

Summary: Intervention & Options

Department /Agency: HM Treasury	Title: Impact Assessment of the Burma/Myanmar (Financial Restrictions) Regulations 2009	
Stage: Final/Implementation	Version: Draft 1	Date: 15 June 2009
Related Publications: Burma/Myanmar (Financial Restrictions) Regulations 2009 (draft) and Council Regulation (EC) No 194/2008		

Available to view or download at:

http://www.hm-treasury.gov.uk/fin_sanctions_burma.htm

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What is the problem under consideration? Why is government intervention necessary?

The Regulations gives effect to Council Regulation (EC) No 194/2008, as amended from time-to-time by Commission Regulations (the "EC Regulation"), which concern, inter alia, financial sanctions against those involved in, or who have connections with, the regime in Burma/Myanmar and, in particular, those involved with serious violations of human rights by the Burmese government.

What are the policy objectives and the intended effects?

The EC's Common Position 96/635/CFSP of 28 October 1996 set out the concerns of the European Council about the human rights abuses in Burma/Myanmar and the need to apply pressure on the regime to address these concerns. The continued position on restrictive measures was confirmed in Commission Regulation (EC) No. 353/2009 of 28 April 2009. The EC Regulation is directly applicable in the United Kingdom but UK secondary legislation is needed because the EC Regulation leaves it to member states to introduce criminal sanctions for breaches of the financial sanctions prohibitions.

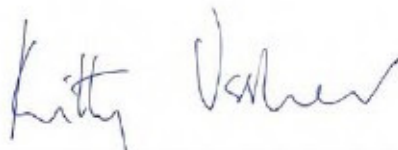
What policy options have been considered? Please justify any preferred option.

As a Statutory Instrument is required to provide the mechanisms for enforcing the existing EC Regulation there are no alternative policy options. This Statutory Instrument is consistent with other country based financial sanctions Statutory Instruments.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? N/A

Ministerial Sign-off For SELECT STAGE Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. 16/06/2009



Summary: Analysis & Evidence

Policy Option: Agree to Statutory Instrument	Description: Introduction of Statutory Instrument
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CO	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Our expectation is that, as the compliance costs of administering financial sanctions regimes are negligible, there will be no additional financial cost associated with the introduction of this specific legislation, as the EC Regulation is already in effect and must be complied with within the EU.	
	One-off (Transition)	Yrs		
	Average Annual Cost (excluding one-off)			
	Total Cost (PV)			
Other key non-monetised costs by 'main affected groups' No additional cost expected.				

BEN	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Financial sanctions against individuals involved in the regime in Burma/Myanmar are intended to exert pressure on those individuals and support international efforts for a peaceful resolution of the human rights situation in Burma/Myanmar.	
	One-off	Yrs		
	Average Annual Benefit (excluding one-off)			
	Total Benefit (PV)			
Other key non-monetised benefits by 'main affected groups' As above for key monetised benefits.				

Key Assumptions/Sensitivities/Risks
 The EC Regulation is already directly applicable in the United Kingdom. Secondary legislation is needed only to provide for criminal sanctions for breaches of the prohibitions. No specific sensitivities or risks with the introduction of this secondary legislation.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?				UK	
On what date will the policy be implemented?				Already Implemented	
Which organisation(s) will enforce the policy?				Police/FSA/CPS	
What is the total annual cost of enforcement for these organisations?				£ N/A	
Does enforcement comply with Hampton principles?				Yes	
Will implementation go beyond minimum EU requirements?				No	
What is the value of the proposed offsetting measure per year?				£ N/A	
What is the value of changes in greenhouse gas emissions?				£ N/A	
Will the proposal have a significant impact on competition?				No	
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £ N/A/Decrease of £ N/A		Net Impact
		£ None

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. Purpose and intended effect

In its Common Position 96/635/CFSP of 28 October 1996, the Council of the European Union Council expressed its concern at the absence of progress towards democratisation and at the continuing violation of human rights in Burma/Myanmar. It deplored, in particular, the practice of torture, summary and arbitrary executions, forced labour, abuse of women, political arrests, forced displacement of the population and restrictions on the fundamental rights of freedom of speech, movement and assembly. Sanctions were implemented to put pressure on the regime to reform.

The continued position on restrictive measures was recently confirmed in Council Common Position 2009/351/CFSP of 27 April 2009. Council Regulation (EC) No 194/2008 gives effect to the restrictive measures, and is amended from time-to-time by Commission Regulations principally to include new targets who are to be subject to financial sanctions as having been identified as being involved in, and connected with, the regime in Burma/Myanmar and in particular those involved with serious violations of human rights by the government.

The EC Regulation is directly applicable in the United Kingdom but UK secondary legislation is needed to provide for criminal sanctions for breaches of the prohibitions.

2. Consultation

None

3. Options

The UK is required to provide the mechanisms for enforcing the EC Regulation.

4. Costs and benefits

Sectors and groups affected:
Financial institutions

Benefits:
Financial sanctions against individuals involved in the regime in Burma/Myanmar are intended to exert pressure on those individuals and support international efforts for a peaceful resolution of the human rights situation in Burma/Myanmar. The UK is required to provide for the enforcement of the EC Regulation in the UK.

Costs:
There are some compliance costs for financial institutions in implementing all financial sanctions. The Government is mindful of these compliance costs and seeks to ensure that international sanctions regimes are well targeted and are based on good identifying information to help financial institutions administer them. There will be no additional financial costs associated with the introduction of this legislation, given that the prohibitions are given direct effect by EC legislation.

5. Small Firms Impact Test

Not applicable – no particular impact on small firms

6. Competition assessment

Not applicable – no particular competition impact

7. Enforcement, sanctions and monitoring

The provisions are set out in the Order

8. Implementation and delivery plan

Not applicable – no further implementation is required

9. Post-implementation review

Not applicable – no further implementation is required.

11. Summary and recommendation

The Burma/Myanmar (Financial Restrictions) Regulations 2009 are required to give effect to financial sanctions against Burma/Myanmar that have been agreed at EU level.

Recommendation is that the Minister agrees to the introduction of this Statutory Instrument by signing the Ministerial Sign-off box above.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	Results in Evidence Base?	Results annexed?
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	Yes	No
Rural Proofing	No	No

