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STATUTORY INSTRUMENTS

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**2019 No. 792**

**The Syria (Sanctions) (EU Exit) Regulations 2019**

**PART 7**

Exceptions and licences

**Asset-freeze etc: exceptions from prohibitions**

**55.**—(1) The prohibition in regulation 11 (asset-freeze in relation to designated persons) is not contravened by an independent person (“P”) transferring to another person a legal or equitable interest in funds or economic resources where, immediately before the transfer, the interest—

- (a) is held by P, and
- (b) is not held jointly with the designated person.

(2) In paragraph (1), “independent person” means a person who—

- (a) is not the designated person, and
- (b) is not owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(3) The prohibitions in regulations 11 to 13 (asset-freeze in relation to, and making funds available to or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account with interest or other earnings due on the account.

(4) The prohibitions in regulations 12 and 13 (making funds available to, or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account where it receives funds transferred to that institution for crediting to that account.

(5) The prohibitions in regulations 12 and 13 are not contravened by the transfer of funds to a relevant institution for crediting to an account held or controlled (directly or indirectly) by a designated person, where those funds are transferred in discharge (or partial discharge) of an obligation which arose before the date on which the person became a designated person.

(6) The prohibitions in regulations 11 to 13 are not contravened in relation to a designated person (“P”) by a transfer of funds from account A to account B, where—

- (a) account A is with a relevant institution which carries on an excluded activity within the meaning of section 142D of the Financial Services and Markets Act 2000(1),
- (b) account B is with a ring-fenced body within the meaning of section 142A of the Financial Services and Markets Act 2000(2), and
- (c) accounts A and B are held or controlled (directly or indirectly) by P.

(7) In this regulation—

“designated person” has the same meaning as it has in Chapter 1 of Part 3 (Finance);

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(1) Section 142D was inserted by the Financial Services (Banking Reform) Act 2013 (c.33), section 4(1).

(2) Section 142A was inserted by the Financial Services (Banking Reform) Act 2013, section 4(1).

“frozen account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person;

“relevant institution” means a person that has permission under Part 4A of the Financial Services and Markets Act 2000 (permission to carry on regulated activity).

(8) The definition of “relevant institution” in paragraph (7) is to be read with section 22 of the Financial Services and Markets Act 2000, any relevant order under that section and Schedule 2 to that Act.

### **Exceptions relating to insurance and reinsurance services**

**56.**—(1) The prohibition in regulation 20 (insurance and reinsurance services) is not contravened by—

- (a) the provision of compulsory or third party insurance to an individual who is a national of Syria or to a body incorporated or constituted under the law of Syria which is located in the United Kingdom;
- (b) the provision of insurance for a diplomatic mission or consular post of Syria in the United Kingdom.

(2) The prohibition in regulation 20, insofar as it prohibits the provision of insurance or reinsurance services to persons acting on behalf or at the direction of the Syrian regime, is not contravened by—

- (a) the provision of insurance or reinsurance services to an individual acting on behalf or at the direction of the Syrian regime, provided that the insurance or reinsurance is for that individual’s personal use;
- (b) the provision of insurance or reinsurance services to a person who is the owner of a ship or aircraft which is chartered, or a vehicle which is hired, by the Syrian regime, provided that the person is not a designated person.

### **Exceptions relating to petroleum products**

**57.**—(1) A relevant prohibition is not contravened where funds or economic resources are made available from the account of a diplomatic mission or consular post for the purposes of—

- (a) purchasing, supplying or delivering petroleum products, or
- (b) providing funds, economic resources or financial services in relation to the purchase, delivery or supply of petroleum products,

where the petroleum products are purchased exclusively for the official purposes of that diplomatic mission or that consular post (as the case may be).

(2) A relevant prohibition is not contravened where funds or economic resources are made available by a UK funded person for the purposes of—

- (a) purchasing, supplying or delivering petroleum products, or
- (b) providing funds, economic resources or financial services in relation to the purchase, supply or delivery of petroleum products,

where the petroleum products are purchased, supplied or delivered exclusively for the purposes of providing a humanitarian assistance activity.

(3) For the purposes of paragraphs (1) and (2), “a relevant prohibition” means—

- (a) a prohibition in any of regulations 12 to 15,
- (b) the prohibition in regulation 37(1) (purchase of military goods and technology, crude oil and petroleum products),

(c) the prohibition in regulation 38(1) (transport of military goods, crude oil and petroleum products),

(d) the prohibitions in regulation 40(1)(b) and (c) (prohibitions relating to the provision of financial services and funds associated with purchase and transport prohibitions).

