consequently, since 2006, the UN Security Council has adopted a number of resolutions with respect to the DPRK.

For the purposes of this guideline, it should be noted that the committee on sanctions of the DPRK, operating based on Resolution 1718 (2006), establishes a list of sanctioned persons (individuals and entities), which includes persons who in some form participate in or support programs related to the DPRK's nuclear or other weapons of mass destruction and ballistic missiles, or persons acting in favor of persons mentioned above. The lists of persons sanctioned by the committee of the DPRK may also include persons who in any way facilitated or contributed to the avoidance of sanctions imposed on the DPRK or violated the obligations established by the relevant sanctions regime.

The persons mentioned above are subject to financial asset freezing and restriction on freedom of movement sanctions.¹¹ Sanctions also include arms embargoes, and in particular, the member states are obliged to ensure the prevention of selling, delivering, or transferring nuclear weapons, ballistic materials, and/or items directly or indirectly related to the weapons of massive destruction by air or marine vessels under their flags from or through their territory.¹²

¹⁰ The Democratic People's Republic of Korea Sanctions Committee: [Official website \(https://www.un.org/securitycouncil/sanctions/1718\)](https://www.un.org/securitycouncil/sanctions/1718).

¹¹ Paragraph 8 (a) and (b) of resolution 2270 (2016); Paragraph 9 (a), (b) and (c) of resolution 1718 (2006) and paragraph 32 of resolution 2270 (2016) and paragraph 26 of resolution 2371 (2017); Paragraph 10 of resolution 1718 (2006) and paragraph 10 of resolution 2094 (2013).

¹² Information about prohibited items and their resolutions can be found on the link: <https://www.un.org/securitycouncil/sanctions/1718/prohibited-items>.

In addition, member states are obliged to expel from their territory any citizen of the DPRK, including representatives of the diplomatic corps and/or government agencies of the DPRK who act in favor of the person included in the list of sanctioned persons or according to his/her instructions.¹³

The prohibitions related to transportation are particularly important among the sectoral sanctions associated with the DPRK, which implies constant monitoring of cargoes coming from or going to the DPRK and, accordingly, the monitoring of ships, aircraft, and railway highways. In the same context, significant restrictions are imposed on ships' registration, inspection, and regulation of port entry issues. It should be noted that the DPRK committee is authorized to sanction vessels that have been used in any form to transport prohibited items or to violate and evade the established restrictive measures.¹⁴ Member states also have an obligation to prohibit providing services such as fuel supply, replenishment of supplies, etc. DPRK vessels, if there is a reasonable assumption that the vessel carries prohibited items.¹⁵

Relevant UN resolutions for member states establish a number of limitations in cooperation within financial¹⁶, educational, and scientific¹⁷ areas. In addition, bilateral restrictions on trade of raw materials also apply to the DPRK in the form of sectoral sanctions, which means that the DPRK is prohibited from selling, supplying, and/or transferring these items, as well as receiving these items from member states, their citizens, and aircraft operating under their flag.¹⁸ Sectoral restrictions also apply to fuel, natural gas, coal and other commodities, various appliances, textiles, seafood, and luxury items.¹⁹

¹³ Paragraph 13 and paragraph 14 of resolution 2270 (2016)

¹⁴ Paragraph 8 of resolution 2321 (2016); Paragraph 12 of resolution 2397 (2017); Paragraph 9 of resolution 2321 (2016); Paragraph 22 of resolution 2321 (2016); Paragraph 11 of resolution 2397 (2017); Paragraph 21 of resolution 2270 (2016); Paragraph 22 of resolution 2270 (2016); Paragraph 12 of resolution 2321 (2016); Paragraph 6 of resolution 2375 (2017); Paragraph 12 of resolution 2375 (2017); Paragraph 9 of resolution 2397 (2017);

¹⁵ Paragraph 17 of resolution 1874 (2009).

¹⁶ Paragraph 19 of resolution 1874 (2009) and paragraph 33 of resolution 2270 (2016); Paragraph 33 of resolution 2270 (2016); Paragraph 31 of resolution 2321 (2016); Paragraph 32 of resolution 2321 (2016); Paragraph 33 of resolution 2321 (2016); Paragraph 18 of resolution 2375 (2017).

¹⁷ Paragraph 11 of resolution 2321 (2016).

¹⁸ Paragraph 8 of resolution 2371 (2017) – only applicable to the coal and paragraph 6 of resolution 2397 (2017); Paragraph 7 of resolution 2397 (2017).

¹⁹ Paragraph 5 of resolution 2397 (2017); Paragraph 4 of resolution 2397 (2017); Paragraph 9 of resolution 2371 (2017); Paragraph 16 of resolution 2375 (2017); Paragraph 31 of resolution 2270 (2016); Paragraph 29 of resolution 2321 (2016); Paragraph 30 of resolution 2321 (2016) and paragraph 14 of resolution 2397 (2017);

Another important restriction that exists in relation to the DPRK concerns the issue of issuing work visas to the citizens of the DPRK. In particular, the employment of DPRK citizens on the territory of member states is prohibited. Each member state is obliged, taking into account the provisions of international law, to expel all DPRK citizens on its territory who receive financial benefits in any way or form.²⁰

The sanctions committee monitoring resolution 1718 (2006) has published a number of implementation assistance notices relating to the requirements of UN sanctions on DPRK.²¹

Sanctions regime of the Islamic Republic of Iran

In 2015, on 14 July, within the framework of the ongoing negotiations between the Islamic Republic of Iran and China, France, Germany, the Russian Federation, Great Britain, the United States, and the European Union, a Joint Comprehensive Plan Of Action (JCPOA) was signed.²² As a result, the Security Council, ~~on 20 July 2015, adopted~~ Resolution 2231 (2015)²³ which terminated existing Security Council sanctions resolutions on Iran's nuclear program. Resolution 2231 (2015) includes a list of individuals and entities that continued to remain subject to asset freezes and travel bans (in the case of individuals), and also restrictions on Iranian ballistic missile activities and on arms-related transfers²⁴ involving the Islamic Republic of Iran.

Restrictions on arms-related transfers were terminated on 18 October 2020. Provided that provisions of the previous Security Council sanctions resolutions have not been reinstated, asset freezes, travel bans and restrictions on ballistic missile activities will be terminated on 18 October 2023, and all remaining provisions of resolution 2231 (2015) will terminate on 18 October 2025.

Further information on resolution 2231 (2015) can be found on the UN website.²⁵

However, sanctions regimes that have been established to stabilize political conflicts in a particular state may be related to the financing of terrorism.

Somalia sanctions regime²⁶

²⁰ Paragraph 17 of resolution 2375 (2017); Paragraph 8 of resolution 2397 (2017).

²¹ See: <https://www.un.org/securitycouncil/sanctions/1718/implementation-notice>.

²² Joint Comprehensive Plan of action (JCPOA).

²³ The United Nations Security Council Resolution 2231 (2015).

²⁴ The United Nations Security Council Resolution 2231 (2015), (see Annex B paragraphs 6(c) and (d));

²⁵ See: <https://www.un.org/securitycouncil/content/2231/background>

²⁶ Somalia sanctions committee Official website.

The Somali sanctions regime is one of the oldest sanctions regimes enacted in 1992 by the UN Security Council resolution 733 (1992). In the first stage, it regulated the arms embargo issue on Somalia. As of today, Somalia's sanctions regime includes three types of sanctions - **Arms embargo**, **financial sanctions**, and **restriction of freedom of movement**. The ban on coal and improvised explosive devices also applies to Somalia.

[Iraq sanctions regime²⁷](#)

Resolution 661 (1990), adopted by the UN Security Council as a result of Iraq's occupation of Kuwait, may be considered the beginning of the Iraq sanctions regime. The above resolution imposed comprehensive sanctions on Iraq, including an arms embargo.

Later, after the restoration of Kuwait's sovereignty in 1991, the UN Security Council resolution 687 (1991) re-maintained the arms embargo on Iraq. However, in May 2003, after the overthrow of Iraq's government in the UN Security Council 1483 (2003), the resolution changed the terms of the arms embargo and the protection of security and the borders. It became possible to provide weapons to the newly formed government of Iraq.

As of today, Iraq's sanctions regime includes an **Arms embargo** (Taking into account the terms of arms supply to the Iraq government) and **Financial sanctions**.

[Sanctions regime of the Democratic Republic of Congo²⁸](#)

The sanctions regime of the Democratic Republic of Congo, operating in accordance with UN Security Council resolution 1533 (2004), includes an **arms embargo**, **restriction on freedom of movement**, and **Financial sanctions**.

[Sudan sanctions regime²⁹](#)

²⁷ Iraq sanctions committee Official website.

