

Regulations made by the Secretary of State, laid before Parliament under section 55(3) of the Sanctions and Anti-Money Laundering Act 2018, for approval by resolution of each House of Parliament within twenty-eight days beginning with the day on which the instrument is made, subject to extension for periods of dissolution or prorogation or during which both Houses are adjourned for more than four days.

STATUTORY INSTRUMENTS

2023 No. 1314

SANCTIONS

The Iran (Sanctions) Regulations 2023

<i>Made</i>	- - - -	<i>11th December 2023</i>
<i>Laid before Parliament</i>		<i>13th December 2023</i>
<i>Coming into force</i>	- -	<i>14th December 2023</i>

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The Secretary of State^(a), in exercise of the powers conferred by sections 1(1)(c) and (3)(b), 3(1)(a), (b)(ii), (d)(i) and (ii), 3A(1), 4, 5, 7(1) to (5) and (8), 9(2)(a), 10(2) to (4), 11, 12, 14, 15, 16, 17, 19, 20, 21(1), 45(1)(a), 54(1) and (2), 62(4) to (6) of, and paragraphs 2(b), 4(b) and (c), 5(a)(ii) and (b), 6(a)(ii) and (b), 11(a)(ii) and (iii), 13(b), (h), (k), (l), (m), (n) and (w), 14(a), (f) and (k), 17(a), 19(a), 20 to 23 and 27 of Schedule 1 to, the Sanctions and Anti-Money Laundering Act 2018^(b) makes the following Regulations:

PART 1

General

Citation, commencement and extent

- 1.—(1) These Regulations may be cited as the Iran (Sanctions) Regulations 2023.
- (2) These Regulations come into force on 14th December 2023.
- (3) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Interpretation

2. In these Regulations—

“the Act” means the Sanctions and Anti-Money Laundering Act 2018;

“armed group backed by the Government of Iran” includes any armed group which—

- (a) is being or has been armed, trained or funded by the Government of Iran,
- (b) is taking or has taken direction from the Government of Iran, or
- (c) is acting or has acted for the benefit of the Government of Iran;

“arrangement” includes any agreement, understanding, scheme, transaction or series of transactions, whether or not legally enforceable (but see paragraph 12 of Schedule 1 for the meaning of that term in that Schedule);

“CEMA” means the Customs and Excise Management Act 1979^(c);

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- (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. Section 17(5)(b)(i) (enforcement) is amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 443(1). Sections 1, 11, 12 and 16 are amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), sections 57, 58, 59 and 65. Section 3A is inserted by the Economic Crime and Corporate Transparency Act 2023 (c. 56), section 35(3) and is in force only for the limited purpose of conferring power to make regulations.
 - (c) 1979 c. 2. Amendments have been made to this Act and are cited, where relevant, in respect of the applicable regulations.

“the Commissioners” means the Commissioners for His Majesty’s Revenue and Customs;

“conduct” includes acts and omissions;

“director disqualification licence” means a licence under regulation 61;

“document” includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include producing a copy of the information in legible form;

“the Dual-Use Regulation” means Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items;

“the Government of Iran” includes its public bodies, corporations or agencies, its armed forces or any person acting on its behalf or at its direction;

“serious human rights violation or abuse” means a serious violation or abuse of any of the human rights specified in regulation 4;

“trade licence” means a licence under regulation 62;

“Treasury licence” means a licence under regulation 60(1);

“United Kingdom person” has the same meaning as in section 21 of the Act.

Application of prohibitions and requirements outside the United Kingdom

3.—(1) A United Kingdom person may contravene a relevant prohibition by conduct wholly or partly outside the United Kingdom.

(2) Any person may contravene a relevant prohibition by conduct in the territorial sea.

(3) In this regulation a “relevant prohibition” means any prohibition imposed—

- (a) by regulation 11(2) or 13(2) (confidential information),
- (b) by Part 3 (Finance),
- (c) by Part 6 (Trade),
- (d) by or under Part 7 (Ships), or
- (e) by a condition of a Treasury licence or a trade licence.

(4) A United Kingdom person may comply, or fail to comply, with a relevant requirement by conduct wholly or partly outside the United Kingdom.

(5) Any person may comply, or fail to comply, with a relevant requirement by conduct in the territorial sea.

(6) In this regulation a “relevant requirement” means any requirement imposed—

- (a) by or under Part 9 (Information and records), or by reason of a request made under a power conferred by that Part,
- (b) by a condition of a Treasury licence or a trade licence, or
- (c) by a direction under regulation 48 (movement of ships).

(7) Nothing in this regulation is to be taken to prevent a relevant prohibition or a relevant requirement from applying to conduct (by any person) in the United Kingdom.

Purposes

4.—(1) The purposes of the regulations contained in this instrument that are made under section 1 of the Act are—

- (a) to encourage the Government of Iran to comply with international human rights law and to respect human rights, including in particular, to—
 - (i) respect the right to life of persons in Iran, for example by refraining from the execution of juvenile offenders in all circumstances;

- (ii) respect the right of persons not to be subjected to torture or cruel, inhuman or degrading treatment or punishment in Iran, including—
 - (aa) torture or other inhuman or degrading treatment with a view to extracting information from detained persons,
 - (bb) inhuman and degrading conditions in prisons, and
 - (cc) forms of punishment such as flogging and amputation;
 - (iii) respect the right to liberty and security, including refraining from the arbitrary arrest and detention of persons in Iran;
 - (iv) afford persons in Iran charged with criminal offences the right to a fair trial;
 - (v) afford journalists, human rights defenders and other persons in Iran the right to freedom of expression and peaceful assembly;
 - (vi) secure the human rights of persons in Iran without discrimination, including on the basis of a person's sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status;
- (b) to deter the Government of Iran or an armed group backed by the Government of Iran from conducting hostile activity against the United Kingdom or any other country.
- (2) For the purposes of paragraph (1)(b), “hostile activity” means activity falling within regulation 8(3).

PART 2

Designation of persons

Power to designate persons

5.—(1) The Secretary of State may designate persons by name for the purposes of any of the following—

- (a) regulations 15 to 19 (asset-freeze etc.);
- (b) regulation 21 (director disqualification sanctions);
- (c) regulation 22 (immigration);
- (d) regulations 46 and 48 to 50 (ships: prohibition on port entry etc.).

(2) The Secretary of State may provide that persons of a description specified by the Secretary of State are designated persons for the purposes of any of the following—

- (a) regulations 15 to 19 (asset-freeze etc.);
- (b) regulation 22 (immigration);
- (c) regulations 46 and 48 to 50 (ships: prohibition on port entry etc.).

(3) The Secretary of State may designate different persons for the purposes of different provisions mentioned in paragraph (1) or (2).

(4) For the purposes of these Regulations, persons “designated under regulation 5” for the purpose of a particular regulation means—

- (a) persons who are designated by name under paragraph (1) for the purposes of that particular regulation, and
- (b) where the Secretary of State makes provision under paragraph (2) that persons of a specified description are designated persons for the purposes of that particular regulation, persons of that description.

Conditions for the designation of persons by name

6.—(1) This regulation applies to a person designated under regulation 5(1) (power to designate persons by name).

(2) The Secretary of State may choose whether to designate a person under—

- (a) the standard procedure, or
- (b) the urgent procedure.

(3) Paragraph (4) applies where the Secretary of State chooses to designate a person under the standard procedure.

(4) The Secretary of State may not designate a person except where condition A is met.

(5) Paragraphs (6) to (8) apply where the Secretary of State chooses to designate a person under the urgent procedure.

(6) The Secretary of State may designate a person where condition A is not met, but conditions B and C are met.

(7) A person ceases to be a designated person at the end of the period of 56 days beginning with the day following the day on which the person became a designated person unless, within that period, the Secretary of State certifies that—

- (a) condition A is met, or
- (b) conditions B and C continue to be met.

(8) Where the Secretary of State makes a certification under paragraph (7)(b), the designation ceases to have effect at the end of the period of 56 days beginning with the day immediately following the period mentioned in paragraph (7), unless within that period the Secretary of State certifies that condition A is met.

(9) Condition A is that the Secretary of State has reasonable grounds to suspect that that person is an involved person.

(10) Condition B is that relevant provision (whenever made) applies under the law of—

- (a) the United States of America;
- (b) the European Union;
- (c) Australia;
- (d) Canada.

(11) Condition C is that the Secretary of State considers that it is in the public interest to designate a person under the urgent procedure.

(12) For the purposes of Condition B, “relevant provision” is provision that the Secretary of State considers—

- (a) corresponds, or is similar, to the type of sanction or sanctions in these Regulations, or
- (b) is made for purposes corresponding, or similar, to any purpose of any type of sanction or sanctions in these Regulations.

(13) In this regulation “involved person” has the meaning given in regulation 8 (designation criteria: meaning of “involved person”).

Conditions for the designation of persons by description

7.—(1) This regulation applies to persons designated under regulation 5(2) (power to designate persons by description).

(2) The Secretary of State may choose whether to designate persons under—

- (a) the standard procedure, or
- (b) the urgent procedure.

(3) Paragraph (4) applies where the Secretary of State chooses to designate persons under the standard procedure.

- (4) The Secretary of State may not designate persons except where conditions A and C are met.
- (5) Paragraphs (6) to (8) apply where the Secretary of State chooses to designate persons under the urgent procedure.
- (6) The Secretary of State may designate persons where condition C is not met, but conditions A, D and E are met.
- (7) The persons cease to be designated persons at the end of the period of 56 days beginning with the day following the day on which the persons became designated persons unless, within that period, the Secretary of State certifies that—
- (a) conditions A and C are met, or
 - (b) conditions A, D and E continue to be met.
- (8) Where the Secretary of State makes a certification under paragraph (7)(b), the designation ceases to have effect at the end of the period of 56 days beginning with the day immediately following the period mentioned in paragraph (7), unless within that period the Secretary of State certifies that conditions A and C are met.
- (9) Condition A is that the description of persons specified is such that a reasonable person would know whether that person fell within it.
- (10) Condition C is that the Secretary of State has reasonable grounds to suspect—
- (a) in a case where the specified description is members of a particular organisation, that the organisation is an involved person, or
 - (b) in the case of any other specified description, that any person falling within that description would necessarily be an involved person.
- (11) Condition D is that the description of persons specified is of persons (or some persons) to which, or in relation to which, relevant provision (whenever made) applies under the law of—
- (a) the United States of America;
 - (b) the European Union;
 - (c) Australia;
 - (d) Canada.
- (12) Condition E is that the Secretary of State considers that it is in the public interest to designate persons under the urgent procedure.
- (13) For the purposes of condition D, “relevant provision” is provision that the Secretary of State considers—
- (a) corresponds, or is similar, to the type of sanction or sanctions in these Regulations, or
 - (b) is made for purposes corresponding, or similar, to any purpose of any type of sanction or sanctions in these Regulations.
- (14) In this regulation—
- “involved person” has the meaning given in regulation 8 (designation criteria: meaning of “involved person”);
- “organisation” includes any body, association or combination of persons.

Designation criteria: meaning of “involved person”

8.—(1) For the purposes of regulations 6(9) (conditions for the designation of persons by name) and 7(10) (conditions for the designation of persons by description), an “involved person” means a person who—

- (a) is or has been involved in—
 - (i) the commission of a serious human rights violation or abuse in Iran;
 - (ii) hostile activity by the Government of Iran;
 - (iii) hostile activity by an armed group backed by the Government of Iran,

- (b) is owned or controlled directly or indirectly (within the meaning of regulation 9) by a person who is or has been so involved,
- (c) is acting on behalf of or at the direction of a person who is or has been so involved, or
- (d) is a member of, or associated with, a person who is or has been so involved.

(2) Any reference in this regulation to being involved in the commission of a serious human rights violation or abuse in Iran includes being so involved in whatever way and wherever any actions constituting the involvement take place, and in particular includes—

- (a) being responsible for, engaging in, providing support for, or promoting, any serious human rights violation or abuse in Iran;
- (b) providing financial services, or making available funds or economic resources, that could contribute to any serious human rights violation or abuse in Iran;
- (c) being involved in the supply to Iran of restricted goods or restricted technology or of material related to such goods or technology, or in providing financial services relating to such supply;
- (d) being involved in the supply to Iran of goods or technology which could contribute to any serious human rights violation or abuse in Iran, or in providing financial services relating to such supply;
- (e) being involved in assisting the contravention or circumvention of any relevant provision.

(3) Any reference in this regulation to being involved in hostile activity by the Government of Iran or hostile activity by an armed group backed by the Government of Iran includes being so involved in whatever way and wherever any actions constituting the involvement take place, and in particular includes—

- (a) threatening, planning or conducting attacks against persons and assets in the United Kingdom or any other country including—
 - (i) assassination, kidnap, threats to life, physical threat, assault, harassment, intimidation;
 - (ii) sabotage of assets;
- (b) threatening, planning or conducting attacks against ships including the detention and sabotage of ships;
- (c) threatening, planning or conducting activity which is intended to cause the destabilisation of the United Kingdom or any other country including—
 - (i) activity which undermines or is intended to undermine—
 - (aa) the integrity, prosperity or security of the United Kingdom or any other country;
 - (bb) the resolution of any armed conflict or the protection of civilians in conflict zones;
 - (ii) activity which aids or facilitates serious organised crime in the United Kingdom or any other country;
- (d) planning or conducting espionage for the Government of Iran;
- (e) carrying on business in the Iranian defence sector;
- (f)
 - (i) owning or controlling directly or indirectly (within the meaning of regulation 9), or
 - (ii) working as a director (whether executive or non-executive), trustee, or other manager or equivalent, of, or
 - (iii) holding the right, directly or indirectly, to nominate at least one director (whether executive or non-executive), trustee or equivalent of,
 - a person, other than an individual, which falls within sub-paragraph (e);
- (g) any conduct which facilitates (or is intended to facilitate) or gives support or assistance to activity falling within sub-paragraphs (a) to (e);
- (h) being involved in assisting the contravention or circumvention of any relevant provision.

- (4) In paragraph (1)(d), being “associated with” a person includes—
- (a) obtaining a financial benefit or other material benefit from that person;
 - (b) being an immediate family member of that person.
- (5) In paragraphs (2), (3) and (4) (as the case may be)—
- “asset” means an asset of any kind whether tangible or intangible and includes in particular real and personal property, electronic systems and information, and ships;
- “carrying on business in the Iranian defence sector” includes—
- (a) supplying and exporting controlled goods and controlled technology to Iran;
 - (b) developing and stockpiling controlled goods and controlled technology in Iran;
 - (c) importing controlled goods and controlled technology into Iran;
- “espionage” includes, without authority—
- (a) obtaining, copying, recording or retaining protected information or a trade secret,
 - (b) disclosing or providing access to protected information or a trade secret,
 - (c) entering a restricted place,
 - (d) materially assisting the Iranian intelligence services;
- “immediate family member” means—
- (a) a wife or husband;
 - (b) a civil partner;
 - (c) a parent or step-parent;
 - (d) a child or step-child;
 - (e) a sibling or step-sibling;
 - (f) a niece or nephew;
 - (g) an aunt or uncle;
 - (h) a grandparent;
 - (i) a grandchild;
- “integrity”, in respect of a country, includes—
- (a) the exercise of governmental functions of that country;
 - (b) the exercise of parliamentary functions in that country;
 - (c) the functioning of bodies, organisations or institutions involved in public elections or the voting process;
 - (d) the operation of the criminal or civil justice system in that country;
 - (e) the provision of essential services to the population, including banking, education, energy, healthcare, sewerage, transport or water;
 - (f) the operation of critical national infrastructure;
 - (g) the functioning of free and independent news media;
- “prosperity”, in respect of a country, includes the effective functioning of the economy, or part of it, of that country;
- “relevant provision” means—
- (a) any provision of Part 3 (Finance), Part 6 (Trade) or Part 7 (Ships);
 - (b) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of any provision of Part 3 (Finance), Part 6 (Trade) or Part 7 (Ships);
- “restricted goods” and “restricted technology” have the meanings given by Part 6;
- “sabotage” means conduct that results in (or is intended to result in) damage to any asset;
- “ship” includes every description of vessel (including a hovercraft) used in navigation.

