

Regulatory Impact Assessment

**THE IRAN (EUROPEAN COMMUNITY FINANCIAL SANCTIONS)
REGULATIONS 2007**

2007 No. 1374

1. Title of proposal

The Iran (European Community Financial Sanctions) Regulations 2007

2. Purpose and intended effect

The Iran (European Community Financial Sanctions) Regulations 2007 (SI 2007/1374) (the "Iran Regulations") provide that breaches of certain prohibitions, which enforce certain financial sanctions in Council Regulation (EC) N0 423/2007 ("the EC Regulation"), and certain other acts and omissions are criminal offences.

3. Consultation

No consultation was carried out on this RIA. In the current circumstances, where there may be an operational requirement for such provisions, there was considered to be a sufficiently urgent requirement to dispense with consultation.

4. Options

The UK is required to lay down rules on penalties applicable to infringements of the EC Regulation and to take all measures necessary to ensure that they are implemented.

5. Costs and benefits

Sectors and groups affected:

Financial institutions.

Benefits:

The financial sanctions against persons involved with Iran's nuclear programme are intended to exert pressure on those persons with the aim of halting proliferation. This supports international efforts to ensure peace and security through non-proliferation. The UK is obliged to provide for the enforcement of the financial sanctions. Consistent with those requirements under European law, the Iran (European Community Financial Sanctions) Regulations 2007 ensure that the financial sanctions are fully enforceable in the UK.

Costs:

There are some compliance costs for financial institutions in implementing financial sanctions. The Government is mindful of these compliance costs and seeks to ensure

that international sanctions regimes are well targeted and are based on good identifying information to help financial institutions administer them.

6. Small Firms Impact Test

Not applicable – no particular impact on small firms.

7. Competition assessment

Not applicable – no particular competition impact.

8. Enforcement, sanctions and monitoring

The provisions are set out in the Order.

9. Implementation and delivery plan

Not applicable – no further implementation is required.

10. Post-implementation review

Not applicable – as no further implementation is required.

11. Summary and recommendation

The Iran (European Community Financial Sanctions) Regulations 2007 are necessary to give effect to financial sanctions against persons designated at the European level. Doing nothing would not be consistent with our legal obligations and is therefore not an option in this case.

Declaration and publication

I have read the regulatory impact assessment and I am satisfied that the benefits justify the costs.

Signed

Date

Minister's name, title, department

Contact point for enquiries and comments: name, address, telephone number and email address.

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