

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

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SANCTIONED COUNTRIES, COMPANIES, GROUPS AND INDIVIDUALS

An International Sanction may be defined as an official, severe and coercive measure taken by a country or a specific competent authority against another country, company or individual that pose a threat to international peace and security. The scope of Sanctions is to force adherence to International Law without the use of armed forces. Sanctions include: (i) Arms Embargoes; (ii) Trade Restrictions; (iii) Financial Restrictions and (iv) Movement / Travel Restrictions.

In view of emerging and actual crises as well as to prevent conflicts on an international level, the European Union (EU) and the United Nations (UN) issue wide ranging sanctions to Countries, Companies, Groups and Individuals world-wide. In such circumstances, in view of the fact that EU / UN Sanctions¹ are directly applicable under Maltese Law and binding in their entirety in Malta, sanctioned Economic Operators (by the EU / UN) should be excluded from participation in a local Public Procurement / Concession Procedure. Accordingly, no such Economic Operators shall be awarded a Public Contract. The same shall take place in the eventuality that Economic Operators are owned or controlled by Sanctioned Companies, Groups or Individuals.

¹ Reference shall be made to Regulation 4 (European Union Regulations) and Regulation 5 (United Nations Security Council Resolutions) of CAP 365 [National Interest (Enabling Powers) Act] of the Laws of Malta wherein it is stated that the objective sought by the Legislation is 'To enable the implementation of certain treaties and measures and the restriction of trade and travel where the national or international interest of Malta so requires and to enable effect to be given to certain provisions of the Charter of the United Nations'.

With specific reference to instances wherein Economic Operators are subject to the Sanctions Regimes of Third Countries, it shall be noted that such sanctions may also lead to the disqualification of Economic Operators from a Public Procurement / Concession Procedure. To this end, it is recommended that a due diligence exercise² is carried out.

The Department of Contracts, in liaison with the Sanctions Monitoring Board³ (SMB) encourages Contracting Authorities / Entities⁴, specifically officers responsible for Public Procurement / Concessions to familiarise themselves with the various sanctions and related online tools that may assist in the screening of Countries, Companies, Groups and Individuals in relation to the UN and EU Sanctions Lists as well as Sanction Regimes of Third Countries.

Contracting Authorities / Entities are notified that the said Sanctions Lists may be accessed through the SMB's website: <https://smb.gov.mt/>

European Union and United Nations Financial Sanctions Lists

Contracting Authorities / Entities, in their capacity as Evaluation Committees are being notified that Recommended Bidders of any Public Contract need to be screened against the following two (2) Sanctions Lists:

- European Union Financial Sanctions Lists
- United Nations Financial Sanctions Lists

Sanctions Lists: European Commission

The European Union Sanctions⁵, adopted by the Council of the EU, support the objectives of the EU's Common Foreign and Security Policy. Accordingly, Member States are responsible for the enforcement of such sanctions.

² The Sanctions Monitoring Board provide guidance: [SMB Guidance on national sanctions of other countries.pdf \(gov.mt\)](https://smb.gov.mt/)

³ The Sanctions Monitoring Board (in its capacity as Malta's competent authority) monitors the application of Sanctions in Malta which are governed by the National Interest (Enabling Powers) Act, Cap 365 of the Laws of Malta.

⁴ Contracting Entities in S.L. 601.05 are entities which: (a) are contracting authorities or public undertakings and which pursue one of the activities referred to in regulations 8 to 14; (b) when they are not contracting authorities or public undertakings, have as one of their activities any of the activities referred to in regulations 7 to 13, or any combination thereof and operate on the basis of special or exclusive rights granted by a competent authority.

⁵ Additional information on Sanctions and related Tools: https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/overview-sanctions-and-related-tools_en

On the other hand, the European Commission monitors that such legal obligations are implemented.

To this end, the European Commission maintains a European Union Consolidated List of Financial Sanctions⁶ (consisting in the freezing of assets) in relation to Individuals, Groups and Companies. The list may be accessed and downloaded through:

<https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>

EU Sanctions Map: To facilitate and assist in the sanctioning exercise, the EU Sanctions Map displays an overview of the restrictions in place as well as provides comprehensive details of EU Sanctions Regimes⁷ and their corresponding Legal Acts. In addition, the said map includes several regimes adopted by the United Nations Security Council and transposed at EU level. The EU Sanctions map may be accessed through:

<https://www.sanctionsmap.eu/#/main>.

