
STATUTORY INSTRUMENTS

2013 No. 1444

OVERSEAS TERRITORIES

The Iran (Restrictive Measures) (Overseas Territories) (Amendment) (No. 2) Order 2013

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| <i>Made</i> | - - - - | <i>13th June 2013</i> |
| <i>Laid before Parliament</i> | | <i>20th June 2013</i> |
| <i>Coming into force</i> | - - | <i>11th July 2013</i> |

At the Court at Buckingham Palace, the 13th day of June 2013

Present,

The Queen's Most Excellent Majesty in Council

Her Majesty, in exercise of the powers conferred on Her by section 1 of the United Nations Act 1946(1), section 112 of the Saint Helena Act 1833(2), the British Settlements Acts 1887 and 1945(3), and all of the other powers enabling Her to do so, is pleased, by and with the advice of Her Privy Council, to order as follows:

Citation, commencement, interpretation and extent

1.—(1) This Order may be cited as the Iran (Restrictive Measures) (Overseas Territories) (Amendment) (No 2) Order 2013.

(2) It comes into force on 11th July 2013.

(3) In this Order, “the principal Order” means the Iran (Restrictive Measures) (Overseas Territories) Order 2012(4).

(4) This Order extends to the territories listed in Schedule 1 to the principal Order.

Amendment of the principal Order

2.—(1) The principal Order is amended as follows.

(2) In article 2—

(1) 1946 c.45.
(2) 1833 c.85.
(3) 1887 c.54 and 1945 c.7.
(4) S.I. 2012/1756.

- (a) in the definition of “the Council Regulation”, delete “, and a reference to an Annex to that Regulation is to be construed as a reference to that Annex as amended from time to time”;
- (b) after paragraph (5), insert—
 - “(6) A reference in this Order to any enactment (including legislation of the European Union) or statutory instrument is to be construed as a reference to that enactment or instrument as amended from time to time.”.
- (3) In article 12—
 - (a) for the heading, substitute “**Offences related to key equipment and technology listed in Annex VI or Annex VIA**”;
 - (b) in paragraph (1), after each reference to “Annex VI” insert “or VIA”;
 - (c) in sub-paragraph (1)(b), replace “that Annex” with “those Annexes”;
 - (d) for paragraph (2), substitute—
 - “(2) Paragraph (1) does not apply to and does not prohibit the execution of an obligation arising from a service contract falling under articles 13(2)(b) or 14(2)(b), or an ancillary contract necessary for the execution of such a contract, if the person, entity or body seeking to perform the contract has informed the Governor of the Territory in which it is established at least 20 working days in advance.”.
- (4) After article 12 insert—

“Offences related to key naval equipment or technology listed in Annex VIB

- 12A.—**(1) A person to whom this Order applies (“P”) commits an offence if P knowingly—
- (a) sells, supplies, transfers or exports (directly or indirectly) key equipment or technology listed in Annex VIB to the Council Regulation to any Iranian person, entity or body or for use in Iran,
 - (b) provides (directly or indirectly) technical assistance or brokering services related to the key equipment or technology listed in Annex VIB, or related to the provision, manufacture, maintenance or use of goods listed in that Annex, to any Iranian person, entity or body or for use in Iran, or
 - (c) provides (directly or indirectly) financing or financial assistance related to the key equipment and technology listed in Annex VIB to any Iranian person, entity or body or for use in Iran.
- (2) Paragraph (1) does not apply to and does not prohibit the supply of key equipment and technology listed in Annex VIB to a vessel which is not owned or controlled by an Iranian person, entity or body and which has been forced into a port in Iran, or into Iranian territorial waters, under force majeure.”.
- (5) In article 13—
 - (a) delete “or” from the end of sub-paragraph (2)(b);
 - (b) delete paragraph (2)(c) and insert—
 - “(c) the import, purchase or transport of crude oil or petroleum products which have been exported from Iran before the date on which this Order comes into force, or where the export was made pursuant to sub-paragraph (b) on or before the date on which this Order came into force,
 - (d) the purchase of bunker oil produced and supplied by a State other than Iran, intended for the propulsion of the engines of vessels, or

