



# Sanctions and Anti-Money Laundering Act 2018

## 2018 CHAPTER 13

### PART 1

#### SANCTIONS REGULATIONS

### CHAPTER 1

#### POWER TO MAKE SANCTIONS REGULATIONS

#### *Types of sanction*

### **3 Financial sanctions**

- (1) For the purposes of section 1(5)(a) regulations “impose financial sanctions” if they impose prohibitions or requirements for one or more of the following purposes—
- (a) freezing funds or economic resources owned, held or controlled by designated persons (see section 9);
  - (b) preventing financial services from being provided to, or for the benefit of—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;
  - (c) preventing financial services from being procured from, or for the benefit of—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;

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*Status: Point in time view as at 04/03/2024.*

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- (d) preventing funds or economic resources from being made available to, or for the benefit of—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;
  - (e) preventing funds or economic resources from being received from—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;
  - (f) preventing financial services from being provided, where the services relate to financial products, or financial products of a prescribed description, issued by designated persons;
  - (g) preventing persons from owning, controlling or having a prescribed interest in persons (other than individuals) which are—
    - (i) designated persons,
    - (ii) connected with a prescribed country, or
    - (iii) of a prescribed description and connected with a prescribed country.
- (2) For the purposes of section 1(5)(a) regulations also “impose financial sanctions” if they impose prohibitions or requirements for the purpose of preventing persons from entering into, or continuing to be a party to, arrangements for commercial purposes, or for prescribed commercial purposes, with—
- (a) designated persons,
  - (b) persons connected with a prescribed country, or
  - (c) a prescribed description of persons connected with a prescribed country.
- (3) In subsection (1) any reference to funds, economic resources or financial services being made available, received, procured or provided is to their being made available, received, procured or provided (as the case may be) directly or indirectly.
- (4) In subsection (2) “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).
- (5) Sections 60 and 61 contain definitions for the purposes of this Act of—
- “economic resources”,
  - “financial products”,
  - “financial services”,
  - “freeze”, and
  - “funds”.
- (6) Section 62 makes provision about the meaning of —
- (a) funds or economic resources being “owned, held or controlled” or “made available” (see subsection (4) of that section),
  - (b) a person “owning” or “controlling” another person (see subsection (5) of that section), and
  - (c) a person being “connected with” a country (see subsection (6) of that section).

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#### Commencement Information

**II** S. 3 in force at 22.11.2018 by S.I. 2018/1213, reg. 2(a)

### [<sup>F1</sup>3A Director disqualification sanctions

- (1) For the purposes of section 1(5)(aa) regulations “impose director disqualification sanctions” if they provide for designated persons (see section 9) to be persons subject to director disqualification sanctions for the purposes of—
  - (a) section 11A of the Company Directors Disqualification Act 1986, and
  - (b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.
- (2) As to the effect of such provision, see—
  - (a) section 11A of the Company Directors Disqualification Act 1986, and
  - (b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.]

#### Textual Amendments

**F1** S. 3A inserted (26.10.2023 for specified purposes, 4.3.2024 in so far as not already in force) by Economic Crime and Corporate Transparency Act 2023 (c. 56), ss. 35(3), 219(1)(2)(b); S.I. 2024/269, reg. 2(y)

### 4 Immigration sanctions

- (1) For the purposes of section 1(5)(b) regulations “impose immigration sanctions” if they provide for designated persons (see section 9) to be excluded persons for the purposes of section 8B of the Immigration Act 1971.
- (2) As to the effect of such provision, see section 8B of the Immigration Act 1971 (as amended by paragraph 1 of Schedule 3 to this Act).

#### Commencement Information

**II** S. 4 in force at 22.11.2018 by S.I. 2018/1213, reg. 2(a)

### 5 Trade sanctions

- (1) For the purposes of section 1(5)(c) regulations “impose trade sanctions” if they impose prohibitions or requirements for one or more of the purposes mentioned in Part 1 of Schedule 1.
- (2) Part 2 of that Schedule makes further provision in connection with regulations which impose trade sanctions.

