

**THE SANCTIONS (EU EXIT) (MISCELLANEOUS AMENDMENTS) (NO.3)  
REGULATIONS 2020**

**REPORT UNDER SECTION 46 OF THE SANCTIONS AND ANTI-MONEY  
LAUNDERING ACT 2018**

1. This is a report under section 46 of the Sanctions and Anti-Money Laundering Act 2018 (“the Act”) in relation to the Sanctions (EU Exit) (Miscellaneous Amendments) (No.3) Regulations 2020. When new Regulations are made under section 45 of the Act to amend sanctions regulations that have been made under section 1 of the Act, and the regulations being amended state a purpose other than compliance with a UN or other international obligation (i.e. discretionary purposes in section 1(2) of the Act), the Minister making the new regulations must lay before Parliament a report under section 46(2) of the Act which explains why the Minister is of the opinion mentioned in section 45(2)(b) of the Act, namely that:
  - the Minister considers that carrying out the purposes of the Regulations would meet one or more of the conditions in paragraphs (a) to (i) of section 1(2) of the Act;
  - the Minister considers that there are good reasons to pursue that purpose;
  - the Minister considers that the imposition of sanctions is a reasonable course of action for that purpose.
  
2. The Sanctions (EU Exit) (Miscellaneous Amendments) (No.3) Regulations 2020 are made under the Act to make amendments and corrections to the following sanctions Regulations: the Democratic People’s Republic of Korea (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/411), the Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/433), the South Sudan (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/438) the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019 (S.I. 2019/461), the ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/466), the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/573), the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577), the Lebanon (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/612), the Central African Republic (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/616), the Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020 (S.I. 2020/617), and the Somalia (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/642).

3. The purpose of this instrument is to achieve consistency and clarity in the drafting of prohibitions, requirements and associated provisions across all sanctions regimes that are being established under the Act, and correct specific errors that have been identified in the sanctions Regulations that have already been made. In particular, it introduces a new exception into the sanctions regimes already made to provide that a prohibition (or requirement) is not contravened if conduct is authorised by a licence or other authorisation issued under the law as it applies in a British Overseas Territory or Crown Dependency.
4. Section 2(4) of the Act requires reports to be laid before Parliament explaining why the appropriate Minister making Regulations under section 1 of the Act considers that carrying out each of the discretionary purposes of the Regulations would meet one or more of the conditions in paragraph (a) to (i) of section 1(2) of the Act, why the Minister considers that there are good reasons to pursue that purpose, and why the Minister considers that the imposition of sanctions is a reasonable course of action for that purpose i.e. the same criteria as those under section 45(2)(b) of the Act. These reports were completed and laid before Parliament alongside the relevant sanctions Regulations between March 2019 and June 2020.
5. Annual reviews under section 30 of the Sanctions Act, examining whether the sanctions Regulations were still appropriate for the purposes stated in them, were completed between January and March 2020 in relation to the majority of the Regulations this instrument amends. The Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019, Lebanon (Sanctions) (EU Exit) Regulations 2020, Central African Republic (Sanctions) (EU Exit) Regulations 2020, Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020, and Somalia (Sanctions) (EU Exit) Regulations 2020 have not yet been reviewed because no part of them has yet been brought into force.
6. The ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 are for the purpose of compliance with a UN obligation, as are the Lebanon (Sanctions) (EU Exit) Regulations 2020 and the Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020. There are no discretionary purposes and therefore no section 46 report is required in relation to the amendments of those Regulations.
7. A summary of the conclusions relating to the discretionary purposes of the Section 2 report, and the annual review (where relevant), for each of the other sanctions regimes

is below, in the order in which the sanctions Regulations were registered, together with an assessment of the current situation for the purposes of this section 46 report.