(6) In paragraph (5)—

“controlled goods” means the goods specified in Schedules 1, 2 and 3 to the Export Control Order 2008(a);

“controlled technology” means any thing which is described in Schedules 2 and 3 to the Export Control Order 2008 as software or technology within the meaning of those Schedules;

“damage” includes any of the following (whether permanent or temporary)—

- (a) destruction;
- (b) alteration;
- (c) contamination;
- (d) interference;
- (e) loss of or reduction in access or availability;
- (f) loss of or reduction in function, utility or reliability;

“disclosing protected information or a trade secret” includes parting with possession;

“entering a restricted place” means—

- (a) accessing, entering, inspecting, passing over or under, approaching or being in the vicinity of a restricted place, or
- (b) causing an unmanned vehicle or device to enter, inspect, pass over or under, approach or be in the vicinity of a restricted place,

whether that conduct is carried out in person, or by electronic or remote means;

“Iranian intelligence services” includes—

- (a) the Ministry of Intelligence and Security;
- (b) the Islamic Revolutionary Guard Corps Intelligence Organisation;
- (c) the Islamic Revolutionary Guard Corps Quds Force;

“materially assisting the Iranian intelligence services” includes providing, or providing access to, information, goods, services or financial benefits (whether directly or indirectly);

“restricted place” means any vehicle, building or land in the United Kingdom or in any other country which is used, at the time of entry, for the defence or security of the United Kingdom or any other country;

“protected information” means any information, document or other article where, for the purpose of protecting the safety or interests of the United Kingdom or a country other than Iran—

- (a) access to the information, document or other article is restricted in any way, or
- (b) it is reasonable to expect that access to the information, document or other article would be restricted in any way;

“retaining protected information or a trade secret” means a person retains it in their possession or under their control;

“trade secret” means any information, document or other article which—

- (a) is not generally known by, or available to, persons with knowledge of or expertise in the field to which it relates,
- (b) has actual or potential industrial, economic or commercial value which would be, or could reasonably be expected to be, adversely affected if it became generally known by, or available to, such persons, and

(a) S.I. 2008/3231. Schedule 1 was substituted by S.I. 2010/2007 and subsequently amended by S.I. 2014/702; S.I. 2015/940; and S.I. 2018/939. Schedule 2 was substituted by S.I. 2017/85 and subsequently amended by S.I. 2017/697; S.I. 2018/165; S.I. 2018/939, S.I. 2019/137; S.I. 2019/989; S.I. 2021/586; S.I. 2022/1042; and S.I. 2023/302. Schedule 3 was substituted by S.I. 2010/2007 and subsequently amended by S.I. 2015/940; S.I. 2017/85; S.I. 2018/939; S.I. 2019/137; S.I. 2019/1159; S.I. 2021/586; and S.I. 2023/302. There are other instruments which amend other parts of the Order, which are not relevant to these Regulations.

- (c) could reasonably be expected to be subject to measures to prevent it becoming generally known by, or available to, such persons (whether or not it is actually subject to such measures).

(7) In paragraph (6)—

- “building” includes any part of a building;
- “financial benefits” means money or money’s worth;
- “vehicle” means any form of transport.

(8) Nothing in any sub-paragraph of paragraphs (2) or (3) is to be taken to limit the meaning of any of the other sub-paragraphs of those paragraphs.

Meaning of “owned or controlled directly or indirectly”

9.—(1) A person who is not an individual (“C”) is “owned or controlled directly or indirectly” by another person (“P”) if either of the following two conditions is met (or both are met).

(2) The first condition is that P—

- (a) holds directly or indirectly more than 50% of the shares in C,
- (b) holds directly or indirectly more than 50% of the voting rights in C, or
- (c) holds the right directly or indirectly to appoint or remove a majority of the board of directors of C.

(3) Schedule 1 contains provision applying for the purpose of interpreting paragraph (2).

(4) The second condition is that it is reasonable, having regard to all the circumstances, to expect that P would (if P chose to) be able, in most cases or in significant respects, by whatever means and whether directly or indirectly, to achieve the result that affairs of C are conducted in accordance with P’s wishes.

Notification and publicity where power to designate by name is used

10.—(1) Paragraph (2) applies where the Secretary of State—

- (a) has made a designation under regulation 5(1), or
- (b) has by virtue of section 22 of the Act varied or revoked a designation made under that regulation.

(2) The Secretary of State—

- (a) must without delay take such steps as are reasonably practicable to inform the designated person of the designation, variation or revocation, and
- (b) must take steps to publicise the designation, variation or revocation.

(3) The information given under paragraph (2)(a)—

- (a) where the Secretary of State designates a person under the standard procedure, must include a statement of reasons, or
- (b) where the Secretary of State designates a person under the urgent procedure, must include a statement—
 - (i) that the provision is made under the urgent procedure,
 - (ii) identifying the relevant provision by reference to which the Secretary of State considers that condition B is met in relation to the person, and
 - (iii) setting out why the Secretary of State considers that condition C is met.

(4) Where the Secretary of State designates a person under the urgent procedure, the Secretary of State must, after the end of the period mentioned in paragraph (7) of regulation 6 (conditions for the designation of persons by name), or if the Secretary of State has made a certification under paragraph (7)(b) of that regulation, the period mentioned in paragraph (8) of that regulation, but otherwise without delay—

- (a) in a case where the person ceases to be a designated person, take such steps as are reasonably practicable to inform the person that they have ceased to be a designated person, or
- (b) in any other case, take such steps as are reasonably practicable to give the person a statement of reasons.

(5) In this regulation, a “statement of reasons” means a brief statement of the matters that the Secretary of State knows, or has reasonable cause to suspect, in relation to that person—

- (a) in the case of a designation under the standard procedure, which have led the Secretary of State to make the designation, and
- (b) in the case of a designation under the urgent procedure, as a result of which the person does not cease to be a designated person at the end of the period mentioned in regulation 6(7) or (8) (as the case may be).

(6) Matters that would otherwise be required by paragraph (5) to be included in a statement of reasons may be excluded from it where the Secretary of State considers that they should be excluded—

- (a) in the interests of national security or international relations,
- (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (c) in the interests of justice.

(7) The steps taken under paragraph (2)(b) must—

- (a) unless one or more of the restricted publicity conditions is met, be steps to publicise generally—
 - (i) the designation, variation or revocation, and
 - (ii) in the case of a designation, the statement of reasons relating to it;
- (b) if one or more of those conditions is met, be steps to inform only such persons as the Secretary of State considers appropriate of the designation, variation or revocation and (in the case of a designation) the statement of reasons.

(8) The “restricted publicity conditions” are that the Secretary of State considers that disclosure of the designation, variation or revocation should be restricted—

- (a) in the interests of national security or international relations,
- (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (c) in the interests of justice.

(9) Paragraph (10) applies if—

- (a) when a designation is made one or more of the restricted publicity conditions is met, but
- (b) at any time when the designation has effect, it becomes the case that none of the restricted publicity conditions is met.

(10) The Secretary of State must—

- (a) take such steps as are reasonably practicable to inform the designated person that none of the restricted publicity conditions is now met, and
- (b) take steps to publicise generally the designation and the statement of reasons relating to it.

Confidential information in certain cases where power to designate by name is used

11.—(1) Where the Secretary of State, in accordance with regulation 10(7)(b), informs only certain persons of a designation, variation or revocation and, in the case of a designation, the content of the statement of reasons relating to it, the Secretary of State may specify that any of that information is to be treated as confidential.

(2) A person (“P”) who—

- (a) is provided with information that is to be treated as confidential in accordance with paragraph (1), or
- (b) otherwise obtains such information,

must not, subject to paragraph (3), disclose it if P knows, or has reasonable cause to suspect, that the information is to be treated as confidential.

(3) The prohibition in paragraph (2) does not apply to any disclosure made by P with lawful authority.

(4) For this purpose information is disclosed with lawful authority only if and to the extent that—

- (a) the disclosure is by, or is authorised by, the Secretary of State,
- (b) the disclosure is by or with the consent of the person who is or was the subject of the designation,
- (c) the disclosure is necessary to give effect to a requirement imposed under or by virtue of these Regulations or any other enactment, or
- (d) the disclosure is required, under rules of court, tribunal rules or a court or tribunal order, for the purposes of legal proceedings of any description.

(5) This regulation does not prevent the disclosure of information that is already, or has previously been, available to the public from other sources.

(6) A person who contravenes the prohibition in paragraph (2) commits an offence.

(7) The High Court (in Scotland, the Court of Session) may, on the application of—

- (a) the person who is the subject of the information, or
- (b) the Secretary of State,

grant an injunction (in Scotland, an interdict) to prevent a breach of the prohibition in paragraph (2).

(8) In paragraph (4)(c), “enactment” has the meaning given by section 54(6) of the Act.

Notification and publicity where power to designate by description is used

12.—(1) Paragraph (2) applies where the Secretary of State—

- (a) has provided that persons of a specified description are designated persons under regulation 5(2) (power to designate persons by description), or
- (b) has by virtue of section 22 of the Act varied or revoked a designation made under that regulation.

(2) The Secretary of State—

- (a) must without delay take such steps as are reasonably practicable to inform persons of the specified description of the designation, variation or revocation, and
- (b) must take steps to publicise the designation, variation or revocation.

(3) The information given under paragraph (2)(a)—

- (a) where the Secretary of State provides that persons of a specified description are designated persons under the standard procedure, must include a statement of reasons, or
- (b) where the Secretary of State provides that persons of a specified description are designated persons under the urgent procedure, must include a statement—
 - (i) that the provision is made under the urgent procedure,
 - (ii) identifying the relevant provision by reference to which the Secretary of State considers that condition D is met in relation to persons of the specified description, and
 - (iii) setting out why the Secretary of State considers that condition E is met.

(4) Where the Secretary of State provides that persons of a specified description are designated persons under the urgent procedure, the Secretary of State must, after the end of the period mentioned in paragraph (7) of regulation 7 (conditions for the designation of persons by description), or if the Secretary of State has made a certification under paragraph (7)(b) of that regulation the period mentioned in paragraph (8) of that regulation, but otherwise without delay—

- (a) in a case where the persons cease to be designated persons, take such steps as are reasonably practicable to inform persons of the specified description that they have ceased to be designated persons, or
- (b) in any other case, take such steps as are reasonably practicable to give each person of the specified description a statement of reasons.

(5) In this regulation, a “statement of reasons”, in relation to a provision designating persons of a specified description, means a brief statement of the matters that the Secretary of State knows, or has reasonable cause to suspect, in relation to persons of the specified description—

- (a) in the case of a designation under the standard procedure, which have led the Secretary of State to make the provision designating persons of that description, and
- (b) in the case of a designation under the urgent procedure, as a result of which the persons do not cease to be designated persons at the end of the period mentioned in regulation 7(7) or (8) (as the case may be).

(6) Matters that would otherwise be required by paragraph (5) to be included in a statement of reasons may be excluded from it where the Secretary of State considers that they should be excluded—

- (a) in the interests of national security or international relations,
- (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (c) in the interests of justice.

(7) The steps taken under paragraph (2)(b) must—

- (a) unless one or more of the restricted publicity conditions is met, be steps to publicise generally—
 - (i) the designation, variation or revocation, and
 - (ii) in the case of in the case of a designation, the statement of reasons relating to it;
- (b) if one or more of those conditions is met, be steps to inform only such persons as the Secretary of State considers appropriate of the designation, variation or revocation and (in the case of a designation) the statement of reasons.

(8) The “restricted publicity conditions” are that the Secretary of State considers that disclosure of the designation, variation or revocation should be restricted—

- (a) in the interests of national security or international relations,
- (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (c) in the interests of justice.

(9) Paragraph (10) applies if—

- (a) when a designation is made one or more of the restricted publicity conditions is met, but
- (b) at any time when the designation has effect, it becomes the case that none of the restricted publicity conditions is met.

(10) The Secretary of State must—

- (a) take such steps as are reasonably practicable to inform persons of the specified description that none of the restricted publicity conditions is now met, and
- (b) take steps to publicise generally the designation and the statement of reasons relating to it.

Confidential information in certain cases where power to designate by description is used

13.—(1) Where the Secretary of State, in accordance with regulation 12(7)(b), informs only certain persons of a designation, variation or revocation and, in the case of a designation, the content of the statement of reasons relating to it, the Secretary of State may specify that any of that information is to be treated as confidential.

(2) A person (“P”) who—

- (a) is provided with information that is to be treated as confidential in accordance with paragraph (1), or
- (b) otherwise obtains such information,

must not, subject to paragraph (3), disclose it if P knows, or has reasonable cause to suspect, that the information is to be treated as confidential.

(3) The prohibition in paragraph (2) does not apply to any disclosure made by P with lawful authority.

(4) For this purpose information is disclosed with lawful authority only if and to the extent that—

- (a) the disclosure is by, or is authorised by, the Secretary of State,
- (b) the disclosure is by or with the consent of the person who is or was the subject of the designation,
- (c) the disclosure is necessary to give effect to a requirement imposed under or by virtue of these Regulations or any other enactment, or
- (d) the disclosure is required under rules of court, tribunal rules or a court or tribunal order, for the purposes of legal proceedings of any description.

(5) This regulation does not prevent the disclosure of information that is already, or has previously been, available to the public from other sources.

(6) A person who contravenes the prohibition in paragraph (2) commits an offence.

(7) The High Court (in Scotland, the Court of Session) may, on the application of—

- (a) the person who is the subject of the information, or
- (b) the Secretary of State,

grant an injunction (in Scotland, an interdict) to prevent a breach of the prohibition in paragraph (2).

(8) In paragraph (4)(c), “enactment” has the meaning given by section 54(6) of the Act.

PART 3

Finance

Meaning of “designated person” in Part 3

14. In this Part a “designated person” means a person who is designated under regulation 5 for the purposes of regulations 15 to 19.

Asset-freeze in relation to designated persons

15.—(1) A person (“P”) must not deal with funds or economic resources owned, held or controlled by a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1), a person “deals with” funds if the person—

- (a) uses, alters, moves, transfers or allows access to the funds,
 - (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
 - (c) makes any other change, including portfolio management, that would enable use of the funds.
- (5) For the purposes of paragraph (1), a person “deals with” economic resources if the person—
- (a) exchanges the economic resources for funds, goods or services, or
 - (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise).
- (6) The reference in paragraph (1) to funds or economic resources that are “owned, held or controlled” by a person includes, in particular, a reference to—
- (a) funds or economic resources in which the person has any legal or equitable interest, regardless of whether the interest is held jointly with any other person and regardless of whether any other person holds an interest in the funds or economic resources;
 - (b) any tangible property (other than real property), or bearer security, that is comprised in funds or economic resources and is in the possession of the person.
- (7) For the purposes of paragraph (1), funds or economic resources are to be treated as owned, held or controlled by a designated person if they are owned, held or controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person.
- (8) For the avoidance of doubt, the reference in paragraph (1) to a designated person includes P if P is a designated person.

Making funds available to designated persons

- 16.—**(1) A person (“P”) must not make funds available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.
- (2) Paragraph (1) is subject to Part 8 (Exceptions and licences).
 - (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
 - (4) The reference in paragraph (1) to making funds available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person.

