

2014 No. 3230

CRIMINAL LAW

**The Ukraine (European Union Financial Sanctions) (No.3)
(Amendment No.2) Regulations 2014**

Made - - - - at 11.30 a.m. on 8th December 2014

Laid before Parliament at 3.30 p.m. on 8th December 2014

Coming into force - - at 4.30 p.m. on 8th December 2014

The Treasury are designated(a) for the purposes of section 2(2) of the European Communities Act 1972(b) in relation to restrictive measures against persons or bodies listed by an international organisation.

The Treasury, in exercise of the powers conferred by section 2(2) of the European Communities Act 1972, make the following Regulations.

Citation and commencement

1. These Regulations may be cited as the Ukraine (European Union Financial Sanctions) (No.3) (Amendment No.2) Regulations 2014 and shall come into force at 4.30 p.m. on 8th December 2014.

Amendments to the Ukraine (European Union Financial Sanctions) (No.3) Regulations 2014

2. The Ukraine (European Union Financial Sanctions) (No.3) Regulations 2014(c) are amended as follows.

(1) In regulation 3A (dealing with transferable securities and money-market instruments after 15th September 2014), at the end of paragraph (2)(c) insert “except a legal person, entity or body active in the space or nuclear energy sectors,”.

(2) In regulation 3B (loan or credit arrangements after 15th September 2014)—

(a) in paragraph (1), for “make or be part of any arrangement to make a loan or credit with a maturity exceeding 30 days, directly or indirectly,” substitute “directly or indirectly make or be part of any arrangement to make new loans or credit with a maturity exceeding 30 days”;

(b) for paragraph (2) substitute—

“(2) The prohibition in paragraph (1) does not apply where—

(a) S.I. 2010/1834.

(b) 1972 c.68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c. 51) and the European Union (Amendment) Act 2008 (c. 7), Schedule, Part 1.

(c) S.I. 2014/2054, as amended by S.I. 2014/2445.

- (a) such a loan or credit arrangement has a specific and documented objective to provide financing for non-prohibited imports or exports of goods and non-financial services, between the European Union and any third State, including the expenditure for goods and services from another third State that is necessary for executing the export or import contracts, or
- (b) such a loan arrangement has a specific and documented objective to provide emergency funding to meet solvency and liquidity criteria for legal persons established in the European Union, more than 50% of the proprietary rights in which are owned by any entity referred to in Annex III to the Council Regulation.”

3. After regulation 3B insert—

“Drawdown or disbursements made under contracts concluded before 15th September 2014

3C.—(1) The prohibition in regulation 3B(1) does not apply to drawdowns or disbursements made under a contract concluded before 15th September 2014, where the conditions in paragraph (2) are met.

(2) The conditions referred to in paragraph (1) are that—

- (a) all the terms and conditions of such drawdowns or disbursements—
 - (i) were agreed before 15th September 2014;
 - (ii) have not been modified on or after that date; and
- (b) a contractual maturity date has been fixed for the repayment in full of all funds made available and for the cancellation of all the commitments, rights and obligations.

(3) The terms and conditions of the drawdowns and disbursements referred to in paragraph (2) include provisions concerning the length of the repayment period for each drawdown or disbursement, the interest rate applied or the interest rate calculation method, and the maximum amount.”.

*Mark Lancaster
Gavin Barwell*

At 11.30 a.m. on 8th December 2014 Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Ukraine (European Union Financial Sanctions) (No.3) Regulations 2014 (S.I. 2014/2054) (“the 2014 Regulations”). The 2014 Regulations make provision relating to the enforcement of Council Regulation (EU) No. 833/2014 of 31st July 2014 concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p.1) (“the First Council Regulation”). The First Council Regulation has previously been amended by Council Regulation (EU) No. 960/2014 of 8th September 2014 (OJ L 271, 12.9.2014, p.3) (“the Second Council Regulation”). The 2014 Regulations were amended by the Ukraine (European Union Financial Sanctions) (No.3) (Amendment) Regulations 2014 (S.I. 2014/2445) to reflect the measures included in the Second Council Regulation.

The restrictive measures in the First Council Regulation include prohibitions on the buying, selling, providing investment services relating to, or assistance in the issuance of, or otherwise dealing in transferable securities and money market instruments and making or being part of an arrangement to provide loans or credits to certain specified persons, entities or bodies. In addition to having been amended by the Second Council Regulation, the First Council Regulation has been further amended by Council Regulation (EU) No. 1290/2014 of 4th December 2014 (OJ L 1290, 5.12.2014, p.20) (“the Amending Regulation”). The Amending Regulation includes new measures which extend the circumstances in which the prohibition on making or being part of any arrangement to make loans or credits with certain specified persons, entities or bodies will not apply.

These Regulations amend the 2014 Regulations to reflect the amendments made to the First Council Regulation by the Amending Regulation and to ensure that the 2014 Regulations more closely reflect the terms of the First Council Regulation.

Regulations 2(1) and 2(2)(a) amend the 2014 Regulations to more closely reflect the terms of the prohibition on dealing with transferable securities and money market instruments and the prohibition on making or being part of an arrangement to provide loans or credits provided for in the First Council Regulation.

Regulation 2(2)(b) amends the exemption from the prohibition on being part of any arrangement to make new loans or credit to include circumstances where there is a specific or documented objective to provide financing for trade and non-financial services.

Regulation 3 introduces a new exemption from the prohibition on being part of any arrangement to make new loans or credit in circumstances where a new drawdown or disbursement is due on a loan or credit arrangement which was agreed before 15th September 2014 and certain other conditions are met.

A list of major credit institutions or other major institutions and legal persons, entities or bodies listed in Annexes III, V and VI to the Council Regulation is available on the internet via: (<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>) or can be obtained from Financial Sanctions, H.M. Treasury, 1 Horse Guards Road, London, SW1A 2HQ.

Further information is available from Financial Sanctions, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and on the H.M. Treasury website (www.gov.uk/government/organisations/hm-treasury).

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