

## SCHEDULES

### SCHEDULE 1

Regulation 7(3)

#### Rules for interpretation of regulation 7(2)

#### Application of Schedule

1.—(1) The rules set out in the following paragraphs of this Schedule apply for the purpose of interpreting regulation 7(2).

(2) They also apply for the purpose of interpreting this Schedule.

#### Commencement Information

- I1 Sch. 1 para. 1 not in force at made date, see [reg. 1\(2\)](#)
- I2 Sch. 1 para. 1 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

#### Joint interests

2. If two or more persons each hold a share or right jointly, each of them is treated as holding that share or right.

#### Commencement Information

- I3 Sch. 1 para. 2 not in force at made date, see [reg. 1\(2\)](#)
- I4 Sch. 1 para. 2 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

#### Joint arrangements

3.—(1) If shares or rights held by a person and shares or rights held by another person are the subject of a joint arrangement between those persons, each of them is treated as holding the combined shares or rights of both of them.

(2) A “joint arrangement” is an arrangement between the holders of shares or rights that they will exercise all or substantially all the rights conferred by their respective shares or rights jointly in a way that is pre-determined by the arrangement.

(3) “Arrangement” has the meaning given by paragraph 12.

#### Commencement Information

- I5 Sch. 1 para. 3 not in force at made date, see [reg. 1\(2\)](#)
- I6 Sch. 1 para. 3 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

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## Calculating shareholdings

4.—(1) In relation to a person who has a share capital, a reference to holding “more than 50% of the shares” in that person is to holding shares comprised in the issued share capital of that person of a nominal value exceeding (in aggregate) 50% of that share capital.

(2) In relation to a person who does not have a share capital—

- (a) a reference to holding shares in that person is to holding a right or rights to share in the capital or, as the case may be, profits of that person;
- (b) a reference to holding “more than 50% of the shares” in that person is to holding a right or rights to share in more than 50% of the capital or, as the case may be, profits of that person.

### Commencement Information

**I7** Sch. 1 para. 4 not in force at made date, see [reg. 1\(2\)](#)

**I8** Sch. 1 para. 4 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

## Voting rights

5.—(1) A reference to the voting rights in a person is to the rights conferred on shareholders in respect of their shares (or, in the case of a person not having a share capital, on members) to vote at general meetings of the person on all or substantially all matters.

(2) In relation to a person that does not have general meetings at which matters are decided by the exercise of voting rights—

- (a) a reference to holding voting rights in the person is to be read as a reference to holding rights in relation to the person that are equivalent to those of a person entitled to exercise voting rights in a company;
- (b) a reference to holding “more than 50% of the voting rights” in the person is to be read as a reference to holding the right under the constitution of the person to block changes to the overall policy of the person or to the terms of its constitution.

### Commencement Information

**I9** Sch. 1 para. 5 not in force at made date, see [reg. 1\(2\)](#)

**I10** Sch. 1 para. 5 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

6. In applying regulation 7(2) and this Schedule, the voting rights in a person are to be reduced by any rights held by the person itself.

### Commencement Information

**I11** Sch. 1 para. 6 not in force at made date, see [reg. 1\(2\)](#)

**I12** Sch. 1 para. 6 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

## Rights to appoint or remove members of the board

7. A reference to the right to appoint or remove a majority of the board of directors of a person is to the right to appoint or remove directors holding a majority of the voting rights at meetings of the board on all or substantially all matters.

**Commencement Information**

- I13 Sch. 1 para. 7 not in force at made date, see [reg. 1\(2\)](#)
- I14 [Sch. 1 para. 7](#) in force at 31.12.2020 by S.I. 2020/1514, [reg. 14\(2\)](#)

8. A reference to a board of directors, in the case of a person who does not have such a board, is to be read as a reference to the equivalent management body of that person.

