
STATUTORY INSTRUMENTS

2019 No. 792

The Syria (Sanctions) (EU Exit) Regulations 2019

PART 3

Finance

CHAPTER 1

Asset-freeze etc

Meaning of “designated person” in Chapter 1 of Part 3

10. In this Chapter, a “designated person” means a person who is designated under regulation 5 for the purposes of regulations 11 to 15.

Commencement Information

- 11** Reg. 10 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Asset-freeze in relation to designated persons

11.—(1) A person (“P”) must not deal with funds or economic resources owned, held or controlled by a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

- (2) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1) a person “deals with” funds if the person—
- (a) uses, alters, moves, transfers or allows access to the funds,
 - (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
 - (c) makes any other change, including portfolio management, that would enable use of the funds.
- (5) For the purposes of paragraph (1) a person “deals with” economic resources if the person—
- (a) exchanges the economic resources for funds, goods or services, or
 - (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise).
- (6) The reference in paragraph (1) to funds or economic resources that are “owned, held or controlled” by a person includes, in particular, a reference to—

- (a) funds or economic resources in which the person has any legal or equitable interest, regardless of whether the interest is held jointly with any other person and regardless of whether any other person holds an interest in the funds or economic resources;
- (b) any tangible property (other than real property), or bearer security, that is comprised in funds or economic resources and is in the possession of the person.

(7) For the purposes of paragraph (1) funds or economic resources are to be treated as owned, held or controlled by a designated person if they are owned, held or controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) For the avoidance of doubt, the reference in paragraph (1) to a designated person includes P if P is a designated person.

Commencement Information

- I2** Reg. 11 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Making funds available to designated persons

12.—(1) A person (“P”) must not make funds available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making funds available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Commencement Information

- I3** Reg. 12 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Making funds available for benefit of designated persons

13.—(1) A person (“P”) must not make funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of this regulation—

- (a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
- (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Commencement Information

- I4** Reg. 13 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Making economic resources available to designated persons

14.—(1) A person (“P”) must not make economic resources available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect—

- (a) that P is making the economic resources so available, and
- (b) that the designated person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making economic resources available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Commencement Information

- I5** Reg. 14 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Making economic resources available for benefit of designated persons

15.—(1) A person (“P”) must not make economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1)—

- (a) economic resources are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
- (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Commencement Information

- I6** Reg. 15 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

CHAPTER 2

Investment, financial services and financial markets

UK credit or financial institutions: accounts and correspondent banking relationships etc

16.—(1) A UK credit or financial institution must not—

- (a) open a bank account with,
- (b) establish a correspondent banking relationship with, or
- (c) establish a joint venture with,

a person falling within paragraph (2), if the UK credit or financial institution knows or has reasonable cause to suspect that the bank account, correspondent banking relationship or joint venture is with a person falling within paragraph (2).

(2) The following persons fall within this paragraph—

- (a) a credit or financial institution domiciled in Syria;
- (b) a branch or subsidiary, wherever located, of a credit or financial institution domiciled in Syria;
- (c) a credit or financial institution that is not domiciled in Syria but is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person domiciled in Syria.

(3) A UK credit or financial institution must not—

- (a) open a representative office of that institution in Syria, or
- (b) establish a branch or subsidiary of that institution in Syria.

(4) Paragraphs (1)(a) and (3) are subject to Part 7 (Exceptions and licences).

(5) Sub-paragraphs (b) and (c) of paragraph (1) are subject to regulation 60 (exception for acts done for purposes of national security or prevention of serious crime).

(6) A person who contravenes a prohibition in paragraph (1) or (3) commits an offence.

Commencement Information

I7 Reg. 16 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, Sch. 5 para. 1(1), see reg. 1(3))

Opening of, or taking up of business by, a representative office, branch or subsidiary of Syrian credit or financial institution

17.—(1) A person (“P”) must not—

- (a) open a representative office or establish a branch or subsidiary in the United Kingdom of a person falling within regulation 16(2);
- (b) enter into an arrangement for, or on behalf of, a person falling within regulation 16(2) which relates to the opening of a representative office or the establishment of a branch or subsidiary in the United Kingdom, if P knows or has reasonable cause to suspect that the arrangement is for, or on behalf of, such a person;
- (c) authorise the taking up and pursuit of business by a representative office, branch or subsidiary of a person falling within regulation 16(2), if the representative office, branch or subsidiary was not operational before 19 January 2012.

