

Draft Regulations laid before Parliament under section 55(5) of the Sanctions and Anti-Money Laundering Act 2018, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2020 No.

**EXITING THE EUROPEAN UNION
SANCTIONS**

**The Sanctions (EU Exit) (Consequential
Provisions) (Amendment) Regulations 2020**

*Made - - - - - ***
Coming into force in accordance with regulation 1(2)*

The Secretary of State⁽¹⁾ makes the following regulations in exercise of the powers conferred by sections 1, 45, 54(2), (3) and (4) and 56 of the Sanctions and Anti-Money Laundering Act 2018⁽²⁾, considering that the requirements of section 45(2) of the Act are met, and having decided upon consideration of the matters set out in section 56(1) of the Act that it is appropriate to do so.

In accordance with section 55(5) of the Sanctions and Anti-Money Laundering Act 2018, a draft of this instrument has been laid before Parliament and approved by resolution of each House of Parliament.

Citation and commencement

1.—(1) These Regulations may be cited as the Sanctions (EU Exit) (Consequential Provisions) (Amendment) Regulations 2020.

(2) These Regulations come into force in accordance with regulations made by the Secretary of State under section 56 of the Sanctions and Anti-Money Laundering Act 2018.

Amendment of the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019

2.—(1) The ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019⁽³⁾ are amended as set out in paragraph (2).

(2) After regulation 58, insert—

(1) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 ([c.13](#)) is conferred on the appropriate Minister. Section 1(9)(a) of the Act defines an “appropriate Minister” as including the Secretary of State.
(2) [2018 c.13](#).
(3) [S.I. 2019/466](#), prospectively amended by [S.I. 2019/843](#), [S.I. 2020/591](#) and [S.I. 2020/950](#).

“Amendment of the Charities Act 2011

58A.—(1) The Charities Act 2011(4) is amended as set out in paragraph (2).

(2) In section 178(1), in Case J, before paragraph (b) insert—

“(aa) regulations 8 to 12 of the ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/466),”.

Amendment of the Sanctions and Anti-Money Laundering Act 2018

58B.—(1) The Sanctions and Anti-Money Laundering Act 2018 is amended as set out in paragraph (2).

(2) In section 49(3)(5), in the definition of “terrorist financing”, after paragraph (b) insert—

“(ba) any of regulations 8 to 13 of the ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/466),”.

Amendment of the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019

3.—(1) The Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019(6) are amended as set out in paragraph (2).

(2) After regulation 60, insert—

“Amendment of the Charities Act 2011

60A.—(1) The Charities Act 2011 is amended as set out in paragraph (2).

(2) In section 178(1), in Case J, for paragraph (b) substitute—

“(b) regulations 11 to 15 of the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/573), or”.

Amendment of the Sanctions and Anti-Money Laundering Act 2018

60B.—(1) The Sanctions and Anti-Money Laundering Act 2018 is amended as set out in paragraph (2).

(2) In section 49(3), in the definition of “terrorist financing”, for paragraph (c) substitute—

“(c) any of regulations 11 to 16 of the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/573), or”.

Amendment of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019

4.—(1) The Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019(7) are amended as set out in paragraph (2).

(2) After regulation 34, insert—

(4) 2011 (c.25). In section 178(1), paragraph (a) of Case J has been prospectively repealed by section 59(5) of and Part 2 of Schedule 3 to the Sanctions and Anti-Money Laundering Act 2018. Case J was inserted by section 9(5) of the Charities (Protection and Social Investment) Act 2016. There are other amendments to s.178 which are not relevant to this instrument.

(5) Paragraph (d) of the definition of “terrorist financing” is prospectively repealed by section 59(5) of and Part 2 of Schedule 3 to the Sanctions and Anti-Money Laundering Act 2018.

(6) S.I. 2019/573, prospectively amended by S.I. 2019/843, S.I. 2020/591 and S.I. 2020/950.

(7) S.I. 2019/577, prospectively amended by S.I. 2020/950.

“Amendment of the Charities Act 2011

34A.—(1) The Charities Act 2011 is amended as set out in paragraph (2).

(2) In section 178(1), in Case J, after paragraph (b) insert—

“(c) regulations 11 to 15 of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577).”

Amendment of the Sanctions and Anti-Money Laundering Act 2018

34B.—(1) The Sanctions and Anti-Money Laundering Act 2018 is amended as set out in paragraph (2).