Making funds available for benefit of designated persons

- 17.—**(1) A person (“P”) must not make funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.
- (2) Paragraph (1) is subject to Part 8 (Exceptions and licences).
 - (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
 - (4) For the purposes of this regulation—
 - (a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
 - (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Making economic resources available to designated persons

- 18.—**(1) A person (“P”) must not make economic resources available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect—
- (a) that P is making the economic resources so available, and

(b) that the designated person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making economic resources available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person.

Making economic resources available for benefit of designated persons

19.—(1) A person (“P”) must not make economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1)—

(a) economic resources are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and

(b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Circumventing etc. prohibitions

20.—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—

(a) to circumvent any of the prohibitions in regulations 15 to 19, or

(b) to enable or facilitate the contravention of any such prohibition.

(2) A person who contravenes the prohibition in paragraph (1) commits an offence.

PART 4

Director disqualification sanctions

Director disqualification sanctions

21. A person who is designated under regulation 5 (power to designate persons) for the purposes of this regulation is subject to director disqualification sanctions for the purposes of—

(a) section 11A of the Company Directors Disqualification Act 1986(a), and

(b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002(b).

(a) 1986 c. 46. Section 11A was inserted by section 36 of the Economic Crime and Corporate Transparency 2023.

(b) S.I. 2002/3150 (N.I. 4). Article 15A was inserted by section 38 of the Economic Crime and Corporate Transparency Act 2023.

PART 5
Immigration

Immigration

22. A person who is designated under regulation 5 for the purposes of this regulation is an excluded person for the purposes of section 8B of the Immigration Act 1971(a).

PART 6
Trade
CHAPTER 1
Interpretation

Definition of “restricted goods” and “restricted technology”

23. In this Part—

“restricted goods” means—

- (a) internal repression goods, and
- (b) interception and monitoring goods;

“restricted technology” means—

- (a) internal repression technology, and
- (b) interception and monitoring technology.

Definition of “internal repression goods” and “internal repression technology”

24. For the purposes of regulation 23—

“internal repression goods” means—

- (a) any thing specified in Schedule 2, other than—
 - (i) any thing which is internal repression technology, or
 - (ii) any thing for the time being specified in—
 - (aa) Schedule 2 to the Export Control Order 2008, or
 - (bb) Annex I of the Dual-Use Regulation, and
- (b) any tangible storage medium on which internal repression technology is recorded or from which it can be derived;

“internal repression technology” means any thing which is described in Schedule 2 as software or technology, within the meaning of that Schedule.

Definition of “interception and monitoring goods” and “interception and monitoring technology”

25.—(1) The following definitions apply for the purposes of regulation 23.

(2) “Interception and monitoring goods” means any item mentioned in sub-paragraph (a) or (b), provided that it may be used for interception and monitoring services—

- (a) a relevant Schedule 3 item;

(a) 1971 c. 77. Section 8B was inserted by the Immigration and Asylum Act 1999 (c. 33), section 8 and amended by the Immigration Act 2016 (c. 19), section 76; and the Act, section 59 and Schedule 3, Part 1.

- (b) any tangible storage medium on which interception and monitoring technology is recorded or from which it can be derived.
- (3) “A relevant Schedule 3 item” means any thing described in Schedule 3, other than—
 - (a) any thing which is interception and monitoring technology, or
 - (b) any thing for the time being specified in—
 - (i) Schedule 2 to the Export Control Order 2008, or
 - (ii) Annex I of the Dual-Use Regulation.
- (4) “Interception and monitoring technology” means any thing—
 - (a) which is described as software in paragraph 2 of Schedule 3 provided that it may be used for interception and monitoring services, and
 - (b) which is described as software or other technology in paragraph 3 of Schedule 3,
 (but see paragraph (5)).
- (5) The definition of “interception and monitoring technology” does not apply to software which is—
 - (a) generally available to the public, or
 - (b) in the public domain.
- (6) For the purpose of paragraph (5)—
 - (a) software is “generally available to the public” if—
 - (i) the software is sold from stock at retail selling points without restriction, by means of—
 - (aa) over the counter transactions,
 - (bb) mail order transactions,
 - (cc) electronic transactions, or
 - (dd) telephone order transactions, and
 - (ii) the software is designed for installation by the user without further substantial support by the supplier;
 - (b) software is “in the public domain” if the software has been made available without restrictions upon its further dissemination (and for this purpose copyright restrictions do not constitute a restriction upon its further dissemination).

Definition of “interception and monitoring services”

26.—(1) For the purposes of this Part, “interception and monitoring services” means any service that has as its object or effect the interception of a communication in the course of its transmission by means of a telecommunication system.

(2) A person intercepts a communication in the course of its transmission by means of a telecommunication system if, and only if—

- (a) the person does a relevant act in relation to the system, and
- (b) the effect of the relevant act is to make any content of the communication available, at a relevant time, to a person who is not the sender or intended recipient of the communication.

(3) In paragraph (2), a “relevant act”, in relation to a telecommunication system, means—

- (a) modifying, or interfering with, the system or its operation;
- (b) monitoring transmissions made by means of the system;
- (c) monitoring transmissions made by wireless telegraphy to or from apparatus that is part of the system.

(4) In paragraph (2), a “relevant time”, in relation to a communication transmitted by means of a telecommunication system, means—

- (a) any time while the communication is being transmitted, and
- (b) any time when the communication is stored in or by the system (whether before or after its transmission).

(5) For the purpose of paragraph (2), the cases in which any content of a communication is to be taken to be made available to a person at a relevant time include any case in which any of the communication is diverted or recorded at a relevant time so as to make the content of the communication available to a person after that time.

(6) In paragraph (3), references to modifying a telecommunication system include references to attaching any apparatus to, or otherwise modifying or interfering with—

- (a) any part of the system, or
- (b) any wireless telegraphy apparatus used for making transmissions to or from apparatus that is part of the system.

(7) For the purposes of this regulation, the following definitions also apply—

“apparatus” includes any equipment, machinery or device (whether physical or logical) and any wire or cable;

“communication”, for the purpose of a telecommunication system, includes—

- (a) anything comprising speech, music, sounds, visual images or data of any description, and
- (b) signals serving for the impartation of anything between persons, between a person and a thing or between things, for the actuation or control of any apparatus;

“content”, in relation to a communication and a telecommunication system, means any element of the communication, or any data attached to or logically associated with the communication, which reveals anything of what might reasonably be considered to be the meaning (if any) of the communication, but—

- (a) any meaning arising from the fact of the communication or from any data relating to the transmission of the communication is to be disregarded, and
- (b) anything which is systems data is not content;

“systems data” means any data that enables or facilitates, or identifies or describes anything connected with enabling or facilitating, the functioning of a telecommunication system (including any apparatus forming part of the system);

“a telecommunication system” means a system (including the apparatus comprised in it) that exists for the purpose of facilitating the transmission of communications by any means involving the use of electrical or electromagnetic energy;

“wireless telegraphy” and “wireless telegraphy apparatus” have the same meaning as in sections 116 and 117 of the Wireless Telegraphy Act 2006(a).

Interpretation of other expressions used in this Part

27.—(1) Paragraphs 32 and 36 of Schedule 1 to the Act (trade sanctions) apply for the purpose of interpreting expressions in this Part.

(2) In this Part, any reference to the United Kingdom includes a reference to the territorial sea.

(3) In this Part—

“brokering service” means any service to secure, or otherwise in relation to, an arrangement, including (but not limited to)—

- (a) the selection or introduction of persons as parties or potential parties to the arrangement,
- (b) the negotiation of the arrangement,
- (c) the facilitation of anything that enables the arrangement to be entered into, and
- (d) the provision of any assistance that in any way promotes or facilitates the arrangement;

(a) 2006 c. 36.

“technical assistance”, in relation to goods or technology, means—

- (a) technical support relating to the repair, development, production, assembly, testing, use or maintenance of the goods or technology, or
- (b) any other technical service relating to the goods or technology;

“transfer” has the meaning given by paragraph 37 of Schedule 1 to the Act.

(4) For the purposes of this Part, a person is to be regarded as “connected with” Iran if the person is—

- (a) an individual who is, or an association or combination of individuals who are, ordinarily resident in Iran,
- (b) an individual who is, or an association or combination of individuals who are, located in Iran,
- (c) a person, other than an individual, which is incorporated or constituted under the law of Iran, or
- (d) a person, other than an individual, which is domiciled in Iran.

CHAPTER 2

Restricted goods and restricted technology

Export of restricted goods

28.—(1) The export of restricted goods to, or for use in, Iran is prohibited.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

Supply and delivery of restricted goods

29.—(1) A person must not directly or indirectly supply or deliver restricted goods from a third country to a place in Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the goods were destined (or ultimately destined) for Iran.

(4) In this regulation, “third country” means a country that is not the United Kingdom, the Isle of Man or Iran.

Making restricted goods and restricted technology available

30.—(1) A person must not—

- (a) directly or indirectly make restricted goods or restricted technology available to a person connected with Iran;
- (b) directly or indirectly make restricted goods or restricted technology available for use in Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in Iran.

Transfer of restricted technology

31.—(1) A person must not—

- (a) transfer restricted technology to a place in Iran;
- (b) transfer restricted technology to a person connected with Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the transfer was to a place in Iran;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran.

Technical assistance relating to restricted goods and restricted technology

32.—(1) A person must not directly or indirectly provide technical assistance relating to restricted goods or restricted technology—

- (a) to a person connected with Iran, or
- (b) for use in Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in Iran.

Financial services and funds relating to restricted goods and restricted technology

33.—(1) A person must not directly or indirectly provide, to a person connected with Iran, financial services in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of restricted goods,
- (b) the direct or indirect supply or delivery of restricted goods,
- (c) directly or indirectly making restricted goods or restricted technology available to a person,
- (d) the transfer of restricted technology, or
- (e) the direct or indirect provision of technical assistance relating to restricted goods or restricted technology.

(2) A person must not directly or indirectly make funds available to a person connected with Iran in pursuance of or in connection with an arrangement mentioned in paragraph (1).

(3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of restricted goods to, or for use in, Iran,
- (b) the direct or indirect supply or delivery of restricted goods to a place in Iran,
- (c) directly or indirectly making restricted goods or restricted technology available—
 - (i) to a person connected with Iran, or
 - (ii) for use in Iran,

- (d) the transfer of restricted technology—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran, or
 - (e) the direct or indirect provision of technical assistance relating to restricted goods or restricted technology—
 - (i) to a person connected with Iran, or
 - (ii) for use in Iran.
- (4) Paragraphs (1) to (3) are subject to Part 8 (Exceptions and licences).
- (5) A person who contravenes a prohibition in any of paragraphs (1) to (3) commits an offence, but—
- (a) it is a defence for a person charged with an offence of contravening paragraph (1) or (2) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran;
 - (b) it is a defence for a person charged with an offence of contravening a prohibition in paragraph (3) to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services: non-UK activity relating to restricted goods and restricted technology

34.—(1) A person must not directly or indirectly provide brokering services in relation to an arrangement (“arrangement A”) whose object or effect is—

- (a) the direct or indirect supply or delivery of restricted goods from a third country to a place in Iran,
- (b) directly or indirectly making restricted goods available in a third country for direct or indirect supply or delivery—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran,
- (c) directly or indirectly making restricted technology available in a third country for transfer—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran,
- (d) the transfer of restricted technology from a place in a third country—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran,
- (e) the direct or indirect provision, in a non-UK country, of technical assistance relating to restricted goods or restricted technology—
 - (i) to a person connected with Iran, or
 - (ii) for use in Iran,
- (f) the direct or indirect provision, in a non-UK country, of financial services—
 - (i) to a person connected with Iran, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 33(1), or
 - (ii) where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 33(3),
- (g) directly or indirectly making funds available, in a non-UK country, to a person connected with Iran, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 33(1), or

- (h) the direct or indirect provision of funds from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 33(3).

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.

(4) In this regulation—

“non-UK country” means a country that is not the United Kingdom;

“third country” means—

- (a) for the purposes of paragraph (1)(a) and (b), a country that is not the United Kingdom, the Isle of Man or Iran, and
- (b) for the purposes of any other provision of paragraph (1), a country that is not the United Kingdom or Iran.

CHAPTER 3

Interception and monitoring services

Provision of interception and monitoring services

35.—(1) A person must not directly or indirectly provide interception and monitoring services to, or for the benefit of, the Government of Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence (“P”) to show that P did not know and had no reasonable cause to suspect that the services were provided to, or for the benefit of, the Government of Iran.

CHAPTER 4

Unmanned Aerial Vehicles

Interpretation

36. In this Chapter—

“unmanned aerial vehicle goods” means—

- (a) any thing specified in Schedule 4 other than any thing which is unmanned aerial vehicle technology, and
- (b) any tangible storage medium on which unmanned aerial vehicle technology is recorded or from which it can be derived;

“unmanned aerial vehicle technology” means any thing which is described in Schedule 4 as software or technology, within the meaning of that Schedule.

Export of unmanned aerial vehicle goods

37.—(1) The export of unmanned aerial vehicle goods to, or for use in, Iran is prohibited.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

Supply and delivery of unmanned aerial vehicle goods

38.—(1) A person must not directly or indirectly supply or deliver unmanned aerial vehicle goods from a third country to a place in Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the goods were destined (or ultimately destined) for Iran.

(4) In this regulation, “third country” means a country that is not the United Kingdom, the Isle of Man or Iran.

Making unmanned aerial vehicle goods and unmanned aerial vehicle technology available

39.—(1) A person must not—

- (a) directly or indirectly make unmanned aerial vehicle goods or unmanned aerial vehicle technology available to a person connected with Iran;
- (b) directly or indirectly make unmanned aerial vehicle goods or unmanned aerial vehicle technology available for use in Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in Iran.

Transfer of unmanned aerial vehicle technology

40.—(1) A person must not—

- (a) transfer unmanned aerial vehicle technology to a place in Iran;
- (b) transfer unmanned aerial vehicle technology to a person connected with Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the transfer was to a place in Iran;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran.

Technical assistance relating to unmanned aerial vehicle goods and unmanned aerial vehicle technology

41.—(1) A person must not directly or indirectly provide technical assistance relating to unmanned aerial vehicle goods or unmanned aerial vehicle technology—

- (a) to a person connected with Iran, or
- (b) for use in Iran.

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran;

- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in Iran.

Financial services and funds relating to unmanned aerial vehicle goods and unmanned aerial vehicle technology

42.—(1) A person must not directly or indirectly provide, to a person connected with Iran, financial services in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of unmanned aerial vehicle goods,
- (b) the direct or indirect supply or delivery of unmanned aerial vehicle goods,
- (c) directly or indirectly making unmanned aerial vehicle goods or unmanned aerial vehicle technology available to a person,
- (d) the transfer of unmanned aerial vehicle technology, or
- (e) the direct or indirect provision of technical assistance relating to unmanned aerial vehicle goods or unmanned aerial vehicle technology.

(2) A person must not directly or indirectly make funds available to a person connected with Iran in pursuance of or in connection with an arrangement mentioned in paragraph (1).

(3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of unmanned aerial vehicle goods to, or for use in, Iran,
- (b) the direct or indirect supply or delivery of unmanned aerial vehicle goods to a place in Iran,
- (c) directly or indirectly making unmanned aerial vehicle goods or unmanned aerial vehicle technology available—
 - (i) to a person connected with Iran, or
 - (ii) for use in Iran,
- (d) the transfer of unmanned aerial vehicle technology—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran, or
- (e) the direct or indirect provision of technical assistance relating to unmanned aerial vehicle goods or unmanned aerial vehicle technology—
 - (i) to a person connected with Iran, or
 - (ii) for use in Iran.

(4) Paragraphs (1) to (3) are subject to Part 8 (Exceptions and licences).