The EU Sanctions Map is equipped with a navigational World Atlas, which highlights the Countries⁸ subject to sanctions. The webpage includes the (i) Nature of the Restrictive Measure⁹; (ii) Context for the Measure; (iii) Legal Acts Governing Sanctions; (iv) Guidelines on Evaluation and Implementation of Sanctions. Furthermore, additional information such as Date of Expiration, Best Practices and links to other relevant documentation is also available.

⁶ The European Banking Federation, the European Savings Banks Group, the European Association of Co-operative Banks, the European Association of Public Banks ('the EU Credit Sector Federations'), and the European Commission acknowledged the need for an EU-wide consolidated list of individuals, groups, and entities subject to financial sanctions (specifically the freezing of assets). The first database was created by the Credit Sector Federations and contained the consolidated list. The European Commission subsequently took over this consolidated list of sanctions database and is responsible for its maintenance and updating.

⁷ The EU Sanctions Map indicates whether a particular regime is a UN sanctions regime or an EU sanctions regime or both a UN and EU sanctions regime. Each sanctions regime differs from the other and that every regime is to be considered on its own merits since it will be subject to its particular rules.

⁸ The majority of restrictions are imposed on Southern American areas, African areas and Middle Eastern European expanding to the Northern and Eastern Asiatic areas.

⁹ Restrictive Measures are generally categorised under 4 themes: Chemical Weapons, Cyber-attacks, Human Rights and Terrorism.

Sanctions Lists: United Nations Security Council

The United Nations Security Council provides a consolidated list of all individuals and companies subject to measures by the Security Council¹⁰, as a result of sanctions in response to a threat. The Sanctions Regime is managed by the Security Council Committee which provides information concerning the measures that apply for each specific case.

The Financial Sanctions List, organised both in Alphabetical Order and by a Permanent Reference Number, may be accessed through:

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

Both lists are mainly composed of two (2) Categories as follows:

- Category A: Individuals
- Category B: Entities and Other Groups

The United Nations Security Council offers a Consolidated List Search Tool which may be accessed through:

[Sanctions | United Nations Security Council](#)

Third Country Regimes Sanctions Lists

National Sanctions issued by Third Country Regimes are not directly applicable under Maltese Law¹¹. Nonetheless, in the best interests and safety of Malta's jurisdiction, the Sanctions Monitoring Board highly encourages that National Sanctions issued by Third Countries ought not to be dismissed.

Therefore, due diligence ought to be extended as much as possible to the Sanctions Lists of Third Countries and to any adverse media related to the bidders. Bidders may be disqualified on the basis of the reasons relating to the outcome of the said due diligence.

¹⁰ In line with the United Nations Charter, the Security Council is one of the 6 main organs of the United Nations. It has the power to make decisions that Member States are obliged to implement. The Security Council's primary responsibility is maintaining international peace and security.

¹¹ National Interest (Enabling Powers) Act

Additional information on Third Country Regimes Sanctions may be sought by accessing the Guidance Note published by the Sanctions Monitoring Board, through [SMB Guidance on national sanctions of other countries.pdf \(gov.mt\)](#).

Additional Information

Contracting Authorities / Entities may review the ‘Frequently Asked Questions’ webpage [Frequently Asked Questions - SMB \(gov.mt\)](#) for additional information and guidance. In addition, one may subscribe to SMB’s Mailing List to receive the latest updates in relation to International Sanctions. Nonetheless, since Sanctions are dynamic and volatile, as part of due diligence, it is recommended that Evaluation Committees, consult and review the relevant sanctions websites to keep abreast with the latest program restrictions.

Contact

Contracting Authorities may submit any queries in relation to the generic procurement content of this Circular to the Department of Contracts’ Customer Care service on info.contracts@gov.mt or by calling on +356 2378 1001.

However, regarding specific queries vis-a-vis the Sanctioned Countries, Companies, Groups and Individuals, Contracting Authorities are to contact the Sanctioning Monitoring Board via their Contacts Page: [Contact Us – SMB \(gov.mt\)](#).

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