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STATUTORY INSTRUMENTS

2022 No. 395

SANCTIONS

The Russia (Sanctions) (EU Exit) (Amendment) (No. 7) Regulations 2022

Approved by both Houses of Parliament

<i>Made</i>	- - - -	<i>29th March 2022</i>
		<i>at 11.00 a.m. on 30th</i>
<i>Laid before Parliament</i>		<i>March 2022</i>
		<i>at 5.00 p.m. on 30th</i>
<i>Coming into force</i>	- -	<i>March 2022</i>

The Secretary of State⁽¹⁾, considering that the requirements of section 45(2) of the Sanctions and Anti-Money Laundering Act 2018⁽²⁾ are met, makes the following Regulations in exercise of the powers conferred by sections 1, 3(1)(b)(ii) and (iii), (d)(ii) and (iii), (g)(iii) and (2)(c), 5, 6(7), 7(2) and (5), 9(2)(a), 10(2) to (4), 11(5), 12, 15(2)(a) and (b), (3) and (6), 17, 21(1), 45, 54(1)(c) and 62(6) of, and paragraphs 2(b), 3(b), 4(b), 6(a)(ii) and (b), 9(b), 11(a)(i) and (ii), 13(b), (c), (h), (m), (n), (t) and (w), 14(a), (e), (f) and (k), and 20 of Schedule 1 to, that Act:

Citation and commencement

1.—(1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) (No. 7) Regulations 2022.

(2) These Regulations come into force at 5.00 p.m. on 30th March 2022.

Amendment of the Russia (Sanctions) (EU Exit) Regulations 2019

2. The Russia (Sanctions) (EU Exit) Regulations 2019⁽³⁾ are amended as set out in regulations 3 to 39.

(1) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an “appropriate Minister” as including the Secretary of State.

(2) 2018 c. 13. Section 17(5)(b)(i) (enforcement) is amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 443(1). Sections 1, 11, 12 and 45 are amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), sections 57 to 59.

(3) S.I. 2019/855, as amended by S.I. 2020/590; S.I. 2020/951; S.I. 2022/123; S.I. 2022/194; S.I. 2022/195; S.I. 2022/203; S.I. 2022/205; S.I. 2022/241; and by the Sentencing Act 2020 (c. 17).

Interpretation

3. In regulation 2 (interpretation), at the appropriate place insert—
- ““aircraft licence” means a licence under regulation 65A;”;
 - ““non-government controlled areas of the Donetsk and Luhansk oblasts” means the parts of the Donetsk oblast and the Luhansk oblast of Ukraine as determined in Decree Number 32/2019 issued by the President of Ukraine on 7th February 2019 under Article 1 of the Law of Ukraine of 18th January 2018 Nr. 2268-VIII “On the Peculiarities of State Policy on Ensuring the State Sovereignty of Ukraine over Temporarily Occupied Territories in Donetsk and Luhansk Oblasts”(4);”;
 - ““non-government controlled Ukrainian territory” means Crimea and non-government controlled areas of the Donetsk and Luhansk oblasts;”.

Application of prohibitions and requirements outside the United Kingdom

4. In regulation 3 (application of prohibitions and requirements outside the United Kingdom)—
- (a) in paragraph (3)(a), after “regulation 9(2)” insert “or 9B(2)”;
 - (b) in paragraph (5), after “a requirement imposed by a direction under regulation 57J(3) (direction by air traffic control to operator or pilot of Russian aircraft),” insert “or a requirement imposed by a condition of an aircraft licence.”.

