

LEGISLATIVE COUNCIL BRIEF

United Nations Sanctions Ordinance (Chapter 537)

UNITED NATIONS SANCTIONS (YEMEN) REGULATION

INTRODUCTION

A At the meeting of the Executive Council on 13 May 2014, the Council advised and the Chief Executive (“the CE”) ordered that the United Nations Sanctions (Yemen) Regulation (“the Regulation”), at Annex A, should be made under section 3 of the United Nations Sanctions Ordinance (Cap. 537) (“the Ordinance”) to give effect to the instructions from the Ministry of Foreign Affairs of the People's Republic of China (“MFA”). The Regulation was gazetted on 16 May 2014 and came into operation on the same day.

BACKGROUND

Obligation and Authority

B 2. Under section 3(1) of the Ordinance, the CE is required to make regulations to give effect to an instruction from the MFA to implement sanctions decided by the Security Council of the United Nations (“UNSC”). In March 2014, the CE received an instruction from the MFA requesting the Government of the Hong Kong Special Administrative Region (“HKSAR”) to implement UNSC Resolution (“UNSCR”) 2140 in respect of Yemen. The Regulation was made to give effect to the instruction. A document issued by the Chief Secretary for Administration confirming the MFA’s instruction is at Annex B.

Sanctions against Yemen

UNSCR 2140

C 3. Determining that the situation in Yemen constituted a threat to international peace and security in the region, the UNSC adopted UNSCR 2140 (at Annex C) on 26 February 2014, imposing sanctions against Yemen. The UNSC, inter alia, decided that –

- (a) for an initial period of one year from the date of the adoption of UNSCR 2140, all Member States shall freeze without delay all funds, other financial assets and economic resources which are on their territories, which are owned or controlled, directly or indirectly, by the individuals or entities designated by the Committee established pursuant to paragraph 19 of UNSCR 2140 (“the Committee”), or by individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them; and ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any individuals or entities within their territories, to or for the benefit of the individuals or entities designated by the Committee, subject to exceptions (*paragraphs 11, 12, 13 and 14 of UNSCR 2140 refer*); and
- (b) for an initial period of one year from the date of the adoption of UNSCR 2140, all Member States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated by the Committee, provided that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory, subject to exceptions (*paragraphs 15 and 16 of UNSCR 2140 refer*).

THE REGULATION

4. The Regulation, at Annex A, seeks to implement the sanctions against Yemen as per UNSCR 2140. The main provisions of the Regulation include -

- (a) **section 2**, which provides for prohibition against making available to certain persons or entities funds or other financial assets or economic resources, or dealing with funds or other financial assets or economic resources of certain persons or entities;
- (b) **section 3**, which prohibits the entry into or transit through the HKSAR by certain persons;
- (c) **section 4**, which provides for exceptions to the prohibition against the entry into or transit through the HKSAR by certain persons;
- (d) **section 5**, which provides for the granting of licence for making available to certain persons or entities funds or other financial

assets or economic resources, or dealing with funds or other financial assets or economic resources of certain persons or entities;

- (e) **section 15**, which provides that the Chief Executive may by notice published in the Gazette specify as a relevant person or a relevant entity a person or an entity designated by the Committee for the purpose of the financial sanctions under the Regulation; and
- (f) **section 17**, which provides that the Regulation would expire at midnight on 25 February 2015.

IMPLICATIONS OF THE PROPOSAL

5. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. The Regulation will not affect the current binding effect of the Ordinance. It has no financial, economic, productivity, environmental, sustainability or family implications. Additional work arising from the enforcement of the Regulation, if any, will be absorbed by the relevant departments with existing resources.

PUBLICITY

6. A press release was issued on 16 May 2014 when the Regulation was published in the Gazette.

INFORMATION ON YEMEN AND RELATION WITH HKSAR

7. For information on Yemen, background of the sanction regime against the country as well as its bilateral trade relation with the HKSAR, please refer to Annex D.

D

ADVICE SOUGHT

8. Members are invited to note the implementation of UNSCR 2140 in the HKSAR by the Regulation.

Commerce and Economic Development Bureau
May 2014

United Nations Sanctions (Yemen) Regulation

L.N. 62 of 2014
B825

L.N. 62 of 2014

United Nations Sanctions (Yemen) Regulation**Contents**

Section	Page
Part 1	
Preliminary	
1. Interpretation	B831
Part 2	
Prohibitions	
2. Prohibition against making available funds, etc. or dealing with funds, etc.	B837
3. Prohibition against entry or transit by certain persons	B841
4. Exceptions to prohibition against entry or transit by certain persons	B841
Part 3	
Licence	
5. Licence for making available funds, etc. to certain persons or entities or dealing with funds, etc. of certain persons or entities	B843
6. Provision of false information or documents for purpose of obtaining licences	B847

United Nations Sanctions (Yemen) Regulation

L.N. 62 of 2014
B827

Section

Page

Part 4**Things Done outside HKSAR**

7. Licence or permission granted by authorities of places outside HKSAR	B849
---	------

Part 5**Evidence**

8. Power of magistrate or judge to grant warrant	B851
9. Detention of documents, cargoes or articles seized	B853

Part 6**Disclosure of Information or Documents**

10. Disclosure of information or documents	B855
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Part 7**Other Offences and Miscellaneous Matters**

11. Liability of persons other than principal offenders	B859
12. Offences in relation to obstruction of authorized persons, etc.	B859
13. Offences in relation to evasion of this Regulation	B859
14. Consent and time limit for proceedings	B861
15. Specification of relevant person or relevant entity by Chief Executive	B861
16. Exercise of powers of Chief Executive	B861