**Commencement Information**

- I15 Sch. 1 para. 8 not in force at made date, see [reg. 1\(2\)](#)
- I16 [Sch. 1 para. 8](#) in force at 31.12.2020 by S.I. 2020/1514, [reg. 14\(2\)](#)

**Shares or rights held “indirectly”**

9.—(1) A person holds a share “indirectly” if the person has a majority stake in another person and that other person—

- (a) holds the share in question, or
- (b) is part of a chain of persons—
  - (i) each of whom (other than the last) has a majority stake in the person immediately below it in the chain, and
  - (ii) the last of whom holds the share.

(2) A person holds a right “indirectly” if the person has a majority stake in another person and that other person—

- (a) holds that right, or
- (b) is part of a chain of persons—
  - (i) each of whom (other than the last) has a majority stake in the person immediately below it in the chain, and
  - (ii) the last of whom holds that right.

(3) For these purposes, a person (“A”) has a “majority stake” in another person (“B”) if—

- (a) A holds a majority of the voting rights in B,
- (b) A is a member of B and has the right to appoint or remove a majority of the board of directors of B,
- (c) A is a member of B and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in B, or
- (d) A has the right to exercise, or actually exercises, dominant influence or control over B.

(4) In the application of this paragraph to the right to appoint or remove a majority of the board of directors, a person (“A”) is to be treated as having the right to appoint a director if—

- (a) any person's appointment as director follows necessarily from that person's appointment as director of A, or
- (b) the directorship is held by A itself.

**Commencement Information**

- I17 Sch. 1 para. 9 not in force at made date, see [reg. 1\(2\)](#)

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**I18** Sch. 1 para. 9 in force at 31.12.2020 by S.I. 2020/1514, reg. 14(2)

### Shares held by nominees

**10.** A share held by a person as nominee for another is to be treated as held by the other (and not by the nominee).

#### Commencement Information

**I19** Sch. 1 para. 10 not in force at made date, see reg. 1(2)

**I20** Sch. 1 para. 10 in force at 31.12.2020 by S.I. 2020/1514, reg. 14(2)

### Rights treated as held by person who controls their exercise

**11.—**(1) Where a person controls a right, the right is to be treated as held by that person (and not by the person who in fact holds the right, unless that person also controls it).

(2) A person “controls” a right if, by virtue of any arrangement between that person and others, the right is exercisable only—

- (a) by that person,
- (b) in accordance with that person's directions or instructions, or
- (c) with that person's consent or concurrence.

#### Commencement Information

**I21** Sch. 1 para. 11 not in force at made date, see reg. 1(2)

**I22** Sch. 1 para. 11 in force at 31.12.2020 by S.I. 2020/1514, reg. 14(2)

**12.** “Arrangement” includes—

- (a) any scheme, agreement or understanding, whether or not it is legally enforceable, and
- (b) any convention, custom or practice of any kind.

#### Commencement Information

**I23** Sch. 1 para. 12 not in force at made date, see reg. 1(2)

**I24** Sch. 1 para. 12 in force at 31.12.2020 by S.I. 2020/1514, reg. 14(2)

### Rights exercisable only in certain circumstances etc.

**13.—**(1) Rights that are exercisable only in certain circumstances are to be taken into account only—

- (a) when the circumstances have arisen, and for so long as they continue to obtain, or
- (b) when the circumstances are within the control of the person having the rights.

(2) But rights that are exercisable by an administrator or by creditors while a person is subject to relevant insolvency proceedings are not to be taken into account while the person is subject to those proceedings.

(3) “Relevant insolvency proceedings” means—

- (a) administration within the meaning of the Insolvency Act 1986<sup>M1</sup>,

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- (b) administration within the meaning of the Insolvency (Northern Ireland) Order 1989<sup>M2</sup>, or
  - (c) proceedings under the insolvency law of another country during which a person's assets and affairs are subject to the control or supervision of a third party or creditor.
- (4) Rights that are normally exercisable but are temporarily incapable of exercise are to continue to be taken into account.

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**Commencement Information**

**I25** Sch. 1 para. 13 not in force at made date, see [reg. 1\(2\)](#)

**I26** Sch. 1 para. 13 in force at 31.12.2020 by S.I. 2020/1514, [reg. 14\(2\)](#)

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**Marginal Citations**

**M1** 1986 c.45.

**M2** S.I. 1989/2405 (N.I.19).

**Rights attached to shares held by way of security**

14. Rights attached to shares held by way of security provided by a person are to be treated for the purposes of this Schedule as held by that person—

- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in accordance with that person's instructions, and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in that person's interests.