Power to designate persons by description

5. In regulation 5 (power to designate persons)—
- (a) in paragraph (1), after sub-paragraph (b) insert—
 - “(bza) regulation 46A (technical assistance relating to aircraft and ships);”;
 - (b) after paragraph (1) insert—
 - “(1A) The Secretary of State may provide that persons of a description specified by the Secretary of State are designated persons for the purposes of any of the following—
 - (a) regulations 11 to 15 (asset-freeze etc.);
 - (b) regulation 17A (correspondent banking relationships etc.);
 - (c) regulation 20 (immigration);
 - (d) regulation 46A (technical assistance relating to aircraft and ships);
 - (e) regulations 57A and 57C to 57E (ships: prohibition on port entry etc.);
 - (f) regulations 57J and 57M (aircraft).”;
 - (c) in paragraph (2), after “paragraph (1)” insert “or (1A)”;
 - (d) at the end insert—
 - “(3) For the purposes of these Regulations, persons “designated under regulation 5” for the purpose of a particular regulation means—
 - (a) persons who are designated by name under paragraph (1) for the purposes of that particular regulation, and

(4) Law of Ukraine of 18th January 2018 Number 2268-VIII “On the Peculiarities of State Policy on Ensuring the State Sovereignty of Ukraine over Temporarily Occupied Territories in Donetsk and Luhansk Oblasts”. Verkhovna Rada of Ukraine Information of 09.03.2018 - 2018, No 10, p. 67. URL: <https://zakon.rada.gov.ua/laws/show/2268-19> (in Ukrainian). Presidential Decree Number 32/2019 “Decree of the President of Ukraine: On the the Borders and the List of Districts, Cities, Settlements and Villages, and parts of their territories, temporarily occupied in Donetsk and Luhansk Oblasts” was issued under Article 1 of that Law on 7th February 2019. URL: <https://zakon.rada.gov.ua/laws/show/32/2019> (in Ukrainian). A translation of these documents is available upon request from the Foreign, Commonwealth and Development Office.

- (b) where the Secretary of State makes provision under paragraph (1A) that persons of a specified description are designated persons for the purposes of that particular regulation, persons of that description.”

Designation criteria

6. In regulation 6 (designation criteria), in paragraph (3)(f), for “Crimea” substitute “non-government controlled Ukrainian territory”.

Conditions for the designation of persons by description

7. After regulation 6 (designation criteria) insert—

“Conditions for the designation of persons by description

6A.—(1) The Secretary of State may choose whether persons mentioned in regulation 5(1A) (power to designate persons by description) are designated persons under—

- (a) the standard procedure, or
- (b) the urgent procedure.

(2) Paragraph (3) applies where the Secretary of State chooses that persons mentioned in regulation 5(1A) are designated persons under the standard procedure.

(3) The Secretary of State may not provide that persons of a specified description are designated persons under regulation 5(1A) except where conditions A and C are met.

(4) Paragraphs (5) to (7) apply where the Secretary of State chooses that persons mentioned in regulation 5(1A) are designated persons under the urgent procedure.

(5) The Secretary of State may provide that persons of a specified description are designated persons where condition C is not met, but conditions A, D and E are met.

(6) The persons of the specified description cease to be designated persons at the end of the period of 56 days beginning with the day following the day on which the persons became designated persons unless, within that period, the Secretary of State certifies that—

- (a) conditions A and C are met, or
- (b) conditions A, D and E continue to be met.

(7) Where the Secretary of State makes a certification under paragraph (6)(b), the designation ceases to have effect at the end of the period of 56 days beginning with the day immediately following the period mentioned in paragraph (6), unless within that period the Secretary of State certifies that conditions A and C are met.

(8) Condition A is that the description of persons specified is such that a reasonable person would know whether that person fell within it.

(9) Condition C is that the Secretary of State has reasonable grounds to suspect—

- (a) in a case where the specified description is members of a particular organisation, that the organisation is an involved person, or
- (b) in the case of any other specified description, that any person falling within that description would necessarily be an involved person.

(10) Condition D is that the description of persons specified is of persons (or some persons) to which, or in relation to which, relevant provision (whenever made) applies under the law of—

- (a) the United States of America;

- (b) the European Union;
- (c) Australia;
- (d) Canada.

(11) Condition E is that the Secretary of State considers that it is in the public interest to provide that persons of a specified description are designated persons under the urgent procedure.