Section

Page

Part 8**Duration**

17. DurationB863

United Nations Sanctions (Yemen) Regulation

(Made by the Chief Executive under section 3 of the United Nations Sanctions Ordinance (Cap. 537) on the instruction of the Ministry of Foreign Affairs of the People's Republic of China and after consultation with the Executive Council)

Part 1**Preliminary****1. Interpretation**

In this Regulation—

authorized officer (獲授權人員) means—

- (a) a police officer;
- (b) a member of the Customs and Excise Service holding an office specified in Schedule 1 to the Customs and Excise Service Ordinance (Cap. 342); or
- (c) a public officer employed in the Customs and Excise Department in the Trade Controls Officer Grade;

Committee (委員會) means the Committee of the Security Council established under paragraph 19 of Resolution 2140;

economic resources (經濟資源) means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but can be used to obtain funds, goods or services;

funds (資金) includes—

- (a) gold coin, gold bullion, cash, cheques, claims on money, drafts, money orders and other payment instruments;

United Nations Sanctions (Yemen) Regulation

Part 1
Section 1

L.N. 62 of 2014
B833

- (b) deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
- (c) securities and debt instruments (including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures, debenture stock and derivatives contracts);
- (d) interest, dividends or other income on or value accruing from or generated by property;
- (e) credit, rights of set-off, guarantees, performance bonds or other financial commitments;
- (f) letters of credit, bills of lading and bills of sale; and
- (g) documents evidencing an interest in funds or financial resources, and any other instrument of export financing;

licence (特許) means a licence granted under section 5(1);

relevant entity (有關實體) means—

- (a) an entity specified by the Chief Executive as a relevant entity in accordance with section 15; or
- (b) an entity acting on behalf of, or at the direction of, or owned or controlled by, a person or entity specified by the Chief Executive as a relevant person or relevant entity in accordance with section 15;

relevant person (有關人士) means—

- (a) a person specified by the Chief Executive as a relevant person in accordance with section 15; or
- (b) a person acting on behalf of, or at the direction of, a person or entity specified by the Chief Executive as a relevant person or relevant entity in accordance with section 15;

Resolution 2140 (《第2140號決議》) means Resolution 2140 (2014) adopted by the Security Council on 26 February 2014;

United Nations Sanctions (Yemen) Regulation

Part 1
Section 1

L.N. 62 of 2014
B835

Security Council (安全理事會) means the Security Council of the United Nations.

Part 2**Prohibitions****2. Prohibition against making available funds, etc. or dealing with funds, etc.**

- (1) This section applies to—
 - (a) a person acting in the HKSAR; and
 - (b) a person acting outside the HKSAR who is—
 - (i) both a Hong Kong permanent resident and a Chinese national; or
 - (ii) a body incorporated or constituted under the law of the HKSAR.
- (2) Except under the authority of a licence granted under section 5(1)—
 - (a) a person must not make available, directly or indirectly, any funds or other financial assets or economic resources to, or for the benefit of, a relevant person or a relevant entity; and
 - (b) a person (*first-mentioned person*) must not deal with, directly or indirectly, any funds or other financial assets or economic resources owned by or otherwise belonging to, or held by, a relevant person or a relevant entity, and if the first-mentioned person is a relevant person or a relevant entity, including any funds and other financial assets or economic resources owned by or otherwise belonging to, or held by, the first-mentioned person.
- (3) A person who contravenes subsection (2) commits an offence and is liable—
 - (a) on conviction on indictment to a fine and to imprisonment for 7 years; or

- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.
- (4) It is a defence for a person charged with an offence under subsection (3) to prove that the person did not know and had no reason to believe—
 - (a) that the funds or other financial assets or economic resources concerned were or were to be made available to, or for the benefit of, a relevant person or a relevant entity; or
 - (b) that the person was dealing with funds or other financial assets or economic resources owned by or otherwise belonging to, or held by, a relevant person or a relevant entity.
- (5) A person is not to be regarded as having contravened subsection (2) by reason only of having credited an account owned by or otherwise belonging to, or held by, a relevant person or a relevant entity with—
 - (a) interest or other earnings due on that account; or
 - (b) payment due under contracts, agreements or obligations that arose before the date on which the person or entity became a relevant person or a relevant entity.
- (6) In this section—

deal with (處理) means—

 - (a) in respect of funds—
 - (i) use, alter, move, allow access to or transfer;
 - (ii) deal with in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination; or
 - (iii) make any other change that would enable use, including portfolio management; and

- (b) in respect of other financial assets or economic resources, use to obtain funds, goods or services in any way, including by selling, hiring or mortgaging the assets or resources.

3. Prohibition against entry or transit by certain persons

- (1) Subject to section 4, a specified person must not enter or transit through the HKSAR.
- (2) A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine at level 4 and to imprisonment for 2 years.
- (3) This section does not apply to a person having the right of abode or the right to land in the HKSAR.
- (4) In this section—

specified person (指明人士) means a person designated by the Committee for the purposes of paragraph 15 of Resolution 2140.

4. Exceptions to prohibition against entry or transit by certain persons

Section 3 does not apply to a case in respect of which—

- (a) the Committee has determined that the relevant entry into or transit through the HKSAR is justified on the ground of humanitarian need, including religious obligation;
- (b) the relevant entry or transit is necessary for the fulfilment of a judicial process;
- (c) the Committee has determined that the relevant entry or transit would further the objectives of peace and national reconciliation in Yemen; or
- (d) the relevant entry or transit is required to advance peace and stability in Yemen.