²⁸ The Democratic Republic of Congo Sanctions Committee Official website.

²⁹ Sudan Sanctions Committee Official website.

In July 2004, the UN Security Council issued an arms embargo on all non-state groups and individuals operating in the Darfur region. A little later, in 2005, with resolution 1591 (2005), the arms embargo was extended to all parties to the N'Djamena peace agreement, including government forces, since they could not fulfill their obligations under the ceasefire agreement. Together with the already in force **arms embargo** with respect to natural and legal persons, the **Financial Sanctions And restrictions on freedom of movement** were also established.

[Lebanon sanctions regime³⁰](#)

In 2005, as a result of the terrorist attack in Beirut on 14 February, in which 22 people died together with the former prime minister of Lebanon, the UN Security Council established an independent international investigation commission under resolution 1595 (2005) to assist the Lebanese government in the above-mentioned investigation process in regards to various terrorist acts.

Later, resolution 1636 (2005) established the Lebanon sanctions committee, which aims of the Independent International Investigation Commission or the Lebanese government to enforce **Financial sanctions And restrictions on freedom of movement** against persons declared as participants in the 2005 14 February terrorist attack.

[Libya sanctions regime³¹](#)

The Libyan sanctions regime was established in 2011 under United Nations Security Council Resolution 1970 (2011) in response to the repression of forces used against civilians in Libya and their participation in peaceful demonstrations.

The sanctions regime established by Resolution 1970 (2011) includes a bilateral **arms embargo on Libya, financial sanctions, and restrictions on freedom of movement**. It should be noted that in 2014, restrictive measures were added to the above-mentioned sanction measures, which serve to prevent and suppress the illegal export of oil from Libya.

[Guinea-Bissau sanctions regime³²](#)

³⁰ Lebanon sanctions committee Official website.

³¹ Libya Sanctions Committee official Website.

³² Guinea-Bissau sanctions committee Official website.

Guinea-Bissau's sanctions regime was established in 2012 by UN Security Council resolution 2048 (2012) in response to a military coup that took place before the second round of presidential elections. The sanctions regime established by resolution 2048 (2012) only restricts *freedom of movement* for sanctioned persons.

Sanctions regime of the Central African Republic³³

Given the unstable political and security situation in the Central African Republic in early 2013, the UN Security Council, based on the 2127 (2013) resolution, has taken a number of measures on the whole state, including an *arms embargo*. Later, resolution 2134 (2014) against sanctioned persons came into force, envisaging *financial sanctions and restricting freedom of movement*. As of today, all three types of sanctions are in force.

Yemen sanctions regime³⁴

Yemen's sanctions regime has been in force since 2014, following dozens of killings in response to anti-government demonstrations that began in the state in 2011. The sanctions regime established in accordance with UN Security Council resolution 2140 (2014) includes all three types of sanctions - *freezing of financial assets, restriction on freedom of movement, and arms embargo*.

South Sudan sanctions regime³⁵

In December 2013, with the political confrontation between South Sudan's ruling political force and the opposition escalating into conflict and the failure to comply with the treaty reached in 2015, South Sudan sanctions regime was established. The sanctions regime established in accordance with UN Security Council resolution 2206 (2015) includes all three types of sanctions - *freezing of financial assets, restriction on freedom of movement, and arms embargo*.

Mali sanctions regime³⁶

³³ The Central African Republic sanctions committee Official website.

³⁴ Yemen Sanctions Committee Official website.

³⁵ South Sudan Sanctions Committee Official website.

³⁶ Mali sanctions committee Official website.

The Mali sanctions regime has been in force since 2017, according to UN Security Council resolution 2374 (2017), and includes financial sanctions and *restrictions on freedom of movement*.

The table below reflects the restrictive measures established within the specific sanctions regime.

Sanctions regime	Founding resolution	Financial sanctions	Arms embargo	The restrictions on freedom of movement	Other sectoral sanctions
Resolution 1373 (2001) Sanctions regime	UNSCR 1373 (2001)				
Al-Qaeda Sanctions regime	UNSCR 1267 (1999)				
Taliban sanctions regime	UNSCR 1988 (2011)				

DPRK Sanctions regime	UNSCR (2006)	1718				
Iran sanctions regime	UNSCR (2015)	2231				
Somalia sanctions regime	UNSCR (1992)	751				
Iraqi sanctions regime	UNSCR (2003)	1518				
DPRK Sanctions regime	UNSCR (2004)	1533				
Sudan sanctions regime	UNSCR (2005)	1591				
Lebanon sanctions regime	UNSCR (2005)	1636				
Libya sanctions regime	UNSCR (2011)	1970				

Guinea-Bissau sanctions regime	UNSCR 2048 (2012)				
Czar sanctions regime	UNSCR 2127 (2013)				
Yemen sanctions regime	UNSCR 2140 (2014)				
South Sudan sanctions regime	UNSCR 2206 (2015)				
Mali sanctions regime	UNSCR 2374 (2017)				

1.2. Contact body

In order to receive and discuss applications of an interested party on de-listing of a person from the list of sanctioned persons, a contact body (The Focal Point) was established under resolution 1730 (2006) and subsequent resolutions of the Security Council.

The competence of the contact body, in relation to applications to sanctions committees other than the al-Qaeda, Da'esh, and Taliban sanctions committees, can be divided into three main directions:

1) receiving an application for removal of a person from the list of sanctioned persons, and

coordination of the review;

2) acceptance and coordination of consideration of applications for exemptions from sanctions related to freezing of financial assets; and

3) acceptance and coordination of consideration of applications for exemptions from sanctions related to restrictions on freedom of movement.

With respect to the al-Qaeda, Da'esh, and Taliban sanctions committees, the contact body performs the following functions:³⁷

- *Receiving and forwarding to the al-Qaeda and Da'esh Committee, or the Taliban Committee, requests for exemptions to the assets freeze and travel ban measures from individuals or entities listed by those Committees;*
- *Transmit the respective Committee's decisions on the exemption request to those individuals or entities; and*
- *Receive and transmit to the al-Qaeda and Da'esh Committee communications from individuals who have been removed from the List and also from individuals claiming to have been subjected to sanctions as a result of false or mistaken identification or confusion with individuals included on the List;*
- *Convey the response of the al-Qaeda and Da'esh Committee to those individuals as appropriate.*

Stages of reviewing an application of an interested party on de-listing of a person from the list of sanctioned persons by a contact body:

1. The contact body receives applications from persons included in the lists of sanctioned persons (natural/legal) on their de-listing from the list of sanctioned persons;
2. Checks whether the statement is primary or repeated;
3. If the application is repeated and does not contain any newly revealed circumstances, it shall be returned to the applicant;

³⁷ Detailed information on the contact body can be obtained on the following website: <https://www.un.org/securitycouncil/sanctions/delisting>.

4. Confirms to the applicant the acceptance of the application and informs about the procedure for its consideration;
5. In order to receive information and possible comments, sends the application to the state(s) initiating the sanction of the applicant and the state(s) of the applicant's citizenship or residence. (It is important that in this process for the consultations to be held with the sanctioning initiator state and the applicant's citizenship or domicile states and on the issue of de-listing. Considering that in certain cases, the initiator state of the sanction is anonymous, the contact body is authorized to act as an intermediary and connect the states).
6. If any state (initiator of sanctions, citizenship, or domicile) considers it appropriate to de-list a person from the list of sanctioned persons, it shall, together with the relevant explanation, send the decision, either through the contact body or directly, to the chairperson of the respective sanctions committee, who shall raise the issue of de-listing a person from the list of sanctioned persons in the list of the issues to be discussed by the sanctions committee.
7. If, within a reasonable period of time (3 months), none of the states referenced in paragraph 6 above informs the contact body that it is considering the issue or does not request an extension of the term set for the consideration of the issue, the contact body shall send the application to the members of the sanctions committee for de-listing from the list of sanctioned persons. Even an initiative of one of the sanctions committee members is sufficient to include the issue of de-listing the applicant from the list of sanctioned persons in the list of issues to be discussed by the sanctions committee. However, suppose none of the sanctions committee members shows such initiative within one month from the date of sending the notification of the application by the contact body. In that case, the application shall be automatically deemed rejected, and the chairman of the sanctions committee shall notify the contact body.
8. Any information received by the contact body from member states in connection with the issue shall be sent to the sanctions committee for information.
9. Finally, the contact body provides the applicant with information about one of the following decisions made by the sanctions committee:

- a) on its de-listing from the list of sanctioned persons;
b) leaving him/her on the list of sanctioned persons³⁸

Requisites required to apply to the contact body for de-listing of a person from the list of sanctioned persons:

Focal Point for De-Listing Security Council Subsidiary Organs Branch Room DC2 2034

