

EXPLANATORY MEMORANDUM TO
THE IRAN (UNITED NATIONS SANCTIONS) (AMENDMENT)

ORDER 2010

2010 No.2978

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 Instrument**

2.1 This instrument, The Iran (United Nations Sanctions) (Amendment) Order 2010 (the “Amendment Order”) implements aspects of United Nations sanctions against Iran, to give effect to UN sanctions and to supplement existing trade controls. In particular, the Amendment Order prohibits the carriage of military and WMD goods (other than permitted light water reactor goods) to Iran using UK flag vessels or UK registered aircraft, the procurement of military or WMD goods from Iran, the use of UK flag vessels and aircraft for the carriage of such goods, and the provision of supply services to Iranian ships in specified circumstances.

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

3.1 None. The Order will be made at the Privy Council meeting on 15th December 2010 and laid before Parliament on the following day. The Order will come into force the day after it is laid so that sanctions can be enforced immediately.

4. **Legislative Background**

4.1 The Amendment Order will implement aspects of resolution 1737(2006), 1747(2007), 1803(2008) and 1929(2010). The last in this series, 1929(2010), was adopted by the Security Council of the United Nations on 9 June 2010.

4.2 The procurement of arms and related materiel from Iran was prohibited under UN Security Council Resolution 1747 (2007). All States are required to prohibit the procurement of such items using their flag vessels or aircraft. This was implemented by the United Kingdom in the Iran (United Nations Sanctions) Order 2009 (8th April 2009).

4.3 The supply of proliferation materiel was prohibited by UN Security Council Resolution 1737(2006). The supply of key military equipment to Iran is prohibited by 1929 (2010). Trade in military goods within the EU is a matter of Member State competence. The main UK export control legislation “The Export Control Order 2008”, prohibits the supply or export of military goods to Iran. Where military goods are procured from Iran, UK trade controls under the Export Control Order 2008 prohibit persons in the UK, or UK persons anywhere, from procuring such goods from Iran destined for a third country which is an embargoed destination under international sanctions. The existing trade controls do not apply however to the

supply of such goods to an embargoed destination using UK flag vessels or aircraft not under the control of a UK person, or the supply of most items on the military list to a destination which is not an embargoed destination.

4.4 The Amendment Order prohibits the procurement of military and WMD goods from Iran regardless of destination. The prohibition means that any person in the UK or any UK person anywhere else, involved in such procurement or attempted procurement, commits a criminal offence. Any prohibited goods which are procured or attempted to be procured are liable to be seized and forfeited. In addition, the Amendment Order prohibits the use of UK ships or UK registered aircraft for the carriage of military and WMD goods to Iran, or from Iran to any destination. Any person in control of a UK ship or UK registered aircraft, used by them knowingly for the carriage of military goods, to or from Iran commits an offence. Ancillary powers of investigation are provided in relation to suspected breaches of these prohibitions. Criminal penalties are provided for breaches of the provisions of the Amendment Order.

4.5 The Amendment Order also prohibits the supply of bunkering and other services to Iranian ships suspected of carrying proliferation sensitive or military goods. Anyone knowingly involved in providing such services to suspected ships commits an offence.

5. Territorial extent and application

5.1 The Amendment Order extends to all of the United Kingdom. It also applies to UK persons, UK ships and UK registered aircraft outwith the United Kingdom in defined circumstances.

6. European Convention on Human Rights

6.1 The Amendment Order is made under section 1 of the United Nations Act 1946, and although laid, is not subject to any Parliamentary procedure. As the instrument is not subject to Parliamentary procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The UK fully supports the UN restrictive measures against Iran.

7.2 The Amendment Order assists the UK's compliance with its UN obligations to implement restrictive measures.

8. Consultation outcome

8.1 There was no consultation in the UK.

9. Guidance

9.1 Guidance may be sought from the contacts below.

10. Impact

10.1 A Regulatory Impact Assessment has not been prepared for this instrument, as it has no impact on business, charities or voluntary bodies.

10.2 The impact on the public sector is low.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring and review

12.1 UN sanctions measures are monitored and reviewed by the Security Council.

12.2 If the UN measures are suspended or lifted, this Amendment Order will be reviewed and suspended or revoked as necessary.

13. Contacts

Paul Jancar (policy), Katharine Shepherd (legal), at the Foreign and Commonwealth Office can answer questions regarding this instrument; e-mail Paul.Jancar@fco.gov.uk (tel 020 7008 2558); or Katharine.Shepherd@fco.gov.uk, (tel: 020 7008 3940).