
STATUTORY INSTRUMENTS

2013 No. 163

CRIMINAL LAW

The Iran (European Union Financial Sanctions) (Amendment) Regulations 2013

<i>Made</i>	- - - -	<i>29th January 2013</i>
<i>Laid before Parliament</i>		<i>30th January 2013</i>
<i>Coming into force</i>	- -	<i>31st January 2013</i>

The Treasury are designated⁽¹⁾ for the purposes of section 2(2) of the European Communities Act 1972⁽²⁾ in relation to restrictive measures against persons or bodies listed by an international organisation.

The Treasury, in exercise of the powers conferred by section 2(2) of the European Communities Act 1972, make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Iran (European Union Financial Sanctions) (Amendment) Regulations 2013 and come into force on 31st January 2013.

Amendments to the Iran (European Union Financial Sanctions) Regulations 2012

2. The Iran (European Union Financial Sanctions) Regulations 2012⁽³⁾ are amended as follows.
3. In Part 3, before paragraph 10 insert—

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

9A.—(1) Subject to paragraphs (3) and (4), a credit or financial institution must not make a transfer of funds to, or receive a transfer of funds from, a person falling within paragraph (2), if the credit or financial institution knows or has reasonable cause to suspect that the transfer of funds is made to or received from a person falling within paragraph (2).

(2) The following persons fall within this paragraph—

(1) [S.I. 2010/1834](#).
(2) [1972 c.68](#). Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 ([c.51](#)) and the European Union (Amendment) Act 2008 ([c.7](#)), Schedule, Part 1.
(3) [S.I. 2012/925](#), amended by [S.I. 2012/2909](#).

- (a) a credit or financial institution domiciled in Iran, including the Central Bank of Iran;
 - (b) a branch or subsidiary, wherever located, of a credit or financial institution domiciled in Iran;
 - (c) a credit or financial institution that is not domiciled in Iran but is controlled by a person or entity domiciled in Iran.
- (3) Paragraph (1) does not apply to—
- (a) a transfer of funds of less than 10,000 euro;
 - (b) a transfer regarding foodstuffs, healthcare, medical equipment or for agricultural or humanitarian purposes which is—
 - (i) of 10,000 euro or more but less than 100,000 euro and has been notified in advance in writing to the relevant competent authority by the relevant person, or
 - (ii) of 100,000 euro or more and has received prior authorisation from the relevant competent authority at the request of the relevant person;
 - (c) a transfer regarding personal remittances which is—
 - (i) of 10,000 euro or more but less than 40,000 euro and has been notified in advance in writing to the relevant competent authority by the relevant person, or
 - (ii) of 40,000 euro or more and has received prior authorisation from the relevant competent authority at the request of the relevant person;
 - (d) any other transfer which—
 - (i) may be authorised under Article 30(2) of the Council Regulation⁽⁴⁾,
 - (ii) is of 10,000 euro or more, and
 - (iii) has received prior authorisation from the relevant competent authority at the request of the relevant person.
- (4) Paragraph (1) does not apply where—
- (a) funds are credited to a frozen account in accordance with regulation 8 (or, in another Member State, Article 29 of the Council Regulation);
 - (b) an authorisation for the transfer has been granted by the Treasury under regulation 9, or by a competent authority of another Member State in accordance with Article 24, 25, 26, 27, 28 or 28a of the Council Regulation; or
 - (c) the transfer—
 - (i) has been notified to or received prior authorisation from the relevant competent authority before 22 December 2012, and
 - (ii) is executed before 15 April 2013.”.

4. In regulation 10—

- (a) in paragraph (1), after “entity or body” insert “, other than a transfer to which regulation 9A(1) applies, or would apply but for regulation 9A(2) or (3)”;
- (b) for paragraph (2), substitute—
 - “(2) Paragraph (1) does not apply where—

⁽⁴⁾ Council Regulation (EU) No 267/2012 (OJ No L 88, 24.3.2012, p 1). Article 30 was substituted by Council Regulation (EU) No 1263/2012 (OJ No L 356, 22.12.2012, p 34).

- (a) amounts are credited to a frozen account in accordance with regulation 8 (or, in another Member State, Article 29 of the Council Regulation); or
 - (b) an authorisation for the transfer has been granted by the Treasury under regulation 9, or by a competent authority of another Member State in accordance with Article 24, 25, 26, 27, 28 or 28a of the Council Regulation.”;
 - (c) omit paragraphs (5) and (6).
- 5. After regulation 10, insert—
 - “**10A.**—(1) For the purposes of this Part—
 - “the relevant competent authority” is the competent authority of the Member State in which the relevant person is resident or established; and
 - “the relevant person” is the payment service provider, payer or payee required in accordance with Article 30 or 30a of the Council Regulation to make a notification or seek an authorisation.
 - (2) In this Part—
 - (a) a reference to an amount in euro includes a reference to the equivalent amount in another currency, and
 - (b) a reference to a transfer of funds of a particular amount includes a transfer executed in several operations which appear to be linked, as well as a transfer executed in a single operation.”.
- 6. In regulation 11(1), for “regulation 10” substitute “regulation 9A or 10”.
- 7. In regulation 14—
 - (a) in paragraph (1), for the words “paragraph (2)” in each place in which they occur, substitute “regulation 9A(2)”;
 - (b) omit paragraph (2).
- 8. In regulation 15, for “regulation 14(2)”, substitute “regulation 9A(2)”.
- 9. In regulation 16, for “regulation 14(2)”, substitute “regulation 9A(2)”.
- 10. In regulation 19—
 - (a) in paragraph (1), after “regulations 3 to 7,”, insert “9A,”;
 - (b) in paragraph (2)(a), after “regulations 3 to 7,”, insert “9A,”.

29th January 2013

Robert Goodwill
David Evennett
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Iran (European Union Financial Sanctions) Regulations 2012 (S.I. 2012/925) (“the 2012 Regulations”). The 2012 Regulations make provision relating to the enforcement of Council Regulation (EU) No 267/2012 of 23 March 2012 (“the first Council Regulation”) concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010 (OJ L 88, 24.3.2012, p 1).

The first Council Regulation has been amended by Council Regulation (EU) No 1263/2012 of 21 December 2012 (OJ L No 356, 22.12.2012, p 34) (“the amending Regulation”). The amending Regulation introduces a new prohibition on transfers of funds between EU credit and financial institutions and Iranian credit and financial institutions, subject to certain exemptions. These Regulations amend the 2012 Regulations so that breach of the new prohibition is an offence, subject to a criminal penalty.

Regulation 3 amends the 2012 Regulations to set out the prohibition on transfers of funds to and from Iranian banks. Regulation 10 amends the 2012 Regulations so that breach of the new prohibition is a criminal offence.

Regulation 4 amends the existing prohibition in the 2012 Regulations on transfers of funds to or from Iranian persons, entities or bodies.

Regulations 5 to 9 make amendments to the 2012 Regulations consequent on these changes.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen. Further information is available from the Asset Freezing Unit, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and on the HM Treasury website (www.hm-treasury.gov.uk).