(5) A person who contravenes a prohibition in any of paragraphs (1) to (3) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1) or (2) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Iran;
- (b) it is a defence for a person charged with an offence of contravening a prohibition in paragraph (3) to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services: non-UK activity relating to unmanned aerial vehicle goods and unmanned aerial vehicle technology

43.—(1) A person must not directly or indirectly provide brokering services in relation to an arrangement (“arrangement A”) whose object or effect is—

- (a) the direct or indirect supply or delivery of unmanned aerial vehicle goods from a third country to a place in Iran,
- (b) directly or indirectly making unmanned aerial vehicle goods available in a third country for direct or indirect supply or delivery—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran,
- (c) directly or indirectly making unmanned aerial vehicle technology available in a third country for transfer—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran,
- (d) the transfer of unmanned aerial vehicle technology from a place in a third country—
 - (i) to a person connected with Iran, or
 - (ii) to a place in Iran,
- (e) the direct or indirect provision, in a non-UK country, of technical assistance relating to unmanned aerial vehicle goods or unmanned aerial vehicle technology—
 - (i) to a person connected with Iran, or
 - (ii) for use in Iran,
- (f) the direct or indirect provision, in a non-UK country, of financial services—
 - (i) to a person connected with Iran, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 42(1), or
 - (ii) where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 42(3),
- (g) directly or indirectly making funds available, in a non-UK country, to a person connected with Iran, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 42(1), or
- (h) the direct or indirect provision of funds from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 42(3).

(2) Paragraph (1) is subject to Part 8 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.

(4) In this regulation—

“non-UK country” means a country that is not the United Kingdom;

“third country” means—

- (a) for the purposes of paragraph (1)(a) and (b), a country that is not the United Kingdom, the Isle of Man or Iran, and
- (b) for the purposes of any other provision of paragraph (1), a country that is not the United Kingdom or Iran.

CHAPTER 5
Further provision

Circumventing etc. prohibitions

44.—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—

- (a) to circumvent any of the prohibitions in Chapter 2, 3 or 4 of this Part, or
- (b) to enable or facilitate the contravention of any such prohibition.

(2) A person who contravenes a prohibition in paragraph (1) commits an offence.

Defences

45.—(1) Paragraph (2) applies where a person relies on a defence under Chapter 2, 3 or 4 of this Part.

(2) If evidence is adduced which is sufficient to raise an issue with respect to the defence, the court must assume that the defence is satisfied unless the prosecution proves beyond reasonable doubt that it is not.

PART 7
Ships

Prohibition on port entry

46.—(1) A person must not provide a ship to which this paragraph applies with access to a port in the United Kingdom, if the person knows, or has reasonable cause to suspect, that the ship is a ship to which this paragraph applies.

(2) The master or pilot of a ship to which this paragraph applies must not cause or permit the ship to enter a port in the United Kingdom if the master or pilot knows, or has reasonable cause to suspect, that the ship is a ship to which this paragraph applies.

(3) Paragraphs (1) and (2) are subject to Part 8 (Exceptions and licences) (see, in particular, regulation 57 (ships: exceptions from prohibitions on port entry)).

(4) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence.

(5) Paragraphs (1) and (2) apply to—

- (a) a ship owned, controlled, chartered or operated by a designated person, or
- (b) a specified ship.

(6) In paragraph (5), a “designated person” means a person who is designated under regulation 5 for the purposes of the relevant regulations of this Part.

Directions prohibiting port entry

47.—(1) A port barring direction may be given to the master or pilot of a specified ship.

(2) A port barring direction may be given by—

- (a) the Secretary of State, or
- (b) a harbour authority.

(3) The Secretary of State may direct a harbour authority to take such steps as are reasonably practicable to secure that a ship mentioned in a port barring direction does not enter a port or ports in the United Kingdom specified in the direction, or any port in the United Kingdom.

(4) It is an offence for a person to whom a direction is given under this regulation to fail to comply with the direction.

(5) The Secretary of State may notify a person that the existence of a port barring direction, any part of the content of the direction, or anything done under the direction, is to be treated as confidential.

(6) It is an offence for a person to disclose information if the Secretary of State has notified that person under paragraph (5) that the information is to be treated as confidential.

(7) In this regulation, a “port barring direction” means a direction prohibiting a ship from entering a port or ports in the United Kingdom specified in the direction, or any port in the United Kingdom.

Movement of ships

48.—(1) A port entry direction or a movement direction may be given by the Secretary of State to the master or pilot of—

- (a) a ship owned, controlled, chartered or operated by a designated person, or
- (b) a specified ship.

(2) The Secretary of State may direct a harbour authority to take such steps as are reasonably practicable to secure that a ship mentioned in paragraph (1)—

- (a) proceeds to or enters a port specified in the direction,
- (b) leaves a port specified in the direction,
- (c) proceeds to a place specified in the direction, or
- (d) remains where it is.

(3) It is an offence for a person to whom a direction is given under this regulation to fail to comply with the direction.

(4) The Secretary of State may notify a person that the existence of a port entry direction or a movement direction, any part of the content of the direction, or anything done under the direction, is to be treated as confidential.

(5) It is an offence for a person to disclose information if the Secretary of State has notified that person under paragraph (4) that the information is to be treated as confidential.

(6) In this regulation—

a “designated person” means a person who is designated under regulation 5 for the purposes of the relevant regulations of this Part;

a “movement direction” means a direction requiring a ship—

- (a) to leave a port specified in the direction,
- (b) to proceed to a place specified in the direction, or
- (c) to remain where it is;

a “port entry direction” means a direction requiring a ship to proceed to or enter a port specified in the direction.

Detention of ships

49.—(1) A detention direction may be given to the master of a ship referred to in paragraph (3) by—

- (a) the Secretary of State, or
- (b) a harbour authority.

(2) A detention direction under paragraph (1)(b) may only be given by a harbour authority to the master of a specified ship if it has received a direction from the Secretary of State in accordance with paragraph (3)(b).

(3) The Secretary of State may direct a harbour authority to give a detention direction to the master of—

- (a) a ship owned, controlled, chartered or operated by a designated person, or
 - (b) a specified ship.
- (4) A “detention direction” means a direction requiring the detention of a ship at a port or anchorage in the United Kingdom.
- (5) A detention direction given in relation to a ship—
- (a) must be in writing,
 - (b) must be delivered to the master of the ship by the person who detains the ship,
 - (c) must state the grounds on which the ship is detained, and
 - (d) must state that—
 - (i) it is given under this regulation, and
 - (ii) any requirements imposed by the direction must be complied with.
- (6) Paragraph (7) applies if—
- (a) the ship is not a British ship, and
 - (b) there is in the United Kingdom a consular officer for the country to which the ship belongs.
- (7) A copy of the detention direction must be sent as soon as practicable to the nearest consular officer for the country to which the ship belongs.
- (8) Section 284(1), (2), (2A), (2B), (3) and (8) of the Merchant Shipping Act 1995^(a) (enforcing detention of ship) applies in the case of detention under a detention direction as it applies in the case of detention authorised or ordered by that Act, but as if—
- (a) any reference in that section to a notice of detention were to the detention direction, and
 - (b) the reference in subsection (2A) of that section to a direction given under subsection (1A)(a)^(b) of that section were to any requirement imposed by the detention direction.
- (9) In this regulation, “consular officer”, in relation to a foreign country, means the officer recognised by His Majesty as a consular officer of that foreign country.
- (10) In this regulation a “designated person” means a person who is designated under regulation 5 for the purposes of the relevant regulations of this Part.

Registration of ships in the United Kingdom

- 50.**—(1) The Registrar must refuse to register a ship if, on the basis of the information given to the Registrar by the Secretary of State or accompanying the application for registration, the ship appears to the Registrar to be owned, controlled, chartered or operated by a designated person.
- (2) The Secretary of State may direct the Registrar to terminate the registration of—
- (a) a ship that is owned, controlled, chartered or operated by a designated persons or
 - (b) a specified ship.
- (3) For the purposes of this regulation—
- (a) any reference to registering a ship is to registering the ship in the register of British ships maintained by the Registrar; and
 - (b) a “designated person” means a person who is designated under regulation 5 for the purposes of the relevant regulations of this Part.

^(a) 1995 c. 21. Section 284(1), (2), (2A), (2B), (3) was inserted and amended by the Merchant Shipping and Maritime Security Act 1997 (c. 28), Schedule 1, paragraph 5 and S.I. 2015/664.

^(b) Subsection (1A) was inserted by paragraph 5(3) of Schedule 1 to the Merchant Shipping and Maritime Security Act 1997.

Specification of ships

51.—(1) The Secretary of State may specify ships within the meaning of section 7 of the Act for the purposes of—

- (a) regulation 46 (prohibition on port entry),
- (b) regulation 47 (directions prohibiting port entry),
- (c) regulation 48 (movement of ships),
- (d) regulation 49 (detention of ships), and
- (e) regulation 50 (registration of ships in the United Kingdom).

(2) The Secretary of State must specify a ship by its International Maritime Organization number or, where it is not reasonably practicable to identify it by that number, by any other means that the Secretary of State considers appropriate.

(3) The Secretary of State may not specify a ship unless the Secretary of State has reasonable grounds to suspect that the ship is, has been, or is likely to be, involved in a relevant activity.

(4) For the purposes of this regulation a ship is “involved in a relevant activity” if the ship is used for any activity whose object or effect is to contravene or circumvent, or to enable or facilitate the contravention or circumvention of, any provision of these Regulations.

Notification and publicity where specification power used

52.—(1) Paragraph (2) applies where the Secretary of State—

- (a) has specified a ship under regulation 51(1)(specification of ships), or
- (b) has by virtue of section 26 of the Act revoked a specification made under that regulation.

(2) The Secretary of State—

- (a) must without delay take such steps as are reasonably practicable to inform such persons as the Secretary of State considers appropriate of the specification or revocation, and
- (b) except where one or more of the restricted publicity conditions is met, must take steps to publicise the specification or revocation generally.

(3) The “restricted publicity conditions” are that the Secretary of State considers that disclosure of the specification or revocation should be restricted—

- (a) in the interests of national security or international relations,
- (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (c) in the interests of justice.

(4) Paragraph (5) applies if—

- (a) when a specification is made one or more of the restricted publicity conditions is met, but
- (b) at any time when the specification has effect, it becomes the case that none of the restricted publicity conditions is met.

(5) The Secretary of State must take steps to publicise the specification generally.

Directions under this Part: general

53.—(1) Paragraphs (2) to (4) apply in relation to a direction given under this Part.

(2) A person to whom a direction is given has a duty to comply with it.

(3) A direction may be of indefinite duration or a defined duration.

(4) A person who gives a direction may vary, revoke or suspend it at any time.

(5) A direction under regulation 48(2) (movement of ships) may be given to any harbour authority or to harbour authorities generally.

Interpretation of Part 7

54.—(1) For the purposes of this Part, a ship is—

- (a) “owned” by a person if—
 - (i) the legal title to the ship, or to any share in the ship, is vested in that person, or in a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by that person, or
 - (ii) the person, or a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by that person, has a beneficial interest in the ship or in any share in the ship;
- (b) “chartered” by a person if it is chartered on bareboat charter terms within the meaning given by section 17(11) of the Merchant Shipping Act 1995; and
- (c) “controlled” by a person who is able to take decisions about its operation, including (but not limited to) decisions about the route the ship may take and the appointment of master or crew.

(2) For the purposes of paragraph (1)(c), a ship is not “controlled” by its master or crew, unless that master or crew are designated persons under the relevant regulations of this Part.

(3) For the purposes of this Part, a ship is not “operated” by its master or crew unless that master or crew are designated persons under the relevant regulations of this Part.

(4) Any reference in this Part to a legal title or other interest includes one held jointly with any other person or persons.

(5) For the purposes of this Part—

“beneficial interest” means any beneficial interest, however, arising (whether held by trustee or nominee or arising under a contract or otherwise), other than an interest held by any person as mortgagee;

“specified ship” means a ship specified by the Secretary of State under regulation 51 (specification of ships);

“the relevant regulations of this Part” means regulations 46, 48, 49, and 50.

(6) Any expression used in this Part and in section 7 of the Act (shipping sanctions) has the same meaning in this Part as it has in that section.

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(a),
- (b) account B is with a ring-fenced body within the meaning of section 142A of the Financial Services and Markets Act 2000(b), 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);

“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(c) (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(d), any relevant order under that section(e) and Schedule 2 to that Act(f).

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.

(a) 2000 c. 8. Section 142D was inserted by the Financial Services (Banking Reform) Act 2013 (c. 33), section 4(1).
(b) Section 142A was inserted by the Financial Services (Banking Reform) Act 2013, section 4(1).
(c) 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.
(d) 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.
(e) 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.
(f) 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.

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—

- (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.

PART 9

Information and records

Finance: reporting obligations

- 68.**—(1) A relevant firm must inform the Treasury as soon as practicable if—
- (a) it knows, or has reasonable cause to suspect, that a person—
 - (i) is a designated person, or
 - (ii) has committed an offence under any provision of Part 3 (Finance) or regulation 64 (finance: licensing offences), and
 - (b) the information or other matter on which the knowledge or cause for suspicion is based came to it in the course of carrying on its business.
- (2) Where a relevant firm informs the Treasury under paragraph (1), it must state—
- (a) the information or other matter on which the knowledge or suspicion is based, and
 - (b) any information it holds about the person by which the person can be identified.
- (3) Paragraph (4) applies if—
- (a) a relevant firm informs the Treasury under paragraph (1) that it knows, or has reasonable cause to suspect, that a person is a designated person, and
 - (b) that person is a customer of the relevant firm.
- (4) The relevant firm must also state the nature and amount or quantity of any funds or economic resources held by it for the customer at the time when it first had the knowledge or suspicion.

- (5) A relevant institution must inform the Treasury without delay if that institution—
- (a) credits a frozen account in accordance with regulation 55(4) (finance: exceptions from prohibitions), or
 - (b) transfers funds from a frozen account in accordance with regulation 55(6).
- (6) A person who fails to comply with a requirement in paragraph (1), (2) or (4) commits an offence.
- (7) In this regulation—
- “designated person” has the same meaning as it has in Part 3 (Finance);
 - “frozen account” has the same meaning as it has in regulation 55;
 - “relevant firm” is to be read in accordance with regulation 69;
 - “relevant institution” has the same meaning as it has in regulation 55.

“Relevant firm”

69.—(1) The following are relevant firms for the purposes of regulation 68 (finance: reporting obligations)—

- (a) a person that has permission under Part 4A of the Financial Services and Markets Act 2000 (permission to carry on regulated activity);
- (b) an undertaking that by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers;
- (c) a firm or sole practitioner that is—
 - (i) a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (statutory auditors)(**a**), or
 - (ii) a local auditor within the meaning of section 4(1) of the Local Audit and Accountability Act 2014 (general requirements for audit)(**b**);
- (d) a firm or sole practitioner that provides to other persons, by way of business—
 - (i) accountancy services,
 - (ii) legal or notarial services,
 - (iii) advice about tax affairs, or
 - (iv) trust or company services within the meaning of paragraph (2);
- (e) a firm or sole practitioner that carries out, or whose employees carry out, estate agency work;
- (f) the holder of a casino operating licence within the meaning given by section 65(2)(a) of the Gambling Act 2005 (nature of a licence)(**c**);
- (g) a person engaged in the business of making, supplying, selling (including selling by auction) or exchanging—
 - (i) articles made from gold, silver, platinum or palladium, or
 - (ii) precious stones or pearls;
- (h) a cryptoasset exchange provider;
- (i) a custodian wallet provider.

(2) In paragraph (1) “trust or company services” means any of the following services—

(a) 2006 c. 46.
 (b) 2014 c. 2.
 (c) 2005 c. 19.

