

Sanctions Notice 10

United Nations Sanctions

Iraq



July 2006
(updated to 11th March 2008)



Isle of Man
Government

Reilrys Ellan Vannin

About this Notice

This Notice draws attention in convenient form to the Orders and Regulations made under the United Nations Act 1946 which place financial sanctions on Iraq.

This Notice provides guidance on certain aspects only of the Orders and Regulations, and should be read in conjunction with those Orders and Regulations.

The Treasury has appointed its Customs and Excise Division to act for the purpose of enforcing financial sanctions against Iraq. Accordingly, certain powers have been delegated by the Treasury to the Division.

The list of persons and entities subject to the sanctions may be found at:

http://www.hm-treasury.gov.uk/documents/financial_services/sanctions/fin_sanctions_index.cfm

Enquiries concerning this Notice should be addressed to the address given below and marked for the attention of the Sanctions Officer.

Enquiries may also be made by -

- facsimile transmission (01624 661725)
- Email (customs@gov.im)
- Telephone (01624 648138)

The address for any enquiries or applications relating to this Notice is -

The Sanctions Officer
The Treasury
Customs and Excise Division
PO Box 6
Custom House
North Quay
Douglas
Isle of Man
IM99 1AG



Isle of Man
Government

Reilrys Ellan Vannin

Directions to all Financial Institutions

The Customs and Excise Division, as agent for the Treasury, **directs** all financial institutions that any funds which they hold for or on behalf of the individuals or entities named in the list relating to this Notice must not be made available, except under the authority of a licence granted by the Treasury.

Financial institutions are requested to check whether they maintain any account for the individuals/entities named in the list to this Notice and, if so, they should freeze the accounts and report their findings to the Customs and Excise Division.

Introduction

1. In 2000 an Order-in-Council, made under section 1 of the United Nations Act 1946 of Parliament placed certain financial sanctions on Iraq.

This Order was the Iraq (United Nations Sanctions) (Isle of Man) Order 2000 [SI 2000 No. 3245] - referred to in this Notice as "the 2000 Order".

The 2000 Order has since been amended by -

- the Iraq (United Nations Sanctions) (Amendment) Order 2003 [SI 2003 No. 1347],
- the Iraq (United Nations Sanctions) (Isle of Man) (Amendment) Order 2003 [SI 2003 No. 1522] - referred to in this Notice as "the 2003 Order", and
- the Iraq (United Nations Sanctions) (Isle of Man) (Amendment) Order 2004 [SI 2004 No. 1982] - referred to in this Notice as "the 2004 Order".

2. The various Orders were made to implement in the Isle of Man the following United Nations Security Council Resolutions -

UN SCR 661 of 6 August 1990 which imposed certain financial sanctions on Iraq, referred to in this Notice as "the 2000 Resolution"; and

UN SCR 1483 of 23 May 2003 which lifted most restrictions on the export of goods to Iraq, and replaced the previous framework of sanctions with one which would target members of the former regime, referred to in this Notice as "the 2003 Resolution".



Isle of Man
Government

Reilrys Ellan Vannin

The 2000 Order implemented the sanctions regime of the 2000 Resolution in the Isle of Man.

The 2003 Order gave effect to the changes to the sanctions regime made by the 2003 Resolution.

3. The current financial sanctions regime is governed by the 2000 Order and the 2003 Order, as they have been amended by the 2004 Order with effect from 29 July 2004.

However, any direction or notice issued by the Treasury prior to 29 July 2004 continued to have effect, and would continue to have effect until specifically revoked by a notice issued by the Treasury.

This Notice replaces all editions of Sanctions Notice 2 (which previously dealt with sanctions against Iraq).

However, no direction or notice issued by the Treasury prior to 29 July 2004 has been revoked or replaced by the publication of this Notice.

Persons and entities affected by the sanctions

4. Article 3 of the 2000 Order, as amended, provides that -

Any person who, except under the authority of a licence granted by the Treasury under article 5 [of the 2000 Order], makes any funds available directly or indirectly to a designated 23a person or a listed 23b person will be guilty of an offence.

5. The financial sanctions regime applies to any person in the Isle of Man, and to any person elsewhere which is a body corporate incorporated or constituted in the Isle of Man under the law of the Island, and to a Limited Liability Company (LLC) constituted under Island law.

The regime therefore applies to all banks, financial institutions, charitable organisations and non-governmental organisations in the Island, or established under Island law.

The regime does not apply to subsidiaries operating wholly outside the Isle of Man and which do not have legal personality under Island law.

