

THE STOCKHOLM PROCESS ON THE IMPLEMENTATION OF TARGETED SANCTIONS  
*Working Group 2: Measures to Strengthen the Capacity of States to Implement Sanctions*

## **Guidelines for Effective Implementation by States**

### *Introduction*

Member States of the United Nations are obliged to give effect to decisions of the Security Council. Where the Council decides to impose targeted sanctions in the interests of international peace and security, the success of these measures depends upon effective implementation at the national level.

This document provides practical guidance to States in establishing and improving their legal and administrative capacity to implement UN targeted sanctions. The primary audience for this document is national-level officials responsible for implementing sanctions. However, policy makers in UN fora may find this document useful as an indication of what is required of national-level implementation if sanctions are to be effective in achieving Security Council objectives.

Building on the Interlaken and Bonn-Berlin processes, this document summarizes “best practices” for the implementation of the range of targeted sanctions that the Security Council has imposed in the past. Sanctions may be “targeted” in two senses. First, sanctions may be targeted upon persons.<sup>1</sup> Targeted financial sanctions and travel bans are “targeted” in this sense. Second, sanctions may target specific sectors of economic activities or commodities. In this document, aviation bans, arms embargoes and sanctions against the trade in rough diamonds, timber and oil are “targeted” in this regard.

This document assesses both types of targeted sanctions from the perspective of five elements.

First, states must have the legal authority to implement sanctions. The critical question is whether states have the power to implement sanctions. While there are numerous legal approaches to the implementation of targeted sanctions at the national level, this document refers to the Interlaken Model Law as a benchmark against which national legal frameworks may be evaluated. For a more detailed discussion of the Model Law, see the Watson Institute’s draft paper, “Implementing UN Sanctions at the National Level: Towards a Comprehensive Model Law”, prepared for SPITS Working Group 2.

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<sup>1</sup> The phrase “persons” refers to all natural and legal persons and is intended to cover, “[A]ll government entities (e.g. ministries, departments, local authorities), state-owned or operated entities (e.g. postal authorities), and all other private and public sector organizations.” See Swiss Confederation, UN Secretariat and Watson Institute (2001), *Targeted Financial Sanctions: A Manual for Design and Implementation (Contributions from the Interlaken Process)*, Providence, RI: Watson Institute for International Studies, p. 7. Available at [www.smartsanctions.ch](http://www.smartsanctions.ch) and [www.watsoninstitute.org/tfs](http://www.watsoninstitute.org/tfs).

Second, states must designate an administrative agency or agencies to be responsible for the various tasks required in implementing sanctions.

Third, that agency must disseminate information about the sanctions. This will most likely consist of general public information as well as information specifically targeted to parties within domestic society that may be affected by sanctions (such as banks, airlines, importers, etc.).

Fourth, a program for monitoring the implementation of sanctions is required to ensure compliance and the effectiveness of the sanctions.

Finally, the enforcement of sanctions requires that breaches be pursued, with penalties sufficient to deter circumvention.

Beyond these five elements, this document identifies “sector-specific” measures for best practice national-level implementation. Further, given that the guidance offered here is in the form of a checklist of critical elements in implementation, sources of further information are identified. These include references to related international initiatives, IGOs and NGOs, to provide context and expertise useful for the more effective implementation of UN targeted sanctions.