- (e) the purchase of bunker oil intended for the propulsion of the engines of a vessel which has been forced into a port in Iran, or Iranian territorial waters, under force majeure.”.
- (6) After article 14, insert—

“Offences related to natural gas products listed in Annex IVA

- 14A.**—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly—
- (a) purchases, transports, or imports into the Territory natural gas which originates in Iran or has been exported from Iran,
 - (b) exchanges natural gas streams which originate in Iran or have been exported from Iran with natural gas streams which originate outside Iran, or
 - (c) provides (directly or indirectly) brokering services, financing or financial assistance, including financial derivatives, as well as insurance or reinsurance and brokering services relating to insurance and reinsurance, in respect of the activities mentioned in paragraph (a) and (b).
- (2) Paragraph (1) does not apply—
- (a) to natural gas that has been exported from a State other than Iran when the exported gas has been combined with gas originating from Iran within the infrastructure of a State other than Iran,
 - (b) to the purchase of natural gas within Iran for civilian purposes, including residential heating or power or for the maintenance of diplomatic missions, or
 - (c) to the execution of contracts for the delivery of natural gas originating in a State other than Iran into the Territory.
- (3) In this article, “natural gas” means the products listed in Annex IVA to the Council Regulation.

Offences related to graphite and raw or semi-finished metals listed in Annex VIIB

- 14B.**—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly—
- (a) sells, supplies, transfers or exports (directly or indirectly) graphite or raw or semi-finished metals listed in Annex VIIB to the Council Regulation to any Iranian person, entity or body or for use in Iran,
 - (b) provides (directly or indirectly) technical assistance or brokering services related to the graphite or raw or semi-finished metals listed in Annex VIIB, or related to the provision, manufacture, maintenance or use of goods listed in that Annex, to any Iranian person, entity or body or for use in Iran, or
 - (c) provides (directly or indirectly) financing or financial assistance related to the graphite or raw or semi-finished metals listed in Annex VIIB to any Iranian person, entity or body or for use in Iran.
- (2) Paragraph (1) does not apply to the goods listed in Annexes I, II and III to the Council Regulation.”.
- (7) After article 15 insert—

“Offences related to software listed in Annex VIIA

- 15A.**—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly—

- (a) sells, supplies, transfers or exports (directly or indirectly) the software listed in Annex VIIA to the Council Regulation to any Iranian person, entity or body or for use in Iran,
 - (b) provides (directly or indirectly) technical assistance or brokering services related to the software listed in Annex VIIA, or related to the provision, manufacture, maintenance or use of software listed in that Annex, to any Iranian person, entity or body or for use in Iran, or
 - (c) provides (directly or indirectly) financing or financial assistance related to the software listed in Annex VIIA to the Council Regulation to any Iranian person, entity or body or for use in Iran.”.
- (8) After article 19, insert—

“Offences related to the provision of services to vessels

19A.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly provides the services listed in paragraph (2) to oil tankers and cargo vessels flying the flag of Iran, or owned, chartered or operated (directly or indirectly) by an Iranian person, entity or body.

(2) The services to which this article applies are—

- (a) classification services of any kind, including—
 - (i) the production and application of classification rules or technical specifications concerning the design, construction, equipment or maintenance of ships and shipboard management systems,
 - (ii) surveys and inspections in accordance with classification rules and procedures,
 - (iii) the assignment of a class notation, or
 - (iv) the delivery, endorsement or renewal of certificates of compliance with classification rules or specifications,
- (b) the supervision of, or participation in, the design, construction and repair of ships and their parts including blocks, elements, machinery, electrical installations and control installations,
- (c) the provision of technical assistance, financing or financial assistance related to the services in sub-paragraph (b),
- (d) the inspection, testing and certification of marine equipment, materials and components,
- (e) the supervision of the installation on board ships of marine equipment, materials and components and system integration, and
- (f) surveys, inspections, audits, visits and the issuance, renewal or endorsement of certificates and documents of compliance on behalf of the flag state in accordance with international instruments regulating maritime transport.