6. The terms "designated 23a person" and "listed 23b person" are defined in article 2 of the 2000 Order.

Designated 23a person means a person whose funds are subject to a direction under article 4A(1) of the 2000 Order - being a person identified by the UN Sanctions Committee pursuant to paragraph 23a of the 2003 Resolution, or an entity that had been owned or controlled by the Government of Iraq prior to 20 March 2003.

Paragraph 23a of the 2003 Resolution froze financial assets and economic resources of the previous

Government of Iraq or its state bodies, corporations, or agencies, located outside Iraq as of the date of the Resolution (22 May 2003).

Listed 23b person

means a person identified by the UN Sanctions Committee pursuant to paragraph 23b of the 2003 Resolution.

Paragraph 23b of the 2003 Resolution froze financial assets and economic resources removed from Iraq, or acquired, by Saddam Hussein or other senior officials of the former Iraqi regime and their immediate family members, including entities owned or controlled, directly or indirectly, by them or persons acting on their behalf or at their direction.

Terms such as "senior official" (which includes members of the Iraqi Parliament and senior military officials) and "immediate family member" are also defined in the 2000 Order.

"Immediate family member" means a parent, son or daughter (whether or not adopted), spouse or sibling of the whole or half blood.

7. In exercise of powers given to the Treasury under the 2000 Order, as amended, the Treasury hereby directs that funds held by, for or on behalf of, the persons included in lists identified below or published by Customs and Excise must not be made available to any person.

This direction is to have effect until revoked by a further notice given by the Treasury.

Definition of "funds"

8. "Funds" are defined in article 2 of the 2000 Order as follows -

"Funds" means financial assets and economic benefits of any kind, including (but not limited to) gold coin, gold bullion, cash, cheques, claims on money, drafts, money orders, and other payment instruments; deposits with financial institutions or other entities, balances on accounts, debts and debt obligations; securities and debt instruments (including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures, debenture stock and derivatives contracts); interest, dividends or other income on value accruing from or generated by assets; credit, rights or set-off, guarantees, performance bonds or other financial commitments; letters of credit, bills of lading, bills of sale; documents evidencing an interest in funds or financial resources, and any other instrument of export financing.

Payments sought by or on behalf of persons subject to sanctions

9. A licence in writing is required for any person to make funds available to any person included in the Annex to this Notice, or for the release of any funds frozen pursuant to the UN Security Council Resolutions to any person.

But transfers of funds held on or on behalf of any listed 23b person to the

Development Fund for Iraq held at the Federal Reserve Bank of New York shall be permitted without the requirement for a licence. In such cases the person making the transfer must notify the Treasury in writing or -

- the identity of the person for or on whose behalf the funds were held,
- the amount transferred, and
- the date the transfer took place.

You should consult the Sanctions Officer before making any other transfers or payments from any frozen account.

Licences

10. The Treasury will consider on a case by case basis applications to debit Designated Funds accounts or to make funds available to designated persons other than as permitted by this Notice.

All applications need to be made in writing to the Treasury at the address given on page 2 of this Notice.

All licences issued by the Treasury will be in writing.

11. (1) By this sub-paragraph, which constitutes a written general licence under article 5 of the 2000 Order, funds may be made available to -

Government of Iraq

Iraq Re-Insurance Company Al Khalani Square, Baghdad, Iraq

Iraq Airways Company a.k.a. Iraqi Airways Company or IAC
Other information: State Airline

Central Bank of Iraq Rashid Street, Baghdad, Iraq
Offices in Mosul and Basra
Former Governor was Dr Issam El Moulla Hweish

Rasheed Bank a.k.a.: Rashid Bank, or
Al-Rashid Bank, or Al-Rasheed Bank
PO Box 7177, Haifa Street,
Baghdad, Iraq; or
Al Masarif Street, Baghdad, Iraq
Other information: State-owned bank

Rafidain Bank Rashid Street, Baghdad, Iraq
Other information: State-owned bank
London branch of Rafidain Bank is in
provisional liquidation
Offices in Iraq, UK, Jordan, UAE, Yemen,
Sudan, Egypt

but not funds held by, for or on behalf of a person named in the lists published by the Treasury that have been frozen pursuant to paragraph 7 above, and not funds that are required to be transferred to the Development Fund for Iraq (see paragraph 9 above).

The licence is of indefinite duration.