### **The Democratic People's Republic of Korea (Sanctions) (EU Exit) Regulations 2019**

8. **Section 2 report, laid before Parliament on 8 March 2019:** The report stated that the discretionary purposes of the Regulations were to restrict the ability of the DPRK to carry on banned programmes; promote the abandonment by the DPRK of banned programmes and the decommissioning of the DPRK's banned weapons; and otherwise promote peace, security and stability on the Korean peninsula. The report concluded that carrying out those purposes met one or more of the conditions in section 1(2) of the Act. In particular, the report considered that promoting peace, security and stability on the Korean peninsula was in the interest of international peace and security, and also furthered a foreign policy objective of the government of the United Kingdom to bring about the complete, verifiable and irreversible denuclearisation of the Korean peninsula. The report considered there were good reasons for pursuing those purposes, namely to disrupt the DPRK's efforts to develop banned weapons, and that the imposition of the kinds or prohibitions and requirements imposed by the Regulations for those purposes was a reasonable course of action for those purposes in that it is for the purpose of influencing a change in behaviour from the regime in the DPRK.
9. **Annual review, completed 29 January 2020:** The review concluded that the situation in DPRK had remained the same since the Regulations were laid in Parliament.
10. **Current assessment:** Since the completion of the section 2 report and annual review, the position has not changed. The Policy intention is that sanctions remain in place until the UK Government is assured that the DPRK has changed its behaviour and stopped the proliferation and expansion of its illegal nuclear and ballistic weapons programme. This position may be reached by evidence to show that DPRK has taken concrete and verifiable steps to change its behaviour and comply with relevant UNSCRs as well as clear and credible steps towards complete, verifiable and irreversible denuclearisation. The UK Government will continue to coordinate with international partners, including on the future of the sanctions regime.
11. For the reasons set out in the section 2 report, the annual review and this report, carrying out the purposes of the Regulations meets one of the conditions in section 1(2) of the Act, there are good reasons to pursue the purposes for the reasons set out in both

reports and that the imposition of sanctions is a reasonable course of action for that purpose for the reasons set out in the reports.

### **The Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019**

12. **Section 2 report, laid before Parliament on 5 March 2019:** The report stated that the discretionary purposes of the Regulations were to promote the resolution of the armed conflict in the DRC, respect for human rights, compliance with international humanitarian law and respect for democracy, the rule of law and good governance in the DRC. The report concluded that carrying out those purposes met one of the conditions in section 1(2) of the Act. The report considered that there were good reasons for pursuing those purposes, namely to address the ongoing human rights abuses and violations taking place in the DRC.
13. **Annual review, completed on 2 March 2020:** The review concluded that the situation in the DRC had seen only limited improvements since the Regulations were laid in Parliament.
14. **Current assessment:** Since the completion of the section 2 report and annual review, the position has not changed. The policy intention is that sanctions remain in place until the UK Government is assured that the human rights situation in the DRC has improved sufficiently and that there has been progress to resolve armed conflict which may be marked by steady and consistent improvement over a sustained period of time. This is likely to necessitate evidence of concrete steps to improve the areas of concern outlined in the purposes of the DRC Regulations. Examples would include the introduction / amendment of laws that progress the rule of law in the DRC, confirmation of release of political prisoners, and indications that the security services respond more proportionately to cases of civil unrest. The UK will continue to coordinate with international partners, including on the future of the sanctions regime. For the reasons set out in the section 2 report, the annual review and this report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by these Regulations for those purposes is a reasonable course of action for those purposes.

## **The South Sudan (Sanctions) (EU Exit) Regulations 2019**

- 15. Section 2 report, laid before Parliament on 6 March 2019:** The report stated that the discretionary purposes of the Regulations included encouraging the resolution of the political crisis and armed conflicts in South Sudan. The report concluded that carrying out those purposes met one or more of the conditions in section 1(2) of the Act in that it would promote the resolution of armed conflicts or the protection of civilians in conflict zones, promote compliance with international humanitarian law and promote respect for human rights, as well as support the delivery of HMG's strategy in respect of South Sudan. The report considered that there were good reasons for pursuing those purposes, namely to support the resolution of the political crisis and the end of the armed conflicts in South Sudan, and that the imposition of the kinds of prohibitions and requirements imposed by the Regulations for those purposes was a reasonable course of action for those purposes, to encourage the resolution of the political crisis and armed conflicts in South Sudan, and respect for human rights.
  
- 16. Annual review, completed on 3 March 2020:** The review concluded that the situation in South Sudan had broadly remained the same since the Regulations were laid in Parliament (noting that although the 2018 peace agreement was being implemented and had reduced overall levels of violence, the situation remained fragile, and human rights violations and abuses continued).
  
- 17. Current assessment:** Since the completion of the section 2 report and annual review, the position has not changed. The policy intention is that sanctions remain in place until the UK Government is assured that there has been sufficient positive behaviour change over a sustained period of time, including steps to show sustained improvement in the areas of concern outlined in the purposes of the South Sudan Regulations; for instance, in relation to violence, the undermining of the peace, stability and security of South Sudan or person acting as spoilers to the peace agreements (Agreement on the Resolution of the Conflict in South Sudan (ARCSS) and Revitalised Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS)), including to ceasefire agreements. This position may be reached by further implementation of the peace agreement and associated cessation of hostilities, such that the cause of conflict are being permanently addressed. Most immediately this includes the formation and operation of an inclusive Transnational Government of National Unity and delivery of activities required under the 'transition period' of the peace agreement towards elections. The UK will continue to coordinate with international partners, including on the future of the sanctions regime.