(2) Paragraph (1) is subject to regulation 60 (exception for acts done for purposes of national security or prevention of serious crime).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence.

Commencement Information

18 Reg. 17 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, Sch. 5 para. 1(1)), see reg. 1(3)

Acquisition or extension of ownership interest by Syrian credit or financial institution

18.—(1) A person falling within regulation 16(2) must not directly or indirectly acquire or extend a participation, or acquire any ownership interest, in a UK credit or financial institution.

(2) Paragraph (1) is subject to regulation 60 (exception for acts done for purposes of national security or prevention of serious crime).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

Commencement Information

19 Reg. 18 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, Sch. 5 para. 1(1)), see reg. 1(3)

Sale or purchase of bonds

19.—(1) A person (“P”) must not directly or indirectly—

- (a) sell to a person falling within paragraph (4), or
- (b) purchase from such a person,

Syrian bonds or bonds guaranteed by the Syrian regime and issued after 19 January 2012 if P knows, or has reasonable cause to suspect, that the sale or purchase of such bonds is directly or indirectly to or from such a person.

(2) A person (“P”) must not provide brokering services to a person falling within paragraph (4) in respect of Syrian bonds or bonds guaranteed by the Syrian regime and issued after 19 January 2012, if P knows, or has reasonable cause to suspect, that the person falls within paragraph (4).

(3) A person (“P”) must not provide—

- (a) brokering services,
- (b) advertising services, or
- (c) any other service,

if P knows, or has reasonable cause to suspect, that the provision of the service assists a person falling within paragraph (4) to issue Syrian bonds or bonds guaranteed by the Syrian regime.

(4) The following persons fall within this paragraph—

- (a) the Syrian regime;
- (b) a person falling within regulation 16(2) (Syrian credit or financial institutions);
- (c) a person acting on behalf of or at the direction of a person falling within sub-paragraph (a) or (b);
- (d) a person, other than an individual, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person falling within sub-paragraph (a), (b) or (c).

(5) Paragraphs (1) to (3) are subject to regulation 60 (exception for acts done for purposes of national security or prevention of serious crime).

- (6) A person who contravenes a prohibition in paragraph (1) to (3) commits an offence.
- (7) For the purposes of this regulation, “Syrian bonds” means bonds issued by the Syrian regime.

Commencement Information

- I10** Reg. 19 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Insurance and reinsurance services

20.—(1) A person (“P”) must not provide insurance or reinsurance services to the Syrian regime if P knows, or has reasonable cause to suspect, that P is providing such services to the Syrian regime.

(2) Paragraph (1) is subject to regulations 56 and 60 (exceptions).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) Nothing in this regulation prohibits compliance with an insurance or reinsurance agreement concluded before 19 January 2012.

(5) For the purposes of this regulation—

- (a) “insurance and reinsurance services” include the provision of services relating to the extension or renewal of an insurance or reinsurance agreement, except where there is an obligation, which arose before 19 January 2012, of the insurer or re-insurer to accept the extension or renewal;
- (b) “the Syrian regime” has the same meaning that it has in regulation 2, except that “a person acting on its behalf or under its direction” does not include any person who is acting under a direction which is given in relation to a ship or aircraft for the purposes of docking, loading or unloading the ship or aircraft or for any purpose in connection with the safe transit of the ship or aircraft in the territorial sea adjacent to Syria or in the airspace above it.

Commencement Information

- I11** Reg. 20 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Investments in relation to crude oil and electricity production

21.—(1) A person (“P”) must not directly or indirectly grant a loan or credit to a relevant entity (“E”), where P knows or has reasonable cause to suspect that E is a relevant entity.

(2) A person (“P”) must not directly or indirectly acquire or extend a participation, or acquire any ownership interest, in a relevant entity (“E”), where P knows or has reasonable cause to suspect that E is a relevant entity.

(3) A person (“P”) must not directly or indirectly create a joint venture with a relevant entity (“E”), where P knows or has reasonable cause to suspect that E is a relevant entity.

(4) But paragraphs (1) to (3) are not contravened by anything done in compliance with a contract or agreement which—

- (a) relates to the exploration, production or refining of crude oil and which was concluded before 23 September 2011, or
- (b) relates to the construction or installation of a new power plant for electricity production and which was concluded before 19 January 2012.

