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STATUTORY INSTRUMENTS

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**2016 No. 36**

**CRIMINAL LAW**

**The Iran (European Union Financial  
Sanctions) Regulations 2016**

<i>Made</i>	- - - -	<i>at 11.00 a.m. on 18th January 2016</i>
<i>Laid before Parliament</i>		<i>at 2.30 p.m. on 18th January 2016</i>
<i>Coming into force</i>	- -	<i>at 4.00 p.m. on 18th January 2016</i>

The Treasury are designated <sup>M1</sup> for the purposes of section 2(2) of the European Communities Act 1972 <sup>M2</sup> in relation to restrictive measures against persons or bodies listed by an international organisation.

These Regulations make provision for a purpose mentioned in section 2(2) of that Act and it appears to the Treasury that it is expedient for any reference to an Annex to Council Regulation (EU) No. 2012/267 of 23rd March 2012 <sup>M3</sup> concerning restrictive measures against Iran and repealing Regulation EU No. 961/2010 to be construed as a reference to that Annex as amended from time to time.

The Treasury, in exercise of the powers conferred by section 2(2) of, and paragraph 1A of Schedule 2 to, the European Communities Act 1972, make the following Regulations.

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**Marginal Citations**

**M1** [S.I. 2010/1834](#).

**M2** [1972 c.68](#). Section 2(2) was amended by the [Legislative and Regulatory Reform Act 2006 \(c.51\)](#), [section 27\(1\)\(a\)](#) and the [European Union \(Amendment\) Act 2008 \(c.7\)](#), [Schedule](#), Part 1. Paragraph 1A of Schedule 2 was inserted by the [Legislative and Regulatory Reform Act 2006](#), section 28 and amended by [S.I. 2007/1388](#) and the [European Union \(Amendment\) Act 2008](#), [Schedule](#), Part 1.

**M3** [OJ L 088 24.3.2012](#), p. 1 as amended, most recently by [Council Regulation \(EU\) No. 1861/2015](#) of 18th October 2015 ([OJ L 274](#), 18.10.2015, p. 1) and [Council Regulation \(EU\) No. 1862/2015](#) of 18th October 2015 ([OJ L 274](#), 18.10.2015, p. 161).

## PART 1 U.K.

### General

#### Citation, commencement and application U.K.

1.—(1) These Regulations may be cited as the Iran (European Union Financial Sanctions) Regulations 2016 and shall come into force at 4.00 p.m. on 18th January 2016.

(2) An offence under these Regulations may be committed by conduct wholly or partly outside the United Kingdom by—

- (a) a UK national, or
- (b) a body incorporated or constituted under the law of any part of the United Kingdom.

(3) In paragraph (2)—

“conduct” includes acts and omissions;

“UK national” means—

- (a) a British citizen,
- (b) a British overseas territories citizen who acquired their citizenship from a connection with Gibraltar, or
- (c) a British subject under Part 4 of the British Nationality Act 1981 (British subjects) <sup>M4</sup> with the right of abode in the United Kingdom.

#### Marginal Citations

**M4** 1981 c.61. Part 4 was amended by the [British Overseas Territories Act 2002 \(c.8\)](#), [section 1\(1\)\(b\)](#) and the [Nationality, Immigration and Asylum Act 2002 \(c.41\)](#), [sections 15](#) and 161, Schedule 2, paragraph 1(i) and Schedule 9.

#### Interpretation U.K.

2.—(1) In these Regulations—

“the 2000 Act” means the Financial Services and Markets Act 2000 <sup>M5</sup>;

“the Council Regulation” means Council Regulation (EU) No. 2012/267 of 23rd March 2012 concerning restrictive measures against Iran and repealing Regulation EU No 961/2010, and a reference to an Annex to that Regulation is to be construed as a reference to that Annex as amended from time to time;

“designated person” means a person, entity or body listed in Annex VIII, IX, XIII, or XIV to the Council Regulation;

“document” includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include producing a copy of the information in legible form;

“relevant institution” means—

- (a) a person who has permission under Part 4A of the 2000 Act (permission to carry on regulated activities) <sup>M6</sup>;
- (b) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to the 2000 Act <sup>M7</sup> (EEA passport rights) which has permission under paragraph 15 of that Schedule <sup>M8</sup> (as