Part 3

Licence

5. Licence for making available funds, etc. to certain persons or entities or dealing with funds, etc. of certain persons or entities

- (1) If on application the Chief Executive determines that any of the requirements in subsection (2) is met, the Chief Executive must, subject to subsection (3), grant, as appropriate, a licence for—
 - (a) making available funds or other financial assets or economic resources to, or for the benefit of, a relevant person or a relevant entity; or
 - (b) dealing with funds or other financial assets or economic resources owned by or otherwise belonging to, or held by, a relevant person or a relevant entity.
- (2) The requirements are as follows—
 - (a) the funds or other financial assets or economic resources are—
 - (i) necessary for basic expenses, including payment for foodstuffs, rents, mortgages, medicines, medical treatments, taxes, insurance premiums and public utility charges;
 - (ii) exclusively for the payment of reasonable professional fees or reimbursement of incurred expenses associated with the provision of legal services under the law of the HKSAR; or
 - (iii) fees or service charges, under the law of the HKSAR, for the routine holding or maintenance of funds or other financial assets or economic resources owned by or otherwise belonging to, or held by, a relevant person or a relevant entity;

- (b) the funds or other financial assets or economic resources are necessary for extraordinary expenses;
 - (c) the funds or other financial assets or economic resources—
 - (i) are the subject of a judicial, administrative or arbitral lien or judgment that was entered before 26 February 2014 and is not for the benefit of a relevant person or a relevant entity; and
 - (ii) are to be used to satisfy the lien or judgment;
 - (d) the funds or other financial assets or economic resources are to be used for making payment due under a contract entered into by a person or entity before the date on which the person or entity became a relevant person or a relevant entity, and the payment is not received, directly or indirectly, by a relevant person or a relevant entity.
- (3) If the Chief Executive determines that—
- (a) the requirement in subsection (2)(a) is met, the Chief Executive—
 - (i) must cause the Committee to be notified of the intention to grant a licence under subsection (1); and
 - (ii) must grant the licence in the absence of a negative decision by the Committee within 5 working days of the notification;
 - (b) the requirement in subsection (2)(b) is met, the Chief Executive—
 - (i) must cause the Committee to be notified of the determination; and
 - (ii) must not grant the licence unless the Committee approves the determination;

- (c) the requirement in subsection (2)(c) is met, before granting the licence, the Chief Executive must cause the Committee to be notified of the determination;
 - (d) the requirement in subsection (2)(d) is met, the Chief Executive must cause the Committee to be notified of the determination 10 working days before granting the licence.
- 6. Provision of false information or documents for purpose of obtaining licences**
- (1) A person who, for the purpose of obtaining a licence, makes any statement or provides or produces any information or document that the person knows to be false in a material particular commits an offence and is liable—
 - (a) on conviction on indictment to a fine and to imprisonment for 2 years; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.
 - (2) A person who, for the purpose of obtaining a licence, recklessly makes any statement or provides or produces any information or document that is false in a material particular commits an offence and is liable—
 - (a) on conviction on indictment to a fine and to imprisonment for 2 years; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

Part 4

Things Done outside HKSAR

7. **Licence or permission granted by authorities of places outside HKSAR**
- (1) If the circumstances described in subsection (2) apply, a provision of this Regulation that prohibits the doing of a thing by a person except under the authority of a licence does not have effect in relation to any such thing done in a place outside the HKSAR by the person.
 - (2) For the purposes of subsection (1), the circumstances are that the thing is done by the person under the authority of a licence or with permission granted, in accordance with any law in force in that place outside the HKSAR (being a law substantially corresponding to the relevant provision of this Regulation), by the authority competent in that behalf under that law.
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Part 5

Evidence

8. **Power of magistrate or judge to grant warrant**
- (1) A magistrate or judge may grant a warrant if satisfied by information on oath given by an authorized officer that there are reasonable grounds for suspecting that—
 - (a) an offence under this Regulation has been committed or is being committed; and
 - (b) there is on any premises specified in the information, or on any ship, aircraft or vehicle so specified, evidence in relation to the commission of the offence.
 - (2) A warrant granted under subsection (1) may authorize any authorized officer, together with any other person named in the warrant, to enter the premises, ship, aircraft or vehicle specified in the information or any premises on which the ship, aircraft or vehicle so specified may be, at any time within one month from the date of the warrant, and to search the premises, ship, aircraft or vehicle.
 - (3) A person authorized by a warrant to search any premises, ship, aircraft or vehicle may exercise any or all of the following powers—
 - (a) search any person who is found on, or whom the authorized person has reasonable grounds to believe to have recently left or to be about to enter, the premises, ship, aircraft or vehicle;
 - (b) seize and detain any document, cargo or article found on the premises, ship, aircraft or vehicle or on any person referred to in paragraph (a) that the authorized person has reasonable grounds to believe to be evidence in relation to the commission of an offence under this Regulation;

(c) take in relation to any document, cargo or article seized under paragraph (b) any other steps that may appear necessary for preserving the document, cargo or article and preventing interference with it.

- (4) A person may only be searched under this section by a person who is of the same sex.
- (5) If a person is empowered under this section to enter any premises, ship, aircraft or vehicle, the person may use any force that is reasonably necessary for that purpose.

9. Detention of documents, cargoes or articles seized

- (1) Subject to subsection (2), any document, cargo or article seized under section 8(3) may not be detained for more than 3 months.
- (2) If the document, cargo or article is relevant to an offence under this Regulation, and proceedings for the offence have begun, the document, cargo or article may be detained until the completion of those proceedings.

