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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, made under section 1 of the United Nations Act 1946, gives effect in the United Kingdom to the following resolutions adopted by the Security Council of the United Nations: resolutions 1267(1999) adopted on 15th October 1999, 1333(2000) adopted on 19th December 2000, 1363(2001) adopted on 30th July 2001, 1390(2002) adopted on 16th January 2002, 1452(2002) adopted on 20th December 2002, 1455(2003) adopted on 17th January 2003, 1453(2004) adopted on 30th January 2004 and 1617(2005) adopted on 29th July 2005 (“the Security Council Resolutions”).

It also provides for enforcement of Regulation (EC) 881/2002 of 27th May 2002 (O.J. No L 139, 29.5.2002, p.9) on specific restrictive measures directed against certain person and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban as amended by Council Regulation (EC) 661/2003 of 27th March 2003 (O.J. No L 82, 29.3.2003. p.1) and by a series of Commission Regulations, the most recent of which is Commission Regulation (EC) 1189/2006 of 3<sup>rd</sup> August 2006 (O.J. L 214, 4.8.2006, p.21).

Under the Security Council Resolutions, a committee of the Security Council (the “Committee”) designates persons in respect of whom States are to take measures to impose financial restrictions. The measures include the freezing of funds, financial assets and economic resources of such persons and ensuring that any funds, financial assets and economic resources are not made available to them.

Article 3 of this Order provides that Usama bin Laden, persons designated by the Committee and those identified in a direction given by the Treasury under article 4 are designated persons for the purposes of the Order.

Article 4 gives the Treasury power to give a direction to designate a person for the purposes of the Order if one of a number of specified conditions is fulfilled in respect of the person. The conditions are that the Treasury have reasonable grounds to suspect that the person is or may be (a) Usama bin Laden, (b) a designated person; (c) any person owned or controlled, directly or indirectly, by such a person or (d) any person acting on behalf or at the direction of such a person. This article also gives power for the Treasury to specify in the direction that the prohibition in article 8(1) does not apply in respect of the person identified in the direction.

Article 5 makes further provision about the Treasury’s directions, including a requirement for the Treasury to take the steps that they consider appropriate to publicise the direction or to inform only certain persons and to notify the person identified in the direction. This article also includes provision about the manner in which a direction has effect and appeals.

Article 6 gives the Treasury power to specify that information contained in the direction is to be treated as confidential. The article imposes a prohibition on disclosing such information except with lawful authority. The article makes it a criminal offence to contravene this prohibition and provides that the Court may grant an injunction to prevent a breach.

Article 7 prohibits any dealing with funds, financial assets and economic resources of designated persons; anyone owned or controlled by them or anyone acting on their behalf or at their direction. The article makes it a criminal offence to contravene this prohibition.

Article 8 prohibits making funds, financial assets or economic resources available to anyone in respect of whom article 7 applies. The article makes it a criminal offence to contravene this prohibition.

Article 10 makes it a criminal offence to circumvent the prohibitions or to facilitate the commission of an offence relating to a prohibition.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Article 11 provides a licensing procedure to enable, for humanitarian and other purposes, certain acts to be exempted from the prohibitions.

Article 16 gives the Treasury power to delegate its functions under the Order.

Article 18 confirms that the provisions of this Order apply to the Crown but, in the event of a contravention, the Crown is not criminally liable.

Article 20 gives effect to amendments to certain provisions in the Al-Qa'ida and Taliban (United Nations Measures) Order 2002 (S.I. 2002/111) ("the 2002 Order") and provides for the revocation of an amending instrument, the Al-Qa'ida and Taliban (United Nations Measures)(Amendment) Order 2002 (S.I. 2002/251). This article also provides that in any case where a direction has been given under article 8 of the 2002 Order, the provisions of that Order continue to apply. Also, where a licence has been granted under article 7 of the 2002 Order to a person designated by the Sanctions Committee, the licence will continue in force as if it had been granted under this Order. The provisions in the 2002 Order which gave effect to financial sanctions in a number of the Security Council Resolutions are superseded by the provisions in this Order.

Schedule 1 makes provisions about information and evidence.

Schedule 2 lists the amendments and revocation given effect by virtue of article 20.

A partial regulatory impact assessment of the effect that this instrument will have on the costs of business may be obtained from the Asset Freezing Unit of the Financial Crime Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is also available on HM Treasury's website ([www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)). A copy of the regulatory impact assessment has been placed in the libraries of both Houses of Parliament.