
EXPLANATORY NOTE

(This note is not part of the Order)

This Order extends with modifications the Iraq (Sanctions) (EU Exit) Regulations 2020 ([S.I. 2020/707](#)) (“the Iraq Regulations”) as amended from time to time to all British overseas territories except Bermuda and Gibraltar (which implement sanctions under their own legislative arrangements).

Section 63(3)(c) of the Sanctions and Anti-Money Laundering Act 2018 ([c.13](#)) (“the Sanctions Act”) provides that Her Majesty may by Order in Council provide for any provision of Part 1 of that Act, or any regulations under Part 1 of that Act, to extend with or without modifications to any of the British overseas territories. Section 63(4) provides that this includes the power to extend any regulations as amended from time to time.

The Iraq Regulations were made under Part 1 of the Sanctions Act to establish a sanctions regime in relation to Iraq for the purpose of compliance with the United Kingdom’s United Nations obligations. Those obligations include sanctions measures in UN Security Council resolution 1483 adopted by the Security Council on 22 May 2003 as those measures have been revised and updated by subsequent resolutions. The Iraq Regulations replace the European Union sanctions regime in relation to Iraq implemented via an EU Council Common Position and Regulation.

The Iraq Regulations, as modified and extended to the British overseas territories listed in Schedule 1 by this Order (“the modified Regulations”), provide that a person named by the UN is a designated person for the purposes of the modified Regulations.

There are two categories of designated persons: those who are designated under paragraph 23(a) of UN Security Council resolution 1483 (2003) as being part of the former Government of Iraq and its state bodies, corporations or agencies, and those who are designated under paragraph 23(b) of the same resolution as being senior officials of the former Iraqi regime and their immediate family members. The second category of designated persons (designated under paragraph 23(b)) are subject to financial sanctions, which include having their funds and economic resources frozen. The first category of persons (designated under paragraph 23(a)) are subject to a partial asset-freeze which prohibits certain dealings with funds owned, held or controlled by those persons provided the funds were located outside of Iraq on 22 May 2003. The modified Regulations require the Governor of the territory to publish an up-to-date list of designated persons.

The modified Regulations also impose trade restrictions on military goods and technology as well as restrictions on the trade in Iraqi cultural property which was illegally removed from Iraq on or after 6 August 1990.

The modified Regulations provide for certain exceptions to this sanctions regime (for example to allow for frozen accounts to be credited with interest or other earnings and to allow acts done for the purpose of national security or the prevention of serious crime). The Governor of a British overseas territory to which the modified Regulations extend may, with the consent of the Secretary of State, issue a licence in respect of activities that would otherwise be prohibited under the modified Regulations. Schedule 2 sets out the purposes for which the Governor may issue a financial sanctions licence.

The modified Regulations prescribe powers for the provision and sharing of information to enable the effective implementation and enforcement of the sanctions regime. The modified Regulations also prescribe enforcement powers in relation to suspected ships, aircraft or vehicles, or for the issue of a search warrant. The modified Regulations make it a criminal offence to contravene, or circumvent,

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any of the prohibitions in the modified Regulations and prescribe the penalties that apply to such offences.

This Order also extends to the territories for the purposes of the modified Regulations specific provisions of Part 1 of the Sanctions Act, namely provisions relating to protection for acts done for purposes of compliance, Crown application and saving for prerogative powers.

An Impact Assessment has not been prepared for this instrument because the territorial extent of the instrument and the modified Regulations is the British overseas territories listed in Schedule 1, and no, or no significant, impact is foreseen on the private, voluntary or public sectors in the United Kingdom.