Offences related to the provision of vessels for the transport or storage of oil and petrochemical products

19B.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly makes available a vessel designed for the transport or storage of oil and petrochemical products—

- (a) to any Iranian person, entity or body, or

- (b) to any other person, entity or body, unless P has taken appropriate action to prevent the vessel from being used to transport or store oil or petrochemical products that originate in Iran or have been exported from Iran.
- (2) Paragraph (1) does not apply to and does not prohibit making available a vessel designed for the transport or storage of oil or petrochemical products—
 - (a) if it is necessary for the execution of an obligation arising from a contract referred to in articles 13(2)(b) or (c) or 14(2)(b) or (c), and
 - (b) the person, entity or body seeking to perform the contract has notified the Governor of the Territory in which it is established at least 20 working days in advance.”.
- (9) In article 20, in the heading and in sub-paragraph (a), for “19” substitute “19B”.
- (10) After article 31, insert—

“Transfers of funds to or from Iranian credit or financial institutions

31A.—(1) A credit or financial institution (“P”) commits an offence if P knowingly transfers funds of or above EUR 10 000 or equivalent to or from a credit or financial institution specified in paragraph (2) without a licence granted by the Governor under this article, but this is subject to paragraphs (3) and (4) and article 32A.

- (2) Paragraph (1) applies to transfers of funds to or from—
 - (a) any bureaux de change, credit or financial institution domiciled in Iran,
 - (b) any branch or subsidiary, wherever located, of a bureaux de change, credit or financial institution domiciled in Iran, or
 - (c) any bureaux de change, credit or financial institution that is not domiciled in Iran but is controlled by a person, entity or body domiciled in Iran.
- (3) This article does not apply in relation to any transfer of funds for which a licence has been granted by the Governor under article 43.
- (4) The following transfers of funds may be carried out without a licence—
 - (a) transfers due on transactions regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes, below EUR 100 000 or equivalent, or
 - (b) transfers due on transactions regarding personal remittances below EUR 40 000 or equivalent,

if the Governor has been notified of the transfer in advance in writing.

- (5) A licence may be granted by the Governor under this article to authorise—
 - (a) transfers due on transactions regarding foodstuffs, healthcare, medical equipment or for agricultural or humanitarian purposes,
 - (b) transfers due on transactions regarding personal remittances,
 - (c) transfers made in connection with a specific trade contract provided that such transfers are not otherwise prohibited under this Order,
 - (d) transfers determined by the Governor to be necessary for the official purposes of diplomatic or consular missions or international organisations enjoying immunities in accordance with international law,
 - (e) transfers to satisfy a claim by or against an Iranian person, entity or body, if the Governor is satisfied that it does not contribute to the activities prohibited under this Order, or
 - (f) transfers necessary for the execution of obligations arising from contracts referred to in article 13(2)(b).

(6) Paragraphs (1) to (4) apply regardless of whether the transfer of funds is executed in a single operation or in several operations which appear to be linked, and for the purposes of this paragraph “operations which appear to be linked” include—

- (a) a series of consecutive transfers from or to the same credit or financial institution which are made in connection with a single obligation to make a transfer of funds, where each individual transfer falls below the thresholds set out in paragraphs (1) and (4) but which, in aggregate, meet the criteria for notification or authorisation, or
- (b) a chain of transfers involving different payment service providers or natural or legal persons which effect a single obligation to make a transfer of funds.

(7) A licence must be granted by the Governor under this article unless the Governor has reasonable grounds to determine that the transfer of funds could be in breach of any of the prohibitions or obligations in this Order.

(8) Notifications and requests for a licence from the Governor under this article must be submitted in accordance with article 33.”.