United Nations

New York, N.Y. 10017

United States of America

Tel. +1 917 367 9448

Fax. +1 917 367 0460

E-mail: delisting@un.org

1.3. Ombudsman's office

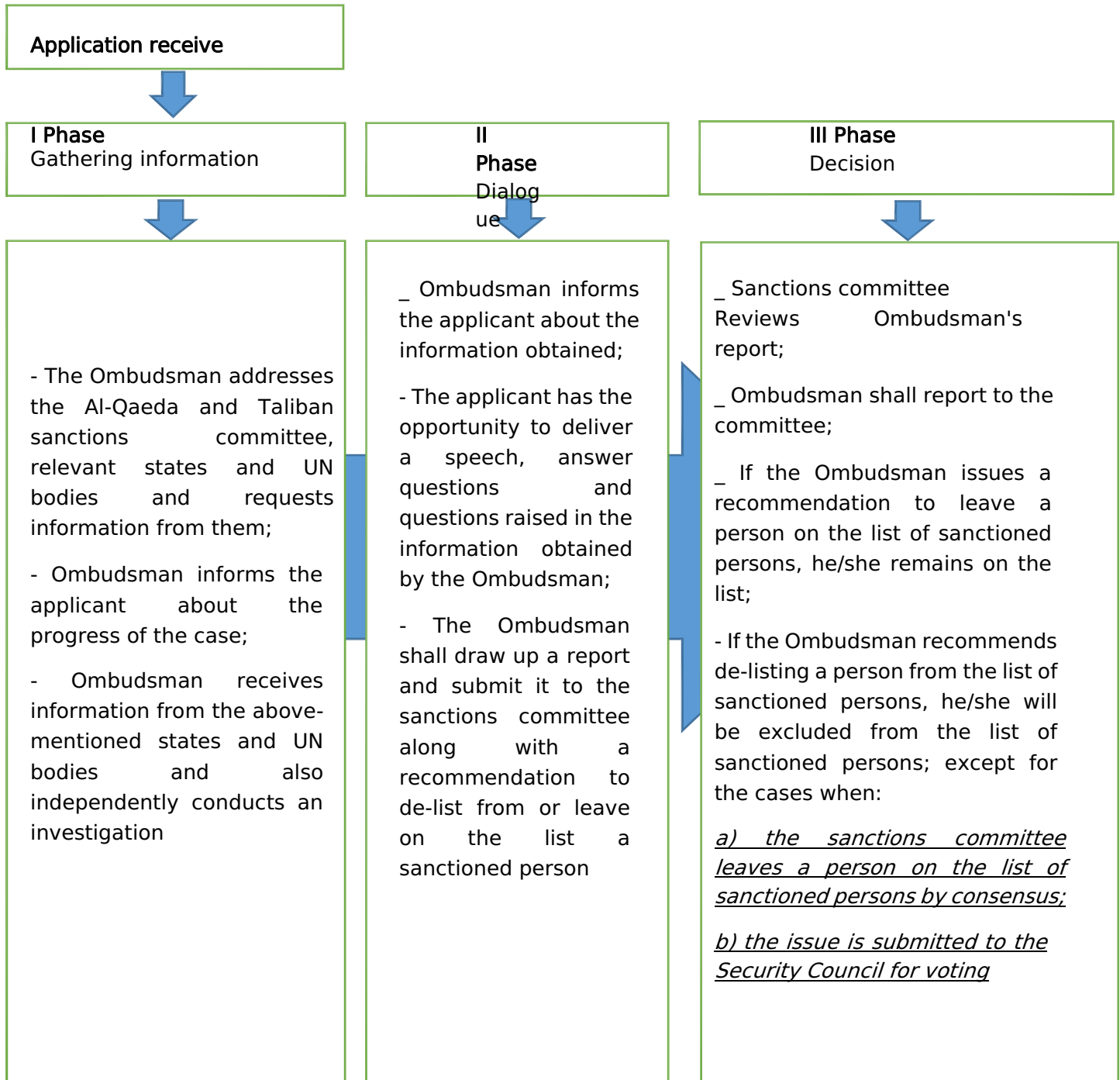
Persons included in the list of sanctioned persons of al-Qaeda and Da'esh, and Taliban may submit applications for de-listing from the list of sanctioned persons to the Independent Office of the Ombudsman based on resolution 1904 (2009) of the UN Security Council.³⁹

³⁸ UNSCR 1730 (2006)

³⁹ UNSCR 1904 (2009), UNSCR 1989 (2011), UNSCR 2083 (2012), UNSCR 2161 (2014), UNSCR 2253 (2015), UNSCR 2368 (2017) and UNSCR 2610 (2021).

Statement on de-listing persons from the list of persons sanctioned by the Ombudsman

Review procedure⁴⁰



⁴⁰ Detailed information about the Ombudsman's office can be obtained on this website: <https://www.un.org/securitycouncil/ombudsperson>

Statement on de-listing persons from the list of persons sanctioned by the Ombudsman

The review lasts from 8 to 16 months.

Requisites required to apply to the Ombudsman for de-listing a person from the list of sanctioned persons of al-Qaeda and Da'esh:

Office of the Ombudsperson to the ISIL (Da'esh) and Al-Qaida Sanctions Committee

Room DC2-2206

United Nations

New York, NY 10017

United States of America

Tel: +1 212 963 2671

E-mail: ombudsperson@un.org

2. National Legal and institutional framework for the implementation of sanctions

Speaking about the legal framework for the purposes of the guidelines, it should be noted that the legal framework governing financial sanctions includes UN Security Council resolutions and national legal acts. Considering the fact that we have already discussed the relevant resolutions of the UN Security Council, this chapter will provide an overview of the national legislative provisions and the institutional mechanisms acting in accordance with them.

2.1. Domestic legal acts

Among the national legal mechanisms for the implementation of targeted sanctions of the UN Security Council, we should highlight the law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing and the regulation of the Governmental commission working on the implementation of the UN Security Council resolutions.

Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing (Hereinafter - the law) is the main legal document that replaced the law of Georgia On Facilitating the Prevention of Illicit Income Legalization adopted in 2003 and which regulates the functioning of state mechanisms for the prevention, detection, and suppression of money laundering, financing of terrorism and the proliferation of weapons of mass destruction. It establishes a system of obliged entities and supervisory bodies. It defines the main provisions that ensure effective measures against money laundering and financing terrorism and/or weapons of mass destruction in the state. This law is the basis for creating a Governmental Commission on Matters of Enforcement of United Nations Security Council Resolutions and establishes the main directions of the commission's functioning.

Statute of the Governmental Committee Working on the Issue of Implementation of the Resolutions of the UNSCR (Hereinafter-the Statute) is a sectoral document and covers all directions of functioning of the governmental commission. It covers the organizational-structural and contextual side of the governmental commission and regulates in detail the implementation process of sanctions adopted by the governmental commission in accordance with the resolutions of the UN Security Council. The regulation establishes a mechanism for the National implementation of sanctions and regulates the formation of the national list of sanctioned persons in accordance with UN Security Council Resolution 1373 (2001). Regulations also include procedures for de-listing a person from the list of sanctioned persons, ensuring an interested party's access to the frozen property, etc.

2.2. Institutional framework

2.2.1. Secretariat of the Governmental Commission working on the implementation of United Nations Security Council resolutions

On 26 December 2011, with the purpose of implementing the resolutions adopted by the United Nations Security Council based on the VII chapter, a governmental commission working on the implementation of the resolutions of the United Nations Security Council was established based on the resolution of the Government of Georgia No487, headed by the minister of justice of Georgia. The functions of the commission secretariat are carried out by the International Relations and Legal Cooperation Department of the Ministry of Justice of Georgia. Later, resolution was amended by the resolution N203 of the Government of Georgia, and it came into compliance with the provisions of the law of Georgia on

Facilitating the Suppression of Money Laundering and Terrorism. Based on the Article 1 of the regulation of the governmental commission, the following agencies are involved in the work of the commission:

- Ministry of Justice of Georgia;
- Prosecutor General's Office of Georgia;
- Ministry of Internal Affairs of Georgia;
- Ministry of Defense of Georgia;
- Ministry of Foreign Affairs of Georgia;
- Ministry of Finance of Georgia;
- Ministry of Economy and Sustainable Development of Georgia;
- Ministry of Environmental Protection and Agriculture of Georgia;
- Ministry of Internally Displaced Persons from the occupied territories, Labour, Health and Social Affairs of Georgia;
- Office of the State Minister of Georgia For Reconciliation and Civic Equity
- Office of the minister;
- State Security Service of Georgia;
- Office of the National Security Council of Georgia;
- State sub-agency of the Ministry of Internal Affairs of Georgia
- Border Police of Georgia;
- Patrol Police Department of the Ministry of internal affairs of Georgia;
- Counter-terrorism Center (Department) of the State Security of Georgia;
 - Legal entity of Public Law-Revenue Service;
- Legal entity of Public Law-Financial Monitoring Service of Georgia;
- Legal entity of Public Law-Agency of nuclear and radiation safety;
- Legal entity of Public Law-Maritime Transport Agency;
- Georgian intelligence service;
- National Bank of Georgia;
- Georgian Bar Association;
- Legal entity of public law – Insurance State Supervision Service of Georgia.