- (a) forming companies or other legal persons;
- (b) acting, or arranging for another person to act—
 - (i) as a director or secretary of a company,
 - (ii) as a partner of a partnership, or
 - (iii) in a similar capacity in relation to other legal persons;
- (c) providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or arrangement;
- (d) acting, or arranging for another person to act, as—
 - (i) a trustee of an express trust or similar legal arrangement, or
 - (ii) a nominee shareholder for a person.

(3) In paragraph (1)—

“estate agency work” is to be read in accordance with section 1 of the Estate Agents Act 1979^(a), but as if references in that section to disposing of or acquiring an interest in land included (despite anything in section 2 of that Act) references to disposing of or acquiring an estate or interest in land outside the United Kingdom where that estate or interest is capable of being owned or held as a separate interest;

“firm” means any entity that, whether or not a legal person, is not an individual, and includes a body corporate and a partnership or other unincorporated body.

(4) In paragraph (1), a “cryptoasset exchange provider” means a firm or sole practitioner that by way of business provides one or more of the following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—

- (a) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets,
- (b) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another, or
- (c) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets.

(5) In paragraph (1), a “custodian wallet provider” means a firm or sole practitioner that by way of business provides services to safeguard, or to safeguard and administer—

- (a) cryptoassets on behalf of its customers, or
- (b) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets.

(6) For the purposes of this regulation—

- (a) “cryptoasset” means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically;
- (b) “money” means—
 - (i) money in sterling,
 - (ii) money in any other currency, or
 - (iii) money in any other medium of exchange,
 but does not include a cryptoasset; and

(a) 1979 c. 38. Section 1 was amended by the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (c. 73), Schedule 1, paragraph 40; the Planning (Consequential Provisions) Act 1990 (c. 11), Schedule 2, paragraph 42; the Planning (Consequential Provisions) (Scotland) Act 1997 (c. 11), Schedule 2, paragraph 28; the Enterprise and Regulatory Reform Act 2013 (c. 24), section 70; S.I. 1991/2684; S.I. 2000/121 and S.I. 2001/1283.

- (c) in sub-paragraphs (a) to (c) of paragraph (4), “cryptoasset” includes a right to, or interest in, the cryptoasset.

(7) Paragraph (1)(a) and (b) is to be read with section 22 of the Financial Services and Markets Act 2000, any relevant order under that section and Schedule 2 to that Act.

(8) For the purposes of regulation 68(1), information or another matter comes to a relevant firm “in the course of carrying on its business” if the information or other matter comes to the firm—

- (a) in the case of a relevant firm within paragraph (1)(a), in the course of carrying on an activity in respect of which the permission mentioned in that provision is required;
- (b) in the case of a relevant firm within paragraph (1)(c)(i), in the course of carrying out statutory audit work within the meaning of section 1210 of the Companies Act 2006 (meaning of statutory auditor)(a);
- (c) in the case of a relevant firm within paragraph (1)(c)(ii), in the course of carrying out an audit required by the Local Audit and Accountability Act 2014;
- (d) in the case of a relevant firm within paragraph (1)(f), in the course of carrying on an activity in respect of which the licence mentioned in that provision is required;
- (e) in the case of a relevant firm within any other provision of paragraph (1), in the course of carrying on an activity mentioned in that provision.

Finance: powers to request information

70.—(1) The Treasury may request a designated person to provide information about—

- (a) funds or economic resources owned, held or controlled by, or on behalf of, the designated person, or
- (b) any disposal of such funds or economic resources.

(2) The Treasury may request a designated person to provide such information as the Treasury may reasonably require about expenditure—

- (a) by the designated person, or
- (b) for the benefit of the designated person.

(3) For the purposes of paragraph (2), expenditure for the benefit of a designated person includes expenditure on the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

(4) The power in paragraph (1) or (2) is exercisable only where the Treasury believe that it is necessary for the purpose of monitoring compliance with or detecting evasion of any provision of Part 3 (Finance).

(5) The Treasury may request a person acting under a Treasury licence to provide information about—

- (a) funds or economic resources dealt with under the licence, or
- (b) funds or economic resources made available under the licence.

(6) The Treasury may request a person to provide information within paragraph (7) if the Treasury believe that the person may be able to provide the information.

(7) Information within this paragraph is such information as the Treasury may reasonably require for the purpose of—

- (a) establishing for the purposes of any provision of Part 3 (Finance)—
 - (i) the nature and amount or quantity of any funds or economic resources owned, held or controlled by, or on behalf of, a designated person,

(a) Section 1210 was amended by S.I. 2008/565; S.I. 2008/567; S.I. 2008/1950; S.I. 2011/99; S.I. 2012/1809; S.I. 2013/3115; S.I. 2017/516; S.I. 2017/1164; and S.I. 2019/177.

- (ii) the nature and amount or quantity of any funds or economic resources made available directly or indirectly to, or for the benefit of, a designated person, or
 - (iii) the nature of any financial transactions entered into by a designated person;
 - (b) monitoring compliance with or detecting evasion of—
 - (i) any provision of Part 3,
 - (ii) regulation 68 (finance: reporting obligations), or
 - (iii) any condition of a Treasury licence;
 - (c) detecting or obtaining evidence of the commission of an offence under Part 3 or regulation 64 (finance: licensing offences) or 68.
- (8) The Treasury may specify the way in which, and the period within which, information is to be provided.
- (9) If no such period is specified, the information which has been requested must be provided within a reasonable time.
- (10) A request may include a continuing obligation to keep the Treasury informed as circumstances change, or on such regular basis as the Treasury may specify.
- (11) Information requested under this regulation may relate to any period of time during which a person is, or was, a designated person.
- (12) Information requested by virtue of paragraph (1)(b), (2) or (7)(a)(iii) may relate to any period before a person became a designated person (as well as, or instead of, any subsequent period).
- (13) Expressions used in this regulation have the same meaning as they have in Part 3.

Finance: production of documents

- 71.—**(1) A request under regulation 70 (finance: power to request information) may include a request to produce specified documents or documents of a specified description.
- (2) Where the Treasury request that documents be produced, the Treasury may—
- (a) take copies of or extracts from any document so produced,
 - (b) request any person producing a document to give an explanation of it, and
 - (c) where that person is a body corporate, partnership or unincorporated body other than a partnership, request any person who is—
 - (i) in the case of a partnership, a present or past partner or employee of the partnership, or
 - (ii) in any other case, a present or past officer or employee of the body concerned,
 to give such an explanation.
- (3) Where the Treasury request a designated person or a person acting under a Treasury licence to produce documents, that person must—
- (a) take reasonable steps to obtain the documents (if they are not already in the person’s possession or control);
 - (b) keep the documents under the person’s possession or control (except for the purpose of providing them to the Treasury or as the Treasury may otherwise permit).
- (4) In this regulation “designated person” has the same meaning as it has in Part 3 (Finance).

Finance: information offences

- 72.—**(1) A person commits an offence if that person—
- (a) without reasonable excuse, refuses or fails within the time and in the manner specified (or, if no time has been specified, within a reasonable time) to comply with any request under regulation 70 (finance: powers to request information);

- (b) knowingly or recklessly gives any information, or produces any document, which is false in a material particular in response to such a request;
- (c) with intent to evade any provision of regulation 70 or 71 (finance: production of documents), destroys, mutilates, defaces, conceals or removes any document;
- (d) otherwise intentionally obstructs the Treasury in the exercise of their powers under regulation 70 or 71.

(2) Where a person is convicted of an offence under this regulation, the court may make an order requiring that person, within such period as may be specified in the order, to comply with the request.

Trade: application of information powers in CEMA

73.—(1) Section 77A of CEMA(a) applies in relation to a person carrying on a relevant activity as it applies in relation to a person concerned in the importation or exportation of goods but as if—

- (a) in subsection (1), the reference to a person concerned in the importation or exportation of goods for which for that purpose an entry is required by or under CEMA were to a person carrying on a relevant activity;
- (b) any other reference to importation or exportation were to a relevant activity;
- (c) any other reference to goods were to the goods, technology, services or funds to which the relevant activity relates.

(2) For the purposes of paragraph (1), a “relevant activity” means an activity which would, unless done under the authority of a trade licence, constitute a contravention of—

- (a) any prohibition in Chapter 2, 3 or 4 of Part 6 (Trade) except the prohibition in regulation 28(1) or regulation 37(1) (export of restricted goods etc.), or
- (b) the prohibition in regulation 44 (circumventing etc. prohibitions).

General trade licences: records

74.—(1) This regulation applies in relation to a person (“P”) who does any act authorised by a general licence issued under regulation 62 (trade licences) (“the licence”).

(2) P must keep a register or record containing such details as may be necessary to allow the following information, where appropriate, to be identified in relation to each act done under the authority of the licence—

- (a) a description of the act;
- (b) a description of any goods, technology, services or funds to which the act relates;
- (c) the date of the act or the dates between which the act took place;
- (d) the quantity of any goods or funds to which the act relates;
- (e) P’s name and address;
- (f) the name and address of any consignee of goods to which the act relates or any recipient of technology, services or funds to which the act relates;
- (g) in so far as it is known to P, the name and address of the end-user of the goods, technology, services or funds to which the act relates;
- (h) if different from P, the name and address of the supplier of any goods to which the act relates;
- (i) any further information required by the licence.

(3) The register or record relating to an act must be kept until the end of the calendar year in which the register or record is created and for a further period of 4 years from the end of that calendar year.

(a) Section 77A was inserted by the Finance Act 1987 (c. 16), section 10 and amended by S.I. 1992/3095.

(4) P must notify the Secretary of State in writing of P's name and the address at which the register or record may be inspected, and must make a further such notification if those details change.

(5) A notification under paragraph (4) must be given no later than 30 days after—

- (a) P first does any act authorised by the licence, or
- (b) there is any change to the details previously notified.

(6) A person who fails to comply with a requirement in paragraph (2), (3) or (4) commits an offence.

General trade licences: inspection of records

75.—(1) A person authorised by the Secretary of State or the Commissioners (an “official”) may at any reasonable hour enter premises notified under regulation 74(4) (general trade licences: records) for the purposes of monitoring compliance with, or detecting evasion of, regulation 74(2) or (3).

(2) An official may require any person on the premises to produce any register or record required to be kept under regulation 74, or any document included in such a register or record, that is in the person's possession or control.

(3) An official may inspect and copy any such register, record or document.

(4) An official must, if requested to do so, produce documentary evidence that he or she is authorised to exercise a power conferred by this regulation.

(5) A person commits an offence if, without reasonable excuse, the person—

- (a) intentionally obstructs an official in the performance of any of the official's functions under this regulation, or
- (b) fails to produce a register, record or document when reasonably required to do so by an official under this regulation.

Disclosure of information

76.—(1) The Secretary of State, the Treasury or the Commissioners may, in accordance with this regulation, disclose—

- (a) any information obtained under or by virtue of Part 8 (Exceptions and licences), this Part or Part 11 (Maritime enforcement), or
- (b) any information held in connection with—
 - (i) anything done under or by virtue of Part 2 (Designation of persons), Part 3 (Finance), Part 4 (Director disqualification sanctions), Part 6 (Trade) or Part 7 (Ships), or
 - (ii) any exception or licence under Part 8 or anything done in accordance with such an exception or under the authority of such a licence.

(2) Information referred to in paragraph (1) may be disclosed for, or in connection with, any of the following purposes—

- (a) the exercise of functions under these Regulations;
- (b) any purpose stated in regulation 4;
- (c) facilitating, monitoring or ensuring compliance with these Regulations;
- (d) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in the United Kingdom—
 - (i) for an offence under any provision of these Regulations,
 - (ii) for an offence under CEMA in connection with a prohibition mentioned in regulation 28(1) and 37(1) (export of restricted goods etc.), or

- (iii) in relation to a monetary penalty under section 146 of the Policing and Crime Act 2017 (breach of financial sanctions legislation)(a);
 - (e) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in any of the Channel Islands, the Isle of Man or any British overseas territory for an offence—
 - (i) under a provision in any such jurisdiction that is similar to a provision of these Regulations, or
 - (ii) in connection with a prohibition in any such jurisdiction that is similar to a prohibition referred to in sub-paragraph (d)(ii);
 - (f) compliance with an international obligation(b);
 - (g) facilitating the exercise by an authority outside the United Kingdom or by an international organisation of functions which correspond to functions under these Regulations.
- (3) Information referred to in paragraph (1) may be disclosed to the following persons—
- (a) a police officer;
 - (b) any person holding or acting in any office under or in the service of—
 - (i) the Crown in right of the Government of the United Kingdom,
 - (ii) the Crown in right of the Scottish Government, the Northern Ireland Executive or the Welsh Government,
 - (iii) the States of Jersey, Guernsey or Alderney or the Chief Pleas of Sark,
 - (iv) the Government of the Isle of Man, or
 - (v) the Government of any British overseas territory;
 - (c) any law officer of the Crown for Jersey, Guernsey or the Isle of Man;
 - (d) the Scottish Legal Aid Board;
 - (e) the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England, the Jersey Financial Services Commission, the Guernsey Financial Services Commission or the Isle of Man Financial Services Authority;
 - (f) any other regulatory body (whether or not in the United Kingdom);
 - (g) any organ of the United Nations;
 - (h) the Council of the European Union, the European Commission or the European External Action Service;
 - (i) the Government of any country;
 - (j) any other person where the Secretary of State, the Treasury or the Commissioners (as the case may be) considers that it is appropriate to disclose the information.
- (4) Information referred to in paragraph (1) may be disclosed to any person with the consent of a person who, in their own right, is entitled to the information.
- (5) In paragraph (4) “in their own right” means not merely in the capacity as a servant or agent of another person.
- (6) In paragraph (1)(b)—
- (a) the reference to information includes information obtained at a time when any provision of these Regulations is not in force, and
 - (b) the reference to a licence under Part 8 includes a licence or authorisation which has effect or is treated as if it were a licence which had been issued under that Part.

(a) 2017 c. 3.

(b) Section 1(8) of the Act defines an “international obligation” as an obligation of the United Kingdom created or arising by or under any international agreement.

Finance: disclosure to the Treasury

77.—(1) A relevant public authority may disclose information to the Treasury if the disclosure is made for the purpose of enabling or assisting the Treasury to discharge any of its functions in connection with any sanctions regulations^(a) contained in these Regulations.

(2) In this regulation—

“relevant public authority” means—

- (a) any person holding or acting in any office under or in the service of—
 - (i) the Crown in right of the Government of the United Kingdom,
 - (ii) the Crown in right of the Scottish Government, the Northern Ireland Executive or the Welsh Government,
- (b) any local authority,
- (c) any police officer,
- (d) the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England or any other regulatory body in the United Kingdom, or
- (e) any other person exercising functions of a public nature;

“local authority” means—

- (a) in relation to England—
 - (i) a county council,
 - (ii) a district council,
 - (iii) a London Borough council,
 - (iv) the Common Council of the City of London in its capacity as a local authority,
 - (v) the Council of the Isles of Scilly, or
 - (vi) an eligible parish council within the meaning of section 1(2) of the Local Government Act 2000^(b),
- (b) in relation to Wales, a county council, a county borough council or a community council,
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994^(c), or
- (d) in relation to Northern Ireland, a district council.

Part 9: supplementary

78.—(1) A disclosure of information under regulation 76 (disclosure of information) or 77 (finance: disclosure to the Treasury) does not breach any restriction on such disclosure imposed by statute or otherwise.

(2) But nothing in those regulations authorises a disclosure that—

- (a) contravenes the data protection legislation, or
- (b) is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016^(d).

(a) “Sanctions regulations” has the meaning given in section 1(5) of the Sanctions and Anti-Money Laundering Act 2018.

(b) 2000 c. 22.

(c) 1994 c. 39.