Part 6

Disclosure of Information or Documents

10. Disclosure of information or documents

- (1) Any information or document provided, produced or seized under this Regulation may be disclosed only if—
- (a) the person who provided or produced the information or document or from whom the document was seized has given consent to the disclosure;
 - (b) the information or document is disclosed to a person who would have been empowered under this Regulation to request that it be provided or produced;
 - (c) the information or document is disclosed on the authority of the Chief Executive, subject to the information or document being transmitted through and with the approval of the instructing authority, to—
 - (i) any organ of the United Nations;
 - (ii) any person in the service of the United Nations; or
 - (iii) the Government of any place outside the People's Republic of China,

for the purpose of assisting the United Nations or that Government in securing compliance with, or detecting evasion of, measures in relation to Yemen decided on by the Security Council; or
 - (d) the information or document is disclosed with a view to the institution of, or otherwise for the purposes of, any proceedings for an offence under this Regulation.
- (2) For the purposes of subsection (1)(a)—

- (a) a person may not give consent to the disclosure if the person has obtained the information or possessed the document only in the person's capacity as servant or agent of another person; and
 - (b) a person may give consent to the disclosure if the person is entitled to the information or to the possession of the document in the person's own right.
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Part 7

Other Offences and Miscellaneous Matters

11. Liability of persons other than principal offenders

- (1) If the person convicted of an offence under this Regulation is a body corporate and it is proved that the offence was committed with the consent or connivance of, or was attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, the director, manager, secretary or other similar officer is guilty of the like offence.
- (2) If the person convicted of an offence under this Regulation is a firm and it is proved that the offence was committed with the consent or connivance of, or was attributable to any neglect on the part of, any partner in the firm or any person concerned in the management of the firm, the partner or the person concerned in the management of the firm is guilty of the like offence.

12. Offences in relation to obstruction of authorized persons, etc.

A person who obstructs another person (including a person acting under the authority of an authorized officer) in the exercise of the powers of that other person under this Regulation commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

13. Offences in relation to evasion of this Regulation

A person who destroys, mutilates, defaces, secretes or removes any document, cargo or article with intent to evade any of the provisions of this Regulation commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 2 years; or

- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

14. Consent and time limit for proceedings

- (1) Proceedings for an offence under this Regulation may only be instituted by or with the consent of the Secretary for Justice.
- (2) Summary proceedings for an offence under this Regulation that is alleged to have been committed outside the HKSAR may be commenced at any time not later than 12 months from the date on which the person charged first enters the HKSAR after the alleged commission of the offence.

15. Specification of relevant person or relevant entity by Chief Executive

The Chief Executive may, by notice published in the Gazette, specify as a relevant person or a relevant entity a person or an entity designated by the Committee for the purposes of paragraph 11 of Resolution 2140.

16. Exercise of powers of Chief Executive

- (1) The Chief Executive may delegate any of the Chief Executive's powers or functions under this Regulation to any person or class or description of person.
 - (2) The Chief Executive may authorize a person to whom a power or function is delegated to sub-delegate it to any other person or class or description of person.
 - (3) A delegation or authorization under subsection (1) or (2) may be subject to any restrictions or conditions that the Chief Executive thinks fit.
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Part 8

Duration

17. Duration

This Regulation expires at midnight on 25 February 2015.

Carrie LAM
Acting Chief Executive

13 May 2014

Explanatory Note

This Regulation gives effect to certain decisions in Resolution 2140 (2014) as adopted by the Security Council of the United Nations on 26 February 2014 by providing for prohibitions against—

- (a) making available to, or for the benefit of, certain persons or entities any funds or other financial assets or economic resources;
- (b) dealing with funds or other financial assets or economic resources owned by or otherwise belonging to, or held by, certain persons or entities; and
- (c) the entry into or transit through the HKSAR by certain persons.

United Nations Sanctions Ordinance (Cap. 537)

United Nations Sanctions (Yemen) Regulation

This is to confirm that the Chief Executive received specific instruction from the Ministry of Foreign Affairs of the People's Republic of China in March 2014 which requested the Government of the Hong Kong Special Administrative Region to fully implement Resolution No. 2140 of the Security Council of the United Nations, and that the United Nations Sanctions (Yemen) Regulation was made in pursuance of that instruction.

Dated this 13th day of May 2014

A handwritten signature in black ink, appearing to read 'Carrielam'.

(Mrs Carrie Lam)
Chief Secretary for Administration



Security Council

Distr.: General
26 February 2014

Resolution 2140 (2014)

**Adopted by the Security Council at its 7119th meeting, on
26 February 2014**

The Security Council,

Recalling its resolution [2014 \(2011\)](#), [2051 \(2012\)](#) and presidential statement of 15 February 2013,

Reaffirming its strong commitment to the unity, sovereignty, independence and territorial integrity of Yemen,

Commending the engagement of the Gulf Cooperation Council (GCC) in assisting the political transition in Yemen,

Welcoming the outcomes of the comprehensive National Dialogue Conference, signed by all political parties, and whose decisions provide a road map for a continued Yemeni led democratic transition underpinned by a commitment to democracy, good governance, rule of law, national reconciliation, and respect for the human rights and fundamental freedoms of all the people of Yemen,

Commending those who have facilitated the outcome of the comprehensive National Dialogue Conference through their constructive participation, in particular the leadership of President Abd Rabbo Mansour Hadi,

Expressing concern at the ongoing political, security, economic and humanitarian challenges in Yemen, including the ongoing violence,

Recalling the listing of Al-Qaida in the Arabian Peninsula (AQAP) and associated individuals on the Al-Qaida sanctions list established by the Committee pursuant to resolutions [1267 \(1999\)](#) and [1989 \(2011\)](#) and *stressing* in this regard the need for robust implementation of the measures in paragraph 1 of resolution 2083 as a significant tool in combating terrorist activity in Yemen,