According to the current legislation, the governmental commission is the main contact body in Georgia for the UN sanctions committees and other structures for the implementation of the measures of

prevention, detection, and suppression of financing terrorism and weapons of mass destruction. Accordingly, the governmental commission, in parallel with cooperation with the relevant UN structures, together with the Task Force established within its framework, functions in two main directions: 1) coordination of enforcement of the amendments to the sanctions lists adopted by the UN Security Council at the national level and 2) formation of a national list of persons involved in terrorism or terrorist financing in accordance with the obligations imposed based on the resolution 1373 (2001) of the UN Security Council.

In 2021, as a result of the legislative amendments made to the law on 30 March, the court function was removed from the property seizure process, and any changes (adding/de-listing a person from the list of sanctioned persons, change of the person's identification data) acquired direct force on the territory of Georgia. The above-mentioned legislative amendment was derived from the MONEYVAL report. The practice is in full compliance with the general rule of implementation of the resolutions adopted in accordance with Chapter VII of the Charter of the United Nations. In line with the above-mentioned, according to the current legislative regulation, for the obliged entities, the amendment to the list of persons sanctioned, according to the law, shall have a direct and binding effect upon publication on the official website of the UN sanctions committees, which means that the effective implementation of the amendments to the list of persons subject to the relevant sanctions of the UN Security Council at the national level is dictated by the proper fulfillment of the obligations by the obliged entities and their supervisory bodies defined by the law.

Task Force of Governmental Commission

The Task Force of the governmental commission has been created within the framework of the governmental commission, which ensures the search, processing, and dissemination of relevant information necessary for the governmental commission in the process of exercising its powers. At the governmental commission meeting held in 2013 on 03 March, The Task Force was composed of the following members:

- Ministry of Defense of Georgia;
- Ministry of Internal Affairs of Georgia;
- Ministry of Economy and Sustainable Development of Georgia;
- Ministry of Foreign Affairs of Georgia;
- Ministry of Finance of Georgia;
- Revenue Service Representative;
- Prosecutor General's Office of Georgia;
- Georgian Intelligence service;
- National Bank of Georgia;

- Financial Monitoring Service of Georgia.

In addition, the task force of the governmental commission is responsible for the restriction of freedom of movement established by the UN Security Council and the enforcement of sanctions related to the arms embargo at the national level. This issue will be discussed in detail in Chapters 4 and 5 of this document.

2.2.2. Obligated entities and supervising bodies

The most important part in the implementation of the financial sanctions of the UN Security Council is the obliged entities defined by law, which directly ensure the implementation of these sanctions in the process of their daily professional activities. In the same context, a special role is assigned to the supervisory bodies defined by law, which are responsible for facilitating and monitoring the process of fulfillment of the obligations established by obliged entities within the sphere of their supervision.

For the purposes of implementation of financial sanctions defined by law

Obligated entities are:

Financial institutions:

- non-bank depository institution - credit union;
- founder of a non-state pension scheme;
- insurance/reinsurance broker;
- currency exchange bureau;
- commercial bank;
- microfinance organization;
- brokerage company;
- payment service provider;
- insurance organization;
- Leasing company;
- Loan issuing entity;
- Securities registrar;
- Investment fund;

Entities carrying out the non-financial activity:

- lawyer/law firm;
- organizer of lotteries, gambling, or other commercial games;
- Notary;
- certified accountant/legal person rendering accounting services through a certified accountant;
 - Auditor, audit firm;
 - trader of precious stones and metals.

Public agencies:

- the National Agency of Public Registry - the Legal Person of Public Law under the Ministry of Justice of Georgia (hereinafter referred to as "NAPR");
the Revenue Service - the Legal Person of Public Law under the Ministry of Finance of Georgia (hereinafter referred to as "Revenue Service").

For the purposes of implementation of financial sanctions defined by law

Supervisory authorities are:

- The Service for Accounting, Reporting and Auditing Supervision - the State Subordinate Agency under the Ministry of Finance of Georgia
- Georgian Bar Association;
- National Bank of Georgia;
- Ministry of Justice of Georgia;
- Ministry of Finance of Georgia;
- Legal entity of public law – insurance state supervision service of Georgia.

The main responsibility of the supervisory body is to ensure the monitoring of compliance of the obliged entity with the obligations determined by the law and other relevant by-laws. The supervisory body shall conduct this process through remote and/or on-site monitoring of the obliged entity. The type and frequency of inspection of the obliged entity shall be determined according to the risks of financing terrorism or financing proliferation of weapons of mass destruction related to the activities of the obliged

entity. Therefore, the existing system of inspection of the obliged entity by the supervisory body should be reviewed periodically and be in compliance with the identified risk factors at that moment. It is important that when determining the risks of terrorist financing related to the activities of an obliged entity, the information contained in the National Risk Assessment Report and action plan should be taken into account.

In addition, in order to facilitate proper fulfillment of the requirements established by law by obliged entities, the supervisory body shall develop guidelines and methodological recommendations. In case of violation of the requirements established by the legislation, the supervisory body shall implement appropriate supervisory measures and cooperate for this purpose with competent authorities/institutions of Georgia and other jurisdictions.⁴¹

⁴¹ Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing, article 38-39.

Redistribution of supervision areas of supervisory bodies

Supervisor y body	- National Bank of Georgia;	Service for Accounting, Reporting and Auditing Supervision	- Ministry of Finance of Georgia;	Insurance State Supervision Service of Georgia	Ministry of Justice of Georgia;	Georgian Bar Association;
Subordinate obliged entity	Non-bank depository institution - Credit union; Currency exchange bureau; Commerci al bank;	Certified accountant/legal person rendering accounting services through a certified accountant;	Leasing company; The organizer of lotteries, gambling, or other commercial games; Trader of precious stones	Founder of a non-state pension scheme; Insurance/r einsurance broker; Insurance organizatio n;	Notary; National Agency of the public registry.	Lawyer/la w firm;

	<p>Microfinance organization;</p> <p>Brokerage company;</p> <p>Payment service provider;</p> <p>Loan issuing entity;</p> <p>Securities registrar;</p> <p>Investment fund;</p>	<p>- Auditor, audit firm;</p>	<p>and metals;</p> <p>Revenue Service.</p>			
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3. Types of sanctions

There are mainly three types of sanctions applied against persons included in the lists of sanctioned persons from the sanctions regimes under the UN: a) targeted financial sanction; b) restriction of freedom of movement; and c) arms embargo.

3.1. Targeted financial sanction

3.1.1. What is the targeted financial sanction?

Targeted financial sanctions are financial restrictions aimed at a particular individual, group of individuals, or organization. Targeted financial sanctions include directions for freezing financial assets and prohibiting the provision of funds and services to sanctioned individuals, groups, and organizations, directly or indirectly.⁴²

Freezing of financial assets, for its part, implies a prohibition on the transfer, conversion, disposal, or movement of any financial resources owned or possessed by a sanctioned person (natural and/or legal).

Example:

For financial institutions: Freezing of assets may be expressed in suspension of access to bank accounts or blocking of transactions;

Non-financial sector: Freezing of financial assets may result in the suspension of the process of transfer of ownership rights to immovable or movable property.

⁴² Definitions of “funds”, “assets” and “services” can be found on page 126 of “The FATF Recommendations” updated March 2022

(<https://www.fatf-gafi.org/content/dam/recommendations/pdf/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf>)

Prohibition of provision of financial assets and services requires prohibition of the provision of any financial assets, provision of financial or other services to a sanctioned person. This may include opening subsidiary banking companies in sanctioned jurisdictions, providing financial services, or trading in natural resources, internet, and/or telecommunication services.

Example:

- **For financial institutions:** Prohibition of providing financial resources and services may include the prohibition of offering banking or business services;
- **For the non-financial sector:** The Prohibition of the provision of financial resources and services may include the provision of any services, such as legal services for the transfer of title to assets, the purchase and sale of real estate, the sale of jewelry, precious metals, etc.

