

# Russia Sanctions - Guidance



**Isle of Man**  
Government

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## **Introduction**

The Treasury has issued this guidance to assist in the implementation of, and compliance with the Russia (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 that have effect in the United Kingdom from time to time.

## **Legislation**

The Russia (Sanctions) (EU Exit) Regulations 2019 have effect in the Isle of Man by the Russia Sanctions (Application) Regulations 2020 [[SD 2020/0504](#)] ("the Regulations").

Amendments have been made to the regulations, these can be found in [Sanctions Legislation](#) which should be read alongside the original 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, trade, aircraft, shipping and immigration sanctions for the purposes of encouraging Russia to cease actions which destabilise Ukraine, or undermine or threaten the territorial integrity, sovereignty or independence of