

ISIL (Da'esh) & Al-Qaida Sanctions - Guidance



Isle of Man
Government

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MARCH 2022

Introduction

The Treasury has issued this guidance to assist in the implementation of, and compliance with the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019, as those Regulations have effect in the Isle of Man.

The policy of the Isle of Man Government is to maintain the implementation of international sanctions measures in the Isle of Man in line with such measures have effect in the United Kingdom from time to time.

Legislation

The ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019 have effect in the Isle of Man by the ISIL (Da'esh) and Al-Qaida (United Nations) Sanctions (Application) Regulations 2020 [SD 2020/0478] ("the Regulations").

This document contains guidance on the prohibitions and requirements imposed by the Regulations. In addition it provides guidance on best practice from complying with the prohibitions and requirements; the enforcement of them; and circumstances where they do not apply.

Further guidance

This document should be read alongside the [Financial Sanctions guidance](#).

Contact details for enquiries

Enquiries concerning this Notice may be made by –

- Email customs@gov.im
- Telephone 01624 648109

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1. Prohibitions and requirements imposed by the Regulations

These Regulations impose financial and trade sanctions which is aimed at combatting the threat posed by ISIL (Da'esh) and Al-Qaida and those associated with them.

In order to achieve their stated purposes, the Regulations impose a number of prohibitions and requirements in order to enforce these, the Regulations establish penalties and offences. These are set out in detail in the Annex.

The sanctions imposed by these Regulations apply within the territory of the Isle of Man (IOM) and in relation to the conducts of all Island persons wherever they are in the world. Island person includes –

- (a) a British citizen, a British overseas territories citizen, a British National (Overseas) or a British overseas citizen who is resident in the Isle of Man;
- (b) a person who under the British Nationality Act 1981 (of Parliament)¹ is a British subject who is resident in the Isle of Man;
- (c) a British protected person within the meaning of that Act who is resident in the Isle of Man; or
- (d) a body incorporated under the law of the Isle of Man;

The maritime enforcement powers contained in Part 9 of the Regulations apply in relation to British ships in international or foreign waters, ships without nationality in international waters and foreign ships in international waters.

It is prohibited to intentionally participate in any activities if you know that the object or effect of them is to directly or indirectly circumvent the prohibitions imposed by these Regulations or to enable or facilitate the contravention of those prohibitions.

If you are unclear about any aspects of the Regulations, in particular about whether action you are considering taking could contravene these Regulations, you are advised to seek independent legal advice.

Prohibitions and requirements for the financial and immigration sanctions contained in these Regulations are set out below.

1.1 Designation of persons

Where the UK Secretary of State has designated a person, that designation also has effect in the Isle of Man from the same time, and any variation or revocation of the designation will also have effect in the Island. The reasons for designation include, for example, to prevent violent acts of terrorism and undermining stability around the world through terrorist attacks.

When these Regulations are in force a list of those persons designated under these Regulations and details of the sanctions in respect of which they have been designated, will be on [GOV.UK](https://www.gov.uk)

1.2 Financial sanctions

Asset Freeze

The Regulations impose financial sanctions through a targeted asset freeze on designated persons. This involves the freezing of funds and economic resources (non-monetary assets, such as property or vehicles) of designated persons and ensuring that funds and economic

¹ 1981 Chapter 61.

resources are not made available to or for the benefit of designated persons or entities, either directly or indirectly.

The Regulations also impose an asset freeze on the assets owned by Usama bin Laden at the time of his death (or which form part of his estate) which may be unfrozen on application, as required under the UN regime.

More information on asset freezes can be found in the [Financial Sanctions guidance](#).

1.3 Trade Sanctions

The Regulations impose trade sanctions in relation to designated persons. The trade sanctions include prohibitions relating to:

- military goods and military technology (as specified in [Schedule 2 to the Export Control Order 2008](#))
- the provision of technical assistance, financial services or funds and associated brokering services where such provision enables or facilitates the conduct of armed hostilities

Further detail on these trade prohibitions, including key terminology used, is explained below. Please have regard to the relevant legislation which contains full definitions of terms used here.

