

STATUTORY INSTRUMENTS

2010 No. 2937

The Iran (European Union Financial Sanctions) Regulations 2010

PART 2

Funds and Economic Resources

Freezing of funds and economic resources

3.—(1) A person (“P”) must not deal with funds or economic resources belonging to, or owned, held or controlled by, a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

(2) In paragraph (1) “deal with” means—

(a) in relation to funds—

(i) use, alter, move, allow access to or transfer;

(ii) deal with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination; or

(iii) make any other change that would enable use, including portfolio management; and

(b) in relation to economic resources, exchange or use in exchange for funds, goods or services.

(3) Paragraph (1) is subject to regulations [^{F1}8, 8A, 8B and 9].

(4) A person who contravenes the prohibition in paragraph (1) commits an offence.

Textual Amendments

F1 Words in reg. 3(3) substituted (28.1.2012) by [The Iran \(European Union Financial Sanctions\) \(Amendment\) Regulations 2012 \(S.I. 2012/190\)](#), regs. 1, 3

Making funds available to a designated person

4.—(1) A person (“P”) must not make funds available, directly or indirectly, to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to regulations [^{F2}8, 8A, 8B and 9].

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

Textual Amendments

F2 Words in reg. 4(2) substituted (28.1.2012) by [The Iran \(European Union Financial Sanctions\) \(Amendment\) Regulations 2012 \(S.I. 2012/190\)](#), regs. 1, 3

Making funds available for the benefit of a designated person

5.—(1) A person (“P”) must not make funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making funds so available.

(2) For the purposes of this regulation—

- (a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
- (b) “financial benefit” includes the discharge of a financial obligation for which the designated person is wholly or partly responsible.

(3) Paragraph (1) is subject to regulations [F38, 8A, 8B and 9].

(4) A person who contravenes the prohibition in paragraph (1) commits an offence.

Textual Amendments

F3 Words in reg. 5(3) substituted (28.1.2012) by [The Iran \(European Union Financial Sanctions\) \(Amendment\) Regulations 2012 \(S.I. 2012/190\)](#), regs. 1, 3

Making economic resources available to a designated person

6.—(1) A person (“P”) must not make economic resources available, directly or indirectly, to a designated person if P knows, or has reasonable cause to suspect—

- (a) that P is making the economic resources so available, and
- (b) that the designated person would be likely to exchange the economic resources, or use them in exchange, for funds, goods or services.

(2) Paragraph (1) is subject to [F4]regulations 8A, 8B and 9].

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

Textual Amendments

F4 Words in reg. 6(2) substituted (28.1.2012) by [The Iran \(European Union Financial Sanctions\) \(Amendment\) Regulations 2012 \(S.I. 2012/190\)](#), regs. 1, 4

Making economic resources available for the benefit of a designated person

7.—(1) A person (“P”) must not make economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

(2) For the purposes of this regulation—

- (a) economic resources are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
- (b) “financial benefit” includes the discharge of a financial obligation for which the designated person is wholly or partly responsible.

(3) Paragraph (1) is subject to [F5]regulations 8A, 8B and 9].

(4) A person who contravenes the prohibition in paragraph (1) commits an offence.

Textual Amendments

- F5** Words in reg. 7(3) substituted (28.1.2012) by [The Iran \(European Union Financial Sanctions\) \(Amendment\) Regulations 2012 \(S.I. 2012/190\)](#), regs. 1, 4

Credits to a frozen account

8.—(1) The prohibitions in regulations 3 to 5 are not contravened by a relevant institution crediting a frozen account with—

- (a) interest or other earnings due on the account, or
- (b) payments due under contracts, agreements or obligations that were concluded or arose before the account became a frozen account.

(2) The prohibitions in regulations 4 and 5 on making funds available do not prevent a relevant institution from crediting a frozen account where it receives funds transferred to the account.

(3) A relevant institution must inform the Treasury without delay if it credits a frozen account in accordance with paragraph (1)(b) or (2).

(4) In this regulation “frozen account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person.

[^{F6}Central Bank of Iran

8A.—(1) The prohibitions in regulations 3 to 7 do not apply to—

- (a) a transfer by or through the Central Bank of Iran of funds or economic resources received and frozen after 24th January 2012, or
- (b) a transfer to or through the Central Bank of Iran of funds or economic resources, where the transfer is related to a payment which is made by a person or entity who is not a designated person, and which is due in connection with a specific trade contract,

provided that the Treasury have determined that the payment will not directly or indirectly be received by any designated person other than the Central Bank of Iran.

(2) The prohibitions in regulations 3 to 7 do not apply to a transfer by or through the Central Bank of Iran of frozen funds or economic resources where the transfer—

- (a) is for the purpose of providing a financial institution within the jurisdiction of the Member States with liquidity for the financing of trade; and
- (b) has been authorised by the Treasury.]

Textual Amendments

- F6** Regs. 8A, 8B inserted (28.1.2012) by [The Iran \(European Union Financial Sanctions\) \(Amendment\) Regulations 2012 \(S.I. 2012/190\)](#), regs. 1, 5

[^{F6}Bank Tejarat

8B. The prohibitions in regulations 3 to 7 are not contravened by a person who, during the period of two months beginning on 24th January 2012, receives a payment from Bank Tejarat from funds or economic resources received and frozen after that date, or makes a payment to or for the benefit of Bank Tejarat, provided that—

- (a) the payment is due in connection with a specific trade contract; and

- (b) the Treasury have determined that the payment will not directly or indirectly be received by any designated person other than Bank Tejarat.]

Textual Amendments

- F6** Regs. 8A, 8B inserted (28.1.2012) by [The Iran \(European Union Financial Sanctions\) \(Amendment\) Regulations 2012 \(S.I. 2012/190\)](#), regs. 1, 5

Licences

9.—(1) The prohibitions in regulations 3 to 7 do not apply to anything done under the authority of a licence granted by the Treasury.

- (2) A licence must specify the acts authorised by it and may be—
- (a) general or granted to a category of persons or to a particular person;
 - (b) subject to conditions;
 - (c) of indefinite duration or subject to an expiry date.
- (3) The Treasury may vary or revoke a licence at any time.
- (4) On the grant, variation or revocation of a licence, the Treasury must—
- (a) in the case of a licence granted to a particular person, give written notice of the grant, variation or revocation to that person,
 - (b) in the case of a general licence or a licence granted to a category of persons, take such steps as the Treasury consider appropriate to publicise the grant, variation or revocation of the licence.
- (5) A person commits an offence who, for the purpose of obtaining a licence, knowingly or recklessly—
- (a) provides information that is false in a material respect, or
 - (b) provides or produces a document that is not what it purports to be.
- (6) A person who purports to act under the authority of a licence but who fails to comply with any conditions included in the licence commits an offence.

Changes to legislation:

There are currently no known outstanding effects for the The Iran (European Union Financial Sanctions) Regulations 2010, PART 2.