

This Statutory Instrument includes corrections to S.I. 2019/411, S.I. 2019/438, S.I. 2019/466, S.I. 2020/616 and S.I. 2020/642 and is being issued free of charge to all known recipients of those Statutory Instruments.

STATUTORY INSTRUMENTS

2020 No. 950

EXITING THE EUROPEAN UNION

SANCTIONS

**The Sanctions (EU Exit) (Miscellaneous Amendments) (No.3)
Regulations 2020**

Made - - - - *3rd September 2020*

Laid before Parliament *8th September 2020*

Coming into force in accordance with regulation 1(2)

The Secretary of State^(a), in exercise of the powers conferred by sections 1 and 45 of the Sanctions and Anti-Money Laundering Act 2018^(b), considers that the requirements of section 45(2) of the Act are satisfied and, having decided upon consideration of the matters set out in section 56(1) of the Act that it is appropriate to do so, makes the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Sanctions (EU Exit) (Miscellaneous Amendments) (No.3) Regulations 2020.

(2) These Regulations come into force in accordance with regulations made by the Secretary of State under section 56 of the Sanctions and Anti-Money Laundering Act 2018.

Amendment of the Democratic People’s Republic of Korea (Sanctions) (EU Exit) Regulations 2019

2.—(1) The Democratic People’s Republic of Korea (Sanctions) (EU Exit) Regulations 2019^(c) are amended as follows.

(2) In regulation 26—

(a) in paragraph (2) for “1(a) to (f)” substitute “1(a), (b) or (d) to (f)”;

(b) in paragraph (4)—

(i) after “acquire” insert “, maintain”;

(ii) in sub-paragraph (a) for “1(a) to (f)” substitute “1(a), (b) or (d) to (f)”;

^(a) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c.13) is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an “appropriate Minister” as including the Secretary of State.

^(b) 2018 c.13.

^(c) S.I. 2019/411, amended by S.I. 2019/843 and S.I. 2020/591.

- (iii) in sub-paragraph (b), after “person” insert “, other than an individual, which is”.
- (3) After regulation 86 insert—

“Exception for authorised conduct in a relevant country

86A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a relevant prohibition or relevant requirement, the relevant prohibition or relevant requirement is not contravened if the conduct is authorised by a licence, direction or other authorisation which is issued—

- (a) under the law of the relevant country, and
- (b) for the purpose of—
 - (i) disapplying a prohibition in that jurisdiction which corresponds to the relevant prohibition, or
 - (ii) providing that a requirement in that jurisdiction which corresponds to the relevant requirement has effect subject to any exceptions specified in the licence, direction or other authorisation.

(2) In this regulation—

“the financial services provisions” means regulations 18, 20 to 22, and 24 to 30, excluding regulation 26(7);

“relevant country” means—

- (a) any of the Channel Islands,
- (b) the Isle of Man, or
- (c) any British overseas territory;

“relevant prohibition” means a prohibition in—

- (a) any of regulations 13 to 17 (asset-freeze etc.),
- (b) the financial services provisions,
- (c) Chapters 1, 2 and 3 of Part 6 (Trade),
- (d) regulation 65(1) (movement of aircraft),
- (e) regulation 69 (ownership etc. of DPRK ships),
- (f) regulation 70 (dealing with UN-designated ships subject to asset-freeze),
- (g) regulation 74 (DPRK ships: transfers of goods), or
- (h) regulation 76 (registration etc. of ships in the DPRK);

“relevant requirement” means a requirement in—

- (a) regulation 19 (severance of existing financial relationships),
- (b) regulation 23 (closure of representative offices), or
- (c) regulation 26(7) (closure of joint venture or co-operative entities).

(3) 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.”

Amendment of the Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019

3.—(1) The Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) After regulation 31 insert—

(a) S.I. 2019/433, amended by S.I. 2020/591.

“Exception for authorised conduct in a relevant country

31A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 12 to 16 (asset-freeze etc.) or Chapters 2 and 3 of Part 5 (Trade) (“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.

(2) In this regulation—

“relevant country” means—

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

(3) 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.”

Amendment of the South Sudan (Sanctions) (EU Exit) Regulations 2019

4.—(1) The South Sudan (Sanctions) (EU Exit) Regulations 2019^(a) are amended as follows.

(2) After regulation 31 insert—

“Exception for authorised conduct in a relevant country

31A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 12 to 16 (asset-freeze etc.) or Chapters 2 and 3 of Part 5 (Trade) (“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.

(2) In this regulation—

“relevant country” means—

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

(3) 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.”

(3) In regulation 33 (Treasury licences) —

- (a) in paragraph (2), before “Schedule 2” insert “Part 2 or 3 of”;
- (b) in paragraph (3), after “Part 2” insert “or 2A”.

(4) In Schedule 2 (Treasury licence: purposes)—

- (a) after paragraph 6 (pre-existing judicial decisions etc.) insert—

^(a) S.I. 2019/438, amended by S.I. 2020/591.

“PART 2A

Purposes relating only to UN designated persons

Prior obligations

6A. To enable, by the use of a designated person’s frozen funds or economic resources, the satisfaction of an obligation of that person arising under a contract, provided that—

- (a) the obligation arose before the date on which the person became a designated person, and
- (b) no payments are made to another designated person, whether directly or indirectly.

(b) immediately before paragraph 7 insert—

“PART 3

Purposes relating only to non-UN designated persons”

(c) omit the heading to Part 3 (Purposes relating only to non-UN designated persons).