Export of goods

The concept of “export” is set out in customs legislation, but is further detailed in the Regulations, which clarifies that “export” means export from the Isle of Man, but does not capture where goods are removed to the United Kingdom from the Isle of Man.

The export prohibition in the Regulations covers export to designated person as well as exports for the benefit of the designated person. This means that, even if the immediate consignee is not a designated person, the prohibition may still apply. Exporters should check the ultimate end use of goods and may apply for a licence or contact the Export Control Joint Unit (ECJU) if you know or think the items may be used for the benefit of a designated person.

For general guidance on export controls and trade sanctions, visit the Export Control Joint Unit website (the Isle of Man imposes the same export and trade controls as the UK).

Supply and delivery of goods

Supply and delivery prohibitions in the Regulations prohibit a person from directly or indirectly supplying or delivering goods from a third country to, or for the benefit of, a designated person. Regulation 16 specifies that for the purposes of this regulation a third country is a country that is not the UK or the Isle of Man.

Making goods and technology available

Prohibitions in the Regulations on making goods or technology available (e.g. through a sale) include directly or indirectly making them available to, or for the benefit of, a designated person.

Transfer of technology

Prohibitions in the Regulations on the transfer of technology include transfer to, or for the benefit of, a designated person.

The term 'transfer' means a transfer by any means (or combination of means), including oral communication and that transfer of goods on which the technology is recorded or from which it can be derived, other than the export of such goods.

Where military technology is contained within a good, it would be classified as a military good under the accompanying goods-related provisions. This includes information contained on USB memory devices, laptops, tablets and the like.

Technical assistance

The term technical assistance in relation to goods or technology is defined in regulation 14, which states that it means:

- technical support relating to the repair, development, production, assembly, testing, use or maintenance of the goods or technology, or
- any other technical service relating to the goods or technology

Prohibitions apply where the technical assistance relates to certain specified (military) goods or technology.

The prohibitions apply to the direct or indirect provision of such technical assistance to, or for the benefit of, a designated person.

This means that, even if the person to whom you are providing the relevant technical assistance is not a designated person, the prohibition may still apply if the technical assistance is for the benefit of a designated person. Therefore, if you are providing technical assistance you should check the ultimate end use of the military goods or military technology to which the technical assistance relates and contact [ECJU](#) if you know or think the goods or technology may be used by or for the benefit of a designated person.

Financial services and funds related to goods and technology

'Financial services' refer to any services of a financial nature in many different forms including insurance and banking. Financial services include payment and money transmission services. The full definition of 'financial services' can be found in [Section 61 of the Sanctions Act](#).

'Funds' means financial assets and benefits of every kind, including cash, securities and interest. The full definition of 'funds' can be found in [Section 60 of the Sanctions Act](#).

Trade sanctions prohibitions on the provision of financial services and funds apply where they relate to certain specified goods or technology.

The prohibitions in the Regulations apply to the direct or indirect provision of financial services, and the direct or indirect making available of funds to, or for the benefit of, a designated person in pursuance of or in connection with an arrangement set out in the Regulations. This captures arrangements where the object or effect falls into one of the prohibitions, for example the export of goods or direct or indirect supply or delivery of goods.

These prohibitions also prohibit the direct or indirect provision of financial services or funds in pursuance of or in connection with specific arrangements as set out in regulation 20(3).

Brokering services

The definition of 'brokering services' is set out in regulation 14, which states that it means any service to secure, or otherwise in relation to, an arrangement, including (but not limited to):

- the selection or introduction of persons as parties or potential parties to the arrangement
- the negotiation of the arrangement
- the facilitation of anything that enables the arrangement to be entered into, and
- the provision of any assistance that in any way promotes or facilitates the arrangement

The Regulations prohibit the direct or indirect provision of brokering services where they relate to specific arrangements. Those arrangements are set out in regulation 21.

Other service provisions

Certain other services are prohibited in the Regulations. These include the direct or indirect provision of services where such provision enables or facilitates the conduct of armed hostilities.