*Part I: Sanctions targeted upon persons*

	FINANCIAL
Legal Framework	<ul style="list-style-type: none"> <li>• Ensure that adequate legal authority to implement sanctions at the national level exists without engaging the legislative process for each Security Council resolution (for example, by enacting primary legislation similar to the Interlaken II Model Law and giving effect to resolutions through legal and administrative provisions).</li> <li>• Use the elements of the Interlaken Model Law as a benchmark to evaluate the national legal framework.</li> </ul>
Administering Agency	<ul style="list-style-type: none"> <li>• Consider how best to employ existing expertise and dedicate resources to the development and maintenance of knowledge on targeted sanctions.</li> <li>• Designate an official body or bodies to administer sanctions – including the consideration and determination of requests for exceptions and exemptions, where appropriate – such as the MFA or the financial supervisory agency.</li> </ul>
Information Dissemination	<ul style="list-style-type: none"> <li>• Inform the public through notices in official journals and through the use of media and information technology.</li> <li>• Maintain relationships with banks and financial institutions and utilize these to notify them directly, including through outreach activities, and provide specific and timely guidance for the implementation of sanctions.</li> <li>• Notification should include a statement of the legal basis for sanctions; the precise time period within which transactions should be examined; definition of targets; detailed guidelines about what is prohibited; information on exemptions; and information concerning to whom applications for exemptions or exceptions and questions regarding sanctions should be addressed.</li> </ul>
Monitoring Compliance	<ul style="list-style-type: none"> <li>• States should monitor the activities of banks and financial institutions to encourage compliance with financial sanctions, including capacity building, reporting and external auditing requirements.</li> <li>• Financial institutions should be encouraged to raise their internal supervisory standards to conform with multilateral initiatives and through the use of technology, and to employ methods to recognize and stop transactions.</li> </ul>
Enforcement	<ul style="list-style-type: none"> <li>• Clearly define acts constituting a breach of sanctions, the nature of such violations (civil or criminal), and specific penalties (prison sentences and/or fines) appropriate to deter violations.</li> <li>• Encourage compliance and foster cooperative relations with financial institutions through a system of warnings and civil penalties.</li> </ul>
Sector-Specific Measures	<ul style="list-style-type: none"> <li>• Specify the criteria and process for considering and giving effect to decisions regarding exemptions and exceptions.</li> <li>• Determine procedures for the administration of assets.</li> </ul>
Relevant regional and international agreements	<ul style="list-style-type: none"> <li>• Convention for the Suppression of the Financing of Terrorism (A/RES/54/109, 9 Dec. 1999). Entered into force 10 Apr. 2002.</li> <li>• Convention against Transnational Organized Crime (A/RES/55/25, 15 Nov. 2000). Not yet in force.</li> </ul>
Relevant IGOs and NGOs	<ul style="list-style-type: none"> <li>• FATF (<a href="http://www.oecd.org/fatf">www.oecd.org/fatf</a>)</li> <li>• UNODCCP (<a href="http://www.odccp.org">www.odccp.org</a>)</li> <li>• Wolfsberg Principles (<a href="http://www.wolfsberg-principles.com">www.wolfsberg-principles.com</a>)</li> <li>• Financial Stability Forum (<a href="http://www.fsforum.org">www.fsforum.org</a>)</li> <li>• The World Bank Group (<a href="http://www.worldbank.org">www.worldbank.org</a>)</li> <li>• Basel Committee on Banking Supervision (<a href="http://www.bis.org/bcbs/">www.bis.org/bcbs/</a>)</li> <li>• The Egmont Group (<a href="http://www1.oecd.org/fatf/Ctry-orgpages/org-egmont_en.htm">www1.oecd.org/fatf/Ctry-orgpages/org-egmont_en.htm</a>)</li> </ul>
Other relevant websites	<ul style="list-style-type: none"> <li>• Watson Institute Targeted Financial Sanctions Project (<a href="http://www.watsoninstitute.org/tfs">www.watsoninstitute.org/tfs</a>)</li> <li>• Interlaken Process (<a href="http://www.smartsanctions.ch">www.smartsanctions.ch</a>)</li> </ul>