- a result of qualifying for authorisation under paragraph 12 of that Schedule <sup>M9</sup>) to accept deposits; or
- (c) an undertaking which by way of business operates a currency exchange office, transmits money (or any representations of monetary value) by any means or cashes cheques which are made payable to customers.
- (2) The definition of “relevant institution” in paragraph (1) must be read with—
- (a) section 22 of the 2000 Act <sup>M10</sup> (regulated activities),
- (b) any relevant order under that section <sup>M11</sup>, and
- (c) Schedule 2 to that Act <sup>M12</sup> (regulated activities).
- (3) Any expression used both in these Regulations and in the Council Regulation has, in these Regulations, the meaning that it bears in the Council Regulation.

#### Marginal Citations

- M5** 2000 c.8.
- M6** Part 4A was inserted by the [Financial Services Act 2012 \(c.21\)](#), [section 11\(2\)](#) and amended most recently by [S.I. 2015/910](#).
- M7** As amended by [S.I. 2006/3221](#) and [S.I. 2013/3115](#).
- M8** As amended by [S.I. 2003/2066](#), [S.I. 2007/3253](#), [S.I. 2012/1906](#), [S.I. 2013/1881](#) and [S.I. 2015/575](#).
- M9** As amended by [S.I. 2007/126](#), [S.I. 2007/3253](#) and [S.I. 2012/1906](#).
- M10** [Section 22](#) was amended by the [Financial Services Act 2012 \(c.21\)](#), [section 7\(1\)](#).
- M11** [S.I. 2001/544](#) as amended, most recently by [S.I. 2015/910](#).
- M12** [Schedule 2](#) was amended by the [Dormant Bank and Building Society Accounts Act 2008 \(c.31\)](#), [section 15](#), [Schedule 2](#), [paragraph 1](#), the [Regulation of Financial Services \(Land Transactions\) Act 2005 \(c.24\)](#), [section 1](#), the [Financial Services Act 2012](#), [section 7\(2\) to \(5\)](#) and [section 8](#) and by [S.I. 2013/1881](#).

## PART 2 U.K.

### Funds and Economic Resources

#### Freezing of funds and economic resources U.K.

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 their volume, amount, location, ownership, possession, character or destination; or
- (iii) make any other change that would enable their 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 regulation 9.

**Making funds available to a designated person** U.K.

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 8 and 9.

**Making funds available for the benefit of a designated person** U.K.

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 the 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, in whole or in part, of a financial obligation for which the designated person is wholly or partly responsible.

(3) Paragraph (1) is subject to regulations 8 and 9.

**Making economic resources available to a designated person** U.K.

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 regulation 9.

**Making economic resources available for the benefit of a designated person** U.K.

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, in whole or in part, of a financial obligation for which the designated person is wholly or partly responsible.

(3) Paragraph (1) is subject to regulation 9.

**Credits to a frozen account** U.K.

8.—(1) The prohibitions in regulations 4 and 5 are not contravened by a person who credits 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.

### **Licences** U.K.

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 condition included in the licence commits an offence.

### **Financial messaging services** U.K.

10.—(1) A person (“P”) must not supply specialised financial messaging services, which are used to exchange financial data, to a designated person if P knows, or has reasonable cause to suspect, that P is making the services so available.

(2) The prohibition in paragraph (1) does not apply where an authorisation has been granted by a competent authority in accordance with Article 24, 25, 26, 27, 28, 28a, 28b or 29 of the Council Regulation.

## **PART 3** U.K.

### Offences

### **Contravention and circumvention of prohibitions** U.K.

11.—(1) A person who contravenes any of the prohibitions in regulations 3 to 7 and 10 commits an offence.

(2) A person commits an offence who intentionally participates in activities knowing that the object or effect of them is (whether directly or indirectly)—

- (a) to circumvent any of the prohibitions in regulations 3 to 7 and 10, or
- (b) to enable or facilitate the contravention of any such prohibition or requirement.