(2) By this sub-paragraph, which constitutes a written general licence granted under article 5 of the 2000 Order, as amended, funds held by, for or on behalf of persons or entities listed in sub-paragraph (1) above that were or are received on or after 23 May 2003 by the person hold the funds are NOT required to be transferred to the account of the Development Fund for Iraq.

This licence is of indefinite duration.

12. (1) By this paragraph, which constitutes a written general licence under article 5 of the 2000 Order, funds may be made available to -

Technology and Development Group Ltd	a.k.a.: TDG Ltd Address: 2 Stratford Place, London, W1N 9AW, United Kingdom
--------------------------------------	--

TMG Engineering Ltd	a.k.a.: TMG Address: Based in the United Kingdom
---------------------	--

on condition that such funds shall only be made available by being paid into an existing frozen account held for or on behalf of the relevant person.

This licence is of indefinite duration.

(2) By this paragraph, which constitutes a written general licence granted under article 5 of the 2000 Order, as amended, funds held by, for or on behalf of persons or entities listed in sub-paragraph (1) above that were or are received on or after 23 May 2003 by the person holding the funds are NOT required to be transferred to the account of the Development Fund for Iraq.

However, these funds are to remain frozen for the purposes of article 4 of the 2000 Order.

This licence is of indefinite duration.

Transfers to the Development Fund for Iraq

13. Any person holding funds to which a Notice applies must so transfer the funds as soon as possible after he becomes aware that he holds such funds to the account of the Development Fund for Iraq held at the Federal Reserve Bank of New York.
14. The requirement to transfer funds to the Development Fund for Iraq does not apply to -

-
- (a) funds that are required to be dealt with otherwise than as provided for in paragraph 16 above by -
- (i) an order or judgement of a court, or
 - (ii) a final and binding arbitral award made on or before 2 July 2003, or
 - (iii) a binding determination made on or before that day by a public authority, or
 - (iv) under an enactment;
- (b) funds that on or before 2 July 2003 were subject to a lien, charge or other like interest created or imposed as a means of enforcing -
- (i) an order or judgement of a court, or
 - (ii) a final and binding arbitral award made on or before 2 July 2003, or
 - (iii) a binding determination made on or before that day by a public authority, or
 - (iv) under an enactment;
- (c) funds that are authorised by a licence from the Treasury to be dealt with in some other way.
15. The details presently held by the Treasury for the account of the Development Fund for Iraq are -

Federal Reserve Bank of New York
33 Liberty Street, New York, NY10045

Customer: Central Bank of Iraq / Development Fund for Iraq

Customer Accounts / ABA No.: 02186773

Freezing of funds on suspicion

16. If the Treasury considers that there are reasonable grounds to suspect that funds are being held by or on behalf of a designated person, it can direct that those funds are not to be made available to any designated person. Any such direction will be given in writing. It is an offence under the Order to contravene such a direction.

Requirements to provide information

17. The Treasury can serve a written notice on anyone to whom the Order applies, requiring them to furnish the Treasury with any information in their possession or control, or produce any document in their possession or control, for the owner of those funds shall furnish the Treasury with any information in their possession or control, or produce any document in their possession or control, for the purpose of

allowing the Treasury to ensure compliance with, or detect evasion of, the Order.

The above requirement includes providing details of -

- (i) amounts transferred to the account of the Development Fund for Iraq,
- (ii) when such transfers took place, and
- (iii) amounts not transferred to that account and the reasons why the funds have not been transferred.

18. Failure to furnish such information or documents without reasonable excuse is an offence. Intentionally furnishing false information or a false explanation, or damaging or disposing of a document in order to evade such a requirement, is an offence.

Funds frozen prior to the 2003 Order

19. Except for those funds held by, for or on behalf of designated persons, funds of other residents of Iraq should no longer be frozen under the 2000 Order, as amended.

Details of changes made to this Notice and relevant lists

20. None since 1 July 2006.

Isle of Man Customs and Excise Website

Amendments to these sanctions will be advised by means of news releases which will be published on the official Isle of Man Government website at <http://www.gov.im/>

The Isle of Man Customs and Excise website will contain details of all current sanctions, news releases and links to relevant lists <http://www.gov.im/treasury/customs/>

Published by - Customs and Excise Division of The Treasury
PO Box 6
Custom House
North Quay
Douglas
Isle of Man
IM99 1AG

Website: www.gov.im/customs

Email: customs@gov.im

This document can be provided in large print or audio tape on request

© 2006. The contents are the property of the Treasury and should not be copied without its permission.



Isle of Man
Government

Reiltys Ellan Vannin