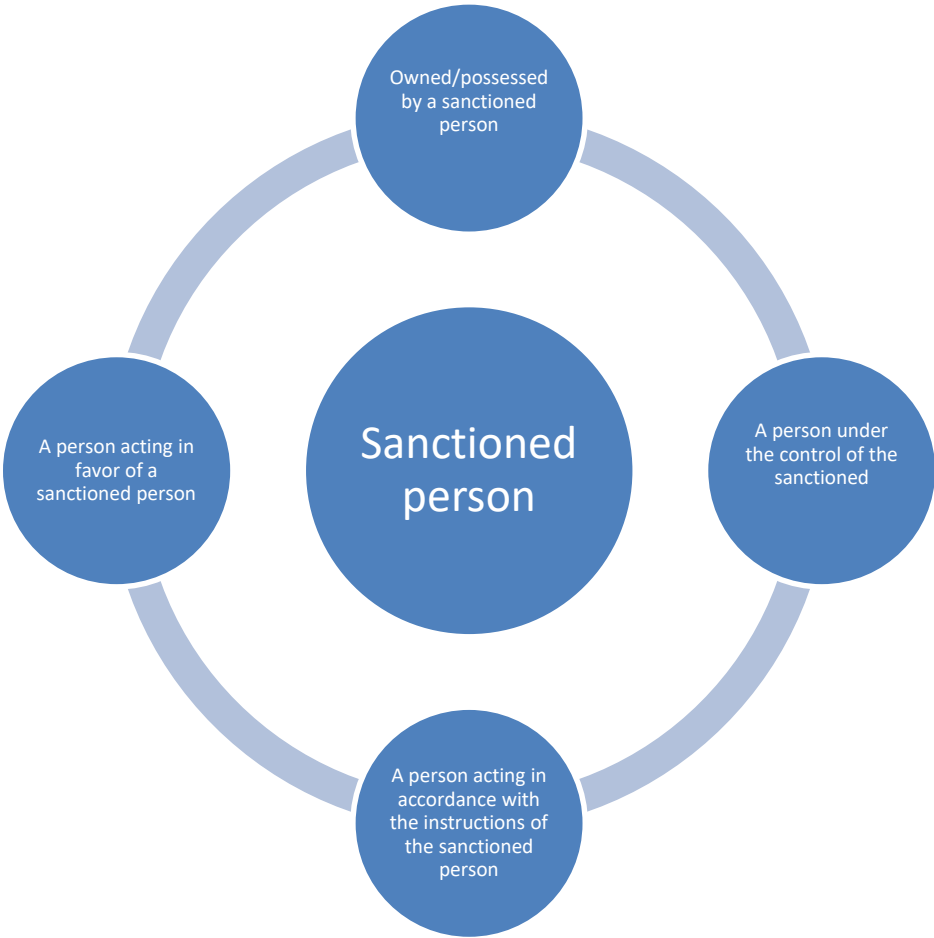
3.1.2. What is the purpose of targeted financial sanctions?

The aim of targeted financial sanctions is not to give specific individuals (natural and/or legal) access to the means they use to carry out measures against international peace and security, terrorism financing, or the proliferation of weapons of mass destruction. Therefore, the main purpose of financial sanctions is not to make any financial or other economic resources available to the sanctioned persons for the period during which these persons are included in the list of sanctioned persons.

3.1.3. Who is the target of the targeted financial sanction?

The obligation to freeze financial assets and prohibit access to any financial or other economic resources shall apply:

- o to any person (natural and/or legal) who is included in the list of sanctioned persons by the relevant UN sanctions committee and/or who is included in the national list of sanctioned persons by the decision of the governmental commission;
- o to any legal person who is possessed or controlled by the person defined in the above person;
- o to any person acting in favor of the person specified in the upper two paragraphs or in accordance with his/her instructions.



Beneficial owner

Taking into account that the target of a financial sanction is not only a person included in the list of sanctioned persons but also persons who are under the direct or indirect control of the persons included in the list of sanctioned persons, the law imposes on obliged entities the obligation to identify and verify the customer's beneficial owner.

According to the legislation of Georgia, the beneficial owner shall mean a natural person who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is prepared, concluded, or carried out. The beneficial owner of a legal person shall mean a natural person who owns directly or indirectly 25 percent or more of voting shares or ownership interest in that legal person or a natural person who is exercising ultimate control over that legal person through other means.

Ownership of 25 percent or more of voting shares or interest in an enterprise by a natural person shall be an indication of direct ownership. Accordingly, if a sanctioned person owns 25% or more of the voting shares of an enterprise, it turns out that the enterprise itself too is subject to financial sanctions. In addition, the target of financial sanctions may be the enterprise under direct ownership of the sanctioned entity and the enterprise under indirect ownership. According to the legislation of Georgia, indirect possession of shares of a legal person or voting shares shall be considered by an enterprise controlled by a sanctioned natural person as 25% or more of voting shares of another enterprise.⁴³

***Example:** We have indirect control in the following cases: sanctioned person "A" owns or controls 25 or more percent of shares of an enterprise – "B," while "B" owns or controls a legal entity – "C's 25 or more percent of shares. Therefore, "A" indirectly controls "C. "*

⁴³ Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing, Article 13 (paragraphs 1-2-3)

It should be noted that if the obliged entity exhausted all possible means and is satisfied that no beneficial owner of a legal person exists, the obliged entity shall undertake the due diligence measures with the managing authority of a legal person.⁴⁴

3.1.4. Where can I find the updated sanctions list?

The sanctions lists of the relevant UN sanctions committees are changed on a daily basis (adding/de-listing a person from the sanctions list; specifying the identification data; changing the identification data); therefore, it is necessary to ensure access to the final versions of the lists. For this purpose, a consolidated list of sanctioned persons has been developed within the framework of the United Nations, which is publicly available to any person, includes the complete lists of sanctions committees operating within the United Nations, and is updated daily.⁴⁵

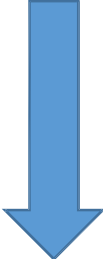
⁴⁴ Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing, Article 13 (paragraph 4)

⁴⁵ <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

3.1.5. Obligations of obliged entities deriving from sanctions regimes

Risk assessment and management

Preventive measures



Compliance control
Compliance system

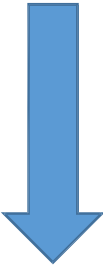
Checking lists

Application of financial sanction



Freezing of financial assets

Prohibition of financial assets and provision of services



Notification

*Risk assessment and management*⁴⁶

In order to properly conduct their daily activities, obliged entities shall develop an appropriate risk assessment system appropriate to the risks identified. For this purpose, when carrying out appropriate measures for assessing and managing the risks of financing terrorism in the process of its activities, an obliged entity shall take into account information about the customer and the beneficial owner, the essence of its activities, and the jurisdiction of location, the product, service or means of its delivery, the transaction itself and other related risk factors. The terrorist financing and proliferation financing risk assessment and management system must be based on the information contained in the National Risk Assessment Report and action plan and the instructions and recommendations of the Financial Monitoring Service and the Supervisory Authority.

It is important that the obliged entity, when suspecting the financing of terrorism, or financing of proliferation, assesses the level of risk of the financing of terrorism or financing of proliferation and the customer, both before the conclusion of a single transaction and before the establishment of a business relationship, as well as with due periodicity, during the course of business relations and/or changes in circumstances related to the customer.

It should be noted that the obliged entity is obliged to assess the risks of terrorism financing or financing of proliferation before the introduction of new technology, product, service, or means of its delivery or other substantial changes in business practices.

Consequently, the process of assessing the risks of terrorist financing or financing of proliferation must be ongoing, and its management system must respond to the risk factors identified at that time.

*Preventive measure*⁴⁷

Within the framework of the implementation of preventive measures against terrorist financing or proliferation financing, the obliged entity is obliged to carry out identification and verification of the

⁴⁶ Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing article 8.

⁴⁷ The law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing Articles 10-16.

customer before establishing business relations and concluding a single transaction. In order to fulfill the obligations defined by the law, obliged entities shall be guided by the №2 Order of the Head of the Financial Monitoring Service of Georgia of 05 June 2020⁴⁸ , which approves the procedure for identification and verification of the customer by the obliged entity. It should be noted that the frequency, nature, and extent of preventive measures to be carried out by the obliged entity depend on the level of risk associated with the customer.⁴⁹

In addition, in case of suspicion of terrorist financing or proliferation financing, the obliged entity is obliged to identify and verify the beneficial owner through the study of the customer's ownership and management structure, together with the identification and verification of the customer. In addition, in order to determine the nature of business relations, the obliged entity must study the essence of the customer's activities and obtain information about the nature, volume, and frequency of expected transactions.