Condemning all terrorist activities, attacks against civilians, oil, gas and electricity infrastructure and against the legitimate authorities, including those aimed at undermining the political process in Yemen,

Further condemning attacks against military and security facilities, in particular the attack on the Ministry of Defence on 5 December 2013 and the 13 February attack of the Ministry of Interior Prison, *stressing* the need for the



Yemeni Government to efficiently continue reforms of the Armed Forces and in the security sector,

Reaffirming its resolution 2133 and *calling* upon all member states to prevent terrorists from benefiting directly or indirectly from ransom payments or from political concessions and to secure the safe release of hostages,

Noting the formidable economic, security and social challenges confronting Yemen, which have left many Yemenis in acute need of humanitarian assistance, *reaffirming* its support to the Yemeni government to safeguard security, promote social and economic development, and put forward political, economic, and security reforms, and welcoming the work of the Mutual Accountability Framework Executive Bureau, the World Bank, and the International Monetary Fund (IMF) in their support to the Government of Yemen on economic reform,

Stressing that the best solution to the situation in Yemen is through a peaceful, inclusive, orderly and Yemeni-led political transition process that meets the legitimate demands and aspirations of the Yemeni people for peaceful change and meaningful political, economic and social reform, as set out in the GCC Initiative and Implementation Mechanism and the outcomes of the comprehensive National Dialogue Conference, *welcoming* Yemen's efforts to strengthen women's participation in political and public life, including through measures to ensure at least 30 per cent women candidates for national legislative elections and elected councils,

Further recalling its resolutions [1612 \(2005\)](#), [1882 \(2009\)](#), [1998 \(2011\)](#) and [2068 \(2012\)](#) on Children and Armed Conflict and its resolutions [1325 \(2000\)](#), [1820 \(2008\)](#), [1888 \(2009\)](#), [1889 \(2009\)](#), [1960 \(2010\)](#), [2106 \(2013\)](#) and [2122 \(2013\)](#) on Women, Peace and Security,

Recognizing that the transition process requires turning the page from the presidency of Ali Abdullah Saleh, and welcoming the involvement and cooperation of all stakeholders in Yemen, including groups that were not party to the GCC Initiative and its Implementation Mechanism,

Reiterating the need for comprehensive, independent and impartial investigations consistent with international standards into alleged human rights violations and abuses in line with the outcomes of the comprehensive National Dialogue Conference, the GCC Initiative, and the Implementation Mechanism, to ensure full accountability,

Recognizing the importance of governance reforms to the political transition in Yemen, *noting* in this regard the proposals in the National Dialogue Conference's Good Governance Working Group report, including, among other things, prerequisites for candidates for Yemeni leadership positions and the disclosure of their financial assets,

Recalling its resolution [2117 \(2013\)](#) and expressing grave concern at the threat to peace and security in Yemen arising from the illicit transfer, destabilising accumulation and misuse of small arms and light weapons,

Emphasizing the need for continued progress in the implementation of the GCC Initiative and Implementation Mechanism to avoid further deterioration of the humanitarian and security situation in Yemen,

Noting with appreciation the work of the United Nations country team and agencies in Yemen,

Welcoming the efforts made by the Secretariat to expand and improve the roster of experts for the Security Council Subsidiary Organs Branch, bearing in mind the guidance provided by the Note of the President (S/2006/997),

Determining that the situation in Yemen constitutes a threat to international peace and security in the region,

Acting under Chapter VII of the Charter of the United Nations,

1. *Reaffirms* the need for the full and timely implementation of the political transition following the comprehensive National Dialogue Conference, in line with the GCC Initiative and Implementation Mechanism, and in accordance with resolution 2014 (2011) and 2051 (2012), and with regard to the expectations of the Yemeni people;

Implementation of Political Transition

2. *Welcomes* the recent progress made in the political transition of Yemen and expresses strong support for completing the next steps of the transition, in line with the Implementation Mechanism, including:

- (a) drafting a new constitution in Yemen;
- (b) electoral reform including the drafting and adoption of a new electoral law consistent with the new Constitution;
- (c) the holding of a referendum on the draft constitution, including suitable outreach;
- (d) state structure reform to prepare Yemen for the transition from a unitary to a federal state; and
- (e) timely general elections, after which the current term of President Hadi would end following the inauguration of the President elected under the new Constitution;

3. *Encourages* all constituencies in the country, including the youth movements, women's groups, in all regions in Yemen, to continue their active and constructive engagement in the political transition and to continue the spirit of consensus to implement the subsequent steps in the transition process and the recommendations of the National Dialogue Conference, and calls upon the Hiraak Southern movement, the Houthi movement and others to constructively partake and to reject the use of violence to achieve political aims;

4. *Welcomes* the Yemeni Government's plan to introduce an Asset Recovery Law, and supports international cooperation on this, including through the Deauville initiative;

5. *Expresses concern* over use of the media to incite violence and frustrate the legitimate aspirations for peaceful change of the people of Yemen;

6. *Looks forward* to steps by the Government of Yemen, towards the implementation of Republican Decree No. 140 of 2012, which establishes a committee to investigate allegations of violations of human rights in 2011 and which

states that investigations shall be transparent and independent and adhere to international standards, in accordance with Human Rights Council resolution 19/29, and invites the Government of Yemen to provide soon a time frame for the early appointment of members of that committee;

7. *Expresses* its concern that children continue to be recruited and used in violation of applicable international law by armed groups, and the Yemeni Government forces, and calls for continued national efforts to end and prevent the recruitment and use of children, including through the signing and implementation by the Yemeni Government of the action plan to halt and prevent the recruitment and use of children in the government forces of Yemen, in line with the Security Council resolutions 1612 (2005), 1882 (2009) and 1998 (2011), and *urges* armed groups to allow the United Nations personnel safe and unhindered access to territories under their control for monitoring and reporting purposes;