(12) For the purposes of Condition D, “relevant provision” is provision that the Secretary of State considers—

- (a) corresponds, or is similar, to the type of sanction or sanctions in these Regulations, or
- (b) is made for purposes corresponding, or similar, to any purpose of any type of sanction or sanctions in these Regulations.

(13) In this regulation—

- “involved person” has the meaning given in regulation 6 (designation criteria);
- “organisation” includes any body, association or combination of persons.”

Notification and publicity where power to designate by name is used

8. In regulation 8 (notification and publicity where designation power used), in paragraph (1)—

- (a) in sub-paragraph (a), for “regulation 5” substitute “regulation 5(1)”; and
- (b) in sub-paragraph (b), for “that regulation” substitute “that paragraph of that regulation”.

Notification and publicity where power to designate by description is used

9. After regulation 9 (confidential information in certain cases where designation power used) insert—

“Notification and publicity where power to designate by description is used

9A.—(1) Paragraph (2) applies where the Secretary of State—

- (a) has provided that persons of a specified description are designated persons under regulation 5(1A) (power to designate persons by description), or
- (b) has by virtue of section 22 of the Act varied or revoked a designation made under that paragraph of that regulation.

(2) The Secretary of State—

- (a) must without delay take such steps as are reasonably practicable to inform persons of the specified description of the designation, variation or revocation, and
- (b) must take steps to publicise the designation, variation or revocation.

(3) The information given under paragraph (2)(a)—

- (a) where the Secretary of State provides that persons of a specified description are designated persons under the standard procedure, must include a statement of reasons, or
- (b) where the Secretary of State provides that persons of a specified description are designated persons under the urgent procedure, must include a statement—
 - (i) that the provision is made under the urgent procedure,

- (ii) identifying the relevant provision by reference to which the Secretary of State considers that condition D is met in relation to persons of the specified description, and
 - (iii) setting out why the Secretary of State considers that condition E is met.
- (4) Where the Secretary of State provides that persons of a specified description are designated persons under the urgent procedure, the Secretary of State must, after the end of the period mentioned in paragraph (6) of regulation 6A (conditions for the designation of persons by description), or if the Secretary of State has made a certification under paragraph (6)(b) of that regulation the period mentioned in paragraph (7) of that regulation, but otherwise without delay—
 - (a) in a case where the persons cease to be designated persons, take such steps as are reasonably practicable to inform persons of the specified description that they have ceased to be designated persons, or
 - (b) in any other case, take such steps as are reasonably practicable to give each person of the specified description a statement of reasons.
- (5) In this regulation, a “statement of reasons”, in relation to a provision designating persons of a specified description, means a brief statement of the matters that the Secretary of State knows, or has reasonable cause to suspect, in relation to persons of the specified description—
 - (a) in the case of a designation under the standard procedure, which have led the Secretary of State to make the provision designating persons of that description, and
 - (b) in the case of a designation under the urgent procedure, as a result of which the persons do not cease to be designated persons at the end of the period mentioned in regulation 6A(6)(b) or (7) (as the case may be).
- (6) Matters that would otherwise be required by paragraph (5) to be included in a statement of reasons may be excluded from it where the Secretary of State considers that they should be excluded—
 - (a) in the interests of national security or international relations,
 - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
 - (c) in the interests of justice.
- (7) The steps taken under paragraph (2)(b) must—
 - (a) unless one or more of the restricted publicity conditions is met, be steps to publicise generally—
 - (i) the designation, variation or revocation, and
 - (ii) in the case of—
 - (aa) a designation under the standard procedure, the statement of reasons relating to it, or
 - (bb) a designation under the urgent procedure, the contents of the statement required under paragraph (3)(b) relating to it;
 - (b) if one or more of those conditions is met, be steps to inform only such persons as the Secretary of State considers appropriate of the designation, variation or revocation and—
 - (i) in the case of a designation under the standard procedure, of the contents of the statement of reasons relating to it, or