(2) In section 49(3), in the definition of “terrorist financing”, after paragraph (c) insert—

“(ca) any of regulations 11 to 16 of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577).”

Amendment of the Electronic Money Regulations 2011

34C.—(1) The Electronic Money Regulations 2011(8) are amended as set out in paragraph (2).

(2) In regulation 13(8), after paragraph (c) insert—

“(ca) an offence under Part 3, 4 or 5 of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019;”.

Amendment of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

34D.—(1) The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017(9) are amended as set out in paragraph (2).

(2) In regulation 3(1), in the definition of “terrorist financing”, after paragraph (c) insert—

“(ca) any of regulations 11 to 16 of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019;”.

Amendment of the Payment Services Regulations 2017

34E.—(1) The Payment Services Regulations 2017(10) are amended as set out in paragraph (2).

(2) In regulation 14(5), after paragraph (c) insert—

“(ca) an offence under any of regulations 11 to 16 of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019;”.

(8) S.I. 2011/99. Regulation 13(8) is prospectively amended by S.I. 2020/591. There are other amendments which are not relevant to this instrument.

(9) S.I. 2017/692. Regulation 14 is prospectively amended by S.I. 2020/591. There are other amendments which are not relevant to this instrument.

(10) S.I. 2017/752. Regulation 14(5) is prospectively amended by S.I. 2020/591.

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory
Instrument: The Sanctions (EU Exit) (Consequential Provisions) (Amendment) Regulations 2020 No. 1289

Date

Name
Minister of State
Foreign, Commonwealth and Development
Office

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/466), the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/573) and the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577) (together, the “2019 Regulations”) to include in those Regulations a number of amendments to primary and secondary legislation, consequential on the coming into force of the 2019 Regulations.

Regulation 2 amends the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019; *regulation 3* amends the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019, and *regulation 4* amends the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019.

The amendments provide that those Regulations will themselves make amendments to section 178 of the Charities Act 2011 (c.25), to the definition of “terrorist financing” in section 49(3) of the Sanctions and Anti-Money Laundering Act 2018 (c.13), to the registration conditions at regulation 13 of the Electronic Money Regulations 2011 (S.I. 2011/99) and regulation 14 of the Payment Services Regulations 2017 (S.I. 2017/752) and to the definition of “terrorist financing” in regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692).

Section 178 of the Charities Act 2011 makes provision about persons disqualified from being charity trustees or trustees of a charity. The amendments made by these Regulations will remove references to persons designated under the ISIL (Da'esh) and Al-Qaida (Asset-Freezing) Regulations 2011 (S.I. 2011/2472) (the “2011 Regulations”), which are revoked by the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019. These amendments will also add references to persons designated under any of the 2019 Regulations.

Section 49 of the Sanctions and Anti-Money Laundering Act 2018 confers a power to make regulations enabling or facilitating the detection or investigation of terrorist financing, or preventing terrorist financing. Section 49(3) defines “terrorist financing” for these purposes by reference to offences under several other pieces of legislation. The amendments made by these Regulations will remove references to offences under the 2011 Regulations and add references to offences under the 2019 Regulations.

Regulation 13 of the Electronic Money Regulations 2011 provides that an applicant may be refused registration as a small electronic money institution if any of the individuals responsible for the management or operation of the business has been convicted of an offence under specified terrorist asset-freezing legislation. Regulation 14 of the Payment Services Regulations 2017 provides that an applicant may be refused registration as a small payment institution if any of the individuals responsible for the management or operation of the business has been convicted of an offence under certain provisions of terrorist asset-freezing legislation. The amendments made by these Regulations will add to those provisions a reference to certain offences under the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019. Regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 defines “terrorist financing” for the purposes of those regulations by reference to offences under several other pieces of legislation. The amendments made by these Regulations will add a reference to offences under the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 to that definition.

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Sanctions (EU Exit) (Consequential Provisions) (Amendment) Regulations 2020 No. 1289

An impact assessment has not been produced for these Regulations as no, or no significant, impact on the private, voluntary or public sectors is foreseen. Impact assessments were not produced for the 2019 Regulations, as they are each intended to ensure that existing sanctions remain in place following the United Kingdom's withdrawal from the European Union. An Impact Assessment was however produced for the Sanctions and Anti-Money Laundering Act 2018 and can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/653271/Sanctions_and_Anti-Money_Laundering_Bill_Impact_Assessment_18102017.pdf.