

Treasury
Customs and Excise Division

Sanctions Notice 47

European Union Sanctions

Venezuela



December 2017
(updated to 12 November 2019)



Isle of Man
Government

Reillys Ellan Vannin

Index

About this Notice

Direction

Introduction

Funds and economic resources

Frozen accounts

Licences

Amendments to this Notice

Isle of Man Customs and Excise website



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About this Notice

This Notice draws attention in convenient form to measures designed to impose restrictive measures in respect of Venezuela

This Notice provides guidance on aspects of the measures having effect in the Isle of Man, and should be read in conjunction with any order or regulations giving effect to those measures in the Island.

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.

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

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

This Notice is provided for information purposes only, and its contents should not be taken as a definitive statement of the law. You are advised to seek independent legal advice if you believe you are affected by anything in this Notice.

For further information about sanctions in general, including how to deal with false positives, or when sanctions are lifted or persons delisted, see Sanctions Notice 26.

Sanctions Notice 32 deals with the granting of licences.

These Notices, and other information about sanctions and export and trade controls, may be found at - <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

Direction

The Customs and Excise Division, as agent for the Treasury, **directs** that any funds held for or on behalf of the individuals or entities named in the published lists having effect in the Island must not be made available, except under the authority of a licence in writing from the Treasury.

Any funds should be blocked or frozen and the details reported to the Financial Intelligence Unit.

All persons in business or a profession in the Island, including financial institutions, **must** check whether they maintain any account, or otherwise hold or control funds or economic resources, for individuals or entities included in the lists and, if so, they should freeze the

account, funds or economic resources and report their findings to the Financial Intelligence Unit.

Any person, entity or body with information that would facilitate compliance with the sanctions Regulation(s) **must** supply such information to the Financial Intelligence Unit and co-operate in any verification of the information.

Reports of accounts and amounts frozen should be made using THEMIS; however, if you do not have access to this reporting system, you should use the appropriate form on the FIU website.

Financial Intelligence Unit contact details

Financial Intelligence Unit
PO Box 51
Douglas
Isle of Man
IM99 2TD

Telephone: +44 1624 686000
Email: fiu@gov.im

Introduction

1. Venezuela has been affected by a socioeconomic crisis since 2012 during Hugo Chávez's tenure and which has extended over the years into the current presidency of Nicolás Maduro. During the year 2016, for example, consumer prices rose 800%, the economy contracted by 18.6%, and hunger escalated to the point that the "Venezuela's Living Conditions Survey" (ENCOVI) found nearly 75 percent of the population had lost an average of at least 8.7 kg (19.4 lb) in weight due to a lack of proper nutrition.
2. The Council of the European Union, on 15 May 2017, adopted conclusions calling on all Venezuelan political actors and institutions to work in a constructive manner towards a solution to the crisis in the country while fully respecting the rule of law and human rights, democratic institutions and the separation of powers. It also stated that the release of jailed political opponents and respect for constitutional rights are crucial steps in building trust and helping the country to regain political stability.
3. On 26 July 2017, the European Union expressed concern at the numerous reports of human rights violations and excessive use of force, and called on the Venezuelan authorities to respect the Constitution of Venezuela and the rule of law and to ensure that fundamental rights and freedoms, including the right to peaceful demonstration, are guaranteed.
4. On 30 July 2017 Venezuelan authorities held elections for a new Constituent Assembly with the power to amend the constitution to grant more powers to President Maduro and allow the current authoritarian slide to continue in Venezuela. These elections have been denounced as illegitimate by the opposition and much of the international community. These elections and the repressive actions taken by the Maduro regime since July have durably worsened the political and humanitarian crisis

in Venezuela, and continue to cause the deterioration of democracy, the rule of law and human rights in the country.

5. In response on 13 November 2017, the European Council adopted Council Regulation 2017/2063 imposing restrictive measures to pressure those in the Venezuelan government responsible for the deterioration of democracy, the rule of law and human rights in the country. These measures include an asset freeze, a travel ban and an arms embargo.