(11) In article 32—

- (a) for the heading, substitute “**Transfers of funds to or from an Iranian person, entity or body**”,
- (b) in paragraph (1), before “above” insert “of or”,
- (c) in paragraph (1), after “writing” insert “but this is subject to paragraph (2A) and article 32A”,
- (d) in paragraph (2), for “paragraph (3)” substitute “paragraphs (2A) and (3) and article 32A”,
- (e) after paragraph (2), insert—
 - “(2A) This article does not apply to transfers of funds—
 - (a) which fall under article 31A, or
 - (b) for which a licence has been granted by the Governor under article 43.”
- (f) in paragraph (3), before “humanitarian purposes” insert “agricultural or”;
- (g) after paragraph (6), insert—
 - “(7) Notifications and requests for a licence from the Governor under this article must be submitted in accordance with article 33.”.

(12) After article 32, insert—

“Exemptions from the transfers of funds provisions

32A.—(1) Articles 31A and 32 do not apply to—

- (a) persons, entities and bodies who merely convert paper documents into electronic data and are acting under a contract with a credit or financial institution;
- (b) persons, entities or bodies who provide credit or financial institutions solely with a message or other support system for transmitting funds; or
- (c) persons, entities or bodies who provide credit or financial institutions solely with clearing and settlement systems.”.

(13) In article 33—

- (a) for paragraph (2)(b) substitute—
 - “(b) the nature of the goods covered by the transaction, in particular whether the goods are included in Annex I, II, III, IV, IVA, V, VI, VIA, VIB, VII, VIIA or VIIB to the Council Regulation, and”.

(b) delete paragraphs (5) and (6) and substitute—

“(5) Notifications and requests for a licence relating to transfers of funds falling under article 31A are to be processed as follows—

- (a) notifications and requests for a licence relating to the transfer of funds to a credit or financial institution specified in article 31A(2) are to be addressed by or on behalf of the payment service provider of the payer to the Governor of the Territory where the payment service provider is established;
- (b) notifications and requests for a licence relating to the transfer of funds from a credit or financial institution specified in article 31A(2) are to be addressed by or on behalf of the payment service provider of the payee to the Governor of the Territory where the payment service provider is established;
- (c) if, in the situations set out in sub-paragraphs (a) and (b), the payment service provider of the payer or the payee is not a person to whom this Order applies, notifications and requests for a licence are to be addressed by the payer or the payee to the Governor of the Territory in which the payer or payee is resident.

(6) In the case of electronic transfers of funds falling under article 32 which are processed by credit or financial institutions, notifications and requests for authorisation relating to the transfer of funds are to be processed as follows—

- (a) notifications and requests for a licence relating to the transfer of funds to an Iranian person, entity or body located outside the Territory are to be addressed by or on behalf of the payment service provider of the payer to the Governor of the Territory where the payment service provider is established;
- (b) notifications and requests for a licence relating to the transfer of funds from an Iranian person, entity or body located outside the Territory are to be addressed by or on behalf of the payment service provider of the payee to the Governor of the Territory where the payment service provider is established;
- (c) notifications and requests for a licence relating to the transfer of funds to an Iranian person, entity or body located within the Territory are to be addressed by or on behalf of the payment service provider of the payee to the Governor of the Territory where the payment service provider is established;
- (d) notifications and requests for a licence relating to the transfer of funds from an Iranian person, entity or body located within the Territory are to be addressed by or on behalf of the payment service provider of the payer to the Governor of the Territory where the payment service provider is located;
- (e) if, in the situations set out in sub-paragraphs (a) to (d), the payment service provider is not a person to whom this Order applies, notifications and requests for a licence are to be addressed by the payer or the payee to the Governor of the Territory in which the payer or the payee is resident;
- (f) in relation to a transfer of funds to or from an Iranian person, entity or body where neither the payer, nor the payee, nor the payment service provider is a person to whom this Order applies, but a payment service provider within the Territory acts as an intermediary, then that payment service provider must address a notification or request for authorisation to the Governor of the Territory in which it is established if—
 - (i) the payment service provider acting as intermediary knows or has reasonable cause to suspect that the transfer is to or from an Iranian person, entity or body, and

