



# Terrorist Asset-Freezing etc. Act 2010

## 2010 CHAPTER 38

### PART 1

#### TERRORIST ASSET-FREEZING

### CHAPTER 2

#### PROHIBITIONS IN RELATION TO DESIGNATED PERSONS

##### *Prohibitions*

#### **11 Freezing of funds and economic resources**

- (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) In subsection (1) “deal with” means—
  - (a) in relation to funds—
    - (i) use, alter, move, allow access to or transfer,
    - (ii) deal with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
    - (iii) make any other change that would enable use, including portfolio management;
  - (b) in relation to economic resources, exchange or use in exchange for funds, goods or services.
- (3) Subsection (1) is subject to sections 16 and 17 (exceptions and licences).
- (4) A person who contravenes the prohibition in subsection (1) commits an offence.

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*Status: Point in time view as at 17/12/2010.*

*Changes to legislation: There are currently no known outstanding effects for the Terrorist Asset-Freezing etc. Act 2010, CHAPTER 2. (See end of Document for details)*

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## **12 Making funds or financial services available to designated person**

- (1) A person (“P”) must not make funds or financial services available (directly or indirectly) to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds or financial services so available.
- (2) Subsection (1) is subject to sections 16 and 17 (exceptions and licences).
- (3) A person who contravenes the prohibition in subsection (1) commits an offence.

## **13 Making funds or financial services available for benefit of designated person**

- (1) A person (“P”) must not make funds or financial services 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 or financial services so available.
- (2) For the purposes of this section—
  - (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 of a financial obligation for which the designated person is wholly or partly responsible.
- (3) Subsection (1) is subject to sections 16 and 17 (exceptions and licences).
- (4) A person who contravenes the prohibition in subsection (1) commits an offence.

## **14 Making economic resources available to designated person**

- (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, or use them in exchange, for funds, goods or services.
- (2) Subsection (1) is subject to section 17 (licences).
- (3) A person who contravenes the prohibition in subsection (1) commits an offence.

## **15 Making economic resources available for benefit of designated person**

- (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) For the purposes of this section—
  - (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 of a financial obligation for which the designated person is wholly or partly responsible.
- (3) Subsection (1) is subject to section 17 (licences).
- (4) A person who contravenes the prohibition in subsection (1) commits an offence.

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## *Exceptions and licences*

### **16 Exceptions**

- (1) The prohibitions in sections 11 to 13 are not contravened by a relevant institution crediting a frozen account with—
  - (a) interest or other earnings due on the account, or
  - (b) payments due under contracts, agreements or obligations that were concluded or arose before the account became a frozen account.
- (2) The prohibitions in sections 12 and 13 on making funds available do not prevent a relevant institution from crediting a frozen account where it receives funds transferred to the account.
- (3) The prohibition in section 13 is not contravened by the making of a payment which—
  - (a) is a benefit under or by virtue of an enactment relating to social security (irrespective of the name or nature of the benefit), and
  - (b) is made to a person who is not a designated person,whether or not the payment is made in respect of a designated person.
- (4) A relevant institution must inform the Treasury without delay if it credits a frozen account in accordance with subsection (1)(b) or (2).
- (5) In this section “frozen account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person.

### **17 Licences**

- (1) The prohibitions in sections 11 to 15 do not apply to anything done under the authority of a licence granted by the Treasury.
- (2) Where relevant such a licence also constitutes authorisation under Article 6 of Council Regulation [\(EC\) No 2580/2001](#) of 27 December 2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism.
- (3) A licence must specify the acts authorised by it and may be—
  - (a) general or granted to a category of persons or to a particular person;
  - (b) subject to conditions;
  - (c) of indefinite duration or subject to an expiry date.
- (4) The Treasury may vary or revoke a licence at any time.
- (5) On the grant, variation or revocation of a licence, the Treasury must—
  - (a) in the case of a licence granted to a particular person, give written notice of the grant, variation or revocation to that person;
  - (b) in the case of a general licence or a licence granted to a category of persons, take such steps as the Treasury consider appropriate to publicise the grant, variation or revocation of the licence.
- (6) A person commits an offence who, for the purpose of obtaining a licence, knowingly or recklessly—
  - (a) provides information that is false in a material respect, or
  - (b) provides or produces a document that is not what it purports to be.

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- (7) A person who purports to act under the authority of a licence but who fails to comply with any conditions included in the licence commits an offence.

*Circumventing prohibitions etc.*

## **18 Circumventing prohibitions etc.**

A person commits an offence who intentionally participates in activities knowing that the object or effect of them is (whether directly or indirectly)—

- (a) to circumvent any of the prohibitions in sections 11 to 15, or
- (b) to enable or facilitate the contravention of any such prohibition.

**Status:**

Point in time view as at 17/12/2010.

**Changes to legislation:**

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