**Officers of a body corporate etc. U.K.**

12.—(1) Where an offence under these Regulations committed by a body corporate—

- (a) is committed with the consent or connivance of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, or
- (b) is attributable to any neglect on the part of any such person,

that person as well as the body corporate is guilty of the offence and is liable to be proceeded against and punished accordingly.

(2) In paragraph (1) “director”, in relation to a body corporate whose affairs are managed by its members, means a member of the body corporate.

(3) Paragraph (1) also applies in relation to a body that is not a body corporate, with the substitution for the reference to a director of the body of a reference—

- (a) in the case of a partnership, to a partner;
- (b) in the case of an unincorporated body other than a partnership—
  - (i) where the body's affairs are managed by its members, to a member of the body;
  - (ii) in any other case, to a member of the governing body.

**Penalties U.K.**

13.—(1) A person guilty of an offence under regulation 9 or 11 is liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding [<sup>F1</sup>seven] years or to a fine or to both;
- (b) on summary conviction—
  - (i) to imprisonment for a term not exceeding [<sup>F2</sup>the relevant maximum];
  - (ii) to a fine, which in Scotland or Northern Ireland may not exceed the statutory maximum;
 or to both.

(2) A person guilty of an offence under paragraph 1(5) or paragraph 4(1) of the Schedule is liable on summary conviction—

- (a) to imprisonment for a term not exceeding [<sup>F3</sup>the relevant maximum];
- (b) or to a fine, which in Scotland or Northern Ireland may not exceed the statutory maximum;

or to both.

[<sup>F4</sup>(3) For the purposes of this regulation, “the relevant maximum” is—

- (a) in England and Wales, twelve months (or, in relation to offences committed before section 154(1) of the Criminal Justice Act 2003 comes into force, six months);
- (b) in Scotland, twelve months;
- (c) in Northern Ireland, six months.]

**Textual Amendments**

**F1** Word in reg. 13(1)(a) substituted (2.5.2017) by [The European Union Financial Sanctions \(Enhanced Penalties\) Regulations 2017 \(S.I. 2017/560\)](#), regs. 1, **25(2)**

**F2** Words in reg. 13(1)(b)(i) substituted (2.5.2017) by [The European Union Financial Sanctions \(Enhanced Penalties\) Regulations 2017 \(S.I. 2017/560\)](#), regs. 1, **25(3)**

- F3** Words in reg. 13(2)(a) substituted (2.5.2017) by The European Union Financial Sanctions (Enhanced Penalties) Regulations 2017 (S.I. 2017/560), regs. 1, **25(3)**
- F4** Reg. 13(3) inserted (2.5.2017) by The European Union Financial Sanctions (Enhanced Penalties) Regulations 2017 (S.I. 2017/560), regs. 1, **25(4)**

## Proceedings **U.K.**

**14.**—(1) Proceedings against any person for an offence under these Regulations may be taken before the appropriate court in the United Kingdom having jurisdiction in the place where that person is for the time being.

(2) Proceedings against any person for an offence under these Regulations which cannot be taken under regulation (1) above may be taken at any appropriate court in the United Kingdom.

(3) An offence falling under these Regulations which is committed wholly or partly outside the United Kingdom may for all incidental purposes be treated as having been committed within the jurisdiction of the court where proceedings were taken.

(4) In England and Wales an information relating to an offence that is triable by a magistrates' court may be so tried if it is laid—

- (a) at any time within three years after the commission of the offence, and
- (b) within twelve months after the date on which evidence sufficient in the opinion of the prosecutor to justify the proceedings comes to the knowledge of the prosecutor.

(5) In Scotland—

- (a) summary proceedings for an offence may be commenced—
  - (i) before the end of twelve months from the date on which evidence sufficient in the Lord Advocate's opinion to justify the proceedings came to the Lord Advocate's knowledge, and
  - (ii) not later than three years after the commission of the offence; and
- (b) section 136(3) of the Criminal Procedure (Scotland) Act 1995 <sup>M13</sup> (time limit for certain offences) applies for the purpose of this paragraph as it applies for the purpose of that section.

(6) In Northern Ireland summary proceedings for an offence may be instituted—

- (a) at any time within three years after the commission of the offence, and
- (b) within twelve months after the date on which evidence sufficient in the opinion of the prosecutor to justify the proceedings comes to the knowledge of the prosecutor.