- (ii) in the case of a designation under the urgent procedure, of the contents of the statement required under paragraph (3)(b) relating to it.
- (8) The “restricted publicity conditions” are that the Secretary of State considers that disclosure of the designation, variation or revocation should be restricted—
 - (a) in the interests of national security or international relations,
 - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
 - (c) in the interests of justice.
- (9) Paragraph (10) applies if—
 - (a) when a designation is made one or more of the restricted publicity conditions is met, but
 - (b) at any time when the designation has effect, it becomes the case that none of the restricted publicity conditions is met.
- (10) The Secretary of State must—
 - (a) take such steps as are reasonably practicable to inform persons of the specified description that none of the restricted publicity conditions is now met, and
 - (b) take steps to publicise generally the designation and—
 - (i) in the case of a designation under the standard procedure, the statement of reasons relating to it, or
 - (ii) in the case of a designation under the urgent procedure, the statement required under paragraph (3)(b) relating to it.

Confidential information in certain cases where power to designate by description is used

9B.—(1) Where the Secretary of State in accordance with regulation 9A(7)(b) informs only certain persons of a designation, variation or revocation and—

- (a) in the case of a designation under the standard procedure, of the content of the statement of reasons relating to it, or
- (b) in the case of a designation under the urgent procedure, of the content of the statement required under regulation 9A(3)(b) relating to it,

the Secretary of State may specify that any of that information is to be treated as confidential.

(2) A person (“P”) who—

- (a) is provided with information that is to be treated as confidential in accordance with paragraph (1), or
- (b) otherwise obtains such information,

must not, subject to paragraph (3), disclose it if P knows, or has reasonable cause to suspect, that the information is to be treated as confidential.

(3) The prohibition in paragraph (2) does not apply to any disclosure made by P with lawful authority.

(4) For this purpose information is disclosed with lawful authority only if and to the extent that—

- (a) the disclosure is by, or is authorised by, the Secretary of State,
- (b) the disclosure is by or with the consent of the person who is or was the subject of the designation,

- (c) the disclosure is necessary to give effect to a requirement imposed under or by virtue of these Regulations or any other enactment, or
 - (d) the disclosure is required under rules of court, tribunal rules or a court or tribunal order, for the purposes of legal proceedings of any description.
- (5) This regulation does not prevent the disclosure of information that is already, or has previously been, available to the public from other sources.
- (6) A person who contravenes the prohibition in paragraph (2) commits an offence.
- (7) The High Court (in Scotland, the Court of Session) may, on the application of—
- (a) the person who is the subject of the information, or
 - (b) the Secretary of State,
- grant an injunction (in Scotland, an interdict) to prevent a breach of the prohibition in paragraph (2).
- (8) In paragraph (4)(c), “enactment” has the meaning given by section 54(6) of the Act.”

Investments in relation to non-government controlled Ukrainian territory

10. In regulation 18 (investments in relation to Crimea)—
- (a) in the heading, for “Crimea” substitute “non-government controlled Ukrainian territory”;
 - (b) in paragraphs (2) and (5), for “Crimea”, in each place it occurs, substitute “non-government controlled Ukrainian territory”.

Circumventing etc. prohibitions in Part 3 (Finance)

11. In regulation 19 (circumventing etc. prohibitions), in paragraph (1)(a), for “regulations 11 to 18” substitute “regulations 11 to 18A”.

Interpretation of Part 3 (Finance)

12. In regulation 19A (interpretation of Part 3), in paragraph (3), at the beginning of the words after sub-paragraph (b) insert “have the meaning given in regulation 17A (correspondent banking relationships etc.) and”.

Interpretation of Part 5 (Trade)

13. In paragraph (3) of regulation 21 (interpretation of this Part), for “Crimea”, in each place it occurs, substitute “non-government controlled Ukrainian territory”.

Technical assistance relating to aircraft and ships

14. After regulation 46 (prohibition on providing other energy-related services) insert—

“CHAPTER 4A

Aircraft and ships

Technical assistance relating to aircraft and ships

- 46A.—(1) A person must not directly or indirectly provide to, or for the benefit of, a designated person technical assistance relating to—
- (a) an aircraft, or
 - (b) a ship.