8. *Also looks forward* to the early adoption of a law on transitional justice and national reconciliation that, while taking into account the recommendations of the National Dialogue Conference, is in accordance with the international obligations and commitments of Yemen and following best practices as appropriate;

9. *Calls* on all parties to comply with their obligations under international law including applicable international humanitarian law and human rights law;

Further Measures

10. *Emphasizes* that the transition agreed upon by the parties to the GCC Initiative and Implementation Mechanism Agreement has not yet been fully achieved and *calls* upon all Yemenis to fully respect the implementation of the political transition and adhere to the values of the Implementation Mechanism Agreement;

11. *Decides* that all Member States shall, for an initial period of one year from the date of the adoption of this resolution, freeze without delay all funds, other financial assets and economic resources which are on their territories, which are owned or controlled, directly or indirectly, by the individuals or entities designated by the Committee established pursuant to paragraph 19 below, or by individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them, and *decides further* that all Member States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any individuals or entities within their territories, to or for the benefit of the individuals or entities designated by the Committee;

12. *Decides* that the measures imposed by paragraph 11 above do not apply to funds, other financial assets or economic resources that have been determined by relevant Member States:

(a) To be necessary for basic expenses, including payment for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges or exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services in accordance with national laws, or fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds, other financial assets and economic resources, after notification by the relevant State to the Committee of the intention to authorize, where appropriate, access to such funds,

other financial assets or economic resources and in the absence of a negative decision by the Committee within five working days of such notification;

(b) To be necessary for extraordinary expenses, provided that such determination has been notified by the relevant State or Member States to the Committee and has been approved by the Committee;

(c) To be the subject of a judicial, administrative or arbitral lien or judgment, in which case the funds, other financial assets and economic resources may be used to satisfy that lien or judgment provided that the lien or judgment was entered into prior to the date of the present resolution, is not for the benefit of a person or entity designated by the Committee, and has been notified by the relevant State or Member States to the Committee;

13. *Decides* that Member States may permit the addition to the accounts frozen pursuant to the provisions of paragraph 11 above of interests or other earnings due on those accounts or payments due under contracts, agreements or obligations that arose prior to the date on which those accounts became subject to the provisions of this resolution, provided that any such interest, other earnings and payments continue to be subject to these provisions and are frozen;

14. *Decides* that the measures in paragraph 11 above shall not prevent a designated person or entity from making payment due under a contract entered into prior to the listing of such a person or entity, provided that the relevant States have determined that the payment is not directly or indirectly received by a person or entity designated pursuant to paragraph 11 above, and after notification by the relevant States to the Committee of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds, other financial assets or economic resources for this purpose, 10 working days prior to such authorization;

Travel ban

15. *Decides* that, for an initial period of one year from the date of the adoption of this resolution, all Member States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated by the Committee established pursuant to paragraph 19 below, provided that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory;

16. *Decides* that the measures imposed by paragraph 15 above shall not apply:

(a) Where the Committee determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligation;

(b) Where entry or transit is necessary for the fulfilment of a judicial process;

(c) Where the Committee determines on a case-by-case basis that an exemption would further the objectives of peace and national reconciliation in Yemen; and

(d) Where a State determines on a case-by-case basis that such entry or transit is required to advance peace and stability in Yemen and the States subsequently notifies the Committee within forty-eight hours after making such a determination;

Designation Criteria

17. *Decides* that the provisions of paragraphs 11 and 15 shall apply to individuals or entities designated by the Committee as engaging in or providing support for acts that threaten the peace, security or stability of Yemen;

18. *Underscores* that such acts as described in paragraph 17 above may include, but are not limited to:

(a) Obstructing or undermining the successful completion of the political transition, as outlined in the GCC Initiative and Implementation Mechanism Agreement;

(b) Impeding the implementation of the outcomes of the final report of the comprehensive National Dialogue Conference through violence, or attacks on essential infrastructure; or

(c) Planning, directing, or committing acts that violate applicable international human rights law or international humanitarian law, or acts that constitute human rights abuses, in Yemen;

Sanctions Committee

19. *Decides* to establish, in accordance with rule 28 of its provisional rules of procedure, a Committee of the Security Council consisting of all the members of the Council (herein “the Committee”), to undertake the following tasks:

(a) To monitor implementation of the measures imposed in paragraph 11 and 15 above with a view to strengthening, facilitating and improving implementation of these measures by Member States;

(b) To seek and review information regarding those individuals and entities who may be engaging in the acts described in paragraph 17 and 18 above;

(c) To designate individuals and entities to be subject to the measures imposed in paragraphs 11 and 15 above;

(d) To establish such guidelines as may be necessary to facilitate the implementation of the measures imposed above;

(e) To report within 60 days to the Security Council on its work and thereafter to report as deemed necessary by the Committee;

(f) To encourage a dialogue between the Committee and interested Member States, in particular those in the region, including by inviting representatives of such States to meet with the Committee to discuss implementation of the measures;

(g) To seek from all States whatever information it may consider useful regarding the actions taken by them to implement effectively the measures imposed;

(h) To examine and take appropriate action on information regarding alleged violations or non-compliance with the measures contained in paragraphs 11 and 15;

20. *Directs* the Committee to cooperate with other relevant Security Council Sanctions Committees, in particular the Committee pursuant to resolutions [1267 \(1999\)](#) and [1989 \(2011\)](#) concerning Al-Qaida and Associated Individuals and Entities;

