

2020 No. 1260

OVERSEAS TERRITORIES

SANCTIONS

The Iraq (Sanctions) (Overseas Territories) Order 2020

Made - - - - - *11th November 2020*

Coming into force in accordance with article 1(1)

At the Court at Windsor Castle, the 11th day of November 2020

Present,

The Queen's Most Excellent Majesty in Council

Her Majesty, in exercise of the powers conferred on Her by section 63(3)(c) and (4) of the Sanctions and Anti-Money Laundering Act 2018(a), is pleased, by and with the advice of Her Privy Council, to make the following Order:

Citation, commencement and extent

1.—(1) This Order may be cited as the Iraq (Sanctions) (Overseas Territories) Order 2020 and comes into force on IP completion day(b).

(2) This Order extends to each British overseas territory listed in Schedule 1.

Extension of the Iraq (Sanctions) (EU Exit) Regulations 2020

2. The Iraq (Sanctions) (EU Exit) Regulations 2020(c) as amended from time to time extend to each British overseas territory listed in Schedule 1 with the modifications specified in Schedule 2.

Extension of the Sanctions and Anti-Money Laundering Act 2018

3. Subject to the modification set out in paragraph (c), the following provisions of the Sanctions and Anti-Money Laundering Act 2018 extend to each British overseas territory listed in Schedule 1 for the purposes of the Iraq (Sanctions) (EU Exit) Regulations 2020 as modified and extended to the territories by this Order—

(a) section 44 (protection for acts done for purposes of compliance);

(b) section 52(3) (Crown application);

(a) 2018 c.13.

(b) Schedule 1 to the Interpretation Act 1978 (c. 30) provides that “IP completion day” has the same meaning as in the European Union (Withdrawal Agreement) Act 2020 (c. 1) (see section 39(1) to (5) of that Act).

(c) S.I. 2020/707.

- (c) section 53 (saving for prerogative powers), except that, in its application to a particular British overseas territory, the reference in subsection (1) of that section to the United Kingdom is to be read as a reference to that territory.

Richard Tilbrook
Clerk of the Privy Council

SCHEDULE 1

Article 1(2)

British overseas territories

Anguilla
British Antarctic Territory
British Indian Ocean Territory
Cayman Islands
Falkland Islands
Montserrat
Pitcairn, Henderson, Ducie and Oeno Islands
St Helena, Ascension and Tristan da Cunha
South Georgia and the South Sandwich Islands
The Sovereign Base Areas of Akrotiri and Dhekelia in the Island of Cyprus
Turks and Caicos Islands
Virgin Islands

SCHEDULE 2

Article 2

Modifications to be made in the extension of the Iraq (Sanctions) (EU Exit) Regulations 2020 to each British overseas territory listed in Schedule 1

1. In regulation 1 (citation and commencement)—
 - (a) in the heading, omit “and commencement”;
 - (b) omit paragraph (2).
2. In regulation 2 (interpretation)—
 - (a) the existing text becomes paragraph (1);
 - (b) in that paragraph—
 - (i) in the appropriate places, insert the following definitions—
 - ““aircraft” has the same meaning as it has in section 6(9) of the Act;”;
 - ““authorised officer” means, in relation to the Territory—
 - (a) a member of Her Majesty’s forces in the Territory,
 - (b) a police or customs officer of the Territory,
 - (c) a person authorised by the Governor for the purposes of exercising, whether generally or in a particular case, any power conferred by—

- (i) regulation 42 (finance: powers to request information),
- (ii) regulation 43 (finance: production of documents),
- (iii) regulation 45 (trade: information powers),
- (iv) regulation 47 (general trade licences: inspection of records),
- (v) regulation 48 (disclosure of information),
- (vi) regulation 49A (suspected ships, aircraft or vehicles), or
- (vii) regulation 49B (search warrants), or
- (d) any person acting under the authority of a person falling within any of paragraphs (a) to (c);”;

““financial sanctions licence” means, in relation to the Territory, a licence issued by the Governor under regulation 35(1);”;

““the Governor” is to be read in accordance with regulation 4A;”;

““Her Majesty’s forces” does not include a force of any country, other than the United Kingdom, that is a member of the Commonwealth;”;

““ship” has the same meaning as it has in section 7(14) of the Act;”;

““territorial sea of the Territory” means the territorial sea as defined in an enactment applicable in the Territory or, in the absence of such an enactment, the territorial sea adjacent to the Territory;”;

““Territory aircraft” means, in relation to the Territory—

- (a) an aircraft registered in the Territory, or
- (b) an aircraft which is not registered under the law of a country outside the Territory but is wholly owned by persons each of whom is a Territory person;”;

““Territory person” means, in relation to the Territory, a person who is—

- (a) an individual ordinarily resident in the Territory who is—
 - (i) a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen,
 - (ii) a person who under the British Nationality Act 1981(a) is a British subject, or
 - (iii) a British protected person within the meaning of that Act, or
- (b) a body incorporated or constituted under the law of any part of the Territory;”;

““Territory ship” means, in relation to the Territory—

- (a) a ship registered in the Territory, or
- (b) a ship which is not registered under the law of a country outside the Territory but is wholly owned by persons each of whom is a Territory person;”;

““vehicle” means a land transport vehicle.”