(7) For the purposes of this regulation a certificate of the prosecutor (or, in Scotland, the Lord Advocate) as to the date on which such evidence as is referred to above came to their knowledge is conclusive evidence.

### Marginal Citations

M13 1995 c.46.

## Consent to prosecution **U.K.**

**15.**—(1) Proceedings for an offence under these Regulations (other than for a summary offence) may not be instituted—

- (a) in England and Wales, except by or with the consent of the Attorney General,

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*Changes to legislation: There are currently no known outstanding effects for the The Iran (European Union Financial Sanctions) Regulations 2016. (See end of Document for details)*

- (b) in Northern Ireland—
  - (i) where the offence is committed wholly or partly outside Northern Ireland, except by or with the consent of the Advocate General for Northern Ireland;
  - (ii) for all other offences, except by or with the consent of the Director for Public Prosecutions for Northern Ireland.
- (2) Nothing in paragraph (1) prevents—
  - (a) the arrest of a person in respect of an offence under these Regulations, or
  - (b) the remand in custody or on bail of any person charged with such an offence.

## PART 4 U.K.

### Miscellaneous

#### Information provisions U.K.

**16.** The Schedule (which contains provisions concerning information gathering and disclosure) has effect.

#### Notices U.K.

**17.**—(1) This regulation has effect in relation to any notice to be given to a person by the Treasury under regulation 9.

- (2) Any such notice may be given—
  - (a) by posting it to the person's last known address, or
  - (b) where the person is a body corporate, partnership or unincorporated body other than a partnership, by posting it to the registered or principal office of the body or partnership concerned.

(3) Where the Treasury do not have an address for the person, they must make arrangements for the notice to be given to the person at the first available opportunity.

#### The Crown U.K.

**18.**—(1) These Regulations bind the Crown.

(2) No contravention by the Crown of a provision of these Regulations makes the Crown criminally liable.

(3) The High Court or, in Scotland, the Court of Session may, on the application of a person appearing to the court to have an interest, declare unlawful any act or omission of the Crown that constitutes a contravention of a provision of these Regulations.

(4) Nothing in this regulation affects Her Majesty in her private capacity.

(5) Paragraph (4) is to be read as if section 38(3) of the Crown Proceedings Act 1947<sup>M14</sup> (meaning of Her Majesty in Her private capacity) were contained in these Regulations.

#### Marginal Citations

M14 1947 c.44.



## Amendment **U.K.**

19. In section 63(1) of the Counter-Terrorism Act 2008 <sup>M15</sup> (application to set aside financial restrictions decision), after paragraph (af) insert—

“(ag) the Iran (European Union Financial Sanctions) Regulations 2016 (S.I 2016/36),”.

### Marginal Citations

**M15** 2008 c.28 as amended, most recently by S.I. 2012/925.

## Revocation and repeal **U.K.**

20.—(1) The following instruments are revoked—

- (a) the Iran (European Union Financial Sanctions) Regulations 2012 <sup>M16</sup>,
- (b) the Iran (European Union Financial Sanctions) (Amendment No. 2) Regulations 2012 <sup>M17</sup>,
- (c) the Iran (European Union Financial Sanctions) (Amendment) Regulations 2013 <sup>M18</sup>, and
- (d) the Iran (European Union Financial Sanctions) (Amendment) Regulations 2014 <sup>M19</sup>.

(2) In section 63(1) of the Counter-Terrorism Act 2008 (application to set aside financial restrictions decision), paragraph (af) (decision in connection with the 2012 Regulations) is repealed.

### Marginal Citations

**M16** S.I 2012/925 as amended, most recently by S.I 2014/105.

**M17** S.I. 2012/2909.

**M18** S.I. 2013/163.

**M19** S.I. 2014/105.

## Savings **U.K.**

21.—(1) Any licence which was granted by the Treasury under—

- (a) regulation 10 of the Iran (European Community Financial Sanctions) Regulations 2007 <sup>M20</sup>,
- (b) regulation 9 of the Iran (European Union Financial Sanctions) Regulations 2010 <sup>M21</sup>, or
- (c) regulation 9 of the Iran (European Union Financial Sanctions) Regulations 2012,

and was in effect immediately before coming into force of these Regulations shall have effect as if it were a license granted by the Treasury under regulation 9 of these Regulations.