- (5) Paragraphs (1) to (3) are subject to Part 7 (Exceptions and licences).
- (6) A person who contravenes a prohibition in paragraphs (1) to (3) commits an offence.
- (7) For the purposes of paragraphs (1) to (3), “a relevant entity” is any person connected with Syria (within the meaning of regulation 27(5)), who is engaged in—
- (a) the exploration, production or refining of crude oil, or
 - (b) the construction or installation of a new power plant for electricity production.
- (8) In this regulation—
- “crude oil” has the same meaning given to it in paragraph 3 in Part 2 of Schedule 2;
- “exploration of crude oil” includes the exploration for, prospecting for and the management of crude oil reserves, as well as the provision of geological services in relation to such reserves;
- “petroleum products” has the same meaning given to it in paragraph 4 in Part 2 of Schedule 2;
- “refining of crude oil” means the processing, conditioning or preparation of oil for the production of petroleum products or any intermediate streams.

Commencement Information

I12 Reg. 21 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, **Sch. 5 para. 1(1)**), see [reg. 1\(3\)](#)

CHAPTER 3

Interpretation and further provision

Circumventing etc prohibitions

- 22.**—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—
- (a) to circumvent any of the prohibitions in regulations 11 to 21, or
 - (b) to enable or facilitate the contravention of any such prohibition.
- (2) A person who contravenes a prohibition in paragraph (1) commits an offence.

Commencement Information

I13 Reg. 22 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, **Sch. 5 para. 1(1)**), see [reg. 1\(3\)](#)

Interpretation of Part 3

- 23.**—(1) In this Part—
- “branch” means—
- (a) in relation to a UK credit or financial institution, a place of business which forms a legally dependent part of that institution and which carries out all or some of the transactions inherent in the business of that institution, or
 - (b) in relation to a credit or financial institution domiciled in Syria, a place of business which forms a legally dependent part of that institution and which carries out all or some of the transactions inherent in the business of that institution;

“credit or financial institution domiciled in Syria” means a person, other than an individual, who—

- (a) in the case of an undertaking domiciled in Syria, by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers, and
- (b) in the case of any other person domiciled in Syria, would satisfy the threshold conditions for permission under Part 4A of the Financial Services and Markets Act 2000 ^{M1} if it had its registered office (or if it does not have one, its head office) in the United Kingdom;

“subsidiary” has the meaning given by section 1159 of the Companies Act 2006 ^{M2};

“UK credit or financial institution” means—

- (a) a person that has permission under Part 4A of the Financial Services and Markets Act 2000 (permission to carry on regulated activity), or
- (b) an undertaking which by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers.

(2) In paragraph (1), the definitions of—

- (a) “credit or financial institution domiciled in Syria”, and
- (b) “UK credit or financial institution”,

are to be read with section 22 of the Financial Services and Markets Act 2000 ^{M3}, any relevant order under that section ^{M4} and Schedule 2 to that Act ^{M5}.

Commencement Information

I14 Reg. 23 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Marginal Citations

- M1** 2000 c.8. Part 4A was inserted by the [Financial Services Act 2012 \(c.21\)](#), [section 11\(2\)](#) and amended by [S.I. 2018/135](#).
- M2** 2006 c.46.
- M3** Section 22 was amended by the [Financial Guidance and Claims Act 2018 \(c.10\)](#), [section 27\(4\)](#); the [Financial Services Act 2012](#), section 7(1); [S.I. 2017/500](#) and [S.I. 2018/135](#).
- M4** [S.I. 2001/544](#) as most recently amended by [S.I. 2018/1288](#) and prospectively amended by [S.I. 2018/1403](#).
- M5** Schedule 2 was amended by the [Regulation of Financial Services \(Land Transactions\) Act 2005 \(c.24\)](#), [section 1](#); the [Dormant Bank and Building Society Accounts Act 2008 \(c.31\)](#), [section 15](#) and Schedule 2, paragraph 1; the [Financial Services Act 2012](#), sections 7(2) to (5) and 8; and [S.I. 2013/1881](#); and it is prospectively amended by [S.I. 2018/135](#).

Changes to legislation:

There are currently no known outstanding effects for the The Syria (Sanctions) (EU Exit) Regulations 2019, PART 3.