
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c.13) (“SAML A”) to establish a sanctions regime to further the prevention of terrorism in the United Kingdom and elsewhere, to protect the interests of national security in the United Kingdom and to implement the United Kingdom’s international obligations under resolution 1373 (2001) adopted by the Security Council of the United Nations on 28 September 2001 (“resolution 1373”).

Following the repeal by section 59(1) of SAML A of Part 1 of the Terrorist Asset-Freezing etc. Act 2010 (“TAF A”), these Regulations will continue to implement the United Kingdom’s obligations under resolution 1373.

The Regulations confer a power on the Treasury to designate persons who are, or have been, involved in terrorism. Designated persons will be subject to financial sanctions, including having their funds and economic resources frozen.

The Regulations provide for certain exceptions to this sanctions regime, in particular in relation to financial sanctions (for example to allow for frozen accounts to be credited with interest or other earnings) and also acts done for the purpose of national security or the prevention of serious crime. The Regulations confer powers on the Treasury to issue licences in respect of activities that would otherwise be prohibited under the financial sanctions imposed.

The Regulations make it a criminal offence to contravene, or circumvent, any of the prohibitions in these Regulations and prescribe the mode of trial and penalties that apply to such offences. The Regulations prescribe powers for the provision and sharing of information to enable the effective implementation and enforcement of the sanctions regime. The Regulations provide transitional provisions for the continuation of applicable exceptions and licences currently relied on under TAF A.

An Impact Assessment has not been produced for these Regulations, This instrument is intended to substantially deliver the same policy effects as the existing UK sanctions. An impact assessment was, however, produced for the primary legislation and can be found at <https://publications.parliament.uk/pa/bills/lbill/20172019/0069/sanctions-and-anti-money-laundering-IA.pdf>. Copies may be obtained from Her Majesty’s Treasury, Sanctions and Illicit Finance Team, International & EU Group, 1 Horse Guards Road, London, SW1A 2HQ.