(d) 2016 c. 25. Amendments have been made most recently by the Sanctions and Anti-Money Laundering Act 2018, section 59(4), Schedule 3, paragraph 7; the Counter-Terrorism and Border Security Act 2019 (c. 3), Schedule 4, paragraph 33; the Crime (Overseas Production Orders) Act 2019 (c. 5), section 16; the Armed Forces Act 2021 (c. 35), section 24(1) and Schedule 5, paragraphs 44 and 45 and Schedule 4, paragraph 2; the Finance (No. 2) Act 2023 (c. 20), section 352; S.I. 2018/378; S.I. 2018/652; S.I. 2018/905; S.I. 2018/1123; S.I. 2019/419; S.I. 2019/742; S.I. 2019/939; S.I. 2020/661; S.I. 2020/360; S.I. 2020/792; S.I. 2023/149 and S.I. 2023/621.

(3) Nothing in this Part is to be read as requiring a person who has acted or is acting as counsel or solicitor for any person to disclose any privileged information in their possession in that capacity.

(4) Regulations 76 and 77 do not limit the circumstances in which information may be disclosed apart from those regulations.

(5) Nothing in this Part limits any conditions which may be contained in a Treasury licence or a trade licence.

(6) In this regulation—

“the data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act)(a);

“privileged information” means information with respect to which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.

PART 10

Enforcement

Penalties for offences

79.—(1) A person who commits an offence under any provision of Part 3 (Finance) or regulation 46(4) (prohibition on port entry), 47(4) (directions prohibiting port entry), 48(3) (movement of ships), or 64 (finance: licensing offences), is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates’ court or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding 7 years or a fine (or both).

(2) A person who commits an offence under any provision of Part 6 (Trade) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates’ court or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding 10 years or a fine (or both).

(3) A person who commits an offence under regulation 11(6) or 13(6) (confidentiality), 65 (director disqualification: licensing offences), 66 (trade: licensing offences), 74(6) (general trade licences: records) or 75(5) (general trade licences: inspection of records) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates’ court or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

(a) 2018 c. 12. There are amendments to this Act that are not relevant to these Regulations.

- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).

(4) A person who commits an offence under regulation 47(6) (directions prohibiting port entry: confidentiality), 48(5) (movement of ships: confidentiality), 68(6) or 72 (information offences in connection with Part 3) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 6 months or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both).

Liability of officers of bodies corporate etc.

80.—(1) Where an offence under these Regulations, committed by a body corporate—

- (a) is committed with the consent or connivance of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, or
- (b) is attributable to any neglect on the part of any such person,

that person as well as the body corporate is guilty of the offence and is liable to be proceeded against and punished accordingly.

(2) In paragraph (1) “director”, in relation to a body corporate whose affairs are managed by its members, means a member of the body corporate.

(3) Paragraph (1) also applies in relation to a body that is not a body corporate, with the substitution for the reference to a director of the body of a reference—

- (a) in the case of a partnership, to a partner;
- (b) in the case of an unincorporated body other than a partnership—
 - (i) where the body’s affairs are managed by its members, to a member of the body;
 - (ii) in any other case, to a member of the governing body.

(4) Section 171(4) of CEMA (which is a provision similar to this regulation) does not apply to any offence under these Regulations to which that provision would, in the absence of this paragraph, apply.

Jurisdiction to try offences

81.—(1) Where an offence under regulation 11(6) or 13(6) (confidentiality), Part 3 (Finance), regulation 64 (finance: licensing offences) or regulation 68(6) or 72 (information offences in connection with Part 3) is committed in the United Kingdom—

- (a) proceedings for the offence may be taken at any place in the United Kingdom, and
- (b) the offence may for all incidental purposes be treated as having been committed at any such place.

(2) Where an offence under these Regulations is committed outside the United Kingdom—

- (a) proceedings for the offence may be taken at any place in the United Kingdom, and
- (b) the offence may for all incidental purposes be treated as having been committed at any such place.

(3) In the application of paragraph (2) to Scotland, any such proceedings against a person may be taken—

- (a) in any sheriff court district in which the person is apprehended or is in custody, or

(b) in such sheriff court district as the Lord Advocate may determine.

(4) In paragraph (3) “sheriff court district” is to be read in accordance with the Criminal Procedure (Scotland) Act 1995 (see section 307(1) of that Act)(a).

Procedure for offences by unincorporated bodies

82.—(1) Paragraphs (2) and (3) apply if it is alleged that an offence under these Regulations has been committed by an unincorporated body (as opposed to by a member of the body).

(2) Proceedings in England and Wales or Northern Ireland for such an offence must be brought against the body in its own name.

(3) For the purposes of proceedings, for such an offence brought against an unincorporated body—

(a) rules of court relating to the service of documents have effect as if the body were a body corporate;

(b) the following provisions apply as they apply in relation to a body corporate—

(i) section 33 of the Criminal Justice Act 1925(b) and Schedule 3 to the Magistrates’ Courts Act 1980(c);

(ii) section 18 of the Criminal Justice Act (Northern Ireland) 1945(d) and Article 166 of, and Schedule 4 to, the Magistrates’ Courts (Northern Ireland) Order 1981(e).

(4) A fine imposed on an unincorporated body on its conviction of an offence under these Regulations is to be paid out of the funds of the body.

Time limit for proceedings for summary offences

83.—(1) Proceedings for an offence under these Regulations which is triable only summarily may be brought within the period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to justify the proceedings comes to the prosecutor’s knowledge.

(2) But such proceedings may not be brought by virtue of paragraph (1) more than 3 years after the commission of the offence.

(3) A certificate signed by the prosecutor as to the date on which the evidence in question came to the prosecutor’s knowledge is conclusive evidence of the date on which it did so; and a certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.

(4) In relation to proceedings in Scotland—

(a) section 136(3) of the Criminal Procedure (Scotland) Act 1995 (date of commencement of summary proceedings) applies for the purposes of this regulation as it applies for the purposes of that section, and

(b) references in this regulation to the prosecutor are to be treated as references to the Lord Advocate.

Trade enforcement: application of CEMA

84.—(1) Where the Commissioners investigate or propose to investigate any matter with a view to determining—

(a) whether there are grounds for believing that a relevant offence has been committed, or

(a) 1995 c. 46.

(b) 1925 c. 86 as amended by the Statute Law (Repeals) Act 2004 (c. 14), section 1(1) and Schedule 1, Part 17. Other amendments have been made to section 33 that are not relevant to these Regulations.

(c) 1980 c. 43. Amendments have been made to Schedule 3 that are not relevant to these Regulations.

(d) 1945 c. 15 (N.I.).

(e) S.I. 1981/1675 (N.I. 26).

- (b) whether a person should be prosecuted for such an offence,
the matter is to be treated as an assigned matter.
- (2) In paragraph (1) “assigned matter” has the meaning given by section 1(1) of CEMA(a).
- (3) In this regulation a “relevant offence” means an offence under—
- (a) Part 6 (Trade),
 - (b) regulation 66 (trade: licensing offences),
 - (c) regulation 74(6) (general trade licences: records), or
 - (d) regulation 75(5) (general trade licences: inspection of records).
- (4) The Commissioners may not investigate the suspected commission of a relevant offence listed in paragraphs (5) and (6), unless the suspected offence has been the subject of—
- (a) a referral to the Commissioners by the Secretary of State, or
 - (b) a decision by the Commissioners to treat the suspected offence as if it had been referred to them under sub-paragraph (a).
- (5) Paragraph (4) applies to the suspected commission of an offence under any of the following provisions—
- (a) regulation 35(3) (provision of interception and monitoring services);
 - (b) regulation 44(2) (circumventing etc. prohibitions) insofar as it relates to the prohibition at regulation 35(1).
- (6) Paragraph (4) also applies to the suspected commission of a relevant offence under any of regulations 66(1), 66(2), 74(6) and 75(5) insofar as—
- (a) the suspected offence relates to a licence issued under regulation 62, and
 - (b) the activity authorised by that licence would, if no licence had been issued, amount to an offence specified in paragraph (5).
- (7) Section 138 of CEMA(b) (arrest of persons) applies to a person who has committed, or whom there are reasonable grounds to suspect of having committed, a relevant offence as it applies to a person who has committed, or whom there are reasonable grounds to suspect of having committed, an offence for which the person is liable to be arrested under the customs and excise Acts(c), but as if—
- (a) any reference to an offence under, or for which a person is liable to be arrested under, the customs and excise Acts were to a relevant offence;
 - (b) in subsection (2), the reference to any person so liable were to a person who has committed, or whom there are reasonable grounds to suspect of having committed, a relevant offence.
- (8) The provisions of CEMA mentioned in paragraph (9) apply in relation to proceedings for a relevant offence as they apply in relation to proceedings for an offence under the customs and excise Acts, but as if—
- (a) any reference to the customs and excise Acts were to any of the provisions mentioned in paragraph (3)(a) to (d);
 - (b) in section 145(6), the reference to an offence for which a person is liable to be arrested under the customs and excise Acts were to a relevant offence;
 - (c) in section 151, the reference to any penalty imposed under the customs and excise Acts were to any penalty imposed under these Regulations in relation to a relevant offence;

(a) The definition of “assigned matter” in section 1(1) of CEMA was amended by the Commissioners for Revenue and Customs Act 2005 (c. 11), Schedule 4, paragraph 22(a); the Scotland Act 2012 (c. 11), section 24(7); and the Wales Act 2014 (c. 29), section 7(1).

(b) Section 138 of CEMA was amended by the Police and Criminal Evidence Act 1984 (c. 60), section 119(1), Schedule 6, paragraph 37 and Schedule 7, Part 1; the Finance Act 1988 (c. 39), section 11; the Serious Organised Crime and Police Act 2005 (c. 15), Schedule 7, paragraph 54; S.I. 1989/1341 (N.I. 12); and S.I. 2007/288.

(c) “The customs and excise Acts” is defined in section 1 of CEMA.

(d) in section 154(2)—

- (i) the reference to proceedings relating to customs or excise were to proceedings under any of the provisions mentioned in paragraph (3)(a) to (d), and
- (ii) the reference to the place from which any goods have been brought included a reference to the place to which goods have been exported, supplied or delivered or the place to or from which technology has been transferred.

(9) The provisions of CEMA are sections 145, 146, 147, 148(1), 150, 151, 152, 154 and 155(a) (legal proceedings).

Trade offences in CEMA: modification of penalty

85.—(1) Paragraph (2) applies where a person is guilty of an offence under section 68(2) of CEMA in connection with a prohibition mentioned in regulation 28(1) or 37(1) (export of restricted goods etc.).

(2) Where this paragraph applies, the reference to 7 years in section 68(3)(b) of CEMA(b) is to be read as a reference to 10 years.

(3) Paragraph (4) applies where a person is guilty of an offence under section 170(2) of CEMA in connection with a prohibition mentioned in regulation 28(1) or 37(1).

(4) Where this paragraph applies, the reference to 7 years in section 170(3)(b) of CEMA(c) is to be read as a reference to 10 years.

Application of Chapter 1 of Part 2 of Serious Organised Crime and Police Act 2005

86. Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005 (investigatory powers)(d) applies to any offence under Part 3 (Finance) or regulation 64 (finance: licensing offences).

Monetary penalties

87. Each provision in Part 6 (Trade) which contains a prohibition imposed for a purpose mentioned in section 3(1) or (2) of the Act is to be regarded as not being financial sanctions legislation for the purposes of Part 8 of the Policing and Crime Act 2017(e).

(a) Section 145 of CEMA was amended by the Commissioners for Revenue and Customs Act 2005 (c. 11), Schedule 4, paragraph 23; and S.I. 2014/834. Section 147 was amended by the Magistrates' Courts Act 1980 (c. 43), section 154, Schedule 7, paragraph 176; the Criminal Justice Act 1982 (c. 48), section 77, Schedule 14, paragraph 42; the Finance Act 1989 (c. 26), section 16(2); and the Criminal Justice Act 2003 (c. 44), section 41, Schedule 3, paragraph 50. Section 150 of CEMA was amended by the Finance Act 2016 (c. 24), section 174(3). Section 151 of CEMA was amended by the Magistrates' Courts Act 1980 (c. 43), section 154, Schedule 7, paragraph 177. Section 152 was amended by the Commissioners for Revenue and Customs Act 2005, section 53, Schedule 4, paragraph 26, and section 52, Schedule 5. Section 155 was amended by the Commissioners for Revenue and Customs Act 2005, section 53, Schedule 4, paragraph 27, and section 52, Schedule 5.

(b) The words "7 years" were inserted in section 68(3)(b) of CEMA by the Finance Act 1988, section 12.

(c) The words "7 years" were inserted in section 170(3)(b) of CEMA by the Finance Act 1988, section 12.

(d) 2005 c. 15. Chapter 1 of Part 2 has been amended by the Terrorism Act 2006 (c. 11), section 33(3) and (4); the Northern Ireland (Miscellaneous Provisions) Act 2006 (c. 33), sections 26(2) and 30(2) and Schedules 3 and 5; the Bribery Act 2010 (c. 23), section 17(2) and Schedule 1; the Criminal Justice and Licensing (Scotland) Act 2010 (asp 13), section 203 and Schedule 7, paragraph 77; the Crime and Courts Act 2013 (c. 22), section 15 and Schedule 8, paragraphs 157 and 159; the Criminal Finances Act 2017 (c. 22), section 51(1); the Sanctions and Anti-Money Laundering Act 2018, section 59(4) and Schedule 3, paragraph 4; S.I. 2006/1629; S.I. 2014/834; and S.I. 2023/149.

(e) See section 143(4)(f) and (4A), as inserted by the Sanctions and Anti-Money Laundering Act 2018, Schedule 3, paragraph 8(1) and (3).

PART 11

Maritime enforcement

Exercise of maritime enforcement powers

88.—(1) A maritime enforcement officer may, for a purpose mentioned in paragraph (2) or (3), exercise any of the maritime enforcement powers in relation to—

- (a) a British ship in foreign waters or international waters,
- (b) a ship without nationality in international waters, or
- (c) a foreign ship in international waters,

and a ship within sub-paragraph (a), (b) or (c) is referred to in this Part as “a relevant ship”.

(2) The maritime enforcement powers may be exercised for the purpose of enforcing any of the following—

- (a) a prohibition in any of regulations 28 to 31 (trade prohibitions relating to restricted goods and restricted technology);
- (b) a prohibition in any of regulations 37 to 40 (trade prohibitions relating to unmanned aerial vehicle goods and unmanned aerial vehicle technology);
- (c) a prohibition imposed by a condition of a trade licence in relation to a prohibition mentioned in sub-paragraph (a) or (b).

(3) The maritime enforcement powers may also be exercised in relation to a relevant ship for the purpose of—

- (a) investigating the suspected carriage of relevant goods on the ship, or
- (b) preventing the continued carriage on the ship of goods suspected to be relevant goods.

(4) In this Part, “the maritime enforcement powers” are the powers conferred by regulations 90 (power to stop, search, board etc.) and 91 (seizure power).

(5) This regulation is subject to regulation 92 (restrictions on exercise of maritime enforcement powers).

Maritime enforcement officers

89.—(1) The following persons are “maritime enforcement officers” for the purposes of this Part—

- (a) a commissioned officer of any of His Majesty’s ships;
- (b) a member of the Ministry of Defence Police (within the meaning of section 1 of the Ministry of Defence Police Act 1987^(a));
- (c) a constable—
 - (i) who is a member of a police force in England and Wales,
 - (ii) within the meaning of section 99 of the Police and Fire Reform (Scotland) Act 2012^(b), or
 - (iii) who is a member of the Police Service of Northern Ireland or the Police Service of Northern Ireland Reserve;

^(a) 1987 c. 4. Section 1 was amended by the Police Act 1996 (c. 16), Schedule 7, paragraph 41; the Police (Northern Ireland) Act 1998 (c. 32), Schedule 4, paragraph 16; the Police (Northern Ireland) Act 2000 (c. 32), section 78(2); the Police Reform Act 2002 (c. 30), section 79(3); and S.I. 2013/602.

