



# Sanctions and Anti-Money Laundering Act 2018

## 2018 CHAPTER 13

### PART 1

#### SANCTIONS REGULATIONS

#### CHAPTER 1

#### POWER TO MAKE SANCTIONS REGULATIONS

#### *Designation of persons*

#### **12 Designation of persons by description under a designation power**

(1) This section applies to regulations under section 1 which grant a power for an appropriate Minister (“the Minister”) to provide that persons of a specified description are designated persons.

[<sup>F1</sup>(1A) The regulations must contain provision for the Minister to be able to choose whether to provide that persons of a specified description are designated persons under either—  
(a) the standard procedure, or  
(b) the urgent procedure.]

[<sup>F2</sup>(2) The regulations must contain provision which prohibits the exercise of that power under the standard procedure except where conditions A and C are met.]

(3) Condition A is that the description of persons specified is such that a reasonable person would know whether that person fell within it.

<sup>F3</sup>(4) .....

(5) Condition C is that the Minister—

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- (a) has reasonable grounds to suspect—
  - (i) in a case where the specified description is members of a particular organisation, that that organisation is an involved person, or
  - (ii) in the case of any other specified description, that any person falling within that description would necessarily be an involved person. <sup>F4</sup>...

<sup>F4</sup>(b) .....

[<sup>F5</sup>(5A) The regulations must provide that under the urgent procedure—

- (a) the Minister may provide that persons of a specified description are designated persons where condition C is not met, but conditions A, D and E are met, and
- (b) the persons cease to be designated persons at the end of the period of 56 days beginning with the day following the day on which the persons became designated persons unless, within that period, the Minister certifies that—
  - (i) conditions A and C are met, or
  - (ii) conditions A, D and E continue to be met.

(5B) The regulations must also provide that, under the urgent procedure, in a case where the Minister makes a certification under subsection (5A)(b)(ii), the designation ceases to have effect at the end of the period of 56 days beginning with the day immediately following the period mentioned in subsection (5A)(b), unless within that period the Minister certifies that conditions A and C are met.

(5C) Condition D is that the description of persons specified is of persons (or some persons) to which, or in relation to which, relevant provision (whenever made) applies under the law of—

- (a) the United States of America;
- (b) the European Union;
- (c) Australia;
- (d) Canada;
- (e) any other country specified for the purposes of this paragraph in regulations made by an appropriate Minister.

(5D) Condition E is that the Minister considers that it is in the public interest to provide that persons of a specified description are designated persons under the urgent procedure.

(5E) For the purposes of condition D, relevant provision is provision that the Minister considers—

- (a) corresponds, or is similar, to the type of sanction or sanctions in the regulations under section 1, or
- (b) is made for purposes corresponding, or similar, to any purpose of any type of sanction or sanctions in the regulations under section 1.]

(6) Subsections (3) to (6) of section 11 apply to regulations which contain provision mentioned in subsection (2) above.

(7) The regulations must, in relation to any case where the Minister provides that persons of a specified description are designated persons [<sup>F6</sup>under the standard procedure], require the information given under the provision made under section 10(3) to include a statement of reasons.

[<sup>F7</sup>(7A) The regulations must, in relation to any case where the Minister provides that persons of a specified description are designated persons under the urgent procedure, require

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- the information given under the provision made under section 10(3) to include a statement—
- (a) that the provision is made under the urgent procedure,
  - (b) identifying the relevant provision by reference to which the Minister considers that condition D is met in relation to persons of the specified description, and
  - (c) setting out why the Minister considers that condition E is met.
- (7B) The regulations must provide that, in relation to any case where the Minister provides that persons of a specified description are designated persons under the urgent procedure, the Minister must, after the end of the period mentioned in subsection (5A)(b), or if the Minister has made a certification under subsection (5A)(b)(ii) the period mentioned in subsection (5B), but otherwise without delay—
- (a) in a case where the persons cease to be designated persons, take such steps as are reasonably practicable to inform the persons that they have ceased to be designated persons, or
  - (b) in any other case, take such steps as are reasonably practicable to give each designated person a statement of reasons.]
- (8) In [F8 subsections (7) and (7A)] a “statement of reasons” means a brief statement of the matters that the Minister knows, or has reasonable grounds to suspect, in relation to persons of the specified description [F9—
- (a) in the case of a designation under the standard procedure, which have led the Minister to make the provision designating persons of that description, and
  - (b) in the case of a designation under the urgent procedure, as a result of which the persons do not cease to be designated persons at the end of the period mentioned in subsection (5A)(b) or (5B) (as the case may be).]
- (9) The regulations may authorise matters to be excluded from that statement where the Minister considers that they should be excluded—
- (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice,
- (but the regulations may not authorise the Minister to provide no statement of reasons).
- (10) In this section “organisation” includes any body, association or combination of persons.

#### Textual Amendments

- F1** S. 12(1A) inserted (15.3.2022) by [Economic Crime \(Transparency and Enforcement\) Act 2022 \(c. 10\), ss. 59\(2\), 69\(3\)](#)
- F2** S. 12(2) substituted (15.3.2022) by [Economic Crime \(Transparency and Enforcement\) Act 2022 \(c. 10\), ss. 59\(3\), 69\(3\)](#)
- F3** S. 12(4) omitted (15.3.2022) by virtue of [Economic Crime \(Transparency and Enforcement\) Act 2022 \(c. 10\), ss. 59\(4\), 69\(3\)](#)
- F4** S. 12(5)(b) and word omitted (15.3.2022) by virtue of [Economic Crime \(Transparency and Enforcement\) Act 2022 \(c. 10\), ss. 59\(5\), 69\(3\)](#)
- F5** S. 12(5A)-(5E) inserted (15.3.2022) by [Economic Crime \(Transparency and Enforcement\) Act 2022 \(c. 10\), ss. 59\(6\), 69\(3\)](#)
- F6** Words in s. 12(7) inserted (15.3.2022) by [Economic Crime \(Transparency and Enforcement\) Act 2022 \(c. 10\), ss. 59\(7\), 69\(3\)](#)

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- F7** S. 12(7A)(7B) inserted (15.3.2022) by Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), **ss. 59(8)**, 69(3)
- F8** Words in s. 12(8) substituted (15.3.2022) by Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), **ss. 59(9)(a)**, 69(3)
- F9** S. 12(8)(a)(b) substituted for words (15.3.2022) by Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), **ss. 59(9)(b)**, 69(3)

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**Modifications etc. (not altering text)**

- C1** Pt. 1: power to amend conferred (15.3.2022) by Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), **ss. 66(1)(a)**, 69(3)

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**Commencement Information**

- I1** S. 12 in force at 22.11.2018 by S.I. 2018/1213, **reg. 2(a)**

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