

EXPLANATORY NOTE

(This note is not part of the Order)

This Order extends with modifications the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the Russia 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 Russia Regulations were made under Part 1 of the Sanctions Act to establish a sanctions regime in relation to Russia for the purposes of encouraging Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine.

The Russia Regulations, as modified and extended to the British overseas territories listed in Schedule 1 by this Order (“the modified Regulations”), provide that a person designated by the Secretary of State for being, or having been, involved in certain activities, is a designated person for the purposes of the modified Regulations. Designated persons may be excluded from the territory and may be made subject to financial sanctions, including having their funds or economic resources frozen.

The modified Regulations also impose restrictions on trade in military goods and technology, on certain dual-use and energy-related items, and impose restrictions on supplying infrastructure-related goods and technology to Crimea and on importing goods from Crimea. The modified Regulations also restrict the provision of services related to the trade in those items. The modified Regulations also restrict persons from dealing with certain financial instruments, restrict the provision of finance and funds, and restrict investment in relation to Crimea.

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 5 sets out the purposes for which the Governor may issue a financial sanctions licence. The modified Regulations also require the Governor of the relevant territory to publish an up-to-date list of designated persons.

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.

The modifications set out in Schedule 2 to this Order include modifications to provisions in the Regulations which are prospectively amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2) Regulations 2020 (S.I. 2020/590) and the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 4) Regulations 2020 (S.I. 2020/951) (“the amending regulations”). Therefore, article 1(1) provides that this Order comes into force immediately after both the amending regulations have come into force in the United Kingdom. The amending

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regulations will be brought into force on a day appointed by the Secretary of State in regulations under section 56 of the Sanctions Act.

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: 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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