(2) Paragraph (1) does not apply to any technical assistance which is prohibited under regulation 27 (technical assistance relating to restricted goods and restricted technology).

(3) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(4) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with an offence of contravening paragraph (1) (“P”) to show that P did not know and had no reasonable cause to suspect that the technical assistance was provided to, or for the benefit of, a designated person.

(5) In this regulation—

“aircraft” includes unmanned aircraft and aircraft capable of spaceflight activities;

“designated person” means a person designated under regulation 5 (power to designate persons) for the purposes of this regulation;

“ship” includes every description of vessel (including a hovercraft) used in navigation.”

Exports and imports, and related activities, in relation to non-government controlled Ukrainian territory

15. In Chapter 5 (Exports and imports, and related activities, in relation to Crimea) of Part 5 (Trade)—

- (a) in the Chapter heading, for “Crimea” substitute “non-government controlled Ukrainian territory”;
- (b) in the following regulations, for “Crimea”, in each place it occurs, substitute “non-government controlled Ukrainian territory”—
 - (i) regulation 47 (imports from Crimea) (including the heading);
 - (ii) regulation 48 (export of infrastructure-related goods to Crimea) (including the heading);
 - (iii) regulation 49 (supply and delivery of infrastructure-related goods);
 - (iv) regulation 50 (making infrastructure-related goods available);
 - (v) regulation 51 (technical assistance relating to infrastructure-related goods);
 - (vi) regulation 52 (financial services and funds relating to infrastructure-related goods etc.);
 - (vii) regulation 53 (brokering services: non-UK activity relating to infrastructure-related goods and goods from Crimea) (including the heading).

Other services relating to non-government controlled Ukrainian territory

16. In Chapter 6 (other services relating to Crimea) of Part 5 (Trade)—

- (a) in the Chapter heading, for “Crimea” substitute “non-government controlled Ukrainian territory”;
- (b) in regulation 54 (prohibition on providing certain services relating to Crimea)—
 - (i) in the heading, for “Crimea” substitute “non-government controlled Ukrainian territory”;
 - (ii) in paragraphs (1), (3) and (4), for “Crimea”, in each place it occurs, substitute “non-government controlled Ukrainian territory”.

Shipping sanctions

17. In regulation 57 (Crimean ports direction)—

- (a) in the heading, after “Crimean ports direction” insert “or Donetsk ports direction”;
- (b) in paragraph (1), after “Crimean ports direction” insert “or a Donetsk ports direction”;
- (c) after paragraph (2) insert—

“(2A) In this regulation, a “Donetsk ports direction” is a direction prohibiting a ship from entering a port or any ports located in the non-government controlled areas of the Donetsk and Luhansk oblasts.”;

- (d) in paragraph (4), after “Crimean ports direction” insert “or a Donetsk ports direction”;
- (e) in paragraph (5), after “Crimean ports direction” insert “or a Donetsk ports direction”.

Movement of aircraft

18. In regulation 57J (movement of aircraft)—

- (a) in paragraph (2), for “regulation 61B (aircraft: exceptions from prohibitions)” substitute “Part 7 (Exceptions and licences)”;
- (b) omit paragraph (8).

Movement of aircraft: directions

19. In regulation 57L (directions under regulation 57J: supplementary), in paragraph (1)(b), after “in relation to” insert “the suspension or”.

Aircraft offences

20. In regulation 57N (offences), at the end insert—

“(6) In paragraph (1), “Russian aircraft” has the same meaning as in regulation 57J.”

Interpretation of Part 6A (Aircraft)

21. In regulation 57O (interpretation of Part 6A), in paragraph (1), omit the definition of “Russian aircraft”.

Exceptions relating to loans and credit arrangements

22. In regulation 59 (exceptions relating to loans and credit arrangements), in paragraph (3), omit the definition of “non-UK country”.