(4) The prohibition in regulation 37(1)(b) is not contravened where a person acquires kerosene jet fuel, which is located in Syria, intending that it be used exclusively for the purpose of the continuation of the flight operation of the aircraft into which the kerosene jet fuel is to be loaded.

(5) A person (“P”) must notify the Secretary of State if P makes funds or economic resources available in accordance with paragraph (2) by no later than the end of the calendar year in which the funds or economic resources are made available.

(6) A person who fails to comply with the requirement in paragraph (5) commits an offence.

(7) In this regulation—

“kerosene jet fuel” means any thing falling within paragraph 2(c) in Part 2 of Schedule 2;

“petroleum products” has the meaning given to it in Schedule 2;

“UK funded person” means any person that receives funding from any part of the Government of the United Kingdom for the purpose of providing a humanitarian assistance activity in Syria.

#### **Trade: exceptions from further prohibitions**

**58.**—(1) This paragraph applies where aviation fuel or aviation fuel additives are exclusively for use by non-Syrian aircraft landing in Syria for the purpose of the continuation of the flight operation of that aircraft.

(2) Where paragraph (1) applies, the following prohibitions are not contravened—

(a) regulation 29 (export prohibition);

(b) regulation 30 (supply and delivery prohibition);

(c) regulation 31 (prohibition in connection with making goods and technology available);

(d) regulation 32 (transfer of technology prohibition);

(e) regulation 34 (prohibitions relating to the associated provision of financial services and funds);

(f) regulation 35 (prohibitions relating to the associated provision of brokering services).

(3) The prohibitions in regulation 46 (luxury goods) are not contravened by the export, supply, delivery or making available of—

(a) the personal effects of a person travelling to Syria;

(b) goods of a non-commercial nature for the personal use of a person travelling to Syria and contained in that person’s luggage.

(4) The following prohibitions are not contravened by any thing done in accordance with paragraph 10 of resolution 2118 to ensure the elimination of the chemical weapons programme of the Syrian regime—

(a) the prohibitions in regulation 36(1) and (2), insofar as they relate to arms and related materiel (import of arms and related materiel);

(b) the prohibition in regulation 38(1), insofar as it relates to military goods (transport of military goods);

(c) regulation 39(1) (transfer of military technology);

- (d) the prohibition in regulation 40(1)(a), insofar as it relates to arms and related materiel (prohibition relating to the provision of financial services and funds relating to the import of arms and related materiel);
  - (e) the prohibition in regulation 40(1)(c), insofar as it relates to military goods (prohibition relating to the provision of financial services and funds relating to the transport of military goods);
  - (f) the prohibition in regulation 40(1)(e) (prohibition relating to the provision of financial services and funds relating to the transfer of military technology).
- (5) For the purposes of this regulation—
- “aviation fuel and aviation fuel additives” has the meaning given to it in paragraph 2 in Part 2 of Schedule 2;
  - “luxury goods” has the meaning given to it in paragraph 7 in Part 2 of Schedule 2;
  - “non-Syrian aircraft” means an aircraft registered in a country other than Syria;
  - “resolution 2118” means resolution 2118 (2013) adopted by the Security Council on 27 September 2013.

#### **Aircraft: exceptions from prohibitions**

**59.**—(1) The prohibition in regulation 51(1) is not contravened by an aircraft falling within that paragraph (“A”) landing in the United Kingdom, where—

- (a) A lands in the United Kingdom to avoid endangering the lives of persons on board or the safety of the aircraft;
  - (b) A, which is engaged in non-scheduled international air services, exercises its right to land in the United Kingdom for non-traffic purposes in accordance with Article 5 of the Chicago Convention;
  - (c) A, which is engaged in scheduled international air services, exercises its right to land in the United Kingdom for non-traffic purposes in accordance with section 1 of Article 1 of the IASTA.
- (2) For the purposes of this regulation—

“the Chicago Convention” means the Convention on International Civil Aviation and its Annexes, signed at Chicago on 7th December 1944<sup>(3)</sup>;

“the IASTA” means the International Air Services Transit Agreement signed at Chicago on 7th December 1944<sup>(4)</sup>;

“non-traffic purposes” is to be read in accordance with article 96(d) of the Chicago Convention.

#### **Exception for acts done for purposes of national security or prevention of serious crime**

**60.**—(1) Where an act would, in the absence of this paragraph, be prohibited by regulation 9(2) (confidentiality) or any prohibition in Part 3 (Finance), 5 (Trade) or 6 (Aircraft), that prohibition does not apply to the act if the act is one which a responsible officer has determined would be in the interests of—

- (a) national security, or
- (b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(2) Where, in the absence of this paragraph, a thing would be required to be done under or by virtue of a provision of Part 6 (Aircraft), regulation 57(5) (notification requirement in respect of

<sup>(3)</sup> United Nations Treaty Series, vol. 15, p. 295.

