

**EXPLANATORY MEMORANDUM TO
THE IRAN (RESTRICTIVE MEASURES) (OVERSEAS TERRITORIES)
(AMENDMENT AND SUSPENSION) ORDER 2015**

2015 No. 825

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

2.1 This Order amends the Iran (Restrictive Measures)(Overseas Territories) Order 2012 (S.I. 2012/1756) (the “Principal Order”).

2.2 This Order gives effect in specified Overseas Territories to provisions specified in Council Decision 2014/21/CFSP of 20 January 2014 (as renewed by Council Decision 2014/480/CFSP of 21 July 2014 and Council Decision 2014/829/CFSP of 25 November 2014), which amends and suspends certain restrictive measures imposed on Iran by Council Decision 2010/413/CFSP of 26 July 2010.

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

3.1 None

4. Legislative Context

4.1 This Order is made in exercise of statutory powers under 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

5.1 This Order applies to the following territories: Anguilla, British Antarctic Territory, British Indian Ocean Territory, Cayman Islands, the 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 separately to apply the EU sanctions. These measures are implemented in Gibraltar by Council Regulation (EU) No. 833/2014, as amended, Council Regulation (EU) 692/2014 and local legislation.

6. European Convention on Human Rights

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

7. Policy background

7.1 On 24 November 2013, China, France, Germany, the Russian Federation, the United Kingdom and the United States, supported by the High Representative of the Union for Foreign Affairs and Security Policy, reached an agreement with Iran on a Joint Plan of Action which sets out an approach towards reaching a long-term comprehensive solution to the Iranian nuclear Issue. It was agreed that the process leading to this comprehensive solution would include, as a first step, initial mutually agreed measures to be taken by both sides for a duration of six months and renewable by mutual consent.

7.2 On 20 January 2014 the Union took measures through Council Decision 2014/21/CFSP to give effect to the commitments in the Join Plan of Action. These included the amendment and suspension of certain restrictive measures specified in Council Decision 2010/413/CFSP of 26 July 2010 for an initial period of 6 months. The amendments and suspensions specified in Council Decision 2014/21/CFSP were renewed for two consecutive six months' periods by Council Decision 2014/480/CFSP of 21 July 2014 and Council Decision 2014/829/CFSP of 25 November 2014. The Council of the European Union will decide before 30 June 2015 whether to extend the amendments and suspension.

7.3 Council Decision 2014/21/CFSP is implemented in the Union by Council Regulation (EU) No 42/2014 of 20 January 2014 (OJ L15 20.1.2014, p18). The Regulation amends Council Regulation (EU) No 267/2012 of 23 March 2012 and temporarily suspends some of its provisions ("the Iran Regulation").

7.4 The amendments include an increase of the authorisation thresholds in relation to the transfer of funds to and from Iran and provide for an exemption for the release of funds or economic resources to the Ministry of Petroleum in Iran, which are necessary for the execution of contracts for the import or purchase of petrochemical products listed in Annex V to the Iran Regulation.

7.5 The suspension provides for certain restrictive measures specified in the Iran Regulation to cease to have effect, which include the prohibition on the provision of insurance and reinsurance and transport of Iranian crude oil, the prohibition on the import, purchase or transport of Iranian petrochemical products and the prohibition on trade in gold and precious metals with the Government of Iran.

7.6 This Order gives effect to the amendments and suspensions to the Iran Regulation specified in Council Regulation (EU) No 42/2014 by amending the Principal Order and suspending some of its provisions.

8. Consultation

8.1 The Overseas Territories were consulted on this Order in draft.

9. Guidance

9.1 No guidance will be issued.

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

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

12. Monitoring and Review

12.1 EU sanctions are monitored and reviewed by Member States of the EU. Amendments will be made to this legislation following any further modifications to the sanctions regime by the Council of the European Union.

13. Contact

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