	TRAVEL
Legal Framework	<ul style="list-style-type: none"> <li>• Ensure that adequate legal authority to implement sanctions at the national level exists.</li> <li>• Use the Interlaken II Model Law to implement the sanction through national measures (see “financial”).</li> </ul>
Administering Agency	<ul style="list-style-type: none"> <li>• Designate an official body or bodies to administer sanctions, such as the MFA or the immigration control agency.</li> <li>• See “financial”.</li> </ul>
Information Dissemination	<ul style="list-style-type: none"> <li>• Inform the public through notices in official journals and through the use of media and information technology.</li> <li>• Inform key actors, such as airline companies.</li> </ul>
Monitoring Compliance	<ul style="list-style-type: none"> <li>• Provide guidelines for the application of sanctions.</li> </ul>
Enforcement	<ul style="list-style-type: none"> <li>• National measures should ensure that contravention or evasion shall be made a criminal offence with effective, dissuasive and proportionate penalties.</li> </ul>
Sector-Specific Measures	<ul style="list-style-type: none"> <li>• Establish a central database to maintain a list of individuals to be denied visas.</li> <li>• Specify the criteria and process for considering and giving effect to decisions regarding exemptions and exceptions.</li> </ul>
Relevant regional and international agreements	<ul style="list-style-type: none"> <li>• Convention on International Civil Aviation (7 Dec., 1944), and its protocols. Entered into force 4 Apr. 1947.</li> <li>• International Air Services Transit Agreement (7 Dec., 1944). Entered into force 30 Jan. 1945.</li> </ul>
Relevant IGOs and NGOs	<ul style="list-style-type: none"> <li>• ICAO (<a href="http://www.icao.org">www.icao.org</a>)</li> <li>• IATA (<a href="http://www.iata.org">www.iata.org</a>)</li> <li>• Interpol (<a href="http://www.interpol.int">www.interpol.int</a>)</li> </ul>
Other relevant websites	<ul style="list-style-type: none"> <li>• Bonn International Centre for Conversion (<a href="http://www.smartsanctions.de">www.smartsanctions.de</a>)</li> </ul>

*Part 2: Sanctions targeted by sector, activity or commodity*

	AVIATION
Legal Framework	<ul style="list-style-type: none"> <li>• Ensure that adequate legal authority to implement sanctions at the national level exists; as appropriate, amend or enact legal and administrative provisions to deny targets permission to take off from, land in and fly over national territories.</li> <li>• Use the Interlaken Model Law to implement the sanction through national measures (see “financial”).</li> </ul>
Administering Agency	<ul style="list-style-type: none"> <li>• Designate an official body or bodies to administer sanctions, such as the MFA or the Transportation Ministry or the aviation control agency.</li> <li>• See “financial”.</li> </ul>
Information Dissemination	<ul style="list-style-type: none"> <li>• Inform the public through notices in official journals and through the use of media and information technology.</li> <li>• Inform key actors, such as the Civil Aviation Authority, Customs and Excise, airport authorities and registered companies.</li> </ul>
Monitoring Compliance	<ul style="list-style-type: none"> <li>• Provide guidelines for the application of sanctions.</li> </ul>
Enforcement	<ul style="list-style-type: none"> <li>• National measures should ensure that contravention or evasion shall be made a criminal offence with effective, dissuasive and proportionate penalties.</li> </ul>
Sector-Specific Measures	<ul style="list-style-type: none"> <li>• Establish a central database, such as the ICAO register of aircraft, to maintain a list of prohibited aircraft.</li> <li>• Specify the criteria and process for considering and giving effect to decisions regarding exemptions and exceptions.</li> <li>• Point about seizure of aircraft, barring aircraft from take off and landing.</li> </ul>
Relevant regional and international agreements	<ul style="list-style-type: none"> <li>• Convention on International Civil Aviation (7 Dec., 1944), and its protocols. Entered into force 4 Apr. 1947.</li> <li>• International Air Services Transit Agreement (7 Dec., 1944). Entered into force 30 Jan. 1945.</li> </ul>
Relevant IGOs and NGOs	<ul style="list-style-type: none"> <li>• ICAO (<a href="http://www.icao.org">www.icao.org</a>)</li> <li>• IATA (<a href="http://www.iata.org">www.iata.org</a>)</li> <li>• Interpol (<a href="http://www.interpol.int">www.interpol.int</a>)</li> </ul>
Other relevant websites	<ul style="list-style-type: none"> <li>• Bonn International Centre for Conversion (<a href="http://www.smartsanctions.de">www.smartsanctions.de</a>)</li> </ul>

	ARMS
Legal Framework	<ul style="list-style-type: none"> <li>• Ensure existing legislation is adequate to implement the full range of measures (e.g. export and transit restrictions) that may be imposed by a SC resolution.</li> <li>• Use the Interlaken Model Law to implement the embargo through national measures (see “financial”).</li> <li>• Whether a model law or sector-specific approach is taken, basic elements of legislation are: a list of prohibited goods; catch-all clauses for goods not covered by national lists; authority to seize shipments and freeze assets.</li> <li>• Ensure that legal capacity enables the registration, licensing and monitoring of arms brokers, including mandatory authentication of end-user certificates.</li> <li>• Ensure that legal capacity enables the seizure of prohibited goods and the proceeds from illegal deliveries.</li> </ul>
Administering Agency	<ul style="list-style-type: none"> <li>• Designate an official body or bodies to administer sanctions, such as the MFA, the import and export administration agency or Customs.</li> <li>• See “financial”.</li> </ul>
Information Dissemination	<ul style="list-style-type: none"> <li>• Inform the public through notices in official journals and through the use of media and information technology.</li> <li>• Inform key actors, such as arms producers, distributors and brokers.</li> <li>• Share information (including records of arms production and surpluses) and intelligence among government departments and between governments to identify suspect shipments, destinations, transit routes and brokers.</li> </ul>
Monitoring Compliance	<ul style="list-style-type: none"> <li>• Impose “due diligence” standards on arms suppliers.</li> <li>• Maintain a black list of arms dealers and brokers (including transportation agents) to ensure that those convicted of offences cannot operate.</li> <li>• Utilize ports of entry as opportunities to monitor transfers.</li> <li>• Establish procedures for licensing and end-use certification.</li> </ul>
Enforcement	<ul style="list-style-type: none"> <li>• Specify in legislation that breach of an embargo may result in criminal prosecution</li> <li>• Impose penalties appropriate to deter violations.</li> </ul>
Sector-Specific Measures	<ul style="list-style-type: none"> <li>• Designate a lead department and facilitate intra-governmental coordination.</li> <li>• Develop a list of controlled goods, subject to the embargo.</li> <li>• Trace and verify arms shipments that are at possible risk of being diverted.</li> </ul>
Relevant regional and international agreements	<ul style="list-style-type: none"> <li>• Report of the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, July 2001 (A/CONF. 192/15)</li> </ul>
Relevant IGOs and NGOs	<ul style="list-style-type: none"> <li>• WCO (<a href="http://www.wcoomd.org">www.wcoomd.org</a>)</li> </ul>
Other relevant websites	<ul style="list-style-type: none"> <li>• Bonn International Centre for Conversion (<a href="http://www.smartsanctions.de">www.smartsanctions.de</a>)</li> </ul>

	DIAMONDS*
Legal Framework	<ul style="list-style-type: none"> <li>As required, amend or enact appropriate legal and administrative provisions to implement the Kimberley Process certification scheme, requiring that no shipment of rough diamonds is imported from or exported to a non-Participant, and that all shipment are duly certified.</li> <li>Amend or enact appropriate legal and administrative provisions, or use the Interlaken II Model Law, to establish authority to implement Security Council embargo on trading in rough diamonds with states targeted by sanctions.</li> </ul>
Administering Agency	<ul style="list-style-type: none"> <li>Designate importing and exporting authorities; appoint an official coordinator to deal with the implementation of the certification scheme and, further, act as a contact point for sanctions implementation</li> <li>Collect and maintain official production, import and export data.</li> </ul>
Information Dissemination	<ul style="list-style-type: none"> <li>Share statistical data with other participants through the Chair of the Kimberley Process</li> <li>Maintain relationships with parties involved in the diamond industry and utilize these to notify them directly, including through outreach activities, and provide specific and timely guidance for the implementation of sanctions.</li> </ul>
Monitoring Compliance	<ul style="list-style-type: none"> <li>Establish a system of internal controls to eliminate the presence of conflict diamonds from shipments of rough diamonds.</li> <li>Cooperate with other participants, including through review missions, to ensure the effectiveness of the certification scheme towards the implementation of sanctions</li> <li>Ensure that all cash purchases of rough diamonds are routed through official banking channels, supported by verifiable documentation.</li> </ul>
Enforcement	<ul style="list-style-type: none"> <li>Maintain dissuasive and proportional penalties for transgressions.</li> <li>Inform participants of the names of individuals or companies convicted of activities relevant to the certification scheme or the effectiveness of sanctions.</li> </ul>
Sector-Specific Measures	
Relevant regional and international agreements	<ul style="list-style-type: none"> <li>Diamond High Council (<a href="http://www.diamonds.be">www.diamonds.be</a>)</li> <li>Kimberley Process (<a href="http://www.kimberleyprocess.com">www.kimberleyprocess.com</a>)</li> </ul>
Relevant IGOs and NGOs	
Other relevant websites	

\* NOTE: This summary draws upon the Kimberley Process Working Document NR 1/2002 (20 Mar. 2002), “Essential Elements of an International Scheme of Certification for Rough Diamonds, With a View to Breaking the Link Between Armed Conflict and the Trade in Rough Diamonds” (available at [www.partnershipafricacanada.org](http://www.partnershipafricacanada.org)). This document is yet to achieve consensus and will be discussed in November 2002 in a further meeting of the Kimberley Process, hosted by the Government of Switzerland. As a consequence, this summary should be considered provisional upon ongoing negotiations within the Kimberley Process.

	TIMBER
Legal Framework	<ul style="list-style-type: none"> <li>Amend or enact appropriate legal and administrative provisions, or use the Interlaken Model Law, to establish authority to implement Security Council embargos on trading in conflict timber with states targeted by sanctions.</li> </ul>
Administering Agency	<ul style="list-style-type: none"> <li>Identify and empower an administering agency, such as the MFA, Customs or Agriculture Ministry, to detect timber imports from illegal sources and seize prohibited goods.</li> </ul>
Information Dissemination	<ul style="list-style-type: none"> <li>Increase public awareness of forest crimes and opportunities to purchase forest products from legal sources.</li> <li>Educate judicial and law enforcement officials about forest law enforcement.</li> <li>Develop protocols for sharing import/export data.</li> </ul>
Monitoring Compliance	<ul style="list-style-type: none"> <li>Cooperate towards universal standards for monitoring and reporting on forest crimes, such as through the registration of origin and destination by timber producers.</li> </ul>
Enforcement	<ul style="list-style-type: none"> <li>Strengthen penalties and sanctions against illegal activities.</li> </ul>
Sector-Specific Measures	<ul style="list-style-type: none"> <li>Support existing multilateral efforts aimed at suppressing illegal logging through: labeling and certification of timber products; timber tracking through chain of custody audit and negotiation systems and; monitoring and verification of imports.</li> </ul>
Relevant regional and international agreements	<ul style="list-style-type: none"> <li>Ministerial Declaration of the Forest Law Enforcement and Governance East Asia Ministerial Conference (available at: <a href="http://www.foejapan.org/en/news/minist_decl.html">www.foejapan.org/en/news/minist_decl.html</a>)</li> </ul>
Relevant IGOs and NGOs	<ul style="list-style-type: none"> <li>United Nations Forum on Forests (<a href="http://www.un.org/esa/sustdev/forests.htm">www.un.org/esa/sustdev/forests.htm</a>)</li> <li>G8 Action Program on Forests (<a href="http://www.g8.gc.ca/docs/forestfinal-e.asp">www.g8.gc.ca/docs/forestfinal-e.asp</a>)</li> <li>Global Witness (<a href="http://www.globalwitness.org">www.globalwitness.org</a>)</li> </ul>
Other relevant websites	

	OIL
Legal Framework	
Administering Agency	
Information Dissemination	
Monitoring Compliance	
Enforcement	
Sector-Specific Measures	<ul style="list-style-type: none"> <li>• Institutionalize information exchange between oil companies and implementing governments to help track illegal diversions.</li> </ul>
Relevant regional and international agreements	
Relevant IGOs and NGOs	
Other relevant websites	

To be completed