18. For the reasons set out in the section 2 report, the annual review and this report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by these Regulations for those purposes is a reasonable course of action for those purposes.

### **The Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019**

19. **Section 2 report, laid before Parliament on 7 March 2019:** The report stated that the discretionary purposes of the Regulations were promoting the abandonment by Iran of nuclear weapons programmes; restricting the ability of Iran to develop nuclear weapons; and promoting the implementation of the Joint Comprehensive Plan of Action. The report concluded that carrying out those purposes met one or more of the conditions set out in section 1(2) of the Act. The report considered that there were good reasons for pursuing those purposes through targeting Iran's nuclear weapons programme and restricting Iran's ability to develop and deliver nuclear weapons, and that the imposition of the kinds of prohibitions and requirements imposed by the Regulations for those purposes is was a reasonable course of action for those purposes.

20. **Annual review, completed 2 March 2020:** The review concluded that the nuclear deal with Iran had come under intense pressure and as a result the wider situation had begun to deteriorate since the Regulations were laid in Parliament.

21. **Current assessment:** Since the completion of the section 2 report and annual review, the position has not changed. The policy intention is to lift the sanctions on Iran in a phased approach as set out in the Joint Comprehensive Plan of Action (JCPOA). If Iran meets its commitments under the JCPOA, in October 2023 these proliferation-related sanctions, including arms and missile technology sanctions, will be lifted, and all of the restrictive measures suspended in January 2016 will be terminated. In October 2025, all remaining nuclear-related sanctions will be terminated. As Iran has failed to comply with the terms of the JCPOA in full, the Dispute Resolution Mechanism has been triggered in order to find a way to bring Iran back into compliance. Ultimately, if the issue cannot be resolved the consequence could be to re-impose sanctions. The UK Government continues to coordinate with international partners, including on the future of the regime.

22. For the reasons set out in the section 2 report, the annual review and this report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by these Regulations for those purposes is a reasonable course of action for those purposes.

### **The Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019**

23. **Section 2 report, laid before Parliament on 15 March 2019:** The report stated that the discretionary purposes of these Regulations were to further the prevention of terrorism in the UK or elsewhere, otherwise than by compliance with the relevant UN obligations. The report concluded that carrying out those purposes met one of the conditions in section 1(2) of the Act in furthering the prevention of terrorism. The report considered that there were good reasons for pursuing those purposes in that it is important to have a coordinated, collective response to the global threat of terrorism, and that sanctions form one part of this coordinated response. The report also considered that the imposition of the kinds of prohibitions and requirements imposed by the Regulations for those purposes was a reasonable course of action for those purposes.

24. **Annual review, completed on 12 March 2020:** The review concluded that the terrorist threat that this sanctions regime seeks to address had remained the same.

25. **Current assessment:** Since the completion of the section 2 report and annual review, the position has not changed. While these sanctions are not an end in themselves, they are one element of a broader strategy in the fight against terrorism. The UK is combining sanctions with lobbying through international frameworks, coordinating with Security Agencies, supporting UN resolutions and supporting the UN Special Rapporteur on Terrorism. The UK Government will continue to coordinate with international partners on the future of the regime. For the reasons set out in the section 2 report, the annual review and this report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by these Regulations for those purposes is a reasonable course of action for those purposes.

## **The Counter-Terrorism (Sanctions) (EU Exit) Regulations 2020**

26. **Section 2 report, laid before Parliament on 15 March 2019:** The report stated that the discretionary purposes of the Regulations were the prevention of terrorism in the UK or elsewhere, and the interests of national security. It concluded that carrying out those purposes met one or more of the conditions set out in section 1(2) of the Act, and that there were good reasons for pursuing these purposes. The UK remains committed to increasing national capabilities to disrupt terrorist activity and reduce the will and the ability of terrorist groups and individuals to carry out attacks. It also concluded that the imposition of the kinds of prohibitions and requirements imposed by the Regulations for those purposes was a reasonable course of action for the purpose of furthering the prevention of terrorism in the UK and elsewhere.
27. **Annual review:** No annual review has been carried out as the Counter-Terrorism (Sanctions) (EU Exit) Regulations are not yet in force.
28. **Current assessment:** Since the completion of the section 2 report, the position has not changed. Domestic counterterrorism sanctions are an important part of the UK's wider Counter-Terrorism Strategy (CONTEST), and an effective and fully utilised domestic asset-freezing regime should be a key tool to deny terrorists access to funds. The continued threat of terrorism to UK national security means that putting domestic counterterrorism sanctions in place in appropriate cases is a reasonable course of action. Sanctions preventing terrorists with a UK nexus from accessing funds, economic resources and financial services are, in appropriate cases, an effective means of countering terrorist financing in the UK, and form part of sustained domestic effort in the fight against terrorism. For the reasons set out in the section 2 report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by these Regulations for those purposes is a reasonable course of action for those purposes.