(2) The repeal by these Regulations of paragraph (af) of section 63(1) of the Counter-Terrorism Act 2008 does not affect the continued operation of that paragraph in relation to any decision of the Treasury made before the coming into force of these Regulations.

### Marginal Citations

**M20** S.I. 2007/1374, revoked by S.I. 2010/2937 with savings

**M21** S.I. 2010/2937, revoked by S.I. 2012/925 with savings

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**Status:** Point in time view as at 27/06/2018.

**Changes to legislation:** There are currently no known outstanding effects for the The Iran  
(European Union Financial Sanctions) Regulations 2016. (See end of Document for details)

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*John Penrose*  
*Charlie Elphicke*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

SCHEDULE **U.K.**

Regulation 16

Information Provisions

**Reporting obligations of relevant institutions [<sup>F5</sup> and others] **U.K.****

1.—(1) A relevant institution [<sup>F6</sup> or relevant business or profession] must inform the Treasury as soon as practicable if—

- (a) it knows, or has reasonable cause to suspect, that a person—
  - (i) is a designated person, or
  - (ii) has committed an offence under regulation 9 or 11, and
- (b) the information or other matter on which the knowledge or suspicion is based came to it in the course of carrying on its business.

(2) Where a relevant institution [<sup>F6</sup> or relevant business or profession] informs the Treasury under sub-paragraph (1), it must state—

- (a) the information or other matter on which the knowledge or suspicion is based, and
- (b) any information it holds about the person by which the person can be identified.

(3) Sub-paragraph (4) applies if—

- (a) a relevant institution [<sup>F6</sup> or relevant business or profession] informs the Treasury under sub-paragraph (1) that it knows, or has reasonable cause to suspect, that a person is a designated person, and
- (b) that person is a customer of the institution [<sup>F7</sup> or relevant business or profession].

(4) The relevant institution [<sup>F6</sup> or relevant business or profession] must also state the nature and amount or quantity of any funds or economic resources held by it for the customer.

(5) A relevant institution [<sup>F6</sup> or relevant business or profession] that fails to comply with any requirement of sub-paragraph (1), (2) or (4) commits an offence.

[<sup>F8</sup>(6) In this paragraph, a “relevant business or profession” means—

- (a) an auditor;
- (b) a casino;
- (c) a dealer in precious metals or stones;
- (d) an estate agent;
- (e) an external accountant;
- (f) an independent legal professional;
- (g) a tax adviser; and
- (h) a trust or company service provider,

operating in the United Kingdom.

(7) For the purpose of sub-paragraph (6)—

“auditor” means any firm or sole practitioner who is—

- (a) a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (statutory auditors), when carrying out statutory audit work within the meaning of section 1210 of that Act (meaning of statutory auditor); or

**Status:** Point in time view as at 27/06/2018.

**Changes to legislation:** There are currently no known outstanding effects for the The Iran (European Union Financial Sanctions) Regulations 2016. (See end of Document for details)

