

Translation of Liechtenstein Law

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Law
of 10 December 2008
on the Enforcement of International Sanctions
(International Sanctions Act, ISG)

I hereby grant My consent to the following resolution adopted by Parliament:¹

I. General provisions

Article 1

Object

1) To enforce international sanctions that have been adopted by the United Nations or the most significant trading partners of the Principality of Liechtenstein and that serve to secure compliance with international law, and in particular the respect of human rights, coercive measures may be enacted.

2) Coercive measures may in particular:

- a) directly or indirectly restrict transactions involving goods and services, payment and capital transfers, and the movement of persons, as well as scientific, technological, and cultural exchange;
- b) include prohibitions, licensing, and reporting obligations as well as other restrictions of rights.

¹ Report and Application of the Government No. 91/2008

2a) This Act applies mutatis mutandis to coercive measures serving to enforce international obligations set out in paragraph 1(c) and (d) of United Nations Security Council resolution 1373 (2001).²

3) This Act shall be subject to provisions applicable in Liechtenstein pursuant to international treaties.

Article 1a³

Designations

The designations used in the Act to denote persons and functions include persons of male and female gender.

Article 2

Enactment of coercive measures

1) The Government has the authority to enact compulsory measures. It may stipulate exceptions:

- a) in order to support humanitarian activities, in particular for the provision of food supplies, medicines, and therapeutic products, or
- b) in order to safeguard Liechtenstein interests.

2) The coercive measures are enacted in the form of ordinances.

Article 2a⁴

Exclusion of civil and criminal responsibility

Anyone who makes arrangements in good faith in compliance with a coercive measure shall be exempt from any civil and criminal responsibility.

² Article 1(2a) inserted by LGBL 2017 No. 203.

³ Article 1a inserted by LGBL 2020 No. 13.

⁴ Article 2a inserted by LGBL 2020 No. 13.

Ia. Obligations⁵

Article 2b⁶

Duty to provide information and reporting obligation

1) Anyone who is directly or indirectly affected by measures in accordance with this Act must:

- a) upon request, provide the competent executing authorities and the SPG supervisory authorities with all information, documents and copies that they require to fulfil their responsibilities under this Act;
- b) comply in writing and without delay with the obligations to report to the competent executing authorities laid down in ordinances referred to in Article 2(2).

2) The obligations under paragraph 1 shall take precedence over all officially recognised confidentiality obligations.

Article 2c⁷

Special obligations for persons subject to due diligence

1) Persons subject to due diligence within the meaning of the Due Diligence Act which are affected by measures under this Act must, in order to ensure compliance with this Act and the ordinances referred to in Article 2(2) relating to capital and payment transactions:

- a) subject customer- and transaction-related documents to verification in this regard, in particular in relation to:
 1. the contracting party;
 2. the beneficial owner and the effective contributor;
 3. the recipient of distributions from discretionary legal entities and the beneficiary of life insurances and other insurances with an investment purpose;
 4. the business profile;
 5. the transactions;

⁵ Title preceding Article 2b inserted by LGBL 2020 No. 13.

⁶ Article 2b inserted by LGBL 2020 No. 13.

⁷ Article 2c inserted by LGBL 2020 No. 13.

- b) take the necessary organisational measures and ensure appropriate internal control and monitoring measures.
 - 2) The verification pursuant to paragraph 1(a) must be carried out:
 - a) when establishing a business relationship or carrying out an occasional transaction;
 - b) within the framework of regular inspections;
 - c) immediately after the adoption or modification of a coercive measure.

II. Organisation and implementation⁸

A. Executing authorities⁹

Article 3¹⁰

Competence

- 1) For the purposes of this Act, the executing authorities shall be the Government and the administrative offices designated by it by ordinance.
- 2) The enforcement authorities may issue instructions on the detailed interpretation of the provisions of this Act and the ordinances referred to in Article 2(2).