## **The Central African Republic (Sanctions) (EU Exit) Regulations 2020**

29. **Section 2 report, laid before Parliament on 22 June 2020:** The report stated that the discretionary purposes of the Regulations included promoting the peace, security and stability of the Central African Republic; encouraging the resolution of the armed conflict, and the stabilisation and reconciliation process; promoting respect for humanitarian assistance activity; and promoting respect for human rights.



30. It concluded that carrying out these purposes met one or more of the conditions in section 1(2) of the Act, and that there were good reasons for pursuing these purposes. Our policy on the Central African Republic is one of pressure and engagement, with robust sanctions forming an important part of the pressure track. Sanctions support efforts to hold accountable perpetrators of human rights abuses, and those who look to exploit the fragile security situation; as well as supporting efforts by the international community to promote respect for human rights. The report also considered that the imposition of the kinds of prohibitions and requirements imposed by the Regulations for those purposes was a reasonable course of action for the purpose of influencing a change in behaviour from the Government of the Central African Republic and militia groups.
31. **Annual review:** No annual review has been carried out as the Central African Republic (Sanctions) (EU Exit) Regulations are not yet in force.
32. **Current assessment:** Since the completion of the section 2 report, the position has not changed. The policy intention is to keep the sanctions on the Central African Republic in place until HMG is assured that there has been an improvement in the areas of concern outlined in the purposes of these Regulations. The FCO will continue to coordinate with international partners, including supporting the international pressure campaign and to push for the rigorous implementation of existing UN sanctions. The UK Government will continue to coordinate with international partners, including on the future of the sanctions regime. For the reasons set out in the section 2 report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by these Regulations for those purposes is a reasonable course of action for those purposes.

### **The Somalia (Sanctions) (EU Exit) Regulations 2020**

33. **Section 2 report, laid before Parliament on 29 June 2020:** The report stated that the discretionary purposes of the Regulations were promoting the peace, security and stability of Somalia; supporting the Federal Government of Somalia to promote peace, security, stability and the rule of law, including in efforts against al-Shabaab; promoting the effective delivery of the mandates of the regional and international monitoring, peace-support or protection and training missions and mechanisms; promoting respect for humanitarian assistance activities; promoting compliance with the rules of

international humanitarian law applicable to the armed conflicts in Somalia; and promoting respect for human rights.

34. The report concluded that carrying out those purposes met one or more of the conditions in section 1(2) of the Act. It also considered that there were good reasons for pursuing those purposes. Our vision for Somalia is that it should become increasingly secure, stable and prosperous, not least because an unstable Somalia poses a threat to regional stability and provides a foothold for criminal and terrorist groups. Sanctions form an important part of broader UK and international efforts to build long-term security and stability in the region, including by limiting destabilising illegal flows of arms. Finally, the report concluded that the imposition of the kinds of prohibitions and requirements imposed by the Regulations for those purposes was a reasonable course of action for the purpose of supporting long-term improvements in Somalia's security and stability, and tackling the resources of terrorist groups such as al-Shabaab.
35. **Annual review:** No annual review has been carried out as the Somalia (Sanctions) (EU Exit) Regulations are not yet in force.
36. **Current assessment:** Since the completion of the section 2 report, the position has not changed. The policy intention is to keep sanctions on Somalia in place until there has been evidence of concrete improvement in the areas of concern outlined in the purposes of these Regulations. The FCO will continue to coordinate with international partners, to push for the rigorous implementation of existing sanctions, and to coordinate on the future of the sanctions regime. For the reasons set out in the section 2 report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by these Regulations for those purposes is a reasonable course of action for those purposes.

**Lord Ahmad of Wimbledon**

**Minister of State for South Asia and the Commonwealth, Foreign, Commonwealth and Development Office, on behalf of the Secretary of State for Foreign, Commonwealth and Development Affairs**