- (b) a local auditor within the meaning of section 4(1) of the Local Audit and Accountability Act 2014 (general requirements for audit), when carrying out an audit required by that Act;
- “casino” means the holder of a casino operating licence and, for this purpose, a “casino operating licence” has the meaning given by section 65(2)(a) of the Gambling Act 2005 (nature of a licence);
- “dealer in precious metals or stones” means a person engaged in the business of making, supplying, selling (including selling by auction) or exchanging—
- (a) articles made from gold, silver, platinum or palladium; or
  - (b) precious stones or pearls;
- “estate agent” means a firm or sole practitioner, who, or whose employees, carry out estate agency work, when the work is being carried out;
- “external accountant” means a firm or sole practitioner who by way of business provides accountancy services to other persons, when providing such services;
- “independent legal professional” means a firm or sole practitioner who by way of business provides legal or notarial services to other persons, when providing such services;
- “tax adviser” means a firm or sole practitioner who by way of business provides advice about the tax affairs of other persons, when providing such services;
- “trust or company service provider” means a firm or sole practitioner who by way of business provides any of the following services to other persons, when that firm or practitioner is providing such services—
- (a) forming companies or other legal persons;
  - (b) acting, or arranging for another person to act—
    - (i) as a director or secretary of a company;
    - (ii) as a partner of a partnership; or
    - (iii) in a similar capacity in relation to other legal persons;
  - (c) providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or arrangement;
  - (d) acting, or arranging for another person to act, as—
    - (i) a trustee of an express trust or similar legal arrangement; or
    - (ii) a nominee shareholder for a person.
- (8) In sub-paragraph (7)—
- (a) in the definition of “estate agent”, “estate agency work” is to be read in accordance with section 1 of the Estate Agents Act 1979 (estate agency work), but for those purposes references in that section to disposing of or acquiring an interest in land are (despite anything in section 2 of that Act) to be taken to include reference to disposing of or acquiring an estate or interest in land outside the United Kingdom where that estate or interest is capable of being owned or held as a separate interest;
  - (b) “firm” means any entity that, whether or not a legal person, is not an individual and includes a body corporate and a partnership or other unincorporated association.]

### Textual Amendments

- F5** Words in Sch. para. 1 heading inserted (8.8.2017) by The European Union Financial Sanctions (Amendment of Information Provisions) Regulations 2017 (S.I. 2017/754), regs. 1, **25(2)** (with reg. 28)
- F6** Words in Sch. para. 1 inserted (8.8.2017) by The European Union Financial Sanctions (Amendment of Information Provisions) Regulations 2017 (S.I. 2017/754), regs. 1, **25(3)** (with reg. 28)
- F7** Words in Sch. para. 1(3)(b) inserted (8.8.2017) by The European Union Financial Sanctions (Amendment of Information Provisions) Regulations 2017 (S.I. 2017/754), regs. 1, **25(4)** (with reg. 28)
- F8** Sch. para. 1(6)-(8) inserted (8.8.2017) by The European Union Financial Sanctions (Amendment of Information Provisions) Regulations 2017 (S.I. 2017/754), regs. 1, **25(5)** (with reg. 28)

### Powers to request information **U.K.**

- 2.—(1) The Treasury may request a designated person to provide information concerning—
- (a) funds or economic resources belonging to, owned, held or controlled by or on behalf of the designated person, or
  - (b) any disposal of such funds or economic resources.
- (2) The Treasury may request a designated person to provide such information as the Treasury may reasonably require about expenditure—
- (a) by or on behalf of the designated person, or
  - (b) for the benefit of the designated person.
- (3) The power in sub-paragraph (1) or (2) is exercisable only where the Treasury believe that it is necessary for the purpose of monitoring compliance with or detecting evasion of these Regulations.
- (4) The Treasury may request a person acting under a licence granted under regulation 9 to provide information concerning—
- (a) funds or economic resources dealt with under the licence, or
  - (b) funds or economic resources made available under the licence.
- (5) The Treasury may request any person in or resident in the United Kingdom to provide such information as the Treasury may reasonably require for the purpose of—
- (a) establishing for the purposes of these Regulations—
    - (i) the nature and amount or quantity of any funds or economic resources belonging to, owned, held or controlled by or on behalf of a designated person;
    - (ii) the nature and amount or quantity of any funds or economic resources made available directly or indirectly to, or for the benefit of, a designated person; or
    - (iii) the nature of any financial transactions entered into by a designated person;
  - (b) monitoring compliance with or detecting evasion of these Regulations; or
  - (c) obtaining evidence of the commission of an offence under these Regulations.
- (6) The Treasury may specify the manner in which, and the period within which, information is to be provided.
- (7) If no such period is specified, the information which has been requested must be provided within a reasonable time.
- (8) A request may include a continuing obligation to keep the Treasury informed as circumstances change, or on such regular basis as the Treasury may specify.
- (9) Information requested under this paragraph may relate to any period of time during which a person is, or was, a designated person.