In case of suspicion of financing of terrorism or of proliferation, the obliged entity shall also monitor Business Relations, which means the study of transactions prepared, concluded, and/or executed within the framework of the business relationship. The purpose of this event is for the obliged entity to determine whether the data obtained about the customer corresponds to the data on commercial or professional activities of the customer and the level of risk of the customer known to the obliged entity.

It should be noted that, if necessary, the obliged entity shall update the identification data and other information/documents obtained as a result of the implementation of the above-mentioned preventive measures with due periodicity.

Compliance control obligation

Any amendments to the list of persons sanctioned by the relevant UN sanctions committee (*listing or de-listing or changes in the identification data*) are directly applicable from the moment of publication on the UNSC official webpage.⁵⁰ In addition, according to the current legislation, it is prohibited to establish

⁴⁸ N2 Order of the head of the financial monitoring service of Georgia, 05 June, 2020.

⁴⁹ The law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing , Article 18.

⁵⁰ Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing Article 41

business relations with a customer or other person or to continue existing activities, conclude or perform a single transaction if there is a criteria provided by Article 1, paragraph 3 of the rule and procedure of formation of lists of persons subject to sanctions that any of these persons is a person included in the list of sanctioned persons or a person included in the national list of sanctioned persons by a governmental commission, or the person acting on behalf of the persons included in the above-mentioned lists; or is under direct or indirect control/possession of the listed person.

Therefore, any obliged entity operating on the territory of Georgia, when carrying out its business activities, is obliged to check the sanctions list compiled by the sanctions committees and the governmental commission. Each UN sanctions committee has its own list of sanctioned persons. However, the data contained in these lists are united in the United Nations Security Council Consolidated List, which is publicly available in three formats (PDF; KSML; HTML) and is updated on a daily basis.⁵¹

Compliance system

Each obliged entity, except those who independently carry out their professional activities and are exempt from such obligation by the supervising body taking into account the risks of financing terrorism or of financing proliferation related to their activities, is obliged to implement an internal compliance control system with relevant rules and mechanisms to ensure compliance with the requirements of the legislation, tailored to the terrorism financing risks related to the professional activity of the obliged entity.

Such a compliance system must have an instruction that, among other things, must determine the person responsible for the functioning of the compliance control system. In addition, it is important to have an independent audit mechanism within the obliged entity, which will check the effectiveness of the compliance system. In the same process, it is important to identify the rights and obligations of the persons responsible for functioning the compliance control system and inform the employees about the necessity and importance of monitoring the lists of sanctioned persons.⁵²

The existence of a compliance system and demarcation of the rights and obligations of employees will make it possible for employees within the framework of an obliged entity to monitor the lists of

⁵¹ The Consolidated List can be accessed at: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

⁵² Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing Article 29

sanctioned persons effectively and, in case of a suspicion of financing terrorism, or financing proliferation, to make decisions independently on the submission of a report to the Financial Monitoring Service.

Peculiarities of checking lists of sanctioned persons

Each UN sanctions committee has its own list of sanctioned persons. However, the data contained in these lists are united in the United Nations Security Council Consolidated List, which is publicly available in three formats (PDF; KSML; HTML) and is updated daily. Considering the above-mentioned, the obliged entity can rely on the consolidated list of UN-sanctioned persons in the process of carrying out their activities.⁵³

In order to fulfill the obligation of checking the lists of sanctioned persons by obliged entities, the sanctions lists include as much data as possible necessary for identifying the person and available in order to simplify the identification of the sanctioned person.

Data included in the lists of sanctioned persons	
Natural persons	Legal entities
<ul style="list-style-type: none"> ○ Name(s) ○ Nickname(s) ○ Name in the original language ○ Rank/position 	<ul style="list-style-type: none"> ○ Name(s) ○ Other name(s) ○ Registration address ○ Branch address

⁵³ The Consolidated List can be accessed at: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

<ul style="list-style-type: none"> ○ Date of Birth(s) ○ Citizenship ○ ID or passport information ○ Last known location/address 	<ul style="list-style-type: none"> ○ Reasons for sanctioning ○ Other additional information ○ Other additional information
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Three types of relevance may be highlighted between the customer of the obliged entity and the person included in the lists of sanctioned persons:

relevance table

Potential relevance	Potential relevance is evident when the identification data of the customer of the obliged entity coincides with the identification data of the person included in the list of sanctioned persons.
Proven relevance	Confirmed relevance is evident when the identification data of the obliged entity's customer and the data of the person included in the list of sanctioned persons are similar, and/or through the involvement of the Financial Monitoring Service and relevant law enforcement agencies and investigation; it is determined that the customer of the obliged entity is the person included in the list of sanctioned persons.
False relevance	False relevance occurs when the customer's identification data of the obliged entity coincides with the identification data of the person included in the list of sanctioned persons, however

[REDACTED] through the involvement of Financial Monitoring Service and relevant law enforcement agencies and investigation, it is established that the obliged entity's customer is not a person included in the list of sanctioned persons.

To ensure that the obliged entity duly fulfills the duty of checking the sanctioned persons the following measures shall be taken: ⁵⁴

- ***before establishing a business relationship*** or ***before making a one-time transaction***, shall check the consolidated list of United Nations and the national list of sanctioned persons drawn up by the governmental commission and verify the following persons through the identifiable data at its disposal:
 - a) the customer, the person acting on behalf of the customer and the beneficial owner;
 - b) Managing and representative authority of the customer;
 - c) other person participating in the transaction (contractor), life insurance beneficiary, and the person in whose favor the transaction (operation) is concluded or completed;
 - d) in case of transfer of funds – payer, receiver, provider of the payer and recipient, and the intermediary provider (if any).

As mentioned above, when the data of one of the above persons coincides with the data of the person included in the lists of sanctioned persons, we are dealing with the **Potential relevance**. However, this fact does not mean that the person with whom the obliged entity starts business relations or makes one-time transactions is subject to the respective sanctions. Considering the above, the obliged entity shall continue to collect information so as to establish whether or not the person with whom the obliged entity starts business relations is included in the lists of sanctioned persons involved in financing terrorism or financing proliferation, acts on behalf of or under the instructions of such a listed person, or is under the control or ownership of a listed person, and act accordingly. In the event of continuing uncertainty the obliged entity will be obliged to temporarily freeze the property and submit the information to the Financial Monitoring Service.

⁵⁴ N2 Order of the head of the financial monitoring service of Georgia, 05 June 2020.

Example: *The customer of the obliged entity is a 25-year-old student who during the last 15 years, have not left the territory of the country, and his name coincides with the name of the person included in the sanctions list, about whom it is known that he is a doctor of physical sciences, and for 10 years has been participating in trials of weapons of mass destruction in a foreign state.*

The obliged entity, despite the coincidence of the name in the above cases, is not obliged to notify the Financial Monitoring Service of the coincidence since the relevance is insignificant.

Example: *The name of the beneficial owner of the customer of the obliged entity and the date of birth coincides with the person's name and date of birth included in the list of sanctioned persons, although their addresses differ.*

In the latter case, the likelihood that the obliged entity's customer's beneficial owner is subject to the corresponding sanctions regime is higher. Although this kind of coincidence does not mean that the appropriate sanctions regime applies to the customer's beneficial owner. The obliged entity will be obliged to temporarily freeze the property and submit the information to the Financial Monitoring Service.

- ***As soon as possible after the amendments are made to the lists of sanctioned persons***, carry out verification of compliance of the data and changes made to the lists of the following persons:
 - a) the customer, the person acting on behalf of the customer and the beneficial owner;
 - b) a person with management and representative authority of the customer;
 - c) another person participating in the transaction (contractor), a beneficiary of life insurance, and the person in whose favor the transaction (operation) is concluded or executed;
 - d) if funds are transferred – a payer, a receiver, a payer and a receiver provider, and an intermediary provider (if any).

Example: Following the amendments made to the lists of sanctioned persons

The obliged entity found that the name of the existing customer coincides with the name of the representative of the government of the Democratic People's Republic of Korea listed on the list of sanctioned persons, although their dates of birth vary. In addition, there has been a business relationship between the customer of the obliged entity and the obliged entity for the last 10 years, and his customer is a retired teacher.

In such cases, the obliged entity is not obliged to report to the Financial Monitoring service. However, suppose the activities of the customer and the person included in the list of sanctioned persons are close to each other in content and/or coincide with the dates of birth. In that case, the grounds that these persons may correspond are much higher. Therefore, the obliged entity is obliged to freeze the property and report to the financial monitoring service.

All of the above indicates that verification of the lists of sanctioned persons is not a single act, which the obliged entity must carry out before establishing a business relationship with the customer or concluding a single transaction. Still, rather it is a continuous process and is due to the fact that the lists of sanctioned persons are subject to constant updating. Accordingly, the obliged entities must compare the changes made in the list of sanctioned persons and the identification data of the relevant person in a maximally short period of time with the data of the above-mentioned persons with whom they have established business relations before the changes made in the list of sanctioned persons.