Article 4

Powers of the executing authorities

- 1) The competent executing authorities have the right to enter and inspect the business premises of persons who are subject to a duty to provide information without prior notice, as well as to examine relevant documentation and secure incriminating material. They may call upon the assistance of the National Police.

⁸ Title preceding Article 3 amended by LGBL 2020 No. 13.

⁹ Title preceding Article 3 inserted by LGBL 2020 No. 13.

¹⁰ Article 3 amended by LGBL 2020 No. 13.

2) For the purpose of enforcing the powers mentioned in paragraph 1, the competent executing authorities must apply to the Court of Justice. The Code of Criminal Procedure applies *mutatis mutandis*.

Article 4a¹¹

Repealed

Article 5

Official secrecy

The bodies responsible for execution of this Act, as well as third parties called upon for assistance, are obliged to preserve official secrecy.

B. SPG supervisory authorities¹²

Article 5a¹³

Competence

1) The SPG supervisory authorities within the meaning of this Act shall be the Financial Market Authority and the Liechtenstein Chamber of Lawyers in accordance with Article 23(1) of the Due Diligence Act (SPG).

2) The SPG supervisory authorities may, within the scope of their competence, issue instructions on the detailed interpretation of the provisions of this Act, in particular with regard to the performance of inspections.

Article 5b¹⁴

Responsibilities and powers

1) The SPG supervisory authorities shall be responsible for monitoring compliance with the special obligations for persons subject to due

¹¹ Article 4a repealed by LGBl. 2020 No. 13.

¹² Title preceding Article 5a inserted by LGBl. 2020 No. 13.

¹³ Article 5a inserted by LGBl. 2020 No. 13.

¹⁴ Article 5b inserted by LGBl. 2020 No. 13.

diligence as referred to in Article 2c. For this purpose, they may in particular:

- a) issue decrees, instructions, and recommendations;
- b) carry out ordinary and extraordinary inspections or have them carried out, applying Articles 24 and 25 in conjunction with Article 28(1)(c) of the Due Diligence Act *mutatis mutandis*;
- c) take the necessary measures to restore a lawful state of affairs;
- d) punish contraventions in accordance with Article 11(1a).

2) The SPG supervisory authorities shall draw up a report on the results of the inspections referred to in paragraph 1(b). The report shall be brought to the attention of the competent executing authorities.

3) The SPG supervisory authorities may carry out the inspections as referred to in paragraph 1(b) within the framework of the inspections under the Due Diligence Act.

4) Article 5 shall apply *mutatis mutandis* to official secrecy.

III. Cooperation

Article 6¹⁵

Cooperation within Liechtenstein

1) The Liechtenstein authorities, especially the courts, the Office of the Public Prosecutor, the FMA, the FIU, the National Police, and other competent authorities in the field of international sanctions are required to disclose personal data, including special categories of personal data and personal data relating to criminal convictions and offences, to each other and to transmit documents, provided that this is necessary for execution of this Act and of the ordinances referred to in Article 2(2).

2) If, within the framework of their inspection activities, the SPG supervisory authorities identify violations of the provisions of this Act and of the ordinances referred to in Article 2(2), they must inform the competent executing authorities without delay.¹⁶

¹⁵ Article 6 amended by LGBl. 2018 No. 293.

¹⁶ Article 6(2) inserted by LGBl. 2020 No. 13.

Article 7

Cooperation with foreign authorities and the United Nations

1) The competent executing authorities may cooperate with the competent foreign authorities and the United Nations and coordinate their investigations, provided:

- a) this is necessary for the execution of this Act and of the ordinances referred to in Article 2(2), corresponding foreign provisions, or corresponding provisions of the United Nations; and
- b) the foreign authorities or the United Nations are bound by official secrecy or a corresponding duty of secrecy, and guarantee the prevention of industrial espionage within the scope of their activities.