As set out in regulation 22, the direct or indirect provision of the following services to, or for the benefit of, a designated person is prohibited where such provision enables or facilitates the conduct of armed hostilities:

- a) technical assistance
- b) financial services or funds, or
- c) brokering services in relation to an arrangement whose object or effect is to provide, in a non-UK country any of the services mentioned in paragraphs (a) - (b)

For general guidance on export controls and trade sanctions, visit the [Export Control Joint Unit](#) website (the Isle of Man imposes the same export and trade controls as the UK).

1.4 Immigration Sanctions

These Regulations do not contain immigration sanctions. Persons named on the ISIL (Da'esh) and Al-Qaida Sanctions List are excluded persons for the purposes of section 8B of the Immigration Act 1971 (as that Act has effect in the Isle of Man).

This means that those individuals will be refused leave to enter or remain in the UK/IOM. Any applications they make for a visa to travel to the UK/IOM, including for transit purposes, will be refused. A foreign national who is subject to a travel ban under the Regulations, and is currently in the UK/IOM, will have their permission to stay in the UK/IOM cancelled and steps will be taken to remove them.

If you are the subject of an immigration sanction and try to travel to the UK/IOM, carriers are required to deny you boarding.

1.5 Information and Record Keeping

Part 7 of the Regulations places obligations on relevant firms (the definition of which is set out in the Regulations) to report information to the Treasury about known or suspected designated persons or about persons who may have committed an offence under specified provisions of the Regulations. The Treasury has designated the Financial Intelligence Unit (FIU) as the body to whom reports should be made, via THEMIS.

It also grants powers to the Treasury to request information from, amongst others, a designated person, including powers to request the production of documents. It also establishes offences for failing to comply with these requests (including providing false information in respect of licences).

If you have obligations or responsibilities under Part 7 of these Regulations, it is important that you familiarise yourself with them. If you are unclear of your obligations or responsibilities, you are advised to seek independent legal advice.

2. How will these sanctions measures be enforced?

The Regulations make it a criminal offence to contravene the trade and financial sanctions, as well as to enable or facilitate a contravention of, or to circumvent, any of the prohibitions in the Regulations. They also prescribe the mode of trial and penalties that apply to such offences. In some cases, offences related to contraventions of prohibitions in the Regulations are contained within other legislation, such as the Customs and Excise Management Act 1986.

In addition to the below, further details on offences and penalties can be found in the Annex

2.1 Financial Sanctions

Breaches of financial sanctions are a serious criminal offence. Any breach of the main financial prohibitions in the Regulations carries a maximum sentence of 7 years' imprisonment or a fine (or both).

Committing an offence under regulations 31(6) or 35 (information offences in connection with financial sanctions under the Regulations) carries a maximum sentence of 6 months' imprisonment or a fine (or both).

The Treasury is responsible for monitoring compliance with financial sanctions and investigating suspected breaches.

The Treasury works with other parts of government, supervisory bodies and regulators to consider all cases reported to it, sharing relevant information accordingly.

If you find out that a person or organisation you are dealing with is subject to the financial sanctions detailed in the Regulations, you must immediately:

- stop dealing with them
- freeze any assets you're holding for them
- inform the FIU as soon as possible.

More detailed information on the Treasury's approach to compliance and enforcement can be found in the [Financial Sanctions Guidance](#).

2.2. Trade Sanctions

Any breach of the prohibitions relating to the trade sanctions contained in the Regulations is triable either way and carries a maximum sentence of 10 years' imprisonment or a fine (or both).

The Treasury is responsible for enforcing the trade prohibitions and investigating suspected offences.

If you discover that you have breached any of the trade prohibitions, you should report the irregularity to the FIU as soon as possible.

You should provide:

- details of the export or transaction, including dates
- any relevant documents, such as export documentation and commercial invoices
- details of how the breach was discovered, why it occurred and what steps you have put in place to ensure it does not happen again.

3. Are there circumstances when I can get an authorisation or licence for a sanctioned activity?

Licensing and exception provisions are contained in Part 6 of the Regulations.

3.1 Exceptions

The Regulations set out the exceptions to some of the sanctions prohibitions which apply within certain defined circumstances. An exception applies automatically, and does not require you to obtain a licence.