- (ii) where there is more than one payment service provider acting as intermediary, if it is the first payment service provider to process the transfer of funds;
 - (g) where there is more than one payment service provider involved in a series of linked transfers of funds, transfers within the Territory must include a reference to any licence granted by the Governor under articles 31A or 32.
- (7) In the case of transfers of funds by non-electronic means falling under article 32, notifications and requests for a licence relating to the transfer of funds are to be processed as follows—
- (a) notifications and requests for a licence relating to the transfer of funds to an Iranian person, entity or body are to be addressed by the payer to the Governor of the Territory where the payer is resident;
 - (b) notifications and requests for a licence relating to the transfer of funds from an Iranian person, entity or body are to be addressed by the payee to the Governor of the Territory where the payee is resident.”.
- (14) In article 34, for each reference to “Articles 28 and 29”, substitute “Articles 28, 29, 31A and 32”.
- (15) In article 35—
- (a) for the heading, substitute “**Circumvention of prohibitions in articles 27 to 32, 38 and 42**”;
 - (b) in paragraph (a), for “articles 27 to 31”, substitute “articles 27 to 32, 38 and 42”.
- (16) In article 43—
- (a) after paragraph (2)(h) delete “or”;
 - (b) for the full stop at the end of paragraph (2)(i) substitute a semi-colon;
 - (c) after paragraph (2)(i) insert—
 - “(j) the payment of fees due in connection with the de-flagging of vessels;
 - (k) funds and economic resources of a designated person which is an entity listed in Annex IX to the Council Regulation—
 - (i) if such entity holds rights derived from the award of an oil production sharing agreement granted before 27th October 2010 by the Government of a State other than Iran, and
 - (ii) the dealing in or making available funds and economic resources relates to the participation of the entity in that agreement, and
 - (l) funds and economic resources of a designated person which is an entity listed in Annex IX to the Council Regulation which are necessary for the execution, on or before 31st December 2014, of a contract falling under article 13(2)(b).”.
- (17) In article 48(2)—
- (a) after “12(1)(b) or (c),” insert “12A,”;
 - (b) after “14,” insert “14A, 14B,”;
 - (c) after “15(1)(b) or (c),” insert “15A,”;
 - (d) after “17,” insert “17A,”;
 - (e) after “19,” insert “19A, 19B,”.
- (18) In article 54, before “granted” delete the words, “an authorisation”.
- (19) In Schedule 2, paragraph 2 and in Schedule 4, paragraph 2—

- (a) after “12(1)(b) or (c),” insert “12A,”;
 - (b) after “14,” insert “14A, 14B,”;
 - (c) after “15(1)(b) or (c),” insert “15A,”;
 - (d) after “17,” insert “17A,”;
 - (e) after “19,” insert “19A, 19B,”.
- (20) In schedule 5, paragraph 2, delete subparagraph (1)(d) and insert—
- “(d) has committed an offence under articles 27 to 29, 31, 31A, 32, 35, 38, 42 or 44.”.

Richard Tilbrook
Clerk of the Privy Council

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Iran (Restrictive Measures) (Overseas Territories) Order 2012 to give effect to EU Council Decision 2012/635/CFSP of 15 October 2012 which amends the EU sanctions regime adopted in response to concerns about Iran's nuclear programme.

This Order introduces in the specified UK Overseas Territories new prohibitions on the sale, supply, transfer and export of certain key technology and software, natural gas, graphite and raw or semi-finished materials. The provision of brokering services, financing or financial assistance in respect of these goods is also prohibited. Restrictions are imposed on credit and financial institutions in the UK Overseas Territories in respect of making transfers to or receiving transfers from Iranian credit and financial institutions and bureaux de change. The provision of services to Iranian vessels, and the provision of vessels to store or transport oil or petroleum products for Iranian persons or entities is prohibited.