Exceptions relating to investments in relation to non-government controlled Ukrainian territory

23. In regulation 60 (exceptions relating to investments in relation to Crimea)—

- (a) in the heading, for “Crimea” substitute “non-government controlled Ukrainian territory”;
- (b) in paragraph (1)—
 - (i) for “regulation 18 (investments in relation to Crimea)” substitute “regulation 18 (investments in relation to non-government controlled Ukrainian territory)”;
 - (ii) for “20 December 2014” substitute “the relevant date”;
- (c) in paragraph (2), for “Crimea”, in both places it occurs, substitute “non-government controlled Ukrainian territory”;

(d) after paragraph (2) , insert—

“(3) In this regulation, “the relevant date” means—

- (a) in the case of investments in relation to Crimea, 20th December 2014;
- (b) in the case of investments in relation to non-government controlled areas of the Donetsk and Luhansk oblasts, 23rd February 2022.”

Trade: exceptions relating to non-government controlled areas of the Donetsk and Luhansk oblasts

24. After regulation 60 (exceptions relating to investments in relation to Crimea) insert—

“Trade: exceptions relating to non-government controlled areas of the Donetsk and Luhansk oblasts

60ZA.—(1) Paragraphs (2) to (5) only apply in the case of trade relating to non-government controlled areas of the Donetsk and Luhansk oblasts.

(2) A prohibition in regulation 47 (imports from non-government controlled Ukrainian territory) or regulation 52(3)(a) (financial services and funds in relation to imports from non-government controlled Ukrainian territory) is not contravened by any act done by a person (“P”) in satisfaction of an obligation of P arising under a contract concluded before 23rd February 2022, or an ancillary contract necessary for the satisfaction of such a contract, provided that—

- (a) the act is carried out before 24th May 2022, and
- (b) P has notified the Secretary of State no later than the day 10 working days before the day on which the act is carried out.

(3) A prohibition in regulation 48 to 51, 52(1), (2) or (3)(b) to (e), or 53 (trade in relation to non-government controlled Ukrainian territory) is not contravened by any act done by a person (“P”) in satisfaction of an obligation of P arising under a contract concluded before 23rd February 2022, or an ancillary contract necessary for the satisfaction of such a contract, provided that—

- (a) the act is carried out before 24th August 2022, and
- (b) P has notified the Secretary of State no later than the day five working days before the day on which the act is carried out.

(4) A prohibition in regulation 54(1)(a) (prohibition on infrastructure-related services relating to non-government controlled Ukrainian territory) is not contravened by any act done by a person in satisfaction of an obligation of that person arising under a contract concluded before 23rd February 2022, or an ancillary contract necessary for the satisfaction of such a contract, provided that the act is carried out before 24th August 2022.

(5) A prohibition in regulation 54(1)(b) (prohibition on tourism services relating to non-government controlled Ukrainian territory) is not contravened by any act done by a person (“P”) in satisfaction of an obligation of P arising under a contract concluded before 23rd February 2022, or an ancillary contract necessary for the satisfaction of such a contract, provided that—

- (a) the act is carried out before 24th August 2022, and
- (b) P has notified the Secretary of State no later than the day five working days before the day on which the act is carried out.”

Trade: exception relating to the safety of aircraft and ships

25. After regulation 60C (trade: exceptions in relation to aircraft and vessels) insert—

“Trade: exception relating to the safety of aircraft and ships

60D.—(1) The prohibitions in regulation 46A (technical assistance relating to aircraft and ships) are not contravened by the provision of any technical assistance where a failure to provide that assistance would endanger—

- (a) the lives of persons on board—
 - (i) an aircraft, or
 - (ii) a ship;
- (b) the safety of—
 - (i) an aircraft in flight, or
 - (ii) a ship at sea.

(2) In this regulation, the following terms have the same meaning as they have in regulation 46A—

- “aircraft”;
- “ship”;
- “technical assistance”.

Trade: exception for emergencies in certain cases

26. In regulation 61 (trade: exception for emergencies in certain cases), in paragraph (1A)(a), for “regulations 48 to 54 (prohibitions relating to infrastructure in Crimea)” substitute “regulations 48 to 54 (prohibitions relating to infrastructure in non-government controlled Ukrainian territory etc.)”.

