
STATUTORY INSTRUMENTS

2023 No. 1314

The Iran (Sanctions) Regulations 2023

PART 8

Exceptions and licences

Finance: exceptions from prohibitions

55.—(1) The prohibition in regulation 15 (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 9) by the designated person.

(3) The prohibitions in regulations 15 to 17 (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 16 and 17 (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 16 and 17 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 15 to 17 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 the Financial Services (Banking Reform) Act 2013 (c. 33), section 4(1).

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

“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 activity).

(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).

Trade: exception for emergencies in certain cases

56.—(1) The prohibitions specified in paragraph (2) are not contravened by any act done by a person (“P”), where P provides justification to the Secretary of State within the relevant period that the act is an act dealing with an emergency.

(2) Paragraph (1) applies to the prohibitions in regulations 28 to 34 (prohibitions relating to restricted goods etc.) and regulations 37 to 43 (prohibitions relating to unmanned aerial vehicle goods etc.).

(3) In this regulation—

“an act dealing with an emergency” means an act assisting with the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health or safety, infrastructure or the environment;

“relevant period”, in relation to an act, means the period of 5 working days beginning with the day on which the act is done.

Ships: exceptions from prohibition on port entry

57.—(1) The prohibition in regulation 46(1) (prohibition on port entry) is not contravened by providing a ship with access to a port if—

- (a) a port entry direction has been given in relation to the ship under regulation 48 (movement of ships), or
- (b) the access is needed by the ship in a case of emergency.

(2) The prohibition in regulation 46(2) is not contravened by the entry into port of a ship if—

- (a) a port entry direction has been given in relation to the ship under regulation 47, or
- (b) the entry is needed by the ship in a case of emergency.

Exception for authorised conduct in a relevant country

58.—(1) Where a person’s conduct in a relevant country would, in the absence of this regulation, contravene a prohibition in any of regulations 15 to 19 (asset-freeze etc.) or Chapter 2, 3 or 4 of Part 6 (Trade) (“the relevant prohibition”), the relevant prohibition is not contravened if the conduct is authorised by a licence or other authorisation which is issued—

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- (3) Part 4A was inserted by the Financial Services Act 2012 (c. 21), section 11(2) and most recently amended by the Financial Services Act 2021 (c. 22), section 28 and Schedule 11, paragraphs 2 and 3; the Financial Services and Markets Act 2023 (c. 29), section 86, Schedule 5, paragraph 4 and Schedule 8, paragraph 4; S.I. 2021/1376 and S.I. 2023/612.
 - (4) Section 22 was amended by the Financial Services Act 2012, section 7(1); the Financial Guidance and Claims Act 2018 (c. 10), section 27(4); the Financial Services and Markets Act 2023 (c. 29), section 69(3); S.I. 2013/113; S.I. 2018/135 and S.I. 2023/779.
 - (5) S.I. 2001/544 as most recently amended by S.I. 2021/494; S.I. 2021/90; S.I. 2022/466; S.I. 2022/582; and S.I. 2022/726.
 - (6) Schedule 2 was amended by the Regulation of Financial Services (Land Transactions) Act 2003 (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, sections 7(2) to (5) and 8; the Financial Guidance and Claims Act 2018 (c. 10), section 27(13); S.I. 2013/1881; S.I. 2018/135; and S.I. 2019/632.

- (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.

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

59.—(1) Where an act would, in the absence of this paragraph, be prohibited by the prohibition in regulation 11(2) or 13(2) (confidentiality) or any prohibition in Part 3 (Finance) or 6 (Trade), or under or by virtue of Part 7 (Ships), 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 9 (Information and records) or Part 11 (Maritime enforcement), 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

60.—(1) The prohibitions in regulations 15 to 19 (asset-freeze etc.) do not apply to anything done under the authority of a licence issued by the Treasury under this paragraph.

(2) 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 5.

Director disqualification licences

61. The Secretary of State may issue a licence in relation to any person who is designated under regulation 5 for the purposes of regulation 21 (director disqualification sanctions) providing that the prohibitions in—

- (a) section 11A of the Company Directors Disqualification Act 1986, and
- (b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002,

do not apply to anything done under the authority of that licence.

Trade licences

62. The prohibitions in Chapters 2, 3 and 4 of Part 6 (Trade) do not apply to anything done under the authority of a licence issued by the Secretary of State under this regulation.

Licences: general provisions

63.—(1) This regulation applies in relation to Treasury licences, director disqualification licences, and trade licences.

(2) A licence must specify the acts authorised by it.

(3) A licence may be general or may authorise acts by a particular person or persons of a particular description.

(4) A licence may—

(a) contain conditions;

(b) be of indefinite duration or a defined duration.

(5) A person who issues a licence may vary, revoke or suspend it at any time.

(6) A person who issues, varies, revokes or suspends a licence which authorises acts by a particular person must give written notice to that person of the issue, variation, revocation or suspension of the licence.

(7) A person who issues, varies, revokes or suspends a general licence or a licence which authorises acts by persons of a particular description must take such steps as that person considers appropriate to publicise the issue, variation, revocation or suspension of the licence.

Finance: licensing offences

64.—(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.

Director disqualification: licensing offences

65.—(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 director disqualification licence (whether for P or anyone else).

(2) A person who purports to act under the authority of a director disqualification licence but who fails to comply with any condition of the licence commits an offence.

(3) A licence in respect of which an offence under paragraph (1) has been committed is to be treated as void from the time at which it was issued.

Trade: licensing offences

66.—(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 trade licence (whether for P or anyone else).

(2) A person who purports to act under the authority of a trade licence but who fails to comply with any condition of the licence commits an offence.

(3) A licence in respect of which an offence under paragraph (1) has been committed is to be treated as void from the time at which it was issued.

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

67.—(1) The Secretary of State may direct that, in relation to any person within regulation 22 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 may contain conditions.

(3) A direction under this regulation 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).

(4) The Secretary of State may vary, revoke or suspend a direction under this regulation at any time.

(5) 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.

(6) In this regulation “specified” means specified in a direction under this regulation.