The Regulations establish exceptions relating to financial sanctions including for the crediting of a frozen account, providing that any such interest or other earnings are frozen in accordance with the relevant legislation underpinning the asset freeze. An exception also exists for when funds are transferred to a relevant institution for crediting to an account held or controlled by a designated person in discharge (or partial discharge) of an obligation which arose before the recipient became a designated person.

The Regulations also include an exception in relation to any prohibition or requirement imposed by these Regulations for acts done for the purposes of national security or prevention of serious crime.

There are some exceptions to the travel ban in UN Resolution 2368. A person is not treated as an excluded person under Section 8B of the Immigration Act 1971 (as that Act has effect in the Isle of Man) where entry or transit is necessary for the fulfilment of a judicial process or where the UN Committee determines on a case by case basis that the entry or transit is justified.

These exceptions do not apply to all prohibitions. If you are unsure whether an exception applies in your circumstances, you are advised to seek independent legal advice.

3.2. Licensing for financial sanctions

Where a person has been designated for the purposes of financial sanctions and had their assets frozen, the designated person or a representative may apply for a licence from the Treasury in order to be able to utilise their funds or economic resources (non-monetary assets, such as property or vehicles). Schedule 2 to the Regulations sets out the purposes pursuant to which, or for which activities, the Treasury may grant an individual licence. In summary these are:

- basic needs
- reasonable legal fees or reasonable expenses associated with the provision of legal services

- reasonable fees for the routine holding or maintenance of frozen funds and economic resources
- extraordinary expenses
- pre-existing judicial decisions etc.
- prior obligations
- diplomatic missions
- extraordinary situations

Further information can be found in the [Financial Sanctions Guidance](#)

3.3 Licensing for trade sanctions

The Regulations do not contain a power to issue licences in respect of trade sanctions. If you are engaging in trade with a designated person you are advised to undertake due diligence to ensure that you are not breaching the prohibitions in the Regulations.

When you export goods, you may need to submit an electronic export declaration via the National Export System (NES), part of the Customs Handling of Import and Export Freight (CHIEF) system. Guidance is available on [how to make an export declaration](#)

3.4 Exemptions in respect of immigration sanctions

UN Resolution 2368 provides that a travel ban does not apply where entry or transit is necessary for the fulfillment of a judicial process. The ISIL (Da'esh) and Al-Qaida Committee may also determine on a case-by-case basis that entry or transit is justified for a particular purpose.

You can find details of how to apply [for an exemption from a travel ban](#) on the UN Security Council pages.

If the Committee approves the request for an exemption, individuals must apply for a visa to travel to the UK/IOM.

4. Further information

Sign up to receive [Notices to Exporters](#) for updates on trade sanctions.

To receive an email alerting you to any changes to the consolidated list of financial sanctions targets, you can subscribe to the Customs & Excise [News feed](#)

Annex A

Table of financial sanctions offences

Type of Sanctions offences	Specific offence	Relevant prohibition or requirement	Maximum penalty
Breach of sanctions	<ol style="list-style-type: none"> 1. Dealing with funds or economic resources owned, held or controlled by a designated person 2. Making funds available directly or indirectly to a designated person 3. Making funds available for the benefit of a designated person 4. Making economic resources available directly or indirectly to a designated person 5. Making economic resources available for benefit of a designated person 	<ol style="list-style-type: none"> 1. reg. 8 2. reg. 9 3. reg. 10 4. reg. 11 5. reg. 12 	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 12 months, or to a fine not exceeding level 5 on the standard scale, or to both. <p>Liable on conviction on information -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 7 years or to a fine, or to both.
Circumvention etc. of prohibitions	Circumventing directly or indirectly the prohibitions of regs. 8-12 (Part 3 Finance) or enabling the contravention of prohibitions.	reg. 13	
Breach of requirements under Treasury licences	<ol style="list-style-type: none"> 1. Knowingly or recklessly providing false information or providing a document that is not what it purports to be for the purpose of obtaining a Treasury licence 2. Failing to comply with the conditions of a Treasury licence 	<ol style="list-style-type: none"> 1. reg. 30 2. reg. 30 	
Breach of reporting obligations	<ol style="list-style-type: none"> 1. Failure to inform the Treasury about knowledge or reasonable cause to suspect that a person is a designated person or has committed an offence under Part 3 of the Regulations or reg.30 (finance: licensing offences) 2. Failure to provide the Treasury with information on which the knowledge or suspicion is based or information by which the person can be identified. 	<ol style="list-style-type: none"> 1. reg. 31 2. reg. 31 3. reg. 31 	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 12 months, or to a fine not exceeding level 5 on the standard scale, or to both.

