

2014 No. 2445

CRIMINAL LAW

**The Ukraine (European Union Financial Sanctions) (No.3)
(Amendment) Regulations 2014**

Made - - - - 12th September 2014

Laid before Parliament at 11.30 a.m. on 15th September 2014

Coming into force - -at 1.00 p.m. on 15th September 2014

The Treasury are designated(a) for the purposes of section 2(2) of the European Communities Act 1972(b) in relation to restrictive measures against persons or bodies listed by an international organisation.

The Treasury, in exercise of the powers conferred by section 2(2) of the European Communities Act 1972, make the following Regulations.

Citation and commencement

1. These Regulations may be cited as the Ukraine (European Union Financial Sanctions) (No.3) (Amendment) Regulations 2014 and shall come into force at 1.00 p.m. on 15th September 2014.

Amendments to the Ukraine (European Union Financial Sanctions) (No.3) Regulations 2014

2. The Ukraine (European Union Financial Sanctions) (No.3) Regulations 2014(c) are amended as follows.

3. In the heading to regulation 3 (dealing with transferable securities and money-market instruments), insert at the end “after 1st August 2014 and before 16th September 2014”.

4. In regulation 3—

(a) in paragraph (1)—

(i) omit “(“P””,

(ii) for “brokering”, substitute “investment services relating to”, and

(iii) after “1st August 2014”, insert “and before 16th September 2014”,

(b) in paragraph (2)(b), for “owned”, substitute “directly or indirectly owned”, and

(c) at the end of paragraph 2(b) insert “and”.

5. After regulation 3 insert—

(a) S.I. 2010/1834.

(b) 1972 c.68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c. 51) and the European Union (Amendment) Act 2008 (c. 7), Schedule, Part 1.

(c) S.I. 2014/2054.

“Dealing with transferable securities and money-market instruments after 15th September 2014

3A.—(1) A person must not directly or indirectly purchase, sell, provide investment services relating to or assistance in the issuance of, or otherwise deal with transferable securities or money-market instruments with a maturity exceeding 30 days, issued after 15th September 2014 by a person, entity or body falling within paragraph (2).

(2) The following persons, entities or bodies fall within this paragraph—

- (a) a major credit institution or other major institution listed in Annex III to the Council Regulation,
- (b) a legal person, entity or body listed in Annex V to the Council Regulation,
- (c) a legal person entity or body listed in Annex VI to the Council Regulation,
- (d) a legal person, entity or body established outside the European Union, more than 50% of the proprietary rights of which are directly or indirectly owned by a legal person, entity or body falling within sub-paragraph (a), (b) or (c), and
- (e) a legal person, entity or body acting on behalf of, or at the direction of, a legal person, entity or body falling within sub-paragraph (a), (b), (c) or (d).

Loan or credit arrangements after 15th September 2014

3B.—(1) A person must not make or be part of any arrangement to make a loan or credit with a maturity exceeding 30 days, directly or indirectly, to any person, entity or body falling within regulation 3(2) or 3A(2), after 15th September 2014.

(2) The prohibition in paragraph (1) does not prevent a person from making or being part of any arrangement to make—

- (a) a loan or credit only where there is a specific and documented objective to provide finance for non-restricted imports or exports of goods and non-financial services, or
- (b) a loan only where there is a specific and documented objective to provide emergency funding to meet solvency and liquidity criteria for legal persons established inside the European Union, more than 50% of the proprietary rights of which are owned by a major credit institution or other major institution listed in Annex III to the Council Regulation.”

6. In regulation 4 (contravention and circumvention of prohibitions)—

- (a) in paragraph (1)—
 - (i) for “regulation 3”, in the first place in which it appears, substitute “regulations 3 to 3B”, and
 - (ii) for “regulation 3”, in the second place in which it appears, substitute “any such prohibition”, and
- (b) in paragraph (2)(a), for “regulation 3”, substitute “regulations 3 to 3B”.

*Mark Lancaster
Alun Cairns*

12th September 2014

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Ukraine (European Union Financial Sanctions) (No.3) Regulations 2014 (S.I. 2014/2054) (“the 2014 Regulations”). The 2014 Regulations make provision relating to the enforcement of Council Regulation (EU) No. 833/2014 dated 31 July 2014 (OJ L 229, 31.7.2014, p.1) concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine (“the first Council Regulation”).

The first Council Regulation has been amended by Council Regulation (EU) No. 960/2014 dated 8 September 2014 (OJ L 271, 12.9.2014, p.3) (“the amending Regulation”). The amending Regulation includes a revised definition of transferable securities, and refers to investment services instead of brokering. The amending Regulation also includes measures prohibiting a person from dealing with transferable securities and money-market instruments with a maturity exceeding 30 days for, or on behalf of, persons, entities or bodies in the Russian financial, defence and energy sectors. This extends the prohibition in the first Council Regulation in respect of the same activities in relation to transferable securities and money-market instruments with a maturity exceeding 90 days, issued after 1st August 2014. The amending Regulation also prohibits a person from making or being part of any arrangement to make loans or credits with those persons, entities or bodies.

Regulation 4 amends regulation 3 in the 2014 Regulations. The prohibitions in regulation 3 are now limited to dealing with transferable securities and money-market instruments issued during the period 2nd August 2014 to 15th September 2014 inclusive. Brokering is amended to investment services.

Regulation 5 inserts new regulations 3A and 3B in the 2014 Regulations.

Regulation 3A provides for prohibitions against dealing with transferable securities and money-market instruments for, or on behalf of, legal persons, entities or bodies listed in Annex III, V and VI to the first Council Regulation with a maturity exceeding 30 days, issued after 15th September 2014. The prohibitions include buying, selling, providing investment services relating to or assistance in the issuance of, or otherwise dealing in, transferable securities and money-market instruments.

Regulation 3B provides for a prohibition against making or being part of any arrangement to make loans or credits, after 15th September 2014, to any legal person, entity or body coming within regulation 3(2) or 3A(2) in the 2014 Regulations, other than in specified circumstances.

Regulation 6 makes it an offence to breach any of the prohibitions in regulations 3A or 3B in the 2014 Regulations, or to seek to circumvent those provisions.

A list of major credit institutions or other major institutions and legal persons, entities or bodies listed in Annex III, V and VI to the Council Regulation is available on the internet via: (<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>) or can be obtained from Financial Sanctions, H.M. Treasury, 1 Horse Guards Road, London, SW1A 2HQ.

Further information is available from Financial Sanctions, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and on the H.M. Treasury website (www.gov.uk/government/organisations/hm-treasury).

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