
STATUTORY INSTRUMENTS

2020 No. 1665

The Libya (Sanctions) (EU Exit) Regulations 2020

PART 8

Exceptions and licences

Finance: exceptions from prohibitions

43.—(1) The prohibitions in regulation 12 and 18 (asset-freeze and partial asset-freeze in relation to designated persons) are 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 12 to 14 (asset-freeze in relation to, and making funds available to or for the benefit of, designated persons) and 18 (partial-asset freeze in relation to designated persons) are not contravened by a relevant institution crediting a frozen account or a relevant account with interest or other earnings due on the account.

(4) The prohibitions in regulations 13 and 14 (making funds available to, or for the benefit of, designated persons) and 19 and 20 (making funds available to, or for the benefit of, designated persons in connection with a partial asset-freeze) are not contravened by a relevant institution crediting a frozen account or a relevant account where it receives funds transferred to that institution for crediting to that account.

(5) The prohibitions in regulations 13, 14, 19 and 20 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 12 to 14, and regulations 18 to 20, 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.

(1) 2000 c.8. 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).

(7) In this regulation—

“designated person” means a designated person within the meaning of regulation 11 or 17;

“frozen account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person within the meaning of regulation 11;

“relevant account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person within the meaning of regulation 17;

“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 most recently amended by S.I. 2018/546; it is prospectively amended by S.I. 2019/632.

(4) Section 22 was amended by the Financial Guidance and Claims Act 2018 (c.10), section 27(4); the Financial Services Act 2012 (c.21), section 7(1); and S.I. 2018/135.

(5) S.I. 2001/544 as most recently amended by S.I. 2019/679; S.I. 2020/117; and S.I. 2020/480; and it is prospectively amended by S.I. 2018/1149; S.I. 2108/1403; S.I. 2019/632; S.I. 2019/660; S.I. 2019/710; S.I. 2019/1361.

(6) Schedule 2 was amended by the Regulation of Financial Services (Land Transactions) Act 2005 (c.24), section 1; the Dormant Bank and Building Society Accounts Act 2008 (c.31), section 15 and Schedule 2, paragraph 1; the Financial Services Act 2012, sections 7(2) to (5) and 8; the Financial Guidance and Claims Act 2018, section 27(13); S.I. 2013/1881; S.I. 2018/135; and it is prospectively amended by S.I. 2019/632.