#### Commencement Information

**II** S. 5 in force at 22.11.2018 by S.I. 2018/1213, reg. 2(a)

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## 6 Aircraft sanctions

- (1) For the purposes of section 1(5)(d) regulations “impose aircraft sanctions” if they impose prohibitions or requirements for one or more of the following purposes—
  - (a) detaining disqualified aircraft (see subsection (6)) within the United Kingdom, or controlling the movement of disqualified aircraft within the United Kingdom and the airspace over the United Kingdom;
  - (b) ensuring that disqualified aircraft—
    - (i) do not overfly the United Kingdom, or
    - (ii) leave the airspace over the United Kingdom;
  - (c) preventing persons from owning, chartering or operating aircraft registered in a prescribed country;
  - (d) preventing aircraft from being registered in a prescribed country;
  - (e) preventing the registration of—
    - (i) aircraft in which a designated person (see section 9) holds a prescribed interest (or designated persons, taken together, hold a prescribed interest), or
    - (ii) aircraft chartered by demise to designated persons.
- (2) For the purposes of section 1(5)(d) regulations also “impose aircraft sanctions” if they authorise directions within subsection (3), (4) or (5).
- (3) Directions are within this subsection if they are given for a purpose mentioned in subsection (1)(a) or (b) and either—
  - (a) they are given by the Secretary of State to—
    - (i) the CAA,
    - (ii) a person who holds a licence under Chapter 1 of Part 1 of the Transport Act 2000 (air traffic services), or
    - (iii) an airport operator, or
  - (b) they are given to the operator or pilot in command of a disqualified aircraft by—
    - (i) the Secretary of State, or
    - (ii) a person mentioned in paragraph (a)(i), (ii) or (iii).
- (4) Directions are within this subsection if they are given by the Secretary of State to the CAA for the purpose of terminating the registration of any aircraft mentioned in subsection (1)(e).
- (5) Directions are within this subsection if they are given by the Secretary of State to the operator or pilot in command of a British-controlled aircraft for the purpose of preventing the aircraft from—
  - (a) overflying a prescribed country, or
  - (b) landing in a prescribed country.
- (6) In this section “disqualified aircraft” means aircraft—
  - (a) owned, chartered or operated by—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country,
  - (b) registered in a prescribed country, or

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- (c) originating from a prescribed country.
- (7) Provision authorising directions by virtue of subsection (2) may include provision—
  - (a) as to the effect of any such directions so far as they are inconsistent with requirements or permissions under any other enactment;
  - (b) requiring a person not to disclose any such directions if the Secretary of State notifies the person to that effect.
- (8) For the purposes of this section any reference to the United Kingdom includes a reference to the territorial sea.
- (9) In this section “aircraft”—
  - (a) subject to paragraph (b), includes—
    - (i) unmanned aircraft, and
    - (ii) aircraft capable of spaceflight activities;
  - (b) does not include the naval, military or air-force aircraft of any country.
- (10) In this section—
  - “airport” means the aggregate of the land, buildings and works comprised in an aerodrome within the meaning of the Civil Aviation Act 1982 (see section 105(1) of that Act);
  - “airport operator”, in relation to an airport, means the person by whom the airport is managed;
  - “British-controlled aircraft” has the same meaning as in section 92 of the Civil Aviation Act 1982;
  - “the CAA” means the Civil Aviation Authority;
  - “enactment” includes an enactment mentioned in any of paragraphs (a) to (d) of section 54(6);
  - “operator”, in relation to an aircraft, means the person having the management of the aircraft, and cognate expressions are to be construed accordingly;
  - “pilot in command”, in relation to an aircraft, means the pilot designated by the operator as being in command and charged with the safe conduct of its flight, without being under the direction of any other pilot in the aircraft;
  - “registration” means registration in the register of aircraft kept by the CAA.

#### **Commencement Information**

**I4** S. 6 in force at 22.11.2018 by [S.I. 2018/1213](#), [reg. 2\(a\)](#)

## **7 Shipping sanctions**

- (1) For the purposes of section 1(5)(e) regulations “impose shipping sanctions” if they impose prohibitions or requirements for one or more of the following purposes—
  - (a) detaining within the United Kingdom, or controlling the movement within the United Kingdom of—
    - (i) disqualified ships (see subsection (8)), or
    - (ii) specified ships (see section 14);
  - (b) ensuring that disqualified ships or specified ships—
    - (i) do not enter the United Kingdom, or