2) The competent executing authorities may in particular request foreign authorities and the United Nations to transmit any data that is required. In order to obtain such data, they may transmit personal data, including special categories of personal data and personal data relating to criminal convictions and offences, to the foreign authorities and the United Nations, and in particular data relating to:¹⁷

- a) the nature, quantity, place of destination and place of use, purpose, and recipients of goods and services;
- b) persons who are involved in the manufacture, supply, or procurement of goods or the provision of services;
- c) the financial terms and conditions of the transaction and the persons involved;
- d) frozen accounts and assets.

3) The competent executing authorities may transmit data referred to in paragraph 2 on their own initiative or in response to a request from a foreign State, provided the State:¹⁸

- a) accords reciprocal legal rights and is also enforcing the international sanctions;
- b) provides assurance that the data will be processed only for purposes that are in accordance with this Act; and¹⁹
- c) provides assurance that the data will be used in criminal proceedings only if that data has subsequently been obtained in accordance with the provisions of the Mutual Legal Assistance Act.

¹⁷ Article 7(2) introductory phrase amended by LGBl. 2018 No. 293.

¹⁸ Article 7(3) introductory phrase amended by LGBl. 2018 No. 293.

¹⁹ Article 7(3)(b) amended by LGBl. 2018 No. 293.

4) The competent executing authorities may, subject to the requirements of paragraph 3, also transmit data to the United Nations. In doing so, they may dispense with the requirement that reciprocal legal rights be accorded.²⁰

5) These provisions are subject to the provisions of the Mutual Legal Assistance Act. Offences under this Act shall not be considered a violation of provisions governing taxes, monopolies, customs, or foreign currencies or of provisions governing the management of goods or foreign trade as referred to in Article 15 of the Mutual Legal Assistance Act.

IV. Data protection

Article 8²¹

Data processing

1) The competent executing authorities and the SPG supervisory authorities may process personal data to the extent necessary for the fulfilment of their responsibilities under this Act and the ordinances referred to in Article 2(2).²²

2) The competent executing authorities may process special categories of personal data and personal data relating to criminal convictions and offences only in the event that such data is relevant to proceedings or penalties under administrative or criminal law or if this is essential for the handling of the case in question.

V. Legal protection

Article 8a²³

Request for removal or non-application

1) Natural and legal persons, groups, undertakings, and organisations affected by a coercive measure may submit to the Government a

²⁰ Article 7(4) amended by LGBl. 2018 No. 293.

²¹ Article 8 amended by LGBl. 2018 No. 293.

²² Article 8(1) amended by LGBl. 2020 No. 13.

²³ Article 8a inserted by LGBl. 2017 No. 203.

substantiated request to have their name removed from the annex of an ordinance referred to in Article 2(2) or for non-application of the coercive measure.

2) The Government shall decide on the request.

Article 9

Legal remedies and proceedings

1) Decisions and decrees of the competent executing authorities may be appealed by way of complaint to the Government within 14 days of service.

2) Decisions and decrees of the Government may be appealed by way of complaint to the Administrative Court within 14 days of service.

2a) Decisions and decrees of the SPG supervisory authorities may be appealed by way of an administrative complaint in accordance with Article 29 of the Due Diligence Act.²⁴

3) The provisions of the National Administration Act apply *mutatis mutandis* to the proceedings.

VI. Penal provisions and measures

Article 10

Misdemeanours

1) Anyone who wilfully violates any provision of an ordinance referred to in Article 2(2), provided such violation is declared to be punishable, shall be sentenced by the Court of Justice to imprisonment of up to three years or to a monetary penalty of up to 360 daily penalty units.

2) In the event that the violation is committed negligently, the maximum penalty shall be reduced by half.

²⁴ Article 9(2a) inserted by LGBL 2020 No. 13.