	3. Failure to provide the Treasury with information about any funds or economic resources it holds for a designated person at the time when it first had knowledge or suspicion.		
Failure to comply with requests for information	1. Failure to provide information in the time and manner requested under reg. 33 2. Knowingly and recklessly providing false information in respect of information requested under reg. 33 3. Evasion of requests made under reg. 33 or reg. 34 4. Obstruction of Treasury requests for information made under reg. 33 or reg. 34.	1. reg. 35 2. reg. 35 3. reg. 35 4. reg. 35	

ANNEX B

Table of trade sanctions offences

Type of Sanctions offences	Specific offence	Relevant prohibition or requirement	Maximum penalty
Breach of controls on exporting military goods and technology	Exporting military goods	Reg. 15 Offence contained within Customs and Excise Management Act 1986 s 69 (1)	<p>Liable on summary conviction</p> <p>To a penalty of £5,000 or of three times the value of the goods whichever is the greater, or to imprisonment for a term not exceeding 6 months, or to both.</p> <p>Liable on conviction on information</p> <p>To a penalty of any amount, or to imprisonment for a term not exceeding 10 years (this a modification to the 7 year maximum set out in the Customs and Excise Management Act 1986</p>
Breach of controls on military goods and technology	<ol style="list-style-type: none"> 1. Supplying or delivering restricted goods. 2. Making military goods and military technology available. 3. Transferring military technology. 4. Providing technical assistance relating to military goods or military technology. 5. Providing financial services or funds relating to military goods or military technology. 6. Providing brokering services relating to military goods or military technology. 	<ol style="list-style-type: none"> 1. Reg.16 2. Reg.17 3. Reg.18 4. Reg.19 5. Reg.20 6. Reg.21 	<p>Liable on summary conviction</p> <p>To imprisonment to a term not exceeding 12 months or a fine (or both).</p> <p>Liable on conviction on information</p> <p>To imprisonment for a term not exceeding 10 years or a fine (or both).</p>
Breach of controls on enabling of facilitating armed hostilities	Providing technical assistance, financial services or funds that enable of facilitate the conduct of armed hostilities	Reg.22	<p>Liable on summary conviction</p> <p>To imprisonment to a term not exceeding 12 months or a fine (or both).</p>

			<p>Liable on conviction on information</p> <p>To imprisonment for a term not exceeding 10 years or a fine (or both).</p>
Circumvention etc. of prohibitions	Circumventing directly or indirectly of the prohibitions of regs. 15-22.	Reg. 23	<p>Liable on summary conviction</p> <p>To imprisonment to a term not exceeding 12 months or a fine (or both).</p> <p>Liable on conviction on information</p> <p>To imprisonment for a term not exceeding 10 years or a fine (or both).</p>

ANNEX C

Table of other sanctions offences for the purposes of UN obligations

Type of Sanctions offences	Specific offence	Relevant prohibition or requirement	Maximum penalty
Breach of sanctions	Dealing with funds or economic resources owned, held or controlled by Usama bin Laden	Reg. 25	<p>Liable on summary conviction To a penalty of £20,000 or of three times the value of the goods whichever is the greater, or to imprisonment for a term not exceeding 6 months, or to both.</p> <p>Liable on conviction to indictment</p> <p>To a penalty of any amount, or to imprisonment for a term not exceeding 10 years (this a modification to the 7 year maximum set out in the Customs and Excise Management Act 1986</p>
Circumvention etc. of prohibitions in respect of the asset-freeze in relation to Usama bin Laden	Circumventing directly or indirectly, or enabling or facilitating the contravention of, the prohibitions on dealing with funds or economic resources owned, held or controlled by Usama bin Laden	Reg.26	