
EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 39 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) (“the Sanctions Act”) makes provision in respect of the availability of damages in particular sanctions-related court proceedings. Section 39(2A) allows for a cap to be set on the amount of damages available where a court is satisfied that the decision concerned in such proceedings was made in bad faith. These Regulations specify that cap as £10,000. The cap does not apply where the court considers that it is necessary to disapply it so as not to breach the person’s Convention rights (within the meaning of the Human Rights Act 1998).

Section 64(3) of the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10) (which amended the Sanctions Act to insert the power to specify a cap on the amount of damages) provides that those amendments apply in relation to proceedings to which section 39(2) of the Sanctions Act applies that are commenced on or after 4 March 2022.

No impact assessment has been prepared for these Regulations. An impact assessment was, however, produced for the primary legislation which provided for the cap and can be found at <https://bills.parliament.uk/publications/45581/documents/1585>.