The EU Regulation 2017/2063 contained prohibitions and restrictions on –

- the sale, supply, transfer or export, directly or indirectly, of equipment which might be used for internal repression, to or for use in, Venezuela;
- providing, directly or indirectly, technical assistance or brokering services relating to equipment that might be used for internal repression to, or for use in, Venezuela;
- providing, directly or indirectly, financial assistance, including grants, loans, insurance and reinsurance, relating to equipment that might be used for internal repression, to, or for use in, Venezuela;
- providing, directly or indirectly, technical assistance or brokering services related to goods and technology listed in the Common Military List, or related to the provision, manufacture, maintenance and use of goods and technology on that List to any person, entity or body in, or for use in, Venezuela;
- providing, directly or indirectly, financing or financial assistance related to the sale, supply, transfer or export of goods or technology on the Common Military List, including grants, loans and export credit insurance, as well as insurance and reinsurance for any sale, supply or transfer, or the provision of any related technical assistance or brokering services to any person, entity or body in, or for use in, Venezuela.

Council Regulation 2017/2063 was applied in Island law by means of European Union (Venezuela Sanctions) Order 2017 [SD 2017/0366] with effect from 15 December 2017, with European Union (Venezuela Sanctions) Regulations 2017 [SD 2017/0367] coming into operation at the same time.

6. On 22 January 2018, Council Decision (CFSP) 2018/90 and Council Implementing Regulation (EU) 2018/88 were published in the Official Journal of the EU. Naming 7 individuals holding official positions under restrictive measures, with immediate effect. These individuals are involved in the non-respect of democratic principles or the rule of law as well as in the violation of human rights.
- 6A. EU renews targeted restrictive measures for one year until 14 November 2019 following adoption of Council Decision (CFSP) 2018/1656.
- 6AB. EU extended restrictive measures against Venezuela for one year until 14 November 2020 following adoption of Council Decision (CFSP) 2019/1893.

Funds and economic resources

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7. For the purpose of the sanctions, "funds" means financial assets and benefits of every kind, including (but not limited to) -
- 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;
 - publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative contracts;
 - interest, dividends or other income or on value accruing from or generated by assets;
 - credit, right 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.
- 8 "Economic resources" means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but which may be used to obtain funds, goods or services.

Frozen accounts

9. All funds and economic resources belonging to, held or controlled by designated persons held by banks, building societies, stockbrokers, accountants etc must be frozen. No funds or economic resources may be made available to a designated person unless permitted by a licence from the Treasury, except that the following are permitted -
- adding to frozen accounts of interest or other earnings;
 - adding to frozen accounts payments due under contracts, agreements or obligations that arose or were concluded before the date on which the person was subject to sanctions in the Island;
 - adding to frozen accounts transfers from other sources.
10. Financial and credit institutions must notify the Financial Intelligence Unit immediately if they have a frozen account, and if they receive transfers from other sources into frozen accounts.

Licences

11. The Treasury may licence the release or the making available of funds or economic resources where -

- necessary for the basic needs of designated persons and their immediate family (including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums and public utility charges);
- exclusively for reasonable professional fees or the reimbursement of expenses incurred in connection with the provision of legal services;
- exclusively for payment of fees or service charges for the routine holding or maintenance of frozen funds or economic resources;
- for extraordinary expenses;
- exclusively to satisfy claims secured by a lien or judgment established prior to the date that the person involved became a designated person - but only if not for the benefit of a designated person and not contrary to public policy.

Amendments to this Notice

This Notice was first published on 15 December 2017.

22 January 2018	Paragraph 6 substituted to advise of the publication of Council Decision (CFSP) 2018/90 and Council Implementing Regulation (EU) 2018/88 naming 7 individuals under restrictive measures.
3 April 2018	Various amendments to make clear that reporting of frozen accounts or breaches of sanctions must be made to the Financial Intelligence Unit.
31 May 2018	Privacy Notice added
7 November 2018	Paragraph 6A inserted regarding renewal of sanctions measures until 14 November 2019.
12 November 2019	Paragraph 6B inserted regarding extension of sanctions measures until 14 November 2020.

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 <https://www.gov.im/>

The Isle of Man Customs and Excise website will contain details of all current sanctions, news releases, Sanctions Notices and links to relevant websites and lists at <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

New or amended versions of this Notice will be provided on that website.

Privacy Notice

The Treasury collects information about you in order to administer taxation and carry out other functions for which it is responsible (e.g. National Insurance, customs and excise duties, property rates, social security benefits, state pensions and legal aid etc.), and for the detection and prevention of crime.

Whilst that information will primarily be provided by you, where the law allows we may also get information about you from other organisations, or give information about you to them. This may be to check the accuracy of the information provided, prevent or detect crime or protect public funds in other ways. These organisations may include other government departments, the police and other agencies.

To find out more about how we collect and use personal information, contact any of our offices or visit our website at: <https://www.gov.im/about-the-government/departments/the-treasury/privacy-notice/>

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

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