

Sanctions Notice 22

United Nations Sanctions
European Union Sanctions

Terrorism and the Financing of Terrorism

Terrorism (United Nations Measures)
(Isle of Man) Order 2001

European Communities (Terrorism Measures) Order 2002



July 2006
(updated to 21st July 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 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/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



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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 21 (Al-Qaida and the Taliban).

Introduction

1. On 28 September 2001 the UN adopted Security Council Resolution 1373 (2001). This instructed States to take the necessary steps to freeze funds of entities and/or persons suspected of committing, or posing a significant risk of committing, or providing material support for, acts of terrorism.
2. Measures adopted under Resolution 1373 (2001) are in addition to any financial and other sanctions adopted under Resolutions targeting specific individuals, states, territories and organisations.
3. On 10 October 2001 an Order-in-Council, the Terrorism (United Nations Measures) (Isle of Man) Order 2001 [SI 2001 No. 3364] came into force.

This Order gave effect to Resolution 1373 (2001) in Island law.

The list of persons and entities affected by this Order can be found at the link given on the face of this Notice.

4. In January 2002 the Security Council adopted new Resolutions 1388 (2002) and 1390 (2002).

This 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.

5. The European Union also adopted similar sanctions measures by means of Council Regulation 2580/2001/EC of 27 December 2001. This Regulation was applied in the Island, as part of the Island's law, by the European Communities (Terrorism Measures) Order 2002 [SD 111/02].

Generally, the lists of individuals and entities affected by the Regulation will mirror those affected by the UN measures.



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Instructions to financial institutions etc

6. The Treasury has and will issue from time to time lists of individuals and entities -
 - (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.
7. 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).
8. A bank or other financial institution which knows or suspects that a customer or other person identified in a published list 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

9. 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.
10. 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.
11. 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.
12. Any person who intentionally engages in activities designed to enable or facilitate the making available of funds shall be guilty of an offence.
13. 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.
14. The Treasury may issue licences, which must be in writing, for the release of funds.

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15. The Orders also provide the Treasury with powers to obtain information, carry out enquiries etc.

Definition of funds

16. "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, you should 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

17. 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

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

Failure to provide information or providing false information

19. Failure or refusal 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.
20. 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

21. In a Notice issued by the Council of the EU on 16 July 2008 the Council announced that persons, groups and entities seeking a statement of reasons why they are included on the sanctions lists could apply to the Council of the European Union (Attn: CP 931 designations), Rue de la Loi 175, B-1048 Brussels, Belgium. The Notice also invited requests for reconsideration of inclusion at regular reviews of the lists, and reminded those affected of their right to take their case to the Court of First Instance of the EC.

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/>

Details of Amendments

- 21 July 2008 New paragraph 21 re Notice of right of appeal etc against inclusion on EU sanctions lists added.

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