
STATUTORY INSTRUMENTS

2019 No. 855

The Russia (Sanctions) (EU Exit) Regulations 2019

PART 7

Exceptions and licences

Asset-freeze etc.: exceptions from prohibitions

58.—(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 Part 3 (Finance);

(1) 2000 c.8. Section 142D was inserted by section 4(1) of the Financial Services (Banking Reform) Act 2013 (c.33).

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

“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⁽³⁾ (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⁽⁴⁾, any relevant order under that section⁽⁵⁾ and Schedule 2 to that Act⁽⁶⁾.

⁽³⁾ Part 4A was inserted by the Financial Services Act 2012 (c.21), section 11(2) and amended by S.I. 2018/135.

⁽⁴⁾ Section 22 was amended by; the Financial Guidance and Claims Act 2018 (c.10), Part 2, s.27(4); the Financial Services Act 2012, section 7(1); and S.I. 2018/135.

⁽⁵⁾ S.I. 2001/544, as amended by S.I. 2017/500.

⁽⁶⁾ Schedule 2 was amended by; the Dormant Bank and Building Society Accounts Act 2008 (c.31), section 15, Schedule 2, para. 1; the Regulation of Financial Services (Land Transactions) Act 2003 (c.24), section 1; the Financial Services Act 2012, section 7(2) to (5) and section 8; S.I. 2013/1881; and it is prospectively amended by S.I. 2018/135.