

**EXPLANATORY MEMORANDUM TO
THE IRAN (RESTRICTIVE MEASURES) (OVERSEAS TERRITORIES)
(AMENDMENT) (No.2) ORDER 2013**

2013 No. 1444

1. This Explanatory Memorandum has been prepared by the Foreign and Commonwealth Office and is laid before Parliament by Command of Her Majesty.

2. **Purpose of the instrument**

This Order amends the Iran (Restrictive Measures) (Overseas Territories) Order 2012 to give effect in specified Overseas Territories to Council Decision 2012/635/CFSP of 15 October 2012 which imposes further sanctions on Iran and provides for some exemptions to the restrictions.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

None.

4. **Legislative Context**

4.1 This Order is made in exercise of statutory powers under the United Nations Act 1946, the Saint Helena Act 1833, the British Settlements Acts 1887 and 1945 and the legislative power of the Royal Prerogative.

4.2 The statutory and prerogative powers to legislate for the Overseas Territories, to implement sanctions measures, are applicable to the Overseas Territories as follows:

(i) The Saint Helena Act 1833 applies to St Helena;

(ii) The British Settlements Acts 1887 and 1945 are applicable to Ascension and Tristan da Cunha, British Antarctic Territory, the Falkland Islands, Pitcairn (including

Henderson, Ducie and Oeno Islands), and South Georgia and the South Sandwich islands;

(iii) The prerogative legislative power is applicable to Anguilla, British Indian Ocean Territory, Cayman Islands, Montserrat, the Sovereign Base Areas of Akrotiri and Dhekelia, Turks and Caicos Islands, and the Virgin Islands.

5. Territorial Extent and Application

This Order applies to the following territories: Anguilla, British Antarctic Territory, British Indian Ocean Territory, Cayman Islands, Falkland Islands, Montserrat, Pitcairn including Henderson, Ducie and Oeno Islands, St Helena, Ascension and Tristan da Cunha, South Georgia and the South Sandwich Islands, the Sovereign Base Areas of Akrotiri and Dhekelia, the Turks and Caicos Islands and the Virgin Islands. Bermuda legislates independently to impose restrictive measures. These measures are implemented in Gibraltar by Council Regulation (EU) No 1245/2012 and local legislation.

6. European Convention on Human Rights

As this Order is not subject to Parliamentary procedure and does not amend primary legislation, no statement is required.

7. Policy background

EU Council Decision 2010/413/CFSP of 26 July 2010 imposed sanctions on Iran in response to its failure to engage seriously in negotiations in order to address international concerns about its nuclear programme. Council Decision 2012/635/CFSP of 15 October 2012 amends Council Decision 2010/413/CFSP.

The Order imposes 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 materials is also prohibited. Restrictions are imposed on credit and financial institutions in the specified Overseas Territories in respect of transfers to or from Iranian credit or financial institutions and bureaux de change, and further notification procedures are imposed on such transfers where they are permitted. The provision of services to Iranian vessels, or the provision of vessels to store or transport oil or petroleum products for Iranian persons or entities is prohibited.

Bunker oil for use in vessels that is produced and supplied by a country other than Iran is exempted from the prohibition on purchases of petroleum products from Iran. It is also now permitted to provide materials to vessels that have been forced into Iranian waters or ports by *force majeure*.

The Order introduces a new exemption to the prohibitions on transactions with designated persons, where a designated person has an award in production-sharing agreement with a sovereign Government other than Iran.

8. Consultation outcome

The Overseas Territories to which this Order applies were consulted about the Order.

9. Guidance

Guidance may be sought from the contact below.

10. Impact

10.1 There is no impact on business, charities or the voluntary sector in the United Kingdom.

10.2 There is no impact on the public sector in the United Kingdom.

10.3 An Impact Assessment has therefore not been prepared for this instrument.

11. Regulating small business

The legislation does not apply to small business in the United Kingdom.

12. Monitoring & review

EU restrictive measures are monitored and reviewed by the Council of the European Union.

13. Contact

Hester Waddams at the Foreign and Commonwealth Office can answer any queries regarding the instrument: Tel: 020 7008 3068 or E-mail: hester.waddams@fco.gov.uk.