
UNITED NATIONS ACT 1946

Bank of England Notice dated 1 December 1993: **LIBYA**

SUPPLEMENT NO 1
20 JULY 1994

This Supplement is issued on behalf of H M Treasury. It clarifies the circumstances in which banks may make payment under letters of credit advised or confirmed in respect of contracts entered into after 1 December 1993.

Except with the prior permission of the Bank of England, which will not normally be given, payment may not be made from a Blocked Libyan Account nor may a Libyan External Account be overdrawn even if a letter of credit has been confirmed by a bank. It is not sufficient for a balance on one Libyan External Account to be used as cover for an overdraft on another Libyan External Account or any other account. Nor are banks to meet payments under confirmed letters of credit from any funds not credited to a Libyan External Account held by the relevant customer even if no account would be overdrawn as a result. Consequently, banks should ensure that a balance sufficient to meet payment is held in readily accessible form on a Libyan External Account by the relevant customer before confirming the relevant letter of credit.

BANK OF ENGLAND
20 JULY 1994
