
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/466), the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/573) and the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577) (together, the “2019 Regulations”) to include in those Regulations a number of amendments to primary and secondary legislation, consequential on the coming into force of the 2019 Regulations.

Regulation 2 amends the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019; *regulation 3* amends the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019, and *regulation 4* amends the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019.

The amendments provide that those Regulations will themselves make amendments to section 178 of the Charities Act 2011 (c.25), to the definition of “terrorist financing” in section 49(3) of the Sanctions and Anti-Money Laundering Act 2018 (c.13), to the registration conditions at regulation 13 of the Electronic Money Regulations 2011 (S.I. 2011/99) and regulation 14 of the Payment Services Regulations 2017 (S.I. 2017/752) and to the definition of “terrorist financing” in regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692).

Section 178 of the Charities Act 2011 makes provision about persons disqualified from being charity trustees or trustees of a charity. The amendments made by these Regulations will remove references to persons designated under the ISIL (Da'esh) and Al-Qaida (Asset-Freezing) Regulations 2011 (S.I. 2011/2472) (the “2011 Regulations”), which are revoked by the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019. These amendments will also add references to persons designated under any of the 2019 Regulations.

Section 49 of the Sanctions and Anti-Money Laundering Act 2018 confers a power to make regulations enabling or facilitating the detection or investigation of terrorist financing, or preventing terrorist financing. Section 49(3) defines “terrorist financing” for these purposes by reference to offences under several other pieces of legislation. The amendments made by these Regulations will remove references to offences under the 2011 Regulations and add references to offences under the 2019 Regulations.

Regulation 13 of the Electronic Money Regulations 2011 provides that an applicant may be refused registration as a small electronic money institution if any of the individuals responsible for the management or operation of the business has been convicted of an offence under specified terrorist asset-freezing legislation. Regulation 14 of the Payment Services Regulations 2017 provides that an applicant may be refused registration as a small payment institution if any of the individuals responsible for the management or operation of the business has been convicted of an offence under certain provisions of terrorist asset-freezing legislation. The amendments made by these Regulations will add to those provisions a reference to certain offences under the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019. Regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 defines “terrorist financing” for the purposes of those regulations by reference to offences under several other pieces of legislation. The amendments made by these Regulations will add a reference to offences under the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 to that definition.

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Sanctions (EU Exit) (Consequential Provisions) (Amendment) Regulations 2020 No. 1289

An impact assessment has not been produced for these Regulations as no, or no significant, impact on the private, voluntary or public sectors is foreseen. Impact assessments were not produced for the 2019 Regulations, as they are each intended to ensure that existing sanctions remain in place following the United Kingdom's withdrawal from the European Union. An Impact Assessment was however produced for the Sanctions and Anti-Money Laundering Act 2018 and can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/653271/Sanctions_and_Anti-Money_Laundering_Bill_Impact_Assessment_18102017.pdf.