^(b) 2012 asp.8.

- (d) a special constable—
 - (i) appointed under section 27 of the Police Act 1996(a),
 - (ii) appointed under section 9 of the Police and Fire Reform (Scotland) Act 2012, or
 - (iii) in Northern Ireland, appointed by virtue of provision incorporating section 79 of the Harbours, Docks, and Piers Clauses Act 1847(b);
 - (e) a constable who is a member of the British Transport Police Force;
 - (f) a port constable, within the meaning of section 7 of the Marine Navigation Act 2013(c), or a person appointed to act as a constable under provision made by virtue of section 16 of the Harbours Act 1964(d);
 - (g) a designated customs official within the meaning of Part 1 of the Borders, Citizenship and Immigration Act 2009 (see section 14(6) of that Act)(e);
 - (h) a designated NCA officer who is authorised by the Director General of the National Crime Agency (whether generally or specifically) to exercise the powers of a maritime enforcement officer under this Part.
- (2) In this regulation, “a designated NCA officer” means a National Crime Agency officer who is either or both of the following—
- (a) an officer designated under section 10 of the Crime and Courts Act 2013(f) as having the powers and privileges of a constable;
 - (b) an officer designated under that section as having the powers of a general customs official.

Power to stop, board, search etc.

90.—(1) This regulation applies if a maritime enforcement officer has reasonable grounds to suspect that a relevant ship is carrying prohibited goods or relevant goods.

- (2) The officer may—
- (a) stop the ship;
 - (b) board the ship;
 - (c) for the purpose of exercising a power conferred by paragraph (3) or regulation 91 (seizure power), require the ship to be taken to, and remain in, a port or anchorage in the United Kingdom or any other country willing to receive it.
- (3) Where the officer boards a ship by virtue of this regulation, the officer may—
- (a) stop any person found on the ship and search that person for—
 - (i) prohibited goods or relevant goods, or
 - (ii) any thing that might be used to cause physical injury or damage to property or to endanger the safety of any ship;
 - (b) search the ship, or any thing found on the ship (including cargo) for prohibited goods or relevant goods;
- (4) The officer may—

(a) 1996 c. 16. Section 27 was amended by the Police and Justice Act 2006 (c. 48), Schedule 2, paragraph 23; the Policing and Crime Act 2009 (c. 26), Schedule 7, paragraphs 1 and 6; and the Police Reform and Social Responsibility Act 2011 (c. 13), Schedule 16, paragraphs 22 and 26.

(b) 1847 c. 27. Section 79 was amended by S.I. 2006/2167.

(c) 2013 c. 23.

(d) 1964 c. 40. Section 16 was amended by section 29(2) of the Wales Act 2017 (c. 4); S.I. 1970/1681; and S.I. 1999/672. Other amendments have been made to section 16 that are not relevant to these Regulations.

(e) 2009 c. 11. Designated customs officials are designated, as either a general customs official or a customs revenue official, under sections 3 and 11 of this Act respectively.

(f) 2013 c. 22.

- (a) require a person found on a ship boarded by virtue of this regulation to provide information or produce documents;
- (b) inspect and copy such information or documents.

(5) The officer may exercise a power conferred by paragraph (3)(a)(i) or (b) only to the extent reasonably required for the purpose of discovering prohibited goods or relevant goods.

(6) The officer may exercise the power conferred by paragraph (3)(a)(ii) in relation to a person only where the officer has reasonable grounds to believe that the person might use a thing to cause physical injury or damage to property or to endanger the safety of any ship.

(7) The officer may use reasonable force, if necessary, in the exercise of any power conferred by this regulation.

Seizure power

91.—(1) This regulation applies if a maritime enforcement officer is lawfully on a relevant ship (whether in exercise of the powers conferred by regulation 90 (power to stop, board, search etc.) or otherwise).

(2) The officer may seize any of the following which are found on the ship, in any thing found on the ship, or on any person found on the ship—

- (a) goods which the officer has reasonable grounds to suspect are prohibited goods or relevant goods, or
- (b) things within regulation 90(3)(a)(ii).

(3) The officer may use reasonable force, if necessary, in the exercise of any power conferred by this regulation.

Restrictions on exercise of maritime enforcement powers

92.—(1) The authority of the Secretary of State is required before any maritime enforcement power is exercised in reliance on regulation 88 (exercise of maritime enforcement powers) in relation to—

- (a) a British ship in foreign waters, or
- (b) a foreign ship in international waters.

(2) In relation to a British ship in foreign waters other than the sea and other waters within the seaward limits of the territorial sea adjacent to any relevant British possession, the Secretary of State may give authority under paragraph (1) only if the State in whose waters the power would be exercised consents to the exercise of the power.

(3) In relation to a foreign ship in international waters, the Secretary of State may give authority under paragraph (1) only if—

- (a) the home state has requested the assistance of the United Kingdom for a purpose mentioned in regulation 88(2) or (3),
- (b) the home state has authorised the United Kingdom to act for such a purpose, or
- (c) the United Nations Convention on the Law of the Sea 1982^(a) or a UN Security Council Resolution otherwise permits the exercise of the power in relation to the ship.

Interpretation of Part 11

93.—(1) Subject to paragraph (2), any expression used in this Part and in section 19 or 20 of the Act has the same meaning in this Part as it has in section 19 or (as the case may be) section 20 of the Act.

(a) Command 8941.

(2) For the purpose of interpreting any reference to “prohibited goods” or “relevant goods” in this Part, any reference in section 19 or 20 of the Act to a “relevant prohibition or requirement” is to be read as a reference to any prohibition specified in regulation 88(2)(a) to (c).

PART 12

Supplementary and final provision

Notices

94.—(1) This regulation applies in relation to a notice required by regulation 63 (licences: general provisions) 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.

Trade: overlapping offences

95. A person is not to be taken to commit an offence under the Export Control Order 2008 if the person would, in the absence of this regulation, commit an offence under both—

- (a) article 34, 35, 37 or 38 of that Order(a), and
- (b) any provision of Part 6 (Trade) or regulation 66 (trade: licensing offences), 74(6) or 75(5) (offences in connection with record-keeping).

(a) Article 34 was amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 446(1); S.I. 2022/491; and S.I. 2023/149. Article 35 was amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 446(1); S.I. 2022/1300; and S.I. 2023/149. Article 37 was amended by S.I. 2012/1910; and S.I. 2019/137. Article 38 was amended by S.I. 2017/85; and S.I. 2019/137.

Revocation of the Iran (Sanctions) (Human Rights) (EU Exit) Regulations

96. The Iran (Sanctions) (Human Rights) (EU Exit) Regulations 2019(a) are revoked.

Savings

97.—(1) Paragraph (2) applies to a person who, immediately before the relevant date, was designated by the Secretary of State under regulation 5 (power to designate persons) of the 2019 Regulations for the purposes of—

- (a) regulations 11 to 15 (asset-freeze etc.) of those Regulations, or
- (b) regulation 17 (immigration) of those Regulations,

and such a designation is referred to in this regulation as “an existing designation”.

(2) An existing designation mentioned in paragraph (1)(a) has effect on and after the relevant date as if it had been made by the Secretary of State under regulation 5(1)(a) of these Regulations.

(3) An existing designation mentioned in paragraph (1)(b) has effect on and after the relevant date as if it had been made by the Secretary of State under regulation 5(1)(c) of these Regulations.

Transitional provision: Treasury licences

98.—(1) Paragraphs (2) to (4) apply to a licence which—

- (a) was issued by the Treasury under regulation 35(1) of the 2019 Regulations,
- (b) was in effect immediately before the relevant date, and
- (c) authorises conduct which would (on and after the relevant date, and in the absence of paragraphs (2) to (4)) be prohibited under Part 3 (Finance),

and such a licence is referred to in this regulation as “an existing financial sanctions licence”.

(2) An existing financial sanctions licence which authorises an act which would otherwise be prohibited has effect on and after the relevant date as if it had been issued by the Treasury under regulation 60(1) (Treasury licences).

(3) Any reference in an existing financial sanctions licence to the 2019 Regulations is to be treated on and after the relevant date as a reference to these Regulations.

(4) Any reference in an existing financial sanctions licence to a prohibition in the 2019 Regulations is to be treated on and after the relevant date as a reference to the corresponding prohibition in Part 3.

(5) Paragraph (6) applies where—

- (a) an application for a licence, or for the variation of a licence, under the 2019 Regulations was made before the relevant date,
- (b) the application is for the authorisation of conduct which would (on an after the relevant date) be prohibited under Part 3, and
- (c) a decision to grant or refuse the application has not been made before that date.

(6) The application is to be treated on and after the relevant date as an application for a licence, or for the variation of a licence (as the case may be), under regulation 60(1) (Treasury licences).

Transitional provision: trade licences

99.—(1) Paragraphs (2) to (4) apply to a licence granted by the Secretary of State which—

- (a) was issued by the Secretary of State under regulation 36 of the 2019 Regulations,
- (b) was in effect immediately before the relevant date, and

(a) S.I. 2019/134.

(c) authorises an act which would (on and after the relevant date, and in the absence of paragraphs (2) to (4)) be prohibited under Part 6 (Trade),
and such a licence is referred to in this regulation as “an existing trade sanctions licence”.

(2) An existing trade sanctions licence has effect on and after the relevant date as if it were a licence which had been issued by the Secretary of State under regulation 62 (trade licences).

(3) Any reference in an existing trade sanctions licence to the 2019 Regulations is to be treated on and after the relevant date as a reference to these Regulations.

(4) Any reference in an existing trade sanctions licence to a prohibition in the 2019 Regulations is to be treated on and after the relevant date as a reference to the corresponding prohibition in Part 6 (Trade).

(5) Paragraph (6) applies where—

- (a) an application for a licence, or for the variation of a licence, under the 2019 Regulations was made before the relevant date,
- (b) the application is for the authorisation of conduct which would (on and after the relevant date) be prohibited under Part 6, and
- (c) a decision to grant or refuse the application has not been made before that date.

(6) The application is to be treated on and after the relevant date as an application for a licence, or for the variation of a licence (as the case may be), under regulation 62.

Transitional provisions: prior obligations

100.—(1) This regulation applies to a person (“P”) who, immediately before the relevant date, was designated by the Secretary of State under regulation 5 (power to designate persons) of the 2019 Regulations for the purposes of—

- (a) regulations 11 to 15 (asset-freeze etc.) of those Regulations, or
- (b) regulation 17 (immigration) of those Regulations.

(2) Subject to paragraph (3), any reference in a provision mentioned in paragraph (4) to the date on which P became a designated person is a reference to the date on which P was designated by the Secretary of State under regulation 5 of the 2019 Regulations.

(3) Where P was named in Annex I of the EU Iran (Human Rights) Regulation immediately before IP completion day^(a), any reference in a provision mentioned in paragraph (4) to the date on which P became a designated person is a reference to the date on which P was named in that Annex.

(4) The provisions referred to in paragraphs (2) and (3) are—

- (a) regulation 55(5) (finance: exceptions from prohibitions), and
- (b) paragraphs 6(b)(i) and 10(a) of Schedule 5 (Treasury licences: purposes).

(5) In this regulation—

“the EU Iran (Human Rights) Regulation” means Council Regulation (EU) No 359/2011 of 12 April 2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran^(b), as it has effect in EU law.

Interpretation of Part 12

101. In this Part—

“the 2019 Regulations” means the Iran (Sanctions) (Human Rights) (EU Exit) Regulations 2019;

(a) Schedule 1 to the Interpretation Act 1978 (c. 30) provides that “IP completion day” has the same meaning as in the European Union (Withdrawal Agreement) Act 2020 (c. 1) (see section 39(1) to (5) of that Act).

(b) OJ L 100 14.4.2011, p.1.

“relevant date” means the date on which these Regulations come into force.

Anne-Marie Trevelyan
Minister of State

11th December 2023

Foreign, Commonwealth and Development Office

SCHEDULES

SCHEDULE 1

Regulation 9(3)

Rules for interpretation of regulation 9(2)

Application of Schedule

1.—(1) The rules set out in the following paragraphs of this Schedule apply for the purpose of interpreting regulation 9(2).

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

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.

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.

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.

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.

6. In applying regulation 9(2) and this Schedule, the voting rights in a person are to be reduced by any rights held by the person itself.

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.

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.

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.

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).

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.

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.

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(a),
- (b) administration within the meaning of the Insolvency (Northern Ireland) Order 1989(b), 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.

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.

(a) 1986 c. 45.

(b) S.I. 1989/2405 (N.I. 19).

Internal repression goods and internal repression technology

Firearms and related goods

1. Firearms, ammunition and related accessories, as follows—
 - (a) firearms;
 - (b) ammunition specially designed for firearms;
 - (c) weapon-sights.
2. Simulators for training persons to use firearms.
3. Bombs and grenades.

Vehicles

- 4.—(1) Subject to sub-paragraph (3), the following types of vehicles—
 - (a) vehicles equipped with a water cannon, specially designed or modified for the purpose of riot control;
 - (b) vehicles specially designed or modified to be electrified to repel boarders;
 - (c) vehicles specially designed or modified to remove barricades, including construction equipment with ballistic protection;
 - (d) vehicles specially designed for the transport or transfer of prisoners or detainees;
 - (e) vehicles specially designed to deploy mobile barriers.
- (2) Components for the vehicles specified in sub-paragraph (1)(a) to (e) that have been designed for the purposes of riot control.
- (3) Vehicles that might otherwise fall within sub-paragraph (1)(a) to (e) are not internal repression goods if they are specially designed for the purposes of fire-fighting.
- (4) For the purposes of this paragraph, “vehicle” includes a trailer.

Explosive substances and related goods

- 5.—(1) Subject to sub-paragraph (3), equipment and devices specially designed to initiate explosions by electrical or non-electrical means, including—
 - (a) firing sets;
 - (b) detonators;
 - (c) igniters;
 - (d) boosters;
 - (e) detonating cord.
- (2) Subject to sub-paragraph (3), components that have been specially designed for any thing mentioned in sub-paragraph (1).
- (3) Sub-paragraphs (1) and (2) do not apply to any thing that has been specially designed for a specific commercial use.
- (4) For the purpose of sub-paragraph (3), a “specific commercial use” means the actuation or operation by explosive means of other equipment or devices the function of which is not the creation of explosions, including—
 - (a) car air-bag inflaters;
 - (b) electric-surge arresters;
 - (c) fire sprinkler actuators.

6. Linear cutting explosive charges.
7. The following explosives and related substances—
 - (a) amatol;
 - (b) nitrocellulose (containing more than 12.5 % nitrogen);
 - (c) nitroglycol;
 - (d) pentaerythritol tetranitrate (PETN);
 - (e) picryl chloride;
 - (f) 2,4,6-trinitrotoluene (TNT).

Other goods

8.—(1) Subject to sub-paragraph (2), the following equipment designed for the protection of a person—

- (a) body armour providing ballistic or stabbing protection or both;
- (b) helmets providing ballistic or fragmentation protection, or both, including anti-riot helmets;
- (c) anti-riot shields and ballistic shields.

(2) Sub-paragraph (1) does not apply to—

- (a) any thing specially designed to protect persons for the following purposes—
 - (i) participation in competitive sport;
 - (ii) ensuring safety at work;
- (b) any thing mentioned in sub-paragraph (1)(a) or (b) when accompanying a person for that person's own protection.

9. Night vision equipment.

10. Thermal imaging equipment.

11. Image intensifier tubes.

12. Razor barbed wire.

13. The following types of knives—

- (a) knives that are designed for use by military personnel (military knives);
- (b) knives that are designed for use as a weapon for inflicting injury (combat knives);
- (c) bayonets with blade lengths in excess of 10 cm.

