

## **Introduction**

The Treasury has issued this guidance to assist in the implementation of, and compliance with the Mali (Sanctions) (EU Exit) Regulations 2020, 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 Mali (Sanctions) (EU Exit) Regulations 2020 have effect in the Isle of Man by the Mali Sanctions (Application) Regulations 2020 [[SD 2020/0450](#)] ("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 - General Guidance](#).

## **Contact details for enquiries**

Enquiries concerning this Notice may be made by –

- Email [customs@gov.im](mailto:customs@gov.im)
- Telephone 01624 648109

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## **1. Prohibitions and requirements imposed by the Regulations**

These Regulations impose financial and immigration sanctions for the purpose of promoting peace and stability in Mali and will ensure that the Isle of Man implements the relevant UN obligations under United Nations Security Council Resolution 2374 (2017).

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)<sup>1</sup> 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;

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 promote peace, stability and security of Mali, encourage compliance with international human rights law and respect for human rights in Mali.

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)

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<sup>1</sup> 1981 Chapter 61.

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

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

## **1.3 Immigration Sanctions**

The effect of the Regulations is to impose a travel ban on persons who are designated by the UK Secretary of State. Such persons are excluded persons for the purposes of section 8B of the Immigration Act 1971 (as that Act has effect in the Isle of Man).

Persons who are subject to existing designations by the UN Security Council or its Sanctions Committee under UNSCR 2374 for travel ban purposes are not additionally designated under the Regulations as they are already 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 designated under either the Regulations or UNSCR 2374 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, or UNSCR 2374 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.

## **1.4 Information and Record Keeping**

Part 6 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 6 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 set out the penalties that apply to such offences.

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 25(6) or 29 (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 - General Guidance](#).

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

Licensing and exception provisions are contained in Part 5 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 by a relevant institution (any such interest or other earnings will be frozen in accordance with the relevant legislation underpinning the asset freeze). An exception also exists from the prohibition on making funds available to a designated person, when funds are transferred to a frozen account in discharge (or partial discharge) of an obligation which arose before the recipient became a designated person.

Regulation 20 establishes an exception to regulations 12 to 16 which provides that prohibitions are not contravened if conduct is authorised by a licence which is issued under the law of the Channel Islands or any British Overseas Territory for the purpose of disappling a prohibition in that jurisdiction which corresponds to the relevant prohibition.

There is an exception to regulations 12 to 16 in respect of "relevant activity" (being any activity which would otherwise be prohibited by regulations 12 to 16) which is necessary to ensure the timely delivery of humanitarian assistance or to support other activities that support basic human needs by:

- (a) the United Nations, including its—
  - (i) programmes and funds,

- (ii) other entities and bodies, and
  - (iii) specialised agencies and related organisations,
- (b) international organisations,
  - (c) humanitarian organisations having observer status with the United Nations General Assembly and members of those humanitarian organisations,
  - (d) bilaterally or multilaterally funded non-governmental organisations participating in the United Nations Humanitarian Response Plans, Refugee Response Plans, other United Nations appeals, or humanitarian clusters coordinated by the United Nations Office for the Coordination of Humanitarian Affairs,
  - (e) any grantee, subsidiary, or implementing partner of any organisation falling within subparagraphs (a) to (d) while and to the extent that they are acting in those capacities (reference in the regulations to an organisation (or entity) includes reference to the employees of that organisation while acting in that capacity),
  - (f) any other persons authorised by the Committee for the purposes of resolution 2664.

This exception means the prohibitions of the asset freeze are not contravened by a person carrying out relevant activity which is necessary to ensure the timely delivery of humanitarian assistance or to carry out other activities that support basic human needs. This includes the provision, processing and payment of funds, other financial assets or economic resources, and the provision of goods and services necessary to ensure the timely delivery of such assistance or to support such activities.