Amendment of the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019

5.—(1) The Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019(a) are amended as follows.

(2) After regulation 37 insert—

“Exception for authorised conduct in a relevant country

37A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 12 to 17 (asset-freeze etc.) or Chapters 1 to 3 of Part 5 (Trade) (“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.

(2) In this regulation—

“relevant country” means—

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

(3) 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.”

Amendment of the ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019

6.—(1) The ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019(b) are amended as follows.

(2) After regulation 27 insert—

(a) S.I. 2019/461, amended by S.I. 2019/843 and S.I. 2020/591.

(b) S.I. 2019/466, amended by S.I. 2019/843 and S.I. 2020/591.

“Exception for authorised conduct in a relevant country

27A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 8 to 12 or 25 (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 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.

(2) In this regulation—

“relevant country” means—

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

(3) 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.”

(3) For paragraph (2) of regulation 36 substitute—

“(2) For the purposes of paragraph (1), a “relevant activity” means an activity which would constitute a contravention of any prohibition in Part 4 (Trade) except the prohibition in regulation 15 (export of military goods).”

Amendment of the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019

7.—(1) The Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) After regulation 29 insert—

“Exception for authorised conduct in a relevant country

29A.—(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 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.

(2) In this regulation—

“relevant country” means—

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

(3) 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.”

Amendment of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019

8.—(1) The Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019(b) are amended as follows.

(a) S.I. 2019/573, amended by S.I. 2019/843 and S.I. 2020/591.

(b) S.I. 2019/577, amended by S.I. 2020/591.

(2) After regulation 17 insert—

“Finance: exception for authorised conduct in a relevant country

17A.—(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 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.

(2) In this regulation—

“relevant country” means—

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

(3) 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 or requirement not to apply.”

Amendment of the Lebanon (Sanctions) (EU Exit) Regulations 2020

9.—(1) The Lebanon (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In Part 3, before regulation 16 insert—

“Finance: exception for authorised conduct in a relevant country

15A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in Chapter 2 of Part 2 (Trade) (“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.

(2) In this regulation—

“relevant country” means—

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

(3) 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.”

Amendment of the Central African Republic (Sanctions) (EU Exit) Regulations 2020

10.—(1) The Central African Republic (Sanctions) (EU Exit) Regulations 2020(b) are amended as follows.

(2) After regulation 31 insert—

(a) S.I. 2020/612.
(b) S.I. 2020/616.

“Exception for authorised conduct in a relevant country

31A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 12 to 16 (asset-freeze etc.) or Chapters 2 and 3 of Part 5 (Trade) (“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.

(2) In this regulation—

“relevant country” means—

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

(3) 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.”

(3) In regulation 33 (Treasury licences) —

- (a) in paragraph (2), before “Schedule 2” insert “Part 2 or 3 of”;
- (b) in paragraph (3), after “Part 2” insert “or 2A”.

(4) In Schedule 2 (Treasury licence: purposes)—

- (a) after paragraph 6 (pre-existing judicial decisions etc.) insert—

“PART 2A

Purposes relating only to UN designated persons

Prior obligations

6A. To enable, by the use of a designated person’s frozen funds or economic resources, the satisfaction of an obligation of that person arising under a contract, provided that—

- (a) the obligation arose before the date on which the person became a designated person, and
- (b) no payments are made to another designated person, whether directly or indirectly.

(b) immediately before paragraph 7 insert—

“PART 3

Purposes relating only to non-UN designated persons”

(c) omit the heading to Part 3 (Purposes relating only to non-UN designated persons).

Amendment of the Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020

11.—(1) The Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020(a) are amended as follows.

(a) S.I. 2020/617.

(2) After regulation 14 insert—

“Finance: exception for authorised conduct in a relevant country

14A.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 8 to 12 (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 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.

(2) In this regulation—

“relevant country” means—

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

(3) 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 or requirement not to apply.”

Amendment of the Somalia (Sanctions) (EU Exit) Regulations 2020

12.—(1) The Somalia (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 24(3)(b), for “the person” where those words first appear substitute “P”.

Ahmad

Minister of State

Foreign, Commonwealth and Development Office

3rd September 2020

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c.13) (“the Sanctions Act”).

The Regulations make corrections and amendments to a number of sanctions regulations which have been made under section 1 of the Sanctions Act, namely the Democratic People’s Republic of Korea (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/411), the Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/433), the South Sudan (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/438), the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019 (S.I. 2019/461), the ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/466), the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/573), the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577), the Lebanon (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/612), the Central African Republic (Sanctions) (EU Exit) Regulations (S.I. 2020/616), the Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020 (S.I. 2020/617) and the Somalia (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/642).

(a) S.I. 2020/642.

The main amendments made by this instrument are to introduce a new exception into these regimes to provide that a prohibition or requirement is not contravened if conduct is authorised by a licence or other authorisation issued under the law as it applies in a British Overseas Territory or Crown Dependency.

An impact assessment has not been produced for these Regulations, as the instrument is intended to ensure existing sanctions remain in place following the United Kingdom's withdrawal from the European Union. An impact assessment was, however, produced for the Sanctions Act and can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/653271/Sanctions_and_Anti-Money_Laundering_Bill_Impact_Assessment_18102017.pdf.

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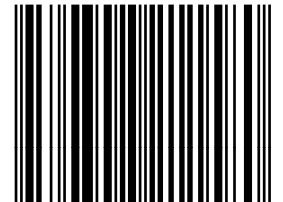
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