Obligation to notify financial monitoring service

According to the current legislation, ***In case there is reasonable grounds*** that the customer or other person participating in the transaction is a person included in the list of sanctioned persons, acts on behalf of or under the instructions of the customer, or is under the control or ownership of the person included in the list of sanctioned persons, the obliged entity shall inform the Financial Monitoring Service.⁵⁵ Reporting to the financial monitoring service should be carried out on coincidence discovery day immediately.⁵⁶ In addition, the financial monitoring service report form, rule, and terms are fully regulated under Order N1 of the head of Financial Monitoring Service, Regulation on Approval of the Rule on Record-keeping, Storage and Reporting of the Information on the Transaction by Obligated Entity to the Financial Monitoring Service of Georgia.⁵⁷

It should be noted that out of the obliged entities, only a lawyer is authorized to report immediately to the supervisory body, respectively - the Georgian Bar Association. The latter is obliged to submit the

⁵⁵ The law of Georgia [on Facilitating the Suppression of Money Laundering and Terrorism Financing](#) Article 10 (7); Article 25 - 1

⁵⁶ The law of Georgia [a on Facilitating the Suppression of Money Laundering and Terrorism Financing](#) 25 – 2.

⁵⁷ N2 Order of the head of the financial monitoring service of Georgia, 05 June, 2020. on Approval of the Rule on Record-keeping, Storage and Reporting of the Information on the Transaction by Obligated Entity to the inancial Monitoring Service of Georgia".

relevant reports and accompanying information/documentation to the Financial Monitoring Service no later than the next working day.⁵⁸

In turn, based on the reports received from obliged entities, the Financial Monitoring Service addresses the Prosecutor General's office of Georgia, the State Security Service of Georgia, the Revenue Service of Georgia, and/or the Ministry of internal affairs of Georgia.⁵⁹ At the same time, the head of the Financial Monitoring Service may apply in writing to the obliged entity for the relevant transaction, as well as for the suspension of the preparation, conclusion or execution of other transactions related to this transaction and/or the person participating in this transaction for a period of 72 hours.

It should be noted that the above-mentioned 72-hour period begins to count from the moment of receipt of reference by an obliged entity and it does not take into account holidays and weekends.⁶⁰

In case of urgent necessity, the instructions of the Financial Monitoring Service may be delivered to the obliged entity orally or via electronic communication, which must be signed with the relevant protocol and provided to the obliged entity in writing within the next 24 hours. In other cases, the obliged entity is authorized to resume the preparation, conclusion, or execution of the relevant Transaction.⁶¹

Based on the above-mentioned, the obliged entity shall, based on the instructions of the head of the Financial Monitoring Service, freeze the property of his/her customer or other person participating in the transaction for a period of 72 hours before determining the nature of compliance and/or not provide him/her with other financial services.

3.2. Property subject to financial sanctions

The regime of financial sanction applied to persons included in the national list of sanctioned persons drawn up by the UN lists of sanctioned persons and drawn up by the governmental commission implies the freezing of the property of these persons, persons acting on their behalf or according to their orders, and persons under their control or possession. The property includes all items or intangible property

⁵⁸ Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing article 26-6

⁵⁹ Ibid, Article 34-1

⁶⁰ Law of Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing Article 36 (1 and 5).

⁶¹ Ibid, Article 36 (2 and 3).

and income received from them, which are directly or indirectly, independently or together with other persons, owned or controlled by any of the above persons.⁶²

For the purposes of financial sanction implementation, *finances* and *other financial assets* include all types of financial resources, cash, deposits on bank accounts, securities, virtual currency, shares, etc.

Economic means Includes all types of property, material or non-material, movable or immovable, real and expected, which can be used for obtaining finances, goods, or other services.⁶³

The obligation of the obliged entity is not to allow the person included in the lists of sanctioned persons to use the above-mentioned funds and other economic resources in the process of carrying out his/her professional activities.

3.3. Permitted transactions related to sanctioned property

Relevant UN Security Council resolutions and applicable national legislative provisions establish cases of permitted transactions related to sanctioned property. Actions permitted in relation to the sanctioned property can be divided into two main categories:

1) permitted actions related to sanctioned property that do not require prior approval from a governmental commission.

The UN Security Council sanctions regimes and subsequent resolutions give states the freedom to allow transactions and actions with respect to the sanctioned property, such as:

- a) accrual of interest or other income on the property of the sanctioned person;
- b) contributions arising from transactions, contracts, or obligations made in connection with the property, provided that they were in force before enforcing the sanctions regime on the property;⁶⁴
- c) any payment in favor of the sanctioned person.⁶⁵

➤ ***The main condition with respect to the above-permitted transactions is that any of the above contributions shall be subject to immediate sanctions.***

⁶² Ibid, Article 41 (4).

⁶³ Definitions of “funds”, “assets” and “economic resources” can be found on page 126 of “The FATF Recommendations” updated March 2022 (<https://www.fatf-gafi.org/content/dam/recommendations/pdf/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf>) and The Al-Qaida Sanctions Committee’s “Assets Freeze: Explanation of Terms” of 24 February 2015 (https://www.un.org/securitycouncil/sites/www.un.org.securitycouncil/files/eot_assets_freeze_-_english.pdf).

⁶⁴ Paragraph 2, UNSCR 1452 (2002)

⁶⁵ Paragraph 6, UNSCR 1904 (2009); Paragraph 7, UNSCR 2083 (2012).

2) *permitted actions related to the sanctioned property, which requires prior approval of the government commission.*

The governmental commission is authorized, based on the substantiated motion of the interested person, in cooperation with the relevant UN sanctions committee, to grant permission for the use of the part of the sanctioned property, which *is necessary to ensure minimal living conditions* And/or *is necessary to reimburse exceptional or unforeseen expenses*. In addition, the governmental commission, in the manner prescribed by the UN Security Council resolution on prevention, detection, and suppression of the financing of weapons of mass destruction, considers the motion of an interested person on the removal of seizure of the part of the property that is necessary for the fulfillment of the obligation arising from the agreement before the person is included in the list⁶⁶

In order to issue a permit for the use of the part of the sanctioned property, which is necessary for the minimum living conditions, the governmental commission, based on the substantiated petition of the interested person, addresses the relevant sanctions committee with the intention to use part of the property. In case of not receiving a negative response from the relevant sanctions committee within 3 working days, the governmental commission makes a decision on the part of the property, which is necessary to ensure the minimum conditions.⁶⁷

A necessary expense to ensure minimum living conditions includes funds necessary to cover the costs of food, rent, mortgages, medicine or other medical services, state taxes or utilities, Legal Aid, or the maintenance of the frozen property.

Exceptional or unforeseen expense is considered to be the part of the property that is necessary, and that is not included in the expenses necessary to ensure the minimum living conditions.⁶⁸ The current legislation provides that the governmental commission is authorized to apply to the respective sanctions committee based on the substantiated request of the interested party and grant permission to use part

⁶⁶ Law of on Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing, Article 42

⁶⁷ Law of on Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing, Article 42 (3); Paragraph 15, UNSC 1735 (2006); UNSC 1718 (2006), paragraph 9 (a)

⁶⁸ Paragraph 81(b), UNSCR 2368 (2017)

of the frozen property for exceptional or unforeseen expenses if it receives consent from the relevant committee within 5 working days after the appeal.⁶⁹

4. Restriction on freedom of movement

The sanction related to the restriction of freedom of movement implies the obligation of UN member states not to allow persons included in the list of sanctioned persons to cross their state border or transit through their state territory.⁷⁰ **The related sanction to the restriction of freedom of movement does not, in any way, imply a restriction on the freedom of entry of a citizen of a Member State into the state.**⁷¹

The state shall realize the above-mentioned obligation before crossing the border. Taking into account that restriction of freedom of movement unequivocally excludes the refusal of Georgian citizens to enter the territory of Georgia, any person who does not have Georgian citizenship before he/she crosses the state border of Georgia or uses the territory of Georgia as a transit route must be checked in the list of sanctioned persons and in case his/her data, and in case the data coincides with the data of the person in the sanctions list, he/she should be rejected from the entry on the territory of Georgia.

4.1. How to check the lists of foreign sanctioned persons at the border?

Each sanctions committee under the UN maintains an individual list of sanctioned persons. However, in order to simplify the verification of the lists of persons sanctioned at the operational level, a consolidated list of persons sanctioned within the framework of the UN has been created. This list is publicly available, subject to daily updates, and includes lists of individually sanctioned individuals of all sanctions committees operating within the UN.