(ii) omit the definitions of—

- (aa) “the Commissioners”,
- (bb) “Treasury licence”, and
- (cc) “United Kingdom person”;

(c) after that paragraph insert—

“(2) In the application of these Regulations to a particular British overseas territory, the expression “the Territory” means that territory.”

3. In regulation 3 (application of prohibitions and requirements outside the United Kingdom)—

(a) 1981 c. 61. Part IV has been amended by the British Overseas Territories Act 2002 (c. 8), section 1(1)(b); and the Nationality, Immigration and Asylum Act 2002 (c. 41), Schedule 2, paragraph 1(i).

- (a) in the heading, for “United Kingdom” substitute “Territory”;
- (b) in paragraphs (1) and (4), for “United Kingdom person” substitute “Territory person”;
- (c) in paragraphs (1), (4) and (7), for “United Kingdom” substitute “Territory”;
- (d) in paragraphs (2) and (5), after “in the territorial sea” insert “of the Territory”;
- (e) in paragraphs (3) and (6), for “Treasury licence” substitute “financial sanctions licence”.

4. In regulation 4 (purpose), for “the regulations contained in this instrument that are made under section 1 of the Act” substitute “these Regulations”.

5. At the end of Part 1 (General), insert—

“Functions of the Governor

4A.—(1) In these Regulations, “the Governor” means, in relation to the Territory, the person holding or acting in the office of Governor of the Territory, or, if there is no such office, the officer for the time being administering the Territory.

(2) The Governor may, to such extent and subject to such restrictions and conditions as the Governor thinks proper, delegate or authorise the delegation of any of the Governor’s powers under these Regulations to any person, or class or description of persons, and any references in these Regulations to the Governor are to be construed accordingly.

(3) In the exercise of any power conferred on the Governor by these Regulations, the Governor is to act in their discretion.”

6. At the end of Part 2 (Designation of persons), insert—

“Requirement to publish a list of designated persons

5A.—(1) The Governor must—

- (a) publish a list of designated persons, and
- (b) keep the list up to date.

(2) The Governor may publish the list under paragraph (1) in any form the Governor considers appropriate, including by means of a website.

(3) For the purposes of this regulation, “designated person” means—

- (a) a person who is a designated person for the purposes of regulation 8 (partial asset-freeze in relation to the former Government of Iraq and its state bodies, corporations or agencies) by reason of regulation 5(1), and
- (b) a person who is a designated person for the purposes of regulations 9 to 13 (asset-freeze etc. in relation to persons connected with the former Iraqi regime) by reason of regulation 5(2).”

7. In regulation 16 (interpretation of other expressions used in this Part)—

(a) for paragraph (1) substitute—

“(1) For the purposes of this Part—

- (a) “export” means export from the Territory,
- (b) “import” means import to the Territory, and
- (c) goods transported out of the Territory by aircraft or ship as stores within the meaning of CEMA (see section 1(1) and (4) of that Act) are to be regarded as exported.

(1A) Paragraph 36 of Schedule 1 to the Act (trade sanctions) applies for the purpose of interpreting expressions in this Part.”

(b) for paragraph (2) substitute—

“(2) In this Part, any reference to the Territory includes a reference to the territorial sea of the Territory.”

8. In regulation 17 (export of military goods), at the end insert—

“(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the export was to, or the goods were for use in, Iraq (as the case may be).”

9. In regulation 18 (supply and delivery of military goods), in paragraph (4) for “United Kingdom, the Isle of Man” substitute “Territory”.

10. In regulation 21 (brokering services: non-UK activity relating to military goods and military technology)—

(a) in the heading, for “non-UK” substitute “non-Territory”;

(b) for paragraph (4) substitute—

“(4) In this regulation, “third country” means a country that is not the Territory or Iraq.”

11. In regulation 22 (export and import of illegally removed Iraqi cultural property), at the end insert—

“(4) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) or (2) to show that the person did not know and had no reasonable cause to suspect that the goods were illegally removed Iraqi cultural property.”

12. In regulation 23 (supply and delivery of illegally removed Iraqi cultural property), in paragraph (4) for “United Kingdom or the Isle of Man” substitute “Territory.”

13. In regulation 26 (brokering services: non-UK activity relating to illegally removed Iraqi cultural property)—

(a) in the heading, for “non-UK” substitute “non-Territory”;

(b) in paragraph (1)(c), for “non-UK country” substitute “third country”;

(c) for paragraph (4) substitute—

“(4) In this regulation, “third country” means a country that is not the Territory.”

14. In regulation 30 (finance: exceptions from prohibitions)—

(a) omit paragraph (6);

(b) in paragraph (7), for the definition of “relevant institution” substitute—

““relevant institution”, in relation to the Territory, means a person domiciled in the Territory who would satisfy the threshold conditions for permission under Part 4A of the Financial Services and Markets Act 2000(a) if it had its registered office (or if it does not have one, its head office) in the United Kingdom.”

