
STATUTORY INSTRUMENTS

2020 No. 680

The Global Human Rights Sanctions Regulations 2020

PART 5

Exceptions and licences

Finance: exceptions from prohibitions

18.—(1) The prohibition in regulation 11 (asset-freeze in relation to designated persons) is not contravened by an independent person (“P”) transferring to another person a legal or equitable interest in funds or economic resources where, immediately before the transfer, the interest—

- (a) is held by P, and
- (b) is not held jointly with the designated person.

(2) In paragraph (1) “independent person” means a person who—

- (a) is not the designated person, and
- (b) is not owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(3) The prohibitions in regulations 11 to 13 (asset-freeze in relation to, and making funds available to, or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account with interest or other earnings due on the account.

(4) The prohibitions in regulations 12 and 13 (making funds available to, or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account where it receives funds transferred to that institution for crediting to that account.

(5) The prohibitions in regulations 12 and 13 are not contravened by the transfer of funds to a relevant institution for crediting to an account held or controlled (directly or indirectly) by a designated person, where those funds are transferred in discharge (or partial discharge) of an obligation which arose before the date on which the person became a designated person.

(6) The prohibitions in regulations 11 to 13 are not contravened in relation to a designated person (“P”) by a transfer of funds from account A to account B, where—

- (a) account A is with a relevant institution which carries on an excluded activity within the meaning of section 142D of the Financial Services and Markets Act 2000(1),
- (b) account B is with a ring-fenced body within the meaning of section 142A of the Financial Services and Markets Act 2000(2), and
- (c) accounts A and B are held or controlled (directly or indirectly) by P.

(7) In this regulation—

“designated person” has the same meaning as it has in Part 3 (Finance);

(1) 2000 c.8. Section 142D was inserted by section 4(1) of the Financial Services (Banking Reform) Act 2013 (c.33).

(2) Section 142A was inserted by section 4(1) of the Financial Services (Banking Reform) Act 2013 (c.33).

“frozen account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person;

“relevant institution” means a person that has permission under Part 4A of the Financial Services and Markets Act 2000(3) (Permission to carry on regulated activities).

(8) The definition of “relevant institution” in paragraph (7) is to be read with section 22 of the Financial Services and Markets Act 2000(4), any relevant order under that section(5) and Schedule 2 to that Act(6).

Exception for acts done for purposes of national security or prevention of serious crime

19.—(1) Where an act would, in the absence of this paragraph, be prohibited by regulation 9(2) (confidentiality) or any prohibition in Part 3 (Finance), that prohibition does not apply to the act if the act is one which a responsible officer has determined would be in the interests of—

- (a) national security, or
- (b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(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), that requirement does not apply if a responsible officer has determined that not doing the thing in question would be in the interests of—

- (a) national security, or
- (b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(3) In this regulation “responsible officer” means a person in the service of the Crown or holding office under the Crown, acting in the course of that person’s duty.

Treasury licences

20.—(1) The prohibitions in regulations 11 to 15 (asset-freeze etc) do not apply to anything done under the authority of a licence issued by the Treasury under this paragraph.

(2) A licence—

- (a) must specify the acts authorised by it;
- (b) may be general or may authorise acts by a particular person or persons of a particular description;
- (c) may—
 - (i) contain conditions;
 - (ii) be of indefinite duration or a defined duration.

(3) The Treasury may issue a licence which authorises acts by a particular person only where the Treasury consider that it is appropriate to issue the licence for a purpose set out in Schedule 2.

(4) Where the Treasury issue a licence, the Treasury may vary, revoke or suspend it at any time.

(5) Where the Treasury issue, vary, revoke or suspend a licence which authorises acts by a particular person, the Treasury must give written notice to that person of the issue, variation, revocation or suspension of the licence.

(3) Part 4A was inserted by the Financial Services Act 2012 (c.21), section 11(2) and amended by S.I. 2018/135.

(4) Section 22 was amended by the Financial Guidance and Claims Act 2018 (c.10), section 27(4); the Financial Services Act 2012 (c.21), section 7(1); and S.I. 2018/135.

(5) S.I. 2001/544, as most recently amended by S.I. 2019/679; S.I. 2020/117; and S.I. 2020/480; and prospectively amended by S.I. 2019/710.

(6) Schedule 2 was amended by the Regulation of Financial Services (Land Transactions) Act 2005 (c.24), section 1; the Dormant Bank and Building Society Accounts Act 2008 (c.31), section 15 and Schedule 2, paragraph 1; the Financial Services Act 2012 (c.21), sections 7(2) to (5) and 8; the Financial Guidance and Claims Act 2018 (c.10), section 27(13); and S.I. 2013/1881; S.I. 2018/135; and it is prospectively amended by S.I. 2019/632.

(6) Where the Treasury issue, vary, revoke or suspend a licence which is general or which authorises acts by persons of a particular description, the Treasury must take such steps as the Treasury consider appropriate to publicise the issue, variation, revocation or suspension of the licence.

Finance: exception for authorised conduct in a relevant country

21.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 11 to 15 (asset-freeze etc.) (“the relevant prohibition”), the relevant prohibition is not contravened if the conduct is authorised by a licence or other authorisation which is—

- (a) issued 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.
- (2) In this regulation, “relevant country” means—
- (a) any of the Channel Islands;
 - (b) the Isle of Man;
 - (c) any British overseas territory.

Notices

22.—(1) This regulation applies in relation to a notice required by regulation 20(5) (Treasury licences: written notice) to be given to a person.

- (2) The notice may be given to an individual—
- (a) by delivering it to the individual,
 - (b) by sending it to the individual by post addressed to the individual at his or her usual or last-known place of residence or business, or
 - (c) by leaving it for the individual at that place.
- (3) The notice may be given to a person other than an individual—
- (a) by sending it by post to the proper officer of the body at its principal office, or
 - (b) by addressing it to the proper officer of the body and leaving it at that office.
- (4) The notice may be given to the person by other means, including by electronic means, with the person’s consent.
- (5) In this regulation, the reference in paragraph (3) to a “principal office”—
- (a) in relation to a registered company, is to be read as a reference to the company’s registered office;
 - (b) in relation to a body incorporated or constituted under the law of a country other than the United Kingdom, includes a reference to the body’s principal office in the United Kingdom (if any).
- (6) In this regulation—
- “proper officer”—
- (a) in relation to a body other than a partnership, means the secretary or other executive officer charged with the conduct of the body’s general affairs, and
 - (b) in relation to a partnership, means a partner or a person who has the control or management of the partnership business;

“registered company” means a company registered under the enactments relating to companies for the time being in force in the United Kingdom.

Finance: licensing offences

- 23.**—(1) A person (“P”) commits an offence if P 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,
- for the purpose of obtaining a Treasury licence (whether for P or anyone else).
- (2) A person who purports to act under the authority of a Treasury licence but who fails to comply with any condition of the licence commits an offence.

Section 8B(1) to (3) of the Immigration Act 1971: directions

- 24.**—(1) The Secretary of State may direct that, in relation to any person within regulation 17 whose name is specified, or who is of a specified description, section 8B(1) and (2) of the Immigration Act 1971, or section 8B(3) of that Act, have effect subject to specified exceptions.
- (2) A direction under this regulation—
- (a) may contain conditions;
 - (b) must be of a defined duration (and that duration may be expressed in any way, including, for example, being expressed in a way such that the direction ceases to have effect on, or within a specified period after, the occurrence of a specified event).
- (3) The Secretary of State may vary, revoke or suspend a direction under this regulation at any time.
- (4) On the issue, variation, revocation or suspension of a direction under this regulation, the Secretary of State may take such steps as the Secretary of State considers appropriate to publicise the issue, variation, revocation or suspension of the direction.
- (5) In this regulation “specified” means specified in a direction under this regulation.