

Sanctions Notice 21

United Nations Sanctions
European Union Sanctions

Al-Qaida and The Taliban

Afghanistan (United Nations Sanctions)
(Isle of Man) Order 2001

Al-Qa'ida and Taliban (United Nations Measures)
(Isle of Man) Order 2002



July 2006
(updated to 11th March 2008)



Isle of Man
Government

Reiltys Ellan Vannin

About this Notice

This Notice draws attention in convenient form to the Orders and Regulations made under the United Nations Act 1946 and the European Communities (Isle of Man) Act 1973 which place financial sanctions on certain named individuals and entities.

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. 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/in_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



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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 published lists 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 lists and, if so, they should freeze the accounts and report their findings to the Customs and Excise Division.

See also Sanctions Notice 22 (Terrorism).

Introduction

1. From 1999 the United Nations Security Council adopted various Resolutions relating to Afghanistan and the Taliban regime. These imposed a variety of restrictions on organisations and individuals connected with the Taliban.

Security Council Resolution 1333 (2000), inter alia, reminded countries of their obligation to implement measures imposed by the earlier Resolution 1267 (1999), including a freeze of assets and other financial assets.

2. Resolution 1333 (2000) was given effect in the Isle of Man by means of an Order-in-Council, the Afghanistan (United Nations Sanctions) (Isle of Man) Order 2001 [SI 2001 No. 394], which also implemented Resolution 1267 (1999) in the Island.
3. From time to time the UN Sanctions Committee reviews the list of entities and persons subject to a freeze of funds and other financial assets. The current list can be found at the link given on page 2 of this Notice.
4. Following a terrorist attack on the USA in September 2001 the UN adopted further measures, described below, and an extended freeze which covered funds and other financial assets of individuals and entities connected to Usama bin Laden and the Al-Qaida organisation.
5. In January 2004 the Security Council unanimously adopted a further Resolution 1526 (2004), which was intended to improve the sanctions regimes imposed on Usama bin Laden, the Taliban, Al-Qaida, and other individuals and groups associated with them.



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The new Resolution extends the freezing of assets and resources to -

“undertakings and entities, including funds derived from property owned or controlled, directly or indirectly ... and ensure that neither those funds or any other financial assets ... are made available, directly or indirectly for such person’s benefit , by...nationals or by any persons within...territory”.

6. SCR 1526 also improved controls on preventing entry or transit of individuals, and preventing the direct or indirect sale or supply of all arms and related materials.
7. In January 2002 the Security Council adopted new Resolutions 1388 (2002) and 1390 (2002).

These modified existing sanctions, and provided for a ban on the supply of arms and related material, technical assistance and training to persons listed as being members of, or associated with, Al-Qaida, the Taliban.

8. On 14 February 2002 a new Order-in-Council came into operation.

The Al-Qa’ida and Taliban (United Nations Measures) (Isle of Man) Order 2001 [SI 2001 No. 259] replaced the Afghanistan (United Nations Sanctions) (Isle of Man) Order 2001 and at the same time gave effect to UN Security Council Resolution 1390 (2002).

This recognised the changes that had taken place in Afghanistan, with the Taliban being deposed as the ruling regime. The Order prohibited the supply of arms and related material, and the provision of technical assistance and training to, and the freezing of the assets of, Usama bin Laden, members of Al-Qa’ida and the Taliban and their associates. The names of those affected by the Order are included in the lists which can be found at the link given on page 2 of this Notice.

9. In January 2004 the UN Security Council adopted new Resolution 1526 (2004). This aimed to improve and extend measures designed to prevent the flow of funds to Usama bin Laden, the Taliban, Al-Qaida, and individuals and entities associated with them. See paragraph 5 above for more details.

Instructions to institutions etc

10. The Treasury has and will issue from time to time lists of individuals and entities who are -
 - (a) subject to the UN sanctions imposed on those connected with the Taliban and Al-Qaida; and
 - (b) suspected of committing, or posing a significant risk of committing, or providing material support for, acts of terrorism.

Financial institutions **MUST** -

- (a) check whether they maintain accounts for any of those individuals or organisations listed, and if so

(b) freeze the accounts and report findings to the Customs and Excise Division.

11. Regardless of whether any entity and/or person is named on a list notified by the Treasury, if any person or institution suspects that the funds of any customer or client is or may be used for facilitating, or providing material support for, acts of terrorism they must report their suspicions immediately to the Financial Crime Unit (FCU).
12. A bank or other financial institution which knows or suspects that a customer or other person identified in the Appendices to this Notice with which it has had business dealings has committed an offence under the Orders, must report the information on which its knowledge or suspicion is based to the Treasury's Customs and Excise Division as soon as reasonably practicable.

Failure to do so is an offence.

Provisions of the Orders

13. It is an offence to invite funds, or to receive or provide funds if it is known, or there is reasonable cause to suspect, the funds may be used for the purposes of terrorism, or the person or entity appears on a published list.
14. It is an offence to make available any funds or financial or related services to, or for the benefit of, those involved in terrorism, or those controlled by them, or acting on their behalf.
15. The Treasury may issue a notice directing that funds should be frozen and may not be made available to any person except under the authority of a licence issued by the Treasury.
16. Any person who intentionally engages in activities designed to enable or facilitate the making available of funds shall be guilty of an offence.
17. It is an offence for an institution not to disclose to the Treasury information relating to those it has dealings with (since 10 October 2001), if it knows or suspects that that person is involved in any way in terrorism.

There is also legal cover for the disclosure of such information to the Treasury.

18. The Treasury may issue licences, which must be in writing, for the release of funds.
19. The Order also provides the Treasury with powers to obtain information, carry out enquiries etc.

Definition of funds

20. "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 of 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.

The definition is drawn so broadly as to include virtually all forms of asset, actual or potential. Therefore, it would be safest to assume that any dealings with persons, organisations or territories involved in terrorism and/or included in lists issued by the Treasury may be prohibited.

Frozen accounts

21. The sterling, foreign currency and gold bullion accounts of named parties included in lists issued by the Treasury and held in the Island by persons authorised by the Financial Supervision Commission will be blocked and designated as "Frozen accounts".

Funds held by advocates, accountants and others on behalf of such parties should be placed in a separate account that should be designated as a Frozen account.

Payments involving frozen accounts

22. Payments from Frozen accounts are prohibited unless a written licence has been granted by the Treasury.

Failure to provide information or providing false information

23. Failure or refusal to furnish 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.
24. Providing false information to the Treasury is an offence, and providing false information for the purposes of obtaining a licence (or failing to comply with any condition of the licence) is an offence.

Amendments to this Notice

25. There have been none as of 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/>

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