The prohibitions of the asset freeze are not contravened where the person undertaking the relevant activity believes carrying it out is necessary to ensure the timely delivery of humanitarian assistance, or to carry out other activities that support basic human needs and there is no reasonable cause for them to suspect otherwise.

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 or detection of serious crime.

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
- pre-existing judicial decisions etc.
- prior obligations
- diplomatic missions

- extraordinary situations
- Peace and national reconciliation in Mali etc.
- humanitarian assistance activities etc (relating to non-UN designated persons only)
- diplomatic missions etc (relating to non-UN designated persons only)
- extraordinary situations (relating to non-UN designated persons only)

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

### **3.3 Directions in respect of immigration sanctions**

If you are subject to immigration sanctions the Home Office may direct, on a case by case basis, that the sanction does not apply in particular circumstances, such as for travel to, or through, the UK/IOM for a UN sponsored meeting.

### **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 RSS feed for Customs and Excise news releases by copying and pasting this URL: <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/news/RssCategorisedNews> into your RSS feed reader or Microsoft Outlook RSS feeds folder. You can also view our [guidance on how to use RSS Feeds](#).

## Annex A

### Table of financial sanctions offences

<b>Type of Sanctions offences</b>	<b>Specific offence</b>	<b>Relevant prohibition or requirement</b>	<b>Maximum penalty</b>
Breach of sanctions	<ol style="list-style-type: none"> <li>1. Dealing with funds or economic resources owned, held or controlled by a designated person</li> <li>2. Making funds available directly or indirectly to a designated person</li> <li>3. Making funds available for the benefit of a designated person</li> <li>4. Making economic resources available directly or indirectly to a designated person</li> <li>5. Making economic resources available for benefit of a designated person</li> </ol>	<ol style="list-style-type: none"> <li>1. reg. 12</li> <li>2. reg. 13</li> <li>3. reg. 14</li> <li>4. reg. 15</li> <li>5. reg. 16</li> </ol>	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 12 months, or to a fine not exceeding level 5 on the standard scale, or to both.</li> </ul> <p>Liable on conviction on information -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 7 years or to a fine, or to both.</li> </ul>
Circumvention etc. of prohibitions	Circumventing directly or indirectly the prohibitions of regs. 12-16 (Part 3 Finance) or enabling the contravention of prohibitions.	reg. 17	
Breach of requirements under Treasury licences	<ol style="list-style-type: none"> <li>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</li> <li>2. Failing to comply with the conditions of a Treasury licence</li> </ol>	<ol style="list-style-type: none"> <li>1. reg. 23</li> <li>2. reg. 23</li> </ol>	
Breach of reporting obligations	<ol style="list-style-type: none"> <li>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 regulation 23 (finance: licensing offences)</li> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>1. reg. 25</li> <li>2. reg. 25</li> <li>3. reg. 25</li> </ol>	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 12 months, or to a fine not exceeding level 5 on the standard scale, or to both.</li> </ul>

	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	<ol style="list-style-type: none"> <li>1. Failure to provide information in the time and manner requested under reg. 27</li> <li>2. Knowingly and recklessly providing false information in respect of information requested under reg. 27</li> <li>3. Evasion of requests made under reg. 25 or reg. 26.</li> <li>4. Obstruction of Treasury requests for information made under reg. 27 or reg. 28.</li> </ol>	<ol style="list-style-type: none"> <li>1. reg. 29</li> <li>2. reg. 29</li> <li>3. reg. 29</li> <li>4. reg. 29</li> </ol>	
Breach of confidential information provision	Disclosure of information specified by the Secretary of State as confidential, where knowledge or reasonable cause to suspect that the information is to be treated as confidential	reg. 9	<p> LIABLE ON SUMMARY CONVICTION -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 12 months, or to a fine not exceeding level 5 on the standard scale, or to both.</li> </ul> <p> LIABLE ON CONVICTION ON INFORMATION -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 2 years or to a fine, or to both.</li> </ul>