I step

Use the arrow to proceed to the consolidated list:

[Consolidated list of sanctioned persons](#)

⁶⁹ Law of Georgia on Georgia on Facilitating the Suppression of Money Laundering and Terrorism Financing, Article 42 (4) of the law of Georgia; Paragraph 1(b) of UNSC 1452 (2002); Paragraph 81(b) of UNSC 2368 (2017); UNSC 1718 (2006), paragraph 9(b)

⁷⁰ Paragraph 1 (b), UNSCR 2368 (2017).

⁷¹ Paragraph 1 (b), UNSCR 2368 (2017).

II step

From the person's data mentioned in the identification document of the person at the border, any of the data mentioned in the table below can be searched through the search field in the consolidated list of sanctioned persons.

Data included in the lists of sanctioned persons
Natural persons
<ul style="list-style-type: none">• Name(s)• Nickname(s)• Name in the original language• Rank/position• Date of Birth(s)• Citizenship• ID or passport information• Last known location/address• Reasons for sanctioning• Other additional information

III step

Suppose the identification data of the person crossing the border does not coincide with the person's data included in the consolidated list of sanctioned persons for this guideline. In that case, there is no reason to refuse the person to enter the territory of Georgia. However, suppose the identification data of a person at the border coincides with the identification data of a person included in the consolidated

list of sanctioned persons. In that case, it is necessary to verify the person's identity before refusing entry into the territory of Georgia. *Maybe there are exceptions to restrictions on freedom of movement.*

4.2. What kind of exceptions exist related to the sanctions on the restriction of the freedom of movement?

The sanction related to the restriction of freedom of movement is not absolute and has several exceptional cases:

a) restriction of freedom of movement does not apply when movement is necessary for legal purposes;

b) in each specific case, a sanction related to the restriction of freedom of movement may be removed by the decision of the sanctions committee (including due to humanitarian reasons and the need to participate in religious rituals).⁷²,⁷³

Each sanctions committee has the following field on its official website - **Exemptions from sanctions measures**. This field includes exemptions to sanctions, including **ongoing exceptions to restrictions on freedom of movement** (Travel exemptions in effect).

⁷² Paragraph 10, UNSCR 1718 (2006); Paragraph 16, UNSCR 1970 (2011); Paragraph 1 (b), UNSCR 2255 (2015); Paragraph 5, UNSCR 2048 (2012); Paragraph 10, UNSCR 2339 (2017); Paragraph 16, UNSCR 2140 (2014); Paragraph 11, UNSCR 2206 (2015); Paragraph 1 and 2 (b), UNSCR 2374 (2017); Paragraph 10, UNSCR 2094 (2013); Paragraph 3 (d), UNSCR 1591 (2005); Paragraph 13, UNSCR 1596 (2005); Paragraph 3, UNSCR 1649 (2005); Paragraph 2, UNSCR 1844 (2008).

⁷³ Detailed information on the sanctions related to the restriction of freedom of movement Information information is available About this website.



If the identification data of the person at the border coincides with the person's identification data in the list of sanctioned persons and the exception related to the restriction of freedom of movement does not apply to this particular person, they must be refused **the territory of Georgia Log in**. Suppose an exception from the restriction of freedom of movement applies to the above-mentioned person. In that case, the permit to cross the state border of Georgia shall be based on the volume and scope of the exceptional case.

Rules and conditions for temporary suspension of sanctions related to restriction of movement

According to the general rule, the initiator of the request for temporary suspension of the sanction related to the restriction of freedom of movement of the sanctioned person may be the state of citizenship, residence, destination, or transit of the sanctioned person. The request shall be submitted through the Permanent Representation of any of the above states to the UN.

- *Exceptions to this general rule are Persons included in the sanctions lists of al-Qaeda and Da'esh, and the Taliban. Since the latter, by themselves, can apply to the contact body established by the UN Security Council resolution 1730(2006) to temporarily suspend the sanctions related to the restriction of freedom of movement.*⁷⁴

The request for suspension of the sanctions related to the restriction of freedom of movement shall be submitted to the chairman of the respective sanctions committee, while during the above-mentioned exceptional cases, to the contact body as well. Taking into account that each sanctions committee has

⁷⁴ UNSCR 1730 (2006); Paragraph 82(b), UNSCR 2368 (2017).

set relevant criteria for the suspension of the sanctions related to the restriction of freedom of movement, detailed information can be obtained on the Official Websites of sanctions committees.

It should be noted that if the request for suspension of the sanction related to the restriction of freedom of movement is satisfied, its scope and volume are strictly defined. It is inadmissible to change it without addressing the sanctions committee, and it is necessary to observe the terms specified in it strictly.

5. Arms embargo

For the purposes of this guideline, the arms embargo established within the framework of the United Nations may be directed to any particular state, to a certain part of that state, against non-state associations operating in the state, and/or against those included in the lists of sanctioned persons. Accordingly, when talking about the arms embargo, we should take into account the above-mentioned contextual circumstances, and in each specific case, taking into account and analyzing the circumstances of the case, we should assess whether it falls or not under cooperation with a specific state in the issues of import/export of weapons within the scope of the relevant UN sanctions measure.

A general arms embargo within the United Nations implies an obligation on the Member States, directly or indirectly, to use their flagged ships (sea and/or air) from or within their territory, as well as by their nationals, to the addressee of the arms embargo (state, its part, grouping and/or a person included in the list of sanctioned persons) prevention of sale, delivery or transfer of its part or related material. Also, providing financial, training, or other assistance to the addressee of the arms embargo through the above-mentioned means.⁷⁵

⁷⁵ Paragraph 21, UNSCR 1546 (2004); Paragraph 8 (a), UNSCR 1718 (2006), Paragraphs 2 and 3, UNSCR 1807 (2008); Paragraph 9, UNSCR 1556 (2004) and paragraph 7 UNSCR 1591 (2005); Paragraph 8 (a) and (b), UNSCR 2270 (2016); Paragraph 9 (b), UNSCR 1970 (2011); Paragraph 9 (c), UNSCR 1970 (2011); Paragraph 10, UNSCR 2095 (2013) and Paragraph 8, UNSCR 2174 (2014); Paragraph 13 (b), UNSCR 2009 (2011); Paragraph 1 (a-i), UNSCR 2588 (2021); Paragraph 3, UNSCR 2511(2020); Paragraph 5 UNSCR 2428 (2018); Paragraphs 9 and 19, UNSCR 2551 (2020).

Arms embargo regimes in force under the UN

Target	Date of imposition	Founding resolution	Latest resolution on the matter
The central African Republic	05.12.2013	UNSCR 2127	UNSCR 2588
Democratic Republic of Congo	28.07.2003	UNSCR 1493	UNSCR 2582
Islamic State of Iran	23.12.2006	UNSCR 1737	UNSCR 2231
Republic of Iraq	06.08.1990	UNSCR 661	UNSCR 1546
Lebanese Republic	11.08.2006	UNSCR 1701	
Republic of Libya	26.02.2011	UNSCR 1970	UNSCR 2578
Democratic People's Republic of Korea	14.10.2006	UNSCR 1718	UNSCR 2627
Federal Republic of Somalia	23.01.1992	UNSCR 733	UNSCR 2551

Republic of South Sudan	13.07.2018	UNSCR 2428	UNSCR 2577
Republic of Sudan	30.07.2004	UNSCR 1556	UNSCR 2562
Republic of Yemen	14.04.2015	UNSCR 2216	UNSCR 2564
Taliban regime	16.01.2002	UNSCR 1390	UNSCR 2665
Al-Qaeda and the Islamic State	16.01.2002	UNSCR 1390	UNSCR 2610

It should be borne in mind that the arms embargoes established within the UN are not intended to be permanent. In addition, in each specific case, its target may be a specific person or a member state as a whole. However, the established scope of the arms embargo is subject to constant updates. As a result of the changes in the lists of sanctioned persons, the arms embargo group is subject to constant updates.

According to the current legislation, the working group within the commission is authorized to apply to the relevant state bodies to impose restrictions on the issuance of permits for import, export, re-export, transit, temporary import, and/or export of products subject to export and import control in order to comply with the sanctions established by the UN Security Council resolutions.⁷⁶ Therefore, before establishing cooperation on import-export and/or transit of arms by Georgia or Georgian citizens sailing or flying under the Georgian flag, it is important to thoroughly study whether this cooperation does not contradict the arms embargo established by the UN. In case of detection of such noncompliance, the Working Group is authorized to impose restrictions on the issuance of permits for import, export, re-export, transit, temporary import, and/or export of weapons or other products under control and to monitor the execution of the restrictions imposed by the group.

⁷⁶ Regulation of the State Commission, Article 5.