**Status:** Point in time view as at 27/06/2018.

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(10) Information requested under sub-paragraph (1)(b), (2) or (5)(a)(iii) may relate to any period of time before a person became a designated person (as well as, or instead of, any subsequent period of time).

### **Production of documents** U.K.

**3.—**(1) A request under paragraph 2 may include a request to produce specified documents or documents of a specified description.

(2) In relation to information recorded otherwise than in legible form, references to its production include producing a copy of the information in legible form.

(3) Where the Treasury request that documents be produced, they may—

- (a) take copies of or extracts from any document so produced;
- (b) request any person producing a document to give an explanation of it; and
- (c) where that person is a body corporate, partnership or unincorporated body other than a partnership, request any person who is—
  - (i) in the case of a partnership, a present or past partner or employee of the partnership,
  - (ii) in any other case, a present or past officer or employee of the body concerned,
 to give such an explanation.

(4) Where the Treasury request a designated person or a person acting under a licence granted under regulation 9 to produce documents, that person must—

- (a) take reasonable steps to obtain the documents (if not already in the person's possession or control);
- (b) keep the documents under the person's possession or control (except for the purpose of providing them to the Treasury or as the Treasury may otherwise permit).

### **Failure to comply with request for information** U.K.

**4.—**(1) A person commits an offence who—

- (a) without reasonable excuse, refuses or fails within the time and in the manner specified (or, if no time has been specified, within a reasonable time) to comply with any request made under this Schedule;
- (b) knowingly or recklessly gives any information, or produces any document, which is false in a material particular in response to such a request;
- (c) with intent to evade the provisions of this Schedule, destroys, mutilates, defaces, conceals or removes any document; or
- (d) otherwise intentionally obstructs the Treasury in the exercise of their powers under this Schedule.

(2) Where a person is convicted of an offence under this paragraph, the court may make an order requiring that person, within such period as may be specified in the order, to comply with the request.

### **General power to disclose information** U.K.

**5.—**(1) The Treasury may disclose any information obtained by them pursuant to these Regulations to any person for the purpose of facilitating or ensuring compliance with the Council Regulation.

(2) The power in sub-paragraph (1) includes but is not limited to disclosing information to the following persons—

- (a) a police officer;
  - (b) any person holding or acting in any office under or in the service of—
    - (i) the Crown in right of the Government of the United Kingdom,
    - (ii) the Crown in right of the Scottish Administration, the Northern Ireland Administration or the Welsh Assembly Government,
    - (iii) the States of Jersey, Guernsey or Alderney or the Chief Pleas of Sark,
    - (iv) the Government of the Isle of Man, or
    - (v) the Government of any British overseas territory;
  - (c) any law officer of the Crown for Jersey, Guernsey or the Isle of Man;
  - (d) the Legal Services Commission, the Scottish Legal Aid Board or the Northern Ireland Legal Services Commission;
  - (e) the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England, the Jersey Financial Services Commission, the Guernsey Financial Services Commission, the Isle of Man Insurance and Pensions Authority or the Isle of Man Financial Supervision Commission;
  - (f) any other regulatory body, including those of other Member States;
  - (g) any organ of the United Nations; or
  - (h) the Council of the European Union, the European Commission or the Government of a Member State.
- (3) The purpose of facilitating or ensuring compliance with the Council Regulation referred to in sub-paragraph (1) includes but is not limited to the following—
- (a) monitoring compliance with, or detecting evasion of, this Regulation or the Council Regulation;
  - (b) giving assistance or co-operation, pursuant to the Council Regulation; or
  - (c) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings—
    - (i) in the United Kingdom, for an offence under these Regulations, or
    - (ii) in any of the Channel Islands, the Isle of Man or any British overseas territory, for an offence under a similar provision in any such jurisdiction.
- (4) The Treasury may disclose any information obtained by them pursuant to these Regulations to any person with the consent of a person who, in their own right, is entitled to the information or to possession of the document, copy or extract.
- (5) In sub-paragraph (4) “in their own right” means not merely in the capacity as a servant or agent of another person.

#### **Application of provisions** **U.K.**

- 6.—(1) Nothing done under this Schedule is to be treated as a breach of any restriction imposed by statute or otherwise.
- (2) But nothing in this Schedule authorises a disclosure that—
- (a) contravenes the Data Protection Act 1998<sup>M22</sup>, or
  - (b) is prohibited by [<sup>F9</sup>any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016].