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- (ii) leave the United Kingdom;
  - (c) preventing persons from owning, controlling, chartering or operating—
    - (i) ships registered in a prescribed country,
    - (ii) ships flying the flag of a prescribed country, or
    - (iii) specified ships;
  - (d) preventing ships from—
    - (i) being registered in a prescribed country, or
    - (ii) flying the flag of a prescribed country;
  - (e) preventing the registration of—
    - (i) ships in which a designated person (see section 9) holds a prescribed interest (or designated persons, taken together, hold a prescribed interest),
    - (ii) ships in which persons connected with a prescribed country hold a prescribed interest, or
    - (iii) specified ships.
- (2) For the purposes of section 1(5)(e) regulations also “impose shipping sanctions” if they authorise directions within subsection (3), (4) or (5).
- (3) Directions are within this subsection if they are given for a purpose mentioned in subsection (1)(a) or (b) and either—
- (a) they are given to a harbour authority by the Secretary of State, or
  - (b) they are given to the master or pilot of a disqualified ship or a specified ship by—
    - (i) the Secretary of State, or
    - (ii) a harbour authority.
- (4) Directions are within this subsection if they are given by the Secretary of State to the Registrar for the purpose of terminating the registration of any ship mentioned in subsection (1)(e).
- (5) Directions are within this subsection if they are given by the Secretary of State to the master or pilot of a British ship (see subsections (12) and (13)) for the purpose of preventing the ship from travelling to—
- (a) the sea or other waters within the seaward limits of the territorial sea adjacent to a prescribed country, or a particular place in that sea or those waters, or
  - (b) harbours in a prescribed country.
- (6) For the purposes of section 1(5)(e) regulations also “impose shipping sanctions” if, for the purpose of the implementation of so much of a UN Security Council Resolution as provides for the taking of measures in relation to ships designated for purposes of that resolution, they make provision—
- (a) relating to such ships and corresponding to provision that may be made by virtue of subsection (1)(a), (b), (c) or (e),
  - (b) authorising directions corresponding to directions within subsection (3) to be given in relation to, or to the master or pilot of, such a ship, or
  - (c) authorising directions corresponding to directions within subsection (4) to be given in relation to such a ship.

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- (7) Provision made by virtue of subsection (6) may describe the ships to which it relates by reference to the instrument in which the ships are designated, including by reference to that instrument as varied or supplemented from time to time.
- (8) In this section “disqualified ships” means ships—
- (a) owned, controlled, chartered, operated or crewed by—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country,
  - (b) registered in a prescribed country,
  - (c) flying the flag of a prescribed country, or
  - (d) originating from a prescribed country.
- (9) Provision authorising directions by virtue of this section may include provision as to the effect of any such directions so far as they are inconsistent with requirements under any other enactment.
- (10) Provision made by virtue of this section may include provision as to the meaning of any reference in the provision to a ship being “crewed” by persons.
- (11) In subsection (1) any reference to the United Kingdom includes a reference to the territorial sea.
- (12) In this section “British ship” means a ship which—
- (a) is registered under Part 2 of the Merchant Shipping Act 1995,
  - (b) is a Government ship within the meaning of that Act,
  - (c) is registered under the law of a relevant British possession,
  - (d) is not registered under the law of a country outside the United Kingdom but is wholly owned by persons each of whom has a United Kingdom connection, or
  - (e) is registered under an Order in Council under section 1 of the Hovercraft Act 1968.
- (13) For the purposes of subsection (12)(d), a person has a “United Kingdom connection” if the person is—
- (a) a British citizen, a British overseas territories citizen or a British Overseas citizen,
  - (b) an individual who is habitually resident in the United Kingdom, or
  - (c) a body corporate which is established under the law of a part of the United Kingdom and has its principal place of business in the United Kingdom.
- (14) In this section—
- “enactment” includes an enactment mentioned in any of paragraphs (a) to (d) of section 54(6);
  - “harbour authority” has the same meaning as in the Merchant Shipping Act 1995 (see section 313(1) of that Act);
  - “master” includes every person (except a pilot) having command or charge of a ship and, in relation to a fishing vessel, means the skipper;
  - “pilot”, in relation to a ship, means any person not belonging to the ship who has the conduct of the ship;

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“the Registrar” means the Registrar General of Shipping and Seamen or, where functions of that person are being discharged by another person, that other person;

“registration” means registration in the register of British ships maintained by the Registrar;

“relevant British possession” means—

- (a) any of the Channel Islands,
- (b) the Isle of Man, or
- (c) any British overseas territory;

“ship” includes every description of vessel (including a hovercraft) used in navigation, except the naval, military or air-force ships of any country.

**Commencement Information**

**I5** S. 7 in force at 22.11.2018 by [S.I. 2018/1213](#), [reg. 2\(a\)](#)

**8 Other sanctions for purposes of UN obligations**

- (1) For the purposes of section 1(5)(f), regulations impose sanctions within this section if they impose prohibitions or requirements, not otherwise authorised by this Part, which the appropriate Minister making the regulations considers that it is appropriate to impose for the purposes of compliance with a UN obligation.
- (2) The reference in subsection (1) to prohibitions or requirements includes prohibitions or requirements imposed on or otherwise relating to designated persons (see section 9).

**Commencement Information**

**I6** S. 8 in force at 22.11.2018 by [S.I. 2018/1213](#), [reg. 2\(a\)](#)



**Status:**

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