Aircraft: exceptions from prohibitions

27. In regulation 61B (aircraft: exception from prohibitions)—

- (a) omit paragraph (4);
- (b) after that paragraph, insert—

“(4A) The prohibition in regulation 57J(1) is not contravened by the movement of a Russian aircraft if—

 - (a) a direction has been given in relation to that aircraft under regulation 57J(3)(b), (5)(b) or (6)(c), and
 - (b) the movement of the aircraft is in accordance with that direction.”

Exception relating to trade restrictions in relation to non-government controlled Ukrainian territory

28. In regulation 62 (exception relating to trade restrictions in relation to Crimea)—

- (a) in the heading, for “Crimea” substitute “non-government controlled Ukrainian territory”;
- (b) in paragraph (1)—
 - (i) for “regulation 47 (imports from Crimea) or regulation 52(3)(a) (financial services and funds in relation to imports from Crimea)” substitute “regulation 47 (imports from non-government controlled Ukrainian territory) or regulation 52(3)(a)

(financial services and funds in relation to imports from non-government controlled Ukrainian territory”);

- (ii) in sub-paragraph (a), for “Crimea” substitute “non-government controlled Ukrainian territory”.

Exception for authorised conduct in a relevant country

29. In regulation 62A (exception for authorised conduct in a relevant country), in paragraph (1), for “and , 18 (investments in relation to Crimea)” substitute “, 18 (investments in relation to non-government controlled Ukrainian territory)”.

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

30. In regulation 63 (exception for acts done for purposes of national security or prevention of serious crime), in paragraph (1)—

- (a) after “regulation 9(2)” insert “or 9B(2)”;
 (b) after “Part 6 (Ships)” insert “or Part 6A (Aircraft)”.

Treasury licences

31. In regulation 64 (Treasury licences)—

- (a) in paragraph (1), for “18 (investments in relation to Crimea)” substitute “18 (investments in relation to non-government controlled Ukrainian territory)”;
 (b) after paragraph (2), insert—
 “(3) Part A1 of Schedule 5 has effect for the interpretation of terms in that Schedule.”

Aircraft licences

32. After regulation 65 (trade licences), insert—

“Aircraft licences

65A. The prohibition in regulation 57J(1) (prohibition on overflight or landing) does not apply to anything done under the authority of a licence issued by the Secretary of State under this regulation.”

Licences: general provisions

33. In regulation 66 (licences: general provisions), in paragraph (1), for “and trade licences” substitute “, trade licences and aircraft licences”.

Aircraft: licensing offences

34. After regulation 68 (trade: licensing offences), insert—

“Aircraft: licensing offences

68A.—(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.”

Finance: powers to request information

35. In regulation 72 (finance: powers to request information), in paragraph (5)(c), for “18 (investments in relation to Crimea)” substitute “18 (investments in relation to non-government controlled Ukrainian territory)”.

Penalties for offences

36. In regulation 80 (penalties for offences)—

- (a) in paragraph (1), for “Part 6 (Ships) or Part 6A (Aircraft)” substitute “57 (Crimean ports direction or Donetsk ports direction), 57A (prohibition on port entry), 57B(4) (directions prohibiting port entry), 57C(3) (movement of ships) or 57N(1) to (4) (aircraft offences)”;
- (b) in paragraph (3)—
 - (i) after “regulation 9(6)” insert “or 9B(6)”;
 - (ii) after “68 (trade: licensing offences),” insert “68A (aircraft: licensing offences)”.

Jurisdiction to try offences

37. In regulation 82 (jurisdiction to try offences), in paragraph (1)—

- (a) after “regulation 9(6)” insert “or 9B(6)”;
- (b) after “67 (finance: licensing offences)” insert “, 68A (aircraft: licensing offences)”.

Exercise of maritime enforcement powers

38. In regulation 89 (exercise of maritime enforcement powers), in paragraph (2)(d), for “regulation 47 to 50 (exports and imports etc.. in relation to Crimea)” substitute “regulation 47 to 50 (exports and imports etc. in relation to non-government controlled Ukrainian territory)”.