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(3) Nothing in this Schedule is to be read as requiring a person who has acted or is acting as counsel or solicitor for any person to disclose any privileged information in their possession in that capacity.

(4) This Schedule does not limit the circumstances in which information may be disclosed apart from this Schedule.

(5) This Schedule does not limit the powers of the Treasury to impose conditions in connection with the discharge of their functions under regulation 9.

(6) In this paragraph “privileged information” means information with respect to which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.

#### Textual Amendments

**F9** Words in [Sch. para. 6\(2\)\(b\)](#) substituted (27.6.2018) by [The Investigatory Powers \(Consequential Amendments etc.\) Regulations 2018 \(S.I. 2018/682\)](#), reg. 1(3), [Sch. 1 para. 35](#) (with reg. 4)

#### Marginal Citations

**M22** 1998 c.29.

## EXPLANATORY NOTE

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

These Regulations make provision relating to the enforcement of Council Regulation (EU) No. No. 2012/267 dated 23rd March 2012 (OJ, L 088 24.3.2012, p.1) concerning restrictive measures against Iran and repealing Regulation EU No. 961/2010 (“the Council Regulation”) as amended most recently by Council Regulation (EU) No. 1861/2015 of 18th October 2015 (OJ L 274, 18.10.2015, p. 1) and Council Regulation (EU) No. 1862/2015 of 18th October 2015 (OJ L 274, 18.10.2015, p. 161) (“the 2015 Council Regulations”).

Following the agreement of the Joint Comprehensive Plan of Action in Vienna on 14th July 2015 providing for sanctions relief for Iran in exchange for Iran verifiably limiting its nuclear programme, the 2015 Council Regulations were adopted to amend the Council Regulation to reduce the restrictive measures it imposed upon Iran. The 2015 Council Regulations enter into force on the date that it is independently verified that Iran has complied with its obligations under the JCPOA. The International Atomic Energy Authority has verified that Iran has so complied, and accordingly the 2015 Council Regulations have entered into force.

These Regulations revoke and replace the Iran (European Union Financial Sanctions) Regulations 2012 (“the 2012 Regulation”), with relevant savings, in order to align the criminal penalties for breaches of the restrictive measures with the Council Regulation as amended by the 2015 Regulations. For the sake of clarity, these Regulations revoke and replace the 2012 Regulations rather than substantially amend those Regulations.

The measures include the freezing of funds and economic resources of designated persons and ensuring that funds and economic resources are not made available to them or for their benefit. Regulation 2 defines designated persons as any person named in Annex VIII, IX, XIII, or XIV to the Council Regulation (as amended from time to time). These Annexes include those persons listed by the Council of the European Union and the United Nations.



Regulations 3 to 7 provide prohibitions against dealing with the funds or economic resources of a designated person, or making funds or economic resources available, directly or indirectly, to or for the benefit of a designated person.

Regulation 8 provides an exception to the prohibitions in regulations 4 and 5 where a frozen account is credited for a permitted reason.

Regulation 9 provides a licensing procedure to enable funds and economic resources to be exempted from the prohibitions.

Regulation 10 prohibits the provision of specialised financial messaging services to designated persons.

Regulation 11 makes it an offence to breach any of the prohibitions in regulations 3 to 7 and 10, or to seek to circumvent those provisions.

Regulations 12 to 15 contain provision about penalties, proceedings and who, in relation to bodies corporate and other bodies, may be prosecuted for an offence under the Regulations.

Regulation 19 makes a consequential amendment to the Counter-Terrorism Act 2008 c.28.

Regulation 20 revokes and repeals the legislation providing for enforcement of the restrictive measures prior to the extensive changes mandated by the JCPOA and given effect by the 2015 Council Regulations. Regulation 21 saves licenses granted under that legislation.

The Schedule makes provision for information gathering and information disclosure and creates offences for failure to comply with a request for information.

A list of designated persons is available on the internet at: [www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets](http://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](http://www.gov.uk/government/organisations/hm-treasury)).

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