Reporting

21. *Requests* the Secretary-General to create for an initial period of 13 months, in consultation with the Committee, and to make the necessary financial and security arrangements to support the work of the Panel, a group of up to four experts ("Panel of Experts"), under the direction of the Committee to carry out the following tasks:

(a) Assist the Committee in carrying out its mandate as specified in this resolution, including through providing the Committee at any time with information relevant to the potential designation at a later stage of individuals and entities who may be engaging in the activities described in paragraph 17 and 18 above;

(b) Gather, examine and analyse information from States, relevant United Nations bodies, regional organisations and other interested parties regarding the implementation of the measures decided in this resolution, in particular incidents of undermining the political transition;

(c) Provide to the Council, after discussion with the Committee, an update no later than 25 June 2014, an interim report by 25 September 2014, and a final report no later than 25 February 2015; and

(d) To assist the Committee in refining and updating information on the list of individuals subject to measures imposed pursuant to paragraphs 11 and 15 of this resolution, including through the provision of identifying information and additional information for the publicly-available narrative summary of reasons for listing;

22. *Directs* the Panel to cooperate with other relevant expert groups established by the Security Council to support the work of its Sanctions Committees, in particular the Analytical Support and Sanctions Monitoring Team established by resolution [1526 \(2004\)](#);

23. *Urges* all parties and all Member States, as well as international, regional and subregional organizations to ensure cooperation with the Panel of experts and further urges all Member States involved to ensure the safety of the members of the Panel of experts and unhindered access, in particular to persons, documents and sites in order for the Panel of experts to execute its mandate;

Commitment to Review

24. *Affirms* that it shall keep the situation in Yemen under continuous review and that it shall be prepared to review the appropriateness of the measures contained in this resolution, including the strengthening, modification, suspension or lifting of the measures, as may be needed at any time in light of developments;

Economic Reform and Development Assistance to Support the Transition

25. *Calls* upon donors and regional organisations to fully disburse the pledges made at the Riyadh Donor conference in September 2012 to fund the priorities set out in the Mutual Accountability Framework agreed in Riyadh; and encourages donors with undisbursed pledges to work closely with the Executive Bureau to identify priority projects for support, taking into account the security conditions on the ground;

26. *Emphasizes* the importance of Government of National Unity taking action to implement the urgent policy reforms set out in the Mutual Accountability Framework; and encourages donors to provide technical assistance to help drive forward these reforms, including through the Executive Bureau;

27. *Expresses* its concern over reported serious human rights abuses and violence against civilians in both the Northern and Southern Governorates, including Al Dhale'e Governorate, *urges* all parties involved to end the conflicts and comply with their obligations under applicable international humanitarian and human rights law, and *stresses* the need for parties to take all required measures to avoid civilian casualties, respect and protect the civilian population;

28. *Encourages* the international community to continue providing humanitarian assistance to Yemen and *calls* for the full funding of the 2014 Strategic Response Plan for Yemen, and in this regard requests all parties in Yemen to facilitate safe and unhindered humanitarian access to ensure the delivery of assistance to all populations in need and *calls* on all parties to take necessary steps to ensure the safety and security of humanitarian personnel and of the United Nations and its associated personnel and their assets;

29. *Condemns* the growing number of attacks carried out or sponsored by Al-Qaida in the Arabian Peninsula, and expresses its determination to address this threat in accordance with the Charter of the United Nations and international law including applicable human rights, refugee and humanitarian law, and in this regard, through the Al-Qaida sanctions regime administered by the Committee pursuant to resolutions [1267 \(1999\)](#) and [1989 \(2011\)](#) and *reiterates its readiness*, under the above-mentioned regime, to sanction further individuals, groups, undertakings and entities who do not cut off all ties to Al-Qaida and associated groups;

30. *Calls for* continued national efforts to address the threat posed by all weapons, including explosive weapons and small arms and light weapons, to stability and security in Yemen, including inter alia through ensuring the safe and effective management, storage and security of their stockpiles of small arms and light weapons and explosive weapons, and the collection and/or destruction of explosive remnants of war and surplus, seized, unmarked, or illicitly held weapons and ammunition, and *further stresses* the importance of incorporating such elements into security sector reform;

31. *Acknowledges* the serious economic, political and security obstacles facing refugees and internally displaced persons in Yemen who wish to return to their homes after years of conflict, and *supports* and encourages the efforts of the Government of Yemen and the international community to facilitate their return;

United Nations involvement

32. *Requests* the Secretary-General to continue his good offices role, *notes* with appreciation the work Special Adviser, Jamal Benomar, *stresses* the importance of their close co-ordination with international partners, including the GCC, Group of Ambassadors, and other actors, in order to contribute to the successful transition, and in this regard *further* requests the Secretary-General to continue to coordinate assistance from the international community in support of the transition;

33. *Requests* the Secretary-General to continue to report on developments in Yemen, including on the implementation of the outcome of the comprehensive National Dialogue Conference every 60 days;

34. *Decides* to remain actively seized of the matter.