Treasury licences: purposes

39. In Schedule 5 (Treasury licences: purposes)—

- (a) in paragraph 9 (consular posts), for “Crimea” substitute “non-government controlled Ukrainian territory”;
- (b) in Part 2 (Investment in Crimea)—
 - (i) in the Part heading, for “Crimea” substitute “non-government controlled Ukrainian territory”;
 - (ii) in the following paragraphs, for “Crimea”, in each place it occurs, substitute “non-government controlled Ukrainian territory”—
 - (aa) paragraph 10 (consular posts);
 - (bb) paragraph 11 (medical and educational purposes);
 - (cc) paragraph 12 (medical and educational purposes).

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29th March 2022

Ahmad
Minister of State
Foreign, Commonwealth and Development
Office

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c. 13) to amend the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the 2019 Regulations”).

The Regulations extend the existing finance, shipping and trade sanctions relating to the Autonomous Republic of Crimea and city of Sevastopol (“Crimea”) to the non-government controlled areas of the Donetsk oblast and Luhansk oblast of Ukraine (“non-government controlled areas of the Donetsk and Luhansk oblasts”). These areas are defined by reference to Decree Number 32/2019 issued by the President of Ukraine on 7th February 2019 under the Law of Ukraine of 18th January 2018 Nr. 2268-VIII “On the Peculiarities of State Policy on Ensuring the State Sovereignty of Ukraine over Temporarily Occupied Territories in Donetsk and Luhansk Oblasts”.

The Regulations also extend the relevant exceptions and licensing provisions to the non-government controlled areas of the Donetsk and Luhansk oblasts. The cut-off date for the exception in paragraph (1) of regulation 60 (exceptions relating to investments in relation to non-government controlled Ukrainian territory) permitting the satisfaction of obligations arising under a prior contract remains 20th December 2014 for contracts in relation to Crimea and, for contracts in relation to non-government controlled areas of the Donetsk and Luhansk oblasts, is 23rd February 2022.

The Regulations confer a power on the Secretary of State to provide that persons of a specified description are designated persons. As with persons designated by name, persons designated by description may be excluded from the United Kingdom and may be made subject to financial sanctions, including having their funds or economic resources frozen, or to shipping or aircraft sanctions.

The Regulations prohibit the provision to, or for the benefit of, a designated person of technical assistance relating to aircraft and ships. This includes a power to designate persons for the purposes of that sanctions measure, as well as relevant exceptions and licensing provisions.

The Regulations amend regulation 19 (circumventing etc. prohibitions) of the 2019 Regulations to include within the scope of those prohibitions regulation 18A (provision of financial services relating to foreign exchange reserve and asset management).

In addition, the Regulations make provision to correct an omission from the Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), namely to provide for Part A1 (Interpretation) of Schedule 5 (Treasury licences: purposes) to have effect.

The Regulations also make provision to correct or resolve a number of issues arising from the Russia (Sanctions) (EU Exit) (Amendment) (No. 6) Regulations 2022 (S.I. 2022/241): first, to remove the Secretary of State’s power to issue directions under regulation 57J(8) (movement of aircraft) and instead replace it with a power to issue a licence to authorise a movement of aircraft that would otherwise be prohibited; second, to ensure the effective resolution of conflicts between provisions of the Air Navigation Order 2016 and any direction under regulation 57J(9)(c) or (d) to suspend, rather than just revoke a permission; third, to ensure that regulation 63(1) (exception for acts done for purposes of national security or prevention of serious crime) applies to prohibitions in and under Part 6A (Aircraft); and fourth to amend regulation 80 (penalties for offences) to ensure that each offence in Part 6 (Ships) and Part 6A (Aircraft) may be enforced through the appropriate level of penalties.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. Instead a de minimis assessment has been prepared

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as this instrument is likely to entail some costs for businesses, but the net impact is estimated to be below £5 million per year.