<sup>(4)</sup> United Nations Treaty Series, vol. 84, p. 389.

exceptions relating to petroleum products), Part 8 (Information and records) or Part 10 (Maritime enforcement), that requirement does not apply if a responsible officer has determined that not doing the thing in question would be in the interests of—

- (a) national security, or
- (b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(3) In this regulation “responsible officer” means a person in the service of the Crown or holding office under the Crown, acting in the course of that person’s duty.

### **Treasury licences**

**61.**—(1) The prohibitions in regulations 11 to 15 (asset-freeze etc), regulation 16 (UK credit or financial institutions) and regulation 21 (investments in relation to crude oil and electricity production) do not apply to anything done under the authority of a licence issued by the Treasury under this paragraph.

- (2) The Treasury may issue a licence which authorises acts by a particular person only where—
  - (a) in relation to acts which would otherwise be prohibited by regulations 11 to 15, the Treasury consider that it is appropriate to issue the licence for a purpose set out in Part 2 of Schedule 6, and
  - (b) in relation to acts which would otherwise be prohibited by regulations 16 or 21, the Treasury consider that it is appropriate to issue the licence for a purpose set out in Part 3 of Schedule 6.

### **Trade licences**

**62.** The prohibitions in Chapters 2 to 5 of Part 5 (Trade) do not apply to anything done under the authority of a licence issued by the Secretary of State under this regulation.

### **Aircraft licences**

**63.** The prohibition in regulation 51(1) (movement of aircraft) does not apply to anything done under the authority of a licence issued by the Secretary of State under this regulation.

### **Licences: general provisions**

**64.**—(1) This regulation applies in relation to aircraft licences, Treasury licences and trade licences.

- (2) A licence must specify the acts authorised by it.
- (3) A licence may be general or may authorise acts by a particular person or persons of a particular description.
- (4) A licence may—
  - (a) contain conditions;
  - (b) be of indefinite duration or a defined duration.
- (5) A person who issues a licence may vary, revoke or suspend it at any time.
- (6) A person who issues, varies, revokes or suspends a licence which authorises acts by a particular person must give written notice to that person of the issue, variation, revocation or suspension of the licence.
- (7) A person who issues, varies, revokes or suspends a general licence or a licence which authorises acts by persons of a particular description must take such steps as that person considers appropriate to publicise the issue, variation, revocation or suspension of the licence.

**Finance: licensing offences**

- 65.**—(1) A person (“P”) commits an offence if P 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,
- for the purpose of obtaining a Treasury licence (whether for P or anyone else).
- (2) A person who purports to act under the authority of a Treasury licence but who fails to comply with any condition of the licence commits an offence.

**Trade: licensing offences**

- 66.**—(1) A person (“P”) commits an offence if P 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,
- for the purpose of obtaining a trade licence (whether for P or anyone else).
- (2) A person who purports to act under the authority of a trade licence but who fails to comply with any condition of the licence commits an offence.
- (3) A licence in respect of which an offence under paragraph (1) has been committed is to be treated as void from the time at which it was issued.

**Aircraft: licensing offences**

- 67.**—(1) A person (“P”) commits an offence if P 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,
- for the purpose of obtaining an aircraft licence (whether for P or anyone else).
- (2) A person who purports to act under the authority of an aircraft licence but who fails to comply with any condition of the licence commits an offence.
- (3) A licence in respect of which an offence under paragraph (1) has been committed is to be treated as void from the time at which it was issued.

**Section 8B(1) to (3) of Immigration Act 1971: directions**

- 68.**—(1) The Secretary of State may direct that, in relation to any person within regulation 24 whose name is specified, or who is of a specified description, section 8B(1) and (2) of the Immigration Act 1971, or section 8B(3) of that Act, have effect subject to specified exceptions.
- (2) A direction may contain conditions.
- (3) A direction must be of a defined duration (and that duration may be expressed in any way, including, for example, being expressed in a way such that the direction ceases to have effect on, or within a specified period after, the occurrence of a specified event).
- (4) The Secretary of State may vary, revoke or suspend a direction at any time.
- (5) On the issue, variation, revocation or suspension of a direction, the Secretary of State may take such steps as the Secretary of State considers appropriate to publicise the issue, variation, revocation or suspension of the direction.
- (6) In this regulation “specified” means specified in a direction.