(c) omit paragraph (8).

15. For regulation 33 (exception for authorised conduct in a relevant country) substitute—

“Exceptions for authorised conduct outside the Territory

33.—(1) Where a person’s conduct outside the Territory would, in the absence of this paragraph, contravene a prohibition in any of regulations 8 to 13 (partial asset-freeze and asset-freeze etc.) or Chapter 2 of Part 4 (Trade), the prohibition is not contravened if the conduct is authorised by a licence issued under regulation 35 (Treasury licences) (as it has

(a) 2000 c. 8. Part 4A was inserted by the Financial Services Act 2012 (c. 21), section 11(2) and most recently amended by S.I. 2018/1149; it is prospectively amended by S.I. 2019/632.

effect in the United Kingdom) or regulation 36 (trade licences) (as it has effect in the United Kingdom).

(2) Where a person's conduct in a relevant country would, in the absence of this paragraph, contravene a prohibition in any of regulations 8 to 13 or Chapter 2 of Part 4 ("the relevant prohibition"), the relevant prohibition is not contravened if the conduct is authorised by a licence or other authorisation which is issued—

- (a) under the law of the relevant country, and
- (b) for the purpose of disapplying a prohibition in that jurisdiction which corresponds to the relevant prohibition.

(3) In this regulation—

"relevant country" means—

- (a) any of the Channel Islands,
- (b) the Isle of Man, or
- (c) any British overseas territory other than the Territory.

(4) Nothing in this regulation affects the application of a prohibition in a case where it would be incompatible with a UN obligation for the prohibition not to apply."

16. For regulation 34 (exception for acts done for purposes of national security or prevention of serious crime), substitute—

"34.—(1) Where an act would, in the absence of this paragraph, be prohibited by any prohibition in Part 3 (Finance) or Part 4 (Trade), that prohibition does not apply to the act if the act is one which—

- (a) a responsible officer has determined would be in the interests of—
 - (i) national security, or
 - (ii) the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (b) the Governor, with the consent of the Secretary of State, has determined would be in the interests of the prevention or detection of serious crime in the Territory.

(2) Where, in the absence of this paragraph, a thing would be required to be done under or by virtue of a provision of Part 6 (Information and records) or Part 8 (Maritime enforcement), that requirement does not apply if—

- (a) a responsible officer has determined that not doing the thing in question would be in the interests of—
 - (i) national security, or
 - (ii) the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (b) the Governor, with the consent of the Secretary of State, has determined that not doing the thing in question would be in the interests of the prevention or detection of serious crime in the Territory.

(3) In this regulation, "responsible officer" means a person in the service of the Crown or holding office under the Crown in the United Kingdom, acting in the course of that person's duty.

(4) Nothing in this regulation affects the application of a prohibition or requirement in a case where it would be incompatible with a UN obligation for the prohibition or requirement not to apply."

17. For regulation 35 (Treasury licences), substitute—

“Financial sanctions licences

35.—(1) The prohibitions in regulations 8 to 13 (partial asset-freeze and asset-freeze etc.) do not apply to anything done under the authority of a licence issued by the Governor under this paragraph.

(2) The Governor may issue a financial sanctions licence only with the consent of the Secretary of State.

(3) The Governor may issue a financial sanctions licence which authorises acts in relation to a designated person which would otherwise be prohibited by regulation 8 or 9 (partial asset-freeze and asset-freeze) only where the Governor considers that it is appropriate to issue the licence for the purpose set out in Part 2 of Schedule 2.

(4) The Governor may issue a financial sanctions licence which authorises acts in relation to a designated person which would otherwise be prohibited by regulations 10 to 13 (making funds or economic resources available to, or for the benefit of, persons connected with the former Iraqi regime) only where the Governor considers that it is appropriate to issue the licence for a purpose set out in Part 3 of Schedule 2.”

18. In regulation 36 (trade licences)—

- (a) the existing text becomes paragraph (1);
- (b) in that paragraph, for “Secretary of State” substitute “Governor”;
- (c) at the end insert—

“(2) The Governor may issue a licence under paragraph (1) only with the consent of the Secretary of State.”

19. In regulation 37 (licences: general provisions)—

- (a) in paragraph (1), for “Treasury licences” substitute “financial sanctions licences”;
- (b) in paragraph (5), after “a licence may” insert “, with the consent of the Secretary of State,”.

20. In regulation 38 (finance: licensing offences), for “Treasury licence”, in both places it occurs, substitute “financial sanctions licence”.

21. In regulation 40 (finance: reporting obligations)—

- (a) for “Treasury”, in each place it occurs, substitute “Governor”;
- (b) for paragraph (5) substitute—

“(5) A relevant institution must inform the Governor without delay if that institution credits a frozen account in accordance with regulation 30(4) (finance: exceptions from prohibitions).”