Production equipment

14. Any equipment which is specially designed or modified for the development or for one or more of the production phases of any item mentioned in this Schedule.

Software and technology

15. Any software which is specially designed for the simulators mentioned in paragraph 2.

16. Any technology which is specially designed for the development, production or use of any item mentioned in this Schedule.

Interpretation

17.—(1) In this Schedule, “firearm” means any portable barrelled weapon that expels, is designed to expel or may be converted to expel, a shot, bullet or projectile by the action of a combustible propellant.

(2) For the purposes of this Schedule, the following terms have the meaning given to them in the Dual-Use Regulation—

“development”;

“production”;

“software”;

“technology”;

“use”.

SCHEDULE 3

Regulation 25

Interception and monitoring goods and interception and monitoring technology

Interception and monitoring equipment

1. Any goods which can perform any of the following functions (whether individually or as part of a system)—

- (a) deep packet inspection;
- (b) network interception, including associated systems management and data retention functions;
- (c) radio frequency monitoring, including associated processing or examination;
- (d) network and satellite jamming;
- (e) remote infection;
- (f) speaker recognition, including associated processing functions;
- (g) IMSI, MSISDN, IMEI and TMSI interception and monitoring;
- (h) tactical SMS, GSM, GPS, GPRS, UMTS, CDMA, and PSTN interception and monitoring;
- (i) DHCP, SMTP and GTP information interception and monitoring;
- (j) pattern recognition and pattern profiling;
- (k) remote forensics;
- (l) semantic processing;
- (m) WEP and WPA code breaking;
- (n) interception of VoIP (including proprietary and standard protocols).

2. Any software which can perform any of the functions described in paragraph 1(a) to (n) (whether individually or as part of a system).

Other software and other technology

3. Any software or other technology which is specially designed for the development, production or use of any goods or software described in paragraph 1 or 2.

Interpretation

4. For the purposes of this Schedule, the following terms have the meaning given to them in the Dual-Use Regulation—

- “development”;
- “production”;
- “software”;
- “technology”;
- “use”.

Acronyms and abbreviations used in this Schedule

5. The acronyms and abbreviations used in this Schedule have the following meaning—

<i>ABBREVIATION/ ACRONYM</i>	<i>MEANING</i>	<i>ADDITIONAL INFORMATION</i>
IMSI	International Mobile Subscriber Identity	This is a unique identification code for each mobile telephony device, integrated in the SIM card and which allows identification of that SIM, via GSM and UMTS networks.
MSISDN	Mobile Subscriber Integrated Services Digital Network Number	This is a number that uniquely identifies a subscription in a GSM or a UMTS mobile network. It is the telephone number to the SIM card in a mobile phone and therefore identifies a mobile subscriber as well as the IMSI.
IMEI	International Mobile Equipment Identity	This is a number, usually unique, to identify GSM, WCDMA and IDEN mobile phones as well as some satellite phones. It is usually found printed inside the battery compartment of the phone.
TMSI	Temporary Mobile Subscriber Identity	
SMS	Short Message System	
GSM	Global System for Mobile Communications	
GPS	Global Positioning System	
GPRS	General Packet Radio Service	
UMTS	Universal Mobile Telecommunications System	
CDMA	Code Division Multiple Access	
PSTN	Public Switch Telephone Networks	
DHCP	Dynamic Host Configuration Protocol	

SMTP	Simple Mail Transfer Protocol	
GTP	GPRS Tunnelling Protocol	
WEP	Wired Equivalent Privacy	
WPA	Wi-Fi Protected Access	
VoIP	Voice over Internet Protocol	
WCDMA	Wideband Code Division Multiple Access	
IDEN	Integrated Digital Enhanced Network	

SCHEDULE 4

Regulation 36

Unmanned aerial vehicle goods and unmanned aerial vehicle technology

PART 1

General

Interpretation

1.—(1) For the purposes of this Schedule—

- (a) a thing “falls within” a commodity code if it is, or would be, classified under that commodity code, as set out in the Goods Classification Table;
- (b) where a commodity code is preceded by “ex”, the goods specified in this Schedule constitute only a part of the scope of the commodity code and must fall within both the description given to that code in this Schedule and the scope of the code in the Goods Classification Table.

(2) For the purposes of determining whether or not a thing is, or would be, “classified” in accordance with sub-paragraph (1), the rules of interpretation contained in the following have effect—

- (a) Part Two (Goods Classification Table Rules of Interpretation) of the Tariff of the United Kingdom;
- (b) notes to a section or chapter of the Goods Classification Table.

(3) For the purposes of this paragraph—

“commodity code” includes a code denoting a heading or sub-heading;

“the Goods Classification Table” means the table so named in Annex I in Part Three of the Tariff of the United Kingdom;

“the Tariff of the United Kingdom” means the document containing the legal classification and import rate for products being imported into the United Kingdom, entitled “The Tariff of the United Kingdom”, as revised or re-issued from time to time^(a), including by any document published under regulations made under section 8(1) of the Taxation (Cross-border Trade) Act 2018 replacing the same in whole or in part.

2. For the purposes of this Schedule, the following terms have the meaning given to them in the Dual-Use Regulation—

“development”;

(a) The Tariff of the United Kingdom, Version 1.16, is available electronically from: <https://www.gov.uk/government/publications/reference-document-for-the-customs-tariff-establishment-eu-exit-regulations2020>. A hard copy is available for inspection free of charge at the offices of the Foreign, Commonwealth and Development Office, King Charles Street, London SW1A 2AH.

“GNSS”;
 “LIDAR”;
 “Monolithic Microwave Integrated Circuit”;
 “navigation satellite system”;
 “production”;
 “signal analyser”;
 “technology”;
 “use”.

PART 2

Unmanned aerial vehicles

3. Any thing falling within a commodity code mentioned in column 1 of the following table.

<i>(1) Commodity code</i>	<i>(2) Description</i>
8806 91	unmanned aerial vehicles other than those designed for carrying passengers
8806 92	
8806 93	
8806 94	
8806 99	

PART 3

Propulsion and navigation items

4. Any thing falling within a commodity code mentioned in column 1 of the following table.

<i>(1) Commodity code</i>	<i>(2) Description</i>
8407 10	Spark-ignition reciprocating or rotary internal combustion piston engines for aircraft
8409 10	Parts suitable for use solely or principally with internal combustion piston engine for aircraft
9014 20	Inertial Navigation systems, Inertial Measuring Units (IMU), accelerometers or gyros

5. Any thing falling—

- (a) within a commodity code mentioned in column 1 of the following table; and
- (b) within the description in column 2 beside that code.

<i>(1) Commodity code</i>	<i>(2) Description</i>
ex 8411 11	Aero gas turbine engines (turboprop, turbojet and turbofan) for aircraft, and specially designed components thereof
ex 8411 12	
ex 8411 21	
ex 8411 22	
ex 8411 91	
ex 8408 90	Compression-ignition internal combustion piston engines for aircraft
ex 8526 10	Radars for unmanned aerial vehicles and specially designed components thereof
ex 8529 90	

ex 8526 91	Radio navigational aid apparatus for aircraft and specially designed components thereof
ex 8529 90	
ex 8807 30	Flight control unit for unmanned aerial vehicles
ex 8807 30	Remote control unit for unmanned aerial vehicles

PART 4

Electronic components and devices

6. Any thing falling within a commodity code mentioned in column 1 of the following table.

<i>(1) Commodity code</i>	<i>(2) Description</i>
8525 83	Night vision camera

7. Any thing falling—

- (a) within a commodity code mentioned in column 1 of the following table; and
- (b) within the description in column 2 beside that code.

<i>(1) Commodity code</i>	<i>(2) Description</i>
ex 8542 31	Integrated circuits as follows: Field Programmable Gate Array (FPGA), microcontroller, microprocessor, signal processor, signal analyser
ex 8542 39	
ex 8542 33	Monolithic Microwave Integrated Circuit amplifier
ex 8548 00	Radio Frequency filter or Electromagnetic Interference (EMI) filter, suitable for aircraft
ex 8525 89	Camera (visible or thermal) specially designed for unmanned aerial vehicles
ex 9006 30	Camera for aerial survey
ex 8529 90	Thermal sensor for unmanned aerial vehicle cameras
ex 9013 80	
ex 9025 80	
ex 9026 90	
ex 9027 50	

PART 5

Other items

8. Equipment specially designed for satellite navigation system equipment, including aerials and antennas suitable for the reception of GNSS signals.

9. Airborne laser rangefinder.

10. LIDAR systems.

11. Technology, designed or specifically adapted for the test, development or production of equipment listed above.

12. Pitot tubes and air measurement sensors for unmanned aerial vehicles.

13. Engine fuel management systems and pressure transmitter for use in unmanned aerial vehicles.

14. Software programming devices for use with unmanned aerial vehicles.
15. Software defined radios designed or modified for use on unmanned aerial vehicles.
16. Single board computers for use in unmanned aerial vehicles.
17. Video encoding devices for use in unmanned aerial vehicles.

SCHEDULE 5

Regulation 60

Treasury licences: purposes

Interpretation

1. In this Schedule—

“consular post” has the same meaning as in the Vienna Convention on Consular Relations done at Vienna on 24 April 1963^(a), and any reference to the functions of a consular post is to be read in accordance with that Convention;

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

“diplomatic mission” and any reference to the functions of a diplomatic mission, are to be read in accordance with the Vienna Convention on Diplomatic Relations done at Vienna on 18 April 1961;

“frozen funds or economic resources” means funds or economic resources frozen by virtue of regulation 15, 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.

Basic needs

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

(2) In the case of an individual in sub-paragraph (1), “basic needs” includes—

- (a) medical needs;
- (b) needs for—
 - (i) food;
 - (ii) payment of insurance premiums;
 - (iii) payment of tax;
 - (iv) rent or mortgage payments;
 - (v) utility payments.

(3) In the case of a person other than an individual in sub-paragraph (1), “basic needs” includes needs for—

- (a) payment of insurance premiums;
- (b) payment of reasonable fees for the provision of property management services;
- (c) payment of remuneration, allowances or pensions of employees;
- (d) payment of tax;
- (e) rent or mortgage payments;
- (f) utility payments.

^(a) United Nations Treaty Series, vol. 596, p. 261.

(4) 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.

Legal services

3. 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.

Maintenance of frozen funds and economic resources

4. 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.

Extraordinary expenses

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

Pre-existing judicial decisions etc.

6. 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 the date on which the person became a designated person, 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.

Humanitarian assistance activities etc.

7.—(1) To enable anything to be done in connection with the performance of any humanitarian assistance activity.

(2) In sub-paragraph (1) “humanitarian assistance activity” includes the work of international and non-governmental organisations carrying out relief activities in Iran for the benefit of the civilian population there.

Diplomatic missions

8. To enable anything to be done in order that the functions of a diplomatic mission or consular post in Iran or of an international organisation enjoying immunities in accordance with international law may be carried out.

Extraordinary situation

9. To enable anything to be done to deal with an extraordinary situation.

Prior obligations

10. To enable, by the use of a designated person's frozen funds or economic resources, the satisfaction of an obligation of that person (whether arising under a contract, other agreement or otherwise), 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.

Medical goods or services

11.—(1) To enable anything to be done in connection with the provision of medical goods or services for the benefit of the civilian population of a country.

(2) To enable the import, export or use of medical goods.

Food

12. To enable anything to be done in connection with the production or distribution of food for the benefit of the civilian population of a country.

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) to establish a sanctions regime in relation to Iran for the purpose of encouraging the Government of Iran to comply with international human rights law and to respect human rights and to deter the Government of Iran or an armed group backed by the Government of Iran from conducting hostile activity against the United Kingdom and other countries.

The Regulations revoke and replace the Iran (Sanctions) (Human Rights) (EU Exit) Regulations 2019.

Part 2 of the Regulations confers a power on the Secretary of State to designate persons who are, or have been, involved in the commission of serious human rights violations or abuses in Iran or involved in hostile activity against the United Kingdom and other countries for the purposes of financial, director disqualification, immigration or shipping sanctions.

Part 3 of the Regulations provides for designated persons to be made subject to financial sanctions, including having their funds and/or economic resources frozen.

Part 4 of the Regulations provides for designated persons to be made subject to director disqualification sanctions for the purpose of disqualifying those persons from being a director of a company or directly or indirectly taking part in or being concerned in the promotion, formation or management of a company.

Part 5 of the Regulations provides that designated persons are “excluded persons” for the purposes of section 8B of the Immigration Act 1971 (c. 77), meaning generally that they must be refused leave to enter the United Kingdom and leave to remain in the United Kingdom, and any leave that has been granted is invalid.

Part 6 of the Regulations imposes trade restrictions on specified goods and technology which may be used to repress the civilian population of Iran (as specified in Schedule 2 to these Regulations) and on specified goods and technology (as specified in Schedule 3 to these Regulations) which may be used for interception and monitoring services in Iran. A further trade sanction that is imposed by these Regulations is to prohibit the provision of interception and monitoring services to, or for the benefit of, the Government of Iran. Part 6 also imposes trade restrictions on specified goods and technology which may be used by Iran to build and improve their unmanned aerial vehicle systems (as specified in Schedule 4 to these Regulations).

Part 7 of the Regulations prohibits ships owned, controlled, chartered or operated by a designated person, or where they are a specified ship, from entering ports in the United Kingdom. There is a notification and publicity requirement where the specification power is used. The Regulations provide the Secretary of State with a power to control the movement of ships owned, controlled, chartered or operated by a designated person, or specified ships, by requiring them to leave or enter specified ports, proceed to a specified place or remain where they are. The Regulations also confer powers on the Secretary of State and harbour authorities to detain ships owned, controlled, chartered or operated by a designated person, or specified ships, at ports or anchorages. The registration of ships on the UK Ship Register is prohibited where they are owned, controlled, chartered or operated by a designated person, or where they are a specified ship.

Part 8 of the Regulations provides for certain exceptions to this sanctions regime, in particular in relation to financial sanctions (for example to allow for frozen accounts to be credited with interest or other earnings) and also acts done for the purpose of national security or the prevention of serious crime. The Regulations also confer powers on the Secretary of State and the Treasury to issue licences in respect of activities that would otherwise be prohibited under the financial, director disqualification and trade sanctions imposed. Schedule 5 to these Regulations sets out the purposes pursuant to which the Treasury will issue such licences.

Part 9 of the Regulations confers powers for obtaining and disclosing information to enable the effective implementation and enforcement of the sanctions regime, and imposes obligations on various persons to report relevant information to the appropriate (specified) authorities. In Part 10, the Regulations prescribe the mode of trial and penalties that apply to offences under the Regulations. They also provide for the application of similar types of provision in the Customs and Excise Management Act 1979 (c. 2) to certain offences related to trade.

Part 11 of the Regulations confers powers on specified maritime enforcement officers to stop and search ships in international and foreign waters for the purpose of enforcing specified trade sanctions and to seize goods found on board ships which are being, or have been, dealt with in contravention, or deemed contravention, of those prohibitions.

Part 12 of the Regulations contains supplementary provision, including transitional provision for licences issued under previous legislation to continue to have effect and, where the designated person was previously designated under another enactment, for the provisions relating to prior obligations to be read in accordance with the date that the designated person was first designated. Existing designations made under the Iran (Sanctions) (Human Rights) (EU Exit) Regulations 2019 are saved and treated as made under regulation 5 of these Regulations.

A full impact assessment has not been produced for the Regulations as no, or no significant, impact is foreseen on the private, voluntary or public sectors in the United Kingdom. A de minimis assessment has been prepared as this instrument is likely to entail some costs for businesses, but the net impact is estimated to be below £10 million per year.