**United Nations Sanctions (Yemen) Regulation
Information on Yemen**

Country Background

Yemen is an Arab country in Western Asia. It is bordered by Saudi Arabia to the north, the Red Sea to the west, the Gulf of Aden and Arabian Sea to the south, and Oman to the east. With its capital in Sana'a, Yemen has a total area of 527,968 sq. km.^{Note 1} and an estimated population of around 23.852 million in 2012.^{Note 2} It had a GDP of US\$35.38 billion (or HK\$274.42 billion) in 2012.^{Note 3} Merchandise imports and exports of Yemen in 2012 amounted to US\$12 billion (or HK\$93.1 billion) and US\$8.6 billion (or HK\$66.7 billion) respectively.^{Note 2}

United Nations Sanctions against Yemen

2. The United Nations (UN) has been facilitating Yemen's political transition since 2011, when the country was on the brink of civil war, and fighting killed and wounded hundreds. In April 2011, President Ali Abdullah Saleh refused to sign a Gulf Cooperation Council initiative, leading to continued political deadlock. In November 2011, face-to-face negotiations between the ruling party and the opposition, facilitated by the UN's Special Advisor on Yemen, led to the signing of a Transition Agreement in Riyadh on 23 November 2011. A milestone was marked on 21 February 2012, when presidential elections transferred power to the then Vice-President Abed Rabbu Mansour Hadi in a largely peaceful environment. A National Unity Government was formed under the leadership of Prime Minister Mohamed Basendwa. 18 March 2013 saw the successful launching of Yemen's National Dialogue Conference, representing all Yemeni constituencies.

3. Challenges persist, however, in spite of the relative stability in Yemen. They range from longstanding conflicts in the North and South to Al-Qaida-linked terrorism and armed groups, and from targeted killings of military and government officials to the legacy of past human rights violations. The humanitarian situation thus remains extremely grave.^{Note 4}

Note 1 Source: World Statistics Pocket Book published by the United Nations Statistics Division at http://unstats.un.org/unsd/pocketbook/World_Statistics_Pocketbook_2013_edition.pdf

Note 2 Source: International Trade Statistics published by the World Trade Organisation at <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=YE>

Note 3 Source: World Economic Outlook Database, October 2013 published by the International Monetary Fund at <http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?sy=2012&ey=2012&scsm=1&ssd=1&sort=country&ds=.&br=1&c=474&s=NGDPD&grp=0&a=&pr.x=79&pr.y=13>

Note 4 The Department of Political Affairs of the United Nations at http://www.un.org/wcm/content/site/undpa/main/activities_by_region/middle_east/pid/24705

4. Unanimously adopting resolution 2140 on 26 February 2014, the Security Council of the United Nations (UNSC) encouraged all Yemeni constituencies to continue their active and constructive engagement in the country's political transition. The UNSC also condemned the growing number of attacks carried out or sponsored by Al-Qaida in the Arabian peninsula, and expressed concern over reported serious human rights abuses and violence against civilians. Determining that the situation in Yemen constitutes a threat to international peace and security in the region, the UNSC decided to impose a year-long travel ban and financial sanctions against Yemen. ^{Note 5}

Trade Relation between Hong Kong and Yemen

5. In 2013, Yemen ranked 123rd among Hong Kong's trading partners in the world, with a total trade of HK\$215.7 million. Of these, HK\$89.2 million worth of trade were exports to Yemen, and HK\$126.5 million imports. Hong Kong's trade with Yemen are summarised as follows –

Hong Kong's Trade with Yemen [Value in HK\$ (in million)]		
Item	2012	2013
(a) Total Exports to Yemen	39.6	89.2
(i) Domestic exports	2.6 ^{Note 6}	3.0 ^{Note 7}
(ii) Re-exports	37.0 ^{Note 8}	86.2 ^{Note 9}
(b) Imports from Yemen	207.8 ^{Note 10}	126.5 ^{Note 11}
Total Trade [(a) + (b)]	247.4	215.7

In 2013, HK\$86.8 million worth of goods, or 0.2% ^{Note 12} of the total trade between Yemen and the Mainland, were routed through Hong Kong. Of

^{Note 5} Source of information contained in paragraphs 3-4: UN News Centre at <http://www.un.org/news/>

^{Note 6} In 2012, domestic exports to Yemen include plastic tubes, pipes and hoses (99.86%).

^{Note 7} In 2013, domestic exports to Yemen include plastic tubes, pipes and hoses (99.97%).

^{Note 8} In 2012, re-exports to Yemen include telecommunications equipment (61.8%); office machines (9.2%); electrical machinery and apparatus (5.4%); rotating electric plant and parts (4.6%); and electro-diagnostic apparatus for medical, surgical, dental or veterinary purposes and radiological apparatus (2.9%).

^{Note 9} In 2013, re-exports to Yemen include telecommunications equipment (78.1%); office machines (3.4%); measuring and checking instruments (2.5%); clothing (1.9%); and watches and clocks (1.7%). The increase in re-exports to Yemen in 2013 was due to a rise in demand for telecommunications equipment; measuring and checking instruments; clothing; medical instruments; as well as parts for office machines and automatic data processing machines.

^{Note 10} In 2012, imports from Yemen include dried or salted fish (44.6%); shell fish (43.5%); passenger motor cars (5.3%); leather (3.6%); and fresh and chilled fish (0.8%).

^{Note 11} In 2013, imports from Yemen include shell fish (48.0%); dried or salted fish (34.4%); passenger motor cars (7.2%); leather (7.2%); and raw hides and skins (except furskins) (1.0%). The decrease in imports from Yemen in 2013 was due to a drop in demand for dried and salted fish; as well as shell fish.

^{Note 12} The percentage is an estimate with reference to China's Customs Statistics and Hong Kong Trade Statistics.

these, HK\$2.3 million worth of goods were re-exports from Yemen to the Mainland. The remaining HK\$84.5 million were re-exports of Mainland origin to Yemen via Hong Kong.

6. The sanctions against Yemen imposed by UNSC, including travel ban and financial sanctions, would unlikely affect the trade between Hong Kong and Yemen notably. In addition, given the rather small trade volume between the two places, the United Nations sanctions against Yemen would unlikely have any significant effect on the Hong Kong economy.

Commerce and Economic Development Bureau
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