22. For regulation 41 (“relevant firm”) substitute—

“**41.**—(1) The following are relevant firms for the purposes of regulation 40 (finance: reporting obligations)—

- (a) a relevant institution;
- (b) an undertaking that by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers;
- (c) a firm or sole practitioner that provides to other persons, by way of business—
 - (i) accountancy services,
 - (ii) advice about tax affairs,
 - (iii) auditing services,

- (iv) legal or notarial services, or
- (v) trust or company services;
- (d) a firm or sole practitioner that carries out, or whose employees carry out, estate agency work;
- (e) the holder of a licence to operate a casino in the Territory;
- (f) a person engaged in the business of making, supplying, selling (including selling by auction) or exchanging—
 - (i) articles made from gold, silver, platinum or palladium, or
 - (ii) precious stones or pearls.

(2) For the purposes of paragraph (1), the following definitions apply—

“estate agency work”, in relation to the Territory, is to be read in accordance with section 1 of the Estate Agents Act 1979(a), but as if references in that section to disposing of or acquiring an interest in land included (despite anything in section 2 of that Act) references to disposing of or acquiring an estate or interest in land outside the Territory where that estate or interest is capable of being owned or held as a separate interest;

“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 body;

“relevant institution” has the same meaning as it has in regulation 30;

“trust or company services” means any of the following 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.

(3) For the purposes of regulation 40(1), information or another matter comes to a relevant firm “in the course of carrying on its business” if the information or other matter comes to the firm—

- (a) in the case of a relevant firm within paragraph (1)(a), in the course of carrying on an activity in respect of which permission under Part 4A of the Financial Services and Markets Act 2000 would be required if it had its registered office (or if it does not have one, its head office) in the United Kingdom, and
- (b) in the case of a relevant firm within any other provision of paragraph (1), in the course of carrying on an activity mentioned in that provision.”

23. In regulation 42 (finance: powers to request information)—

- (a) in paragraph (1), for “The Treasury” substitute “An authorised officer”;
- (b) in paragraph (2)—

(a) 1979 c. 38. Section 1 was amended by the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (c. 73), Schedule 1, paragraph 40; the Planning (Consequential Provisions) Act 1990 (c. 11), Schedule 2, paragraph 42; the Planning (Consequential Provisions) (Scotland) Act 1997 (c. 11), Schedule 2, paragraph 28; the Enterprise and Regulatory Reform Act 2013 (c. 24), section 70; S.I. 1991/2684; S.I. 2000/121; and S.I. 2001/1283.

- (i) for “The Treasury”, in the first place it occurs, substitute “An authorised officer”;
- (ii) for “the Treasury”, in the second place it occurs, substitute “the authorised officer”;
- (c) in paragraph (4), for “the Treasury believe” substitute “the authorised officer believes”;
- (d) in paragraph (5)—
 - (i) for “The Treasury” substitute “An authorised officer”;
 - (ii) for “Treasury licence” substitute “financial sanctions licence”;
- (e) for paragraph (6) substitute—

“(6) An authorised officer may request a person to provide information within paragraph (7) if the authorised officer believes that the person may be able to provide the information.”
- (f) in paragraph (7)—
 - (i) for “the Treasury” substitute “the authorised officer”;
 - (ii) in sub-paragraph (b)(iii), for “Treasury licence” substitute “financial sanctions licence”;
- (g) in paragraph (8), for “The Treasury” substitute “The authorised officer”;
- (h) in paragraph (10), for “the Treasury”, in both places it occurs, substitute “the authorised officer”.

24. In regulation 43 (finance: production of documents)—

- (a) in paragraph (2), for “the Treasury request that documents be produced, the Treasury” substitute “an authorised officer requests that documents be produced, the authorised officer”;
- (b) for paragraph (3), substitute—

“(3) Where an authorised officer requests a designated person or a person acting under a financial sanctions licence to produce documents, that person must—

 - (a) take reasonable steps to obtain the documents (if they are 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 authorised officer or as the authorised officer may otherwise permit).”

25. In regulation 44 (finance: information offences), in paragraph (1)(d), for “the Treasury” substitute “an authorised officer”.

26. For regulation 45 (trade: application of information powers in CEMA) substitute—

“Trade: information powers

45.—(1) An authorised officer may request a person who is concerned (in whatever capacity) in a relevant activity to provide such information as the authorised officer may reasonably require about the relevant activity.

(2) The authorised officer may specify the way in which, and the period within which, information is to be provided.

(3) If no such period is specified, the information which has been requested must be provided within a reasonable time.

(4) A request under paragraph (1) may include a request to produce specified documents or documents of a specified description.

(5) Where the authorised officer requests that documents be produced, the authorised officer may—

- (a) take copies or extracts from any document so produced,
- (b) request any person producing a document to give an explanation of it,

- (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, or
 - (ii) in any other case, a present or past officer or employee of the body concerned, to give such an explanation, and
 - (d) remove, at a reasonable time and for a reasonable period, any document so produced if the authorised officer considers it is necessary to do so.
- (6) Where a document has been removed by an authorised officer under paragraph (5)(d)—
- (a) the authorised officer must, on request, provide a receipt for the document;
 - (b) if the document is reasonably required for the proper conduct of a business, the authorised officer must, as soon as practicable and free of charge, provide a copy of the document to the person who produced it.
- (7) Where a document requested to be produced under paragraph (4) is subject to a lien, the production or removal of the document in accordance with this regulation does not affect, and is not to be regarded as breaking, the lien.
- (8) For the purposes of paragraph (1), a “relevant activity” means an activity—
- (a) which would, unless done under the authority of a trade licence, constitute a contravention of any prohibition in Chapter 2 or 3 of Part 4 (Trade), or
 - (b) which would constitute a contravention of the prohibition in regulation 28 (circumventing etc. prohibitions).”

27. After regulation 45 (trade: information powers) insert—

“Trade: information offences

45A.—(1) A person commits an offence if that person—

- (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 under regulation 45 (trade: information powers);
- (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 any provision of regulation 45, destroys, mutilates, defaces, conceals or removes any document;
- (d) otherwise intentionally obstructs an authorised officer in the exercise of their powers under regulation 45.

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

28. In regulation 46(4) (general trade licences: records), for “Secretary of State” substitute “Governor”.

29. In regulation 47 (general trade licences: inspection of records)—

- (a) in paragraph (1) for A person authorised by the Secretary of State or the Commissioners (an “official”)” substitute “An authorised officer”;
- (b) in paragraphs (2) to (5) for “official”, in each place it occurs, substitute “authorised officer”;
- (c) in paragraph (5)(a) for “official’s functions” substitute “authorised officer’s functions”.

30. In regulation 48 (disclosure of information)—

- (a) in paragraph (1), for “Secretary of State, the Treasury or the Commissioners” substitute “Governor or an authorised officer”;
- (b) in paragraph (2)—
 - (i) after sub-paragraph (c) insert—
 - “(ca) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in the Territory for an offence under any provisions of these Regulations;”;
 - (ii) in sub-paragraph (d)—
 - (aa) in paragraph (i), after “Regulations” insert “(as they have effect in the United Kingdom)”;
 - (bb) in paragraph (ii), after “regulations 22(1) and (2) (export and import of illegally removed Iraqi cultural property)” insert “(as they have effect in the United Kingdom)”;
 - (iii) in sub-paragraph (e), after “any British overseas territory” insert “other than the Territory”;
 - (iv) in sub-paragraph (g), for “United Kingdom” substitute “Territory”;
- (c) in paragraph (3)(j), for “Secretary of State, the Treasury or the Commissioners (as the case may be) consider” substitute “Governor considers”.

31. In regulation 49 (Part 6: supplementary)—

- (a) for paragraph (2) substitute—
 - “(2) But nothing in that regulation authorises a disclosure that would contravene the data protection legislation if that legislation were applicable to the Territory.”
- (b) in paragraph (5), for “Treasury licence” substitute “financial sanctions licence”;
- (c) after paragraph (5) insert—
 - “(5A) An authorised officer must, if requested to do so, produce evidence of their authority before exercising any power conferred by this Part.”
- (d) in paragraph (6), in the definition of “privileged information”, omit “(in Scotland, to confidentiality of communications)”.

32. In Part 7 (Enforcement), at the beginning insert—

“Suspected ships, aircraft or vehicles

49A.—(1) Where an authorised officer has reasonable cause to suspect that a ship, aircraft or vehicle has been, or is being, or is about to be, used in the commission of an offence under Part 4 (Trade) or regulation 39(2) (trade: licensing offences), the authorised officer may—

- (a) in relation to an aircraft or vehicle, require the relevant person to keep the aircraft or vehicle and any goods it is carrying in the Territory, until the authorised officer notifies the relevant person that the aircraft or vehicle (as the case may be) may depart, or
- (b) in relation to a ship, require the relevant person—
 - (i) not to cause or permit the ship to proceed with the voyage on which it is engaged or about to engage, until the authorised officer notifies the relevant person that the ship may proceed;
 - (ii) not to land any part of the ship’s cargo at any port specified by the authorised officer, except with the authorised officer’s prior consent;
 - (iii) if the ship is in port in the Territory, to cause the ship to remain there until the authorised officer notifies the relevant person that the ship may depart;

(iv) if the ship is in any other place, to cause it to proceed to a port specified by the authorised officer and keep it there, until the authorised officer notifies the relevant person that the ship may depart.

(2) Where the authorised officer considers it necessary in order to secure compliance with a requirement made under paragraph (1), the authorised officer may detain the ship, aircraft or vehicle and any goods it is carrying.

(3) Where an authorised officer detains a ship, aircraft or vehicle and any goods it is carrying in accordance with paragraph (2), the authorised officer must deliver to the master of the ship, the aircraft operator or the owner of the vehicle (as the case may be) a detention direction.

(4) A detention direction under paragraph (3) must—

- (a) be in writing,
- (b) state the grounds on which the ship, aircraft or vehicle is detained, and
- (c) state that—
 - (i) the power to detain is exercised under this regulation, and
 - (ii) any requirements subject to which the detention is carried out must be complied with.

(5) Paragraph (6) applies, in relation to a ship or aircraft, if—

- (a) the ship or aircraft (as the case may be) is not a Territory ship or Territory aircraft, and
- (b) there is in the Territory a consular officer for the country to which the ship or aircraft belongs.

(6) A copy of the detention direction must be sent as soon as practicable to the nearest consular officer for the country to which the ship or aircraft belongs.

(7) An authorised officer may use reasonable force, if necessary, in the exercise of any power conferred by this regulation.

(8) An authorised officer must, if requested to do so, produce evidence of their authority before exercising any power conferred by this regulation.

(9) Nothing in this regulation affects any other provision of law conferring powers, imposing restrictions or enabling restrictions to be imposed in respect of ships, aircraft or vehicles.

(10) In this regulation—

“consular officer”, in relation to a foreign country, means the officer recognised by Her Majesty as a consular officer of that foreign country in the Territory;

“the relevant person” means any of the following—

- (a) in relation to a ship, the owner, master or charterer of the ship;
- (b) in relation to an aircraft, the owner, charterer, operator or commander of the aircraft;
- (c) in relation to a vehicle, the owner, driver or operator of the vehicle.

Search warrants

49B.—(1) A magistrate or justice of the peace may issue a search warrant if satisfied by information on oath that—

- (a) there is reasonable cause to suspect that a relevant offence under these Regulations has been, or is being, or is about to be, committed, and
- (b) evidence in relation to the offence is to be found on a ship, aircraft, vehicle or premises specified in the information.

(2) A search warrant issued under this regulation is a warrant empowering an authorised officer to enter and search the ship, aircraft, vehicle or premises specified in the information, at any time within one month from the date of the warrant.

(3) The powers conferred on an authorised officer by a search warrant under this regulation include powers to—

- (a) in the case of a power to enter a ship, aircraft or vehicle, stop that ship, aircraft or vehicle;
- (b) enter any land, where such entry appears to the authorised officer to be necessary in order to enter the ship, aircraft, vehicle or premises specified in the information;
- (c) take such other persons and such equipment on to the ship, aircraft, vehicle or premises as appear to the authorised officer to be necessary;
- (d) inspect and seize any thing found in the course of a search if the authorised officer has reasonable cause to suspect that—
 - (i) it is evidence in relation to a relevant offence under these Regulations, or
 - (ii) it is necessary to seize it in order to prevent it being concealed, lost, damaged, altered or destroyed;
- (e) take copies of any document.

(4) An authorised officer who enters a ship, aircraft, vehicle or premises under a search warrant issued under this regulation may—

- (a) search any person found on the ship, aircraft, vehicle or premises whom the officer has reasonable cause to suspect to be in possession of any thing which may be required as evidence for the purposes of proceedings in respect of a relevant offence under these Regulations, and
- (b) seize any such thing found in such a search.

(5) Any thing seized under paragraph (3)(d) or (4)(b)—

- (a) may be retained for so long as is necessary in all the circumstances,
- (b) where that thing is military goods and is not authorised by a trade licence, may be forfeited, disposed of or transferred as appropriate, and
- (c) where that thing is illegally removed Iraqi cultural property and the exception in regulation 32 (trade: exception for the return of Iraqi cultural property) does not apply, may be forfeited or transferred as appropriate.

(6) A search of a person under paragraph (4)(a) must be carried out by a person of the same sex.

(7) An authorised officer may use reasonable force, if necessary, in the exercise of any power conferred by this regulation.

(8) An authorised officer must, if requested to do so, produce evidence of their authority before exercising any power conferred by this regulation.

(9) Nothing in this regulation affects any other provision of law conferring powers, imposing restrictions or enabling restrictions to be imposed in respect of ships, aircraft or vehicles.

(10) For the purposes of this regulation—

“illegally removed Iraqi cultural property” has the meaning given in regulation 15 (definitions relating to goods and technology prohibited under this Part);

“information on oath” includes any other form of application for a search warrant applicable in the Territory;

“justice of the peace” includes other competent judicial authorities within the Territory responsible for issuing search warrants;

“military goods” has the meaning given in regulation 15;

“relevant offence” means an offence which is punishable with a term of imprisonment of more than 6 months.”

33. For regulation 50 (penalties for offences) substitute—

“**50.**—(1) Paragraphs (3) to (7) apply to—

- (a) Anguilla;
- (b) British Antarctic Territory;
- (c) British Indian Ocean Territory;
- (d) Cayman Islands;
- (e) Montserrat;
- (f) Pitcairn, Henderson, Ducie and Oeno Islands;
- (g) Turks and Caicos Islands;
- (h) Virgin Islands.

(2) Paragraphs (8) to (12) apply to—

- (a) Falkland Islands;
- (b) St Helena, Ascension and Tristan da Cunha;
- (c) South Georgia and the South Sandwich Islands;
- (d) the Sovereign Base Areas of Akrotiri and Dhekelia in the Island of Cyprus.

(3) A person who commits an offence under any provision of Part 3 (Finance) or regulation 38 (finance: licensing offences) is liable—

- (a) on summary conviction, to imprisonment for a term not exceeding 6 months, or a fine not exceeding £5,000 or its equivalent in the currency of the Territory, or both;
- (b) on conviction on indictment, to imprisonment for a term not exceeding 7 years, or a fine, or both.

(4) A person who commits an offence under any provision of Part 4 (Trade) is liable—

- (a) on summary conviction, to imprisonment for a term not exceeding 6 months, or a fine not exceeding £5,000 or its equivalent in the currency of the Territory, or both;
- (b) on conviction on indictment, to imprisonment for a term not exceeding 10 years, or a fine, or both.

(5) A person who commits an offence under regulation 39, 46(6) or 47(5) (offences in connection with trade licences) is liable—

- (a) on summary conviction, to imprisonment for a term not exceeding 6 months, or a fine not exceeding £5,000 or its equivalent in the currency of the Territory, or both;
- (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years, or a fine, or both.

(6) A person who commits an offence under regulation 40(6) or 44 (information offences in connection with Part 3) is liable, on summary conviction, to imprisonment for a term not exceeding 6 months, or a fine not exceeding £5,000 or its equivalent in the currency of the Territory, or both.

(7) A person who commits an offence under regulation 45A (trade: information offences) is liable, on summary conviction, to a fine not exceeding £1,000 or its equivalent in the currency of the Territory.

(8) A person who commits an offence under any provision of Part 3 (Finance) or regulation 38 (finance: licensing offences) is liable on conviction to imprisonment for a term not exceeding 7 years, or a fine, or both.

(9) A person who commits an offence under any provision of Part 4 (Trade) is liable on conviction to imprisonment for a term not exceeding 10 years, or a fine, or both.

(10) A person who commits an offence under regulation 39, 46(6) or 47(5) (offences in connection with trade licences) is liable on conviction to imprisonment for a term not exceeding 2 years, or a fine, or both.

(11) A person who commits an offence under regulation 40(6) or 44 (information offences in connection with Part 3) is liable on conviction to imprisonment for a term not exceeding 6 months, or a fine not exceeding £5,000 or its equivalent in the currency of the Territory, or both.

(12) A person who commits an offence under regulation 45A (trade: information offences) is liable on conviction to a fine not exceeding £1,000 or its equivalent in the currency of the Territory.

(13) Where a fine in this regulation is expressed to be a sum in sterling or its equivalent in the currency of the Territory, the Governor may issue guidance specifying how to calculate the amount in the currency of the Territory which is to be considered equivalent to that sum in sterling.”

34. In regulation 51 (liability of officers of bodies corporate etc.), omit paragraph (4).

35. In regulation 52 (jurisdiction to try offences)—

- (a) in paragraphs (1) and (2), for “United Kingdom”, in each place it occurs, substitute “Territory”;
- (b) omit paragraphs (3) and (4).

36. After regulation 52 (jurisdiction to try offences), insert—

“Consent to prosecutions

52A.—(1) Proceedings for an offence under these Regulations must not be instituted in the Territory except with the consent of the principal public officer of the Territory responsible for criminal prosecutions.

(2) Nothing in paragraph (1) prevents—

- (a) the arrest, or the issue or execution of a warrant for the arrest, of any 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.”

37. For regulation 53 (procedure for offences by unincorporated bodies) substitute—

“53. Any provision in an enactment which applies in the Territory in relation to criminal proceedings brought against a body corporate, applies also for the purposes of proceedings in the Territory for an offence under these Regulations brought against an unincorporated body.”

38. In regulation 54 (time limit for proceedings for summary offences), omit paragraph (4).

39. Omit regulation 55 (trade enforcement: application of CEMA) (including the heading).

40. Omit regulation 56 (trade offences in CEMA: modification of penalty) (including the heading).

41. Omit regulation 57 (application of Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005(a)) (including the heading).

42. Omit regulation 58 (monetary penalties) (including the heading).

43. In regulation 59 (exercise of maritime enforcement powers)—

(a) for paragraph (1) substitute—

“(1) A maritime enforcement officer may, for a purpose mentioned in paragraph (2) or (3), exercise any of the maritime enforcement powers in relation to a relevant ship in international waters.”

(b) omit paragraph (5);

(c) at the end, insert—

“(6) In this Part, “a relevant ship” means, in relation to the Territory, a Territory ship.”

44. In regulation 60 (maritime enforcement officers)—

(a) in paragraph (1)—

(i) omit sub-paragraphs (b), (d), (e), (f) and (h);

(ii) for sub-paragraph (c) substitute—

“(c) a police officer of the Territory;”;

(iii) for sub-paragraph (g) substitute—

“(g) a customs officer of the Territory.”

45. In regulation 61(2)(c) (power to stop, board, search etc.), for “United Kingdom” substitute “Territory”.

46. Omit regulation 63 (restrictions on exercise of maritime enforcement powers) (including the heading).

47. In regulation 65 (notices), for “United Kingdom”, in each place it occurs, substitute “Territory”.

48. Omit regulation 66 (article 20 of the Export Control Order 2008) (including the heading).

49. Omit regulation 67 (trade: overlapping offences) (including the heading).

50. Omit regulation 68 (revocations) (including the heading).

51. Omit regulation 69 (amendment to the United Nations and European Union Financial Sanctions (Linking) Regulations 2017) (including the heading).

52. In regulation 70 (transitional provision: Treasury licences)—

(a) in the heading, for “Treasury licences” substitute “financial sanctions licences”;

(b) for paragraph (1)(a) substitute—

“(a) was granted, or deemed to be granted, by the Governor under article 10 of the 2015 Order,”

(c) in paragraph (2), for “Treasury under regulation 35 (Treasury licences)” substitute “Governor under regulation 35 (financial sanctions licences)”;

(d) in paragraph (3), for “2012 Regulations” substitute “2015 Order”;

(a) 2005 c. 15. Chapter 1 of Part 2 has been amended by the Terrorism Act 2006 (c. 11), section 33(2) to (4); the Northern Ireland (Miscellaneous Provisions) Act 2006 (c. 33), sections 26(2) and 30(2) and Schedules 3 and 5; the Bribery Act 2010 (c. 23), section 17(2) and Schedule 1; the Criminal Justice and Licensing (Scotland) Act 2010 (asp.13), section 203 and Schedule 7, paragraph 77; the Crime and Courts Act 2013 (c. 22), section 15 and Schedule 8, paragraphs 157 and 159; the Criminal Finances Act 2017 (c. 22), section 51(1); the Sanctions and Anti-Money Laundering Act 2018, section 59(4) and Schedule 3, paragraph 4; S.I. 2006/1629; and S.I. 2014/834.

- (e) in paragraph (4), before sub-paragraph (a), insert—
 - “(za) the 2015 Order,”;
- (f) in paragraph (5)(a), for “2000 Order or the 2012 Regulations” substitute “2015 Order”;
- (g) in paragraph (7)—
 - (i) at the appropriate place, insert—
 - ““the 2015 Order” means the Iraq (Sanctions) (Overseas Territories) Order 2015(a);”;
 - (ii) for the definition of “the relevant date” substitute—
 - ““the relevant date” means the date on which Part 3 comes into force.”

53. For regulation 71 (transitional provision: trade licences) substitute—

“**71.**—(1) Paragraphs (2) and (3) apply to a licence which—

- (a) was granted by the Governor under article 10 of the 2015 Order,
- (b) was in effect immediately before the relevant date, and
- (c) authorises an act which would (on and after the relevant date, and in the absence of paragraphs (2) to (4)) be prohibited by Part 4 (Trade),

and such a licence is referred to in this regulation as an “existing trade sanctions licence”.

(2) An existing trade sanctions licence has effect on and after the relevant date as if it were a licence which had been issued by the Governor under regulation 36 (trade licences).

(3) Any reference in an existing trade sanctions licence to a prohibition in the 2015 Order is to be treated on and after the relevant date as a reference to the corresponding prohibition in Part 4.

(4) In this regulation—

“the 2015 Order” has the meaning it has in regulation 70 (transitional provision: financial sanctions licences);

“the relevant date” means the date on which Part 4 comes into force.”

54. For regulation 72 (transitional provision: pending applications for trade licences) substitute—

“**72.**—(1) Paragraph (2) applies where—

- (a) an application was made before the relevant date for a licence under the 2015 Order,
- (b) the application is for authorisation of an act prohibited by Part 4 (Trade), and
- (c) a decision to grant or refuse the application has not been made before the relevant date.

(2) The application is to be treated on and after the relevant date as an application for a licence under regulation 36 (trade licences).

(3) In this regulation—

“the 2015 Order” has the meaning it has in regulation 70 (transitional provision: financial sanctions licences);

“the relevant date” means the date on which Part 4 comes into force.”

55. In paragraph (4) of regulation 72 (transitional provisions: prior obligations), for the definition of “relevant date” substitute—

““the relevant date” means the date on which Part 3 comes into force.”

56. In Schedule 2 (Treasury licences: purposes)—

(a) S.I. 2015/1383 as amended by S.I. 2018/1076.

- (a) in the heading, for “Treasury licences” substitute “Financial sanctions licences”;
- (b) in paragraph 2(b)(ii) (pre-existing judicial decisions etc.), for “United Kingdom” substitute “Territory”.

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, 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.

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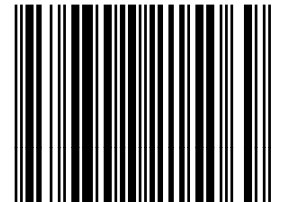
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