Article 11

Contraventions

1) Anyone who wilfully commits one of the following acts shall be punished by the Court of Justice for committing a contravention and sentenced to a fine of up to 200,000 francs, or to imprisonment of up to six months if the fine cannot be collected:²⁵

- a) refuses to provide information, to hand over documents, or to permit access to business premises as referred to in Article 2b(1)(a) and Article 4(1), or makes false or misleading statements in this connection, where the act is not considered culpable conduct in accordance with any other penal offence;²⁶
- b) violates any provision of an ordinance referred to in Article 2(2), provided such contravention is declared to be punishable, or violates any decree issued with reference to the liability to penalties under this article, where the act is not considered culpable conduct in accordance with the elements of any other offence;
- c) fails to comply with the obligations to report to the competent executing authorities as referred to in Article 2b(1)(b).²⁷

1a) Anyone who wilfully commits one of the following acts shall be punished by the SPG supervisory authority for committing a contravention and sentenced to a fine of up to 200,000 francs:²⁸

- a) refuses to provide information to the SPG supervisory authority or a third party mandated by the SPG supervisory authority to conduct inspections, makes untrue statements, or conceals material facts;
- b) fails to comply with a demand to restore a lawful state of affairs or another decree issued by the SPG supervisory authority within the framework of supervision, or fails to do so in full or in a timely manner;
- c) fails to carry out the verification referred to in Article 2c(1)(a), or fails to carry it out properly or in a timely manner;
- d) fails to take the necessary organisational measures and ensure appropriate internal control and monitoring measures in accordance with Article 2c(1)(b).

²⁵ Article 11(1) introductory phrase amended by LGBL 2020 No. 13.

²⁶ Article 11(1)(a) amended by LGBL 2020 No. 13.

²⁷ Article 11(1)(c) inserted by LGBL 2020 No. 13.

²⁸ Article 11(1a) inserted by LGBL 2020 No. 13.

2) In the event that the violation is committed negligently, the maximum penalty shall be reduced by half.

3) The period of limitation for the contraventions set out in paragraphs 1 and 1a shall be five years.²⁹

Article 12

Responsibility

1) Where offences are committed in the business operations of a legal person, a general or limited partnership, or a sole proprietorship, then the penal provisions shall apply to the persons who acted or should have acted on its behalf; the legal person, partnership, or sole proprietorship shall, however, be jointly and severally liable for monetary penalties, fines, and costs.

2) The responsibility of legal persons shall be governed by:³⁰

- a) in the case of misdemeanours and contraventions as referred to in Articles 10 and 11(1), the provisions of §§ 74a et seq. of the Criminal Code;
- b) for contraventions as referred to in Article 11(1a), the provisions of Article 31(5) to (7) of the Due Diligence Act applied *mutatis mutandis*.

Article 13

Confiscation of property and assets

1) Property and assets that are subject to coercive measures may be confiscated by the Government beyond the scope of criminal proceedings where an obligation under international law exists to that effect.

2) To prevent cases of hardship, the Government may grant exceptions.

3) The provisions of the National Administration Act shall apply to the confiscation proceedings.

4) The confiscated property and assets shall be used in accordance with obligations under international law.

²⁹ Article 11(3) amended by LGBl. 2020 No. 13.

³⁰ Article 12(2) inserted by LGBl. 2020 No. 13.

VII. Final provisions

Article 14

Implementing ordinances

The Government shall issue the ordinances necessary to implement this Act.

Article 14a³¹

Automatic adoption of United Nations lists

1) By ordinance, the Government may provide for automatic adoption of the lists issued or updated by the United Nations Security Council or the competent committee of the Security Council covering natural and legal persons, groups, undertakings, and organisations.

2) The lists referred to in paragraph 1 shall not be published in the Liechtenstein Law Gazette. They may be accessed on the website of the United Nations.

Article 15³²

Repealed

Article 16

Repeal of law hitherto in force

The Law of 8 May 1991 on Measures concerning Economic Transactions with Foreign States, LGBL. 1991 No. 41, is repealed.

³¹ Article 14a inserted by LGBL. 2017 No. 203.

³² Article 15 repealed by LGBL. 2020 No. 13.

Article 17

Entry into force

Subject to expiry of the referendum period without a referendum being called, this Act shall enter into force on 1 March 2009, otherwise on the day of its promulgation.

Representing the Reigning Prince:

signed *Alois*

Hereditary Prince

signed *Otmar Hasler*

Prime Minister