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**Commencement Information**

**I27** Sch. 1 para. 14 not in force at made date, see [reg. 1\(2\)](#)

**I28** Sch. 1 para. 14 in force at 31.12.2020 by S.I. 2020/1514, [reg. 14\(2\)](#)

**SCHEDULE 2**

Reg 35

Treasury licences: purposes

**PART 1**

## Interpretation

1. In this Schedule—

“designated person” means a person designated for the purposes of regulations 9 to 13 (asset-freeze etc. in relation to persons connected with the former Iraqi regime) under regulation 5(2); for the purposes of Part 2 only, “designated person” also includes a person who is designated 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);

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“frozen funds or economic resources” means funds or economic resources frozen by virtue of regulation 8 or 9, and any reference to a person's frozen funds or economic resources is to funds or economic resources frozen as a consequence of the designation of that person for the purpose of that regulation.

**Commencement Information**

- I29** Sch. 2 para. 1 not in force at made date, see [reg. 1\(2\)](#)  
**I30** Sch. 2 para. 1 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

## PART 2

### Pre-existing judicial decisions etc.

2. To enable, by the use of a designated person's frozen funds or economic resources, the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien, provided that—

- (a) the funds or economic resources so used are the subject of the decision or lien,
- (b) the decision or lien—
  - (i) was made or established before 22 May 2003, and
  - (ii) is enforceable in the United Kingdom, and
- (c) the use of the frozen funds or economic resources does not directly or indirectly benefit any other designated person.

**Commencement Information**

- I31** Sch. 2 para. 2 not in force at made date, see [reg. 1\(2\)](#)  
**I32** Sch. 2 para. 2 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

## PART 3

### Purposes: persons connected with the former Iraqi regime

#### Basic needs

3.—(1) To enable the basic needs of a designated person, or any dependent family member of such a person, to be met.

- (2) In sub-paragraph (1), “basic needs” includes—
- (a) medical needs;
  - (b) needs for—
    - (i) food;
    - (ii) payments of insurance premiums;
    - (iii) payments of tax;
    - (iv) rent or mortgage payments;
    - (v) utility payments.

(3) In sub-paragraph (1)—

“dependent” means financially dependent;

“family member” includes—

- (a) the wife or husband of the designated person;
- (b) the civil partner of the designated person;
- (c) any parent or other ascendant of the designated person;
- (d) any child or other descendant of the designated person;
- (e) any person who is a brother or sister of the designated person, or a child or other descendant of such a person.

**Commencement Information**

**I33** Sch. 2 para. 3 not in force at made date, see [reg. 1\(2\)](#)

**I34** Sch. 2 para. 3 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

**Legal services**

4. To enable the payment of—

- (a) reasonable professional fees for the provision of legal services, or
- (b) reasonable expenses associated with the provision of legal services.

**Commencement Information**

**I35** Sch. 2 para. 4 not in force at made date, see [reg. 1\(2\)](#)

**I36** Sch. 2 para. 4 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

**Maintenance of frozen funds and economic resources**

5. To enable the payment of—

- (a) reasonable fees, or
- (b) reasonable service charges,

arising from the routine holding or maintenance of frozen funds or economic resources.

**Commencement Information**

**I37** Sch. 2 para. 5 not in force at made date, see [reg. 1\(2\)](#)

**I38** Sch. 2 para. 5 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

**Extraordinary expenses**

6. To enable an extraordinary expense of a designated person to be met.

**Commencement Information**

**I39** Sch. 2 para. 6 not in force at made date, see [reg. 1\(2\)](#)

**I40** Sch. 2 para. 6 in force at 31.12.2020 by [S.I. 2020/1514](#), [reg. 14\(2\)](#)

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**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- [reg. 55\(3A\)-\(3D\)](#) inserted by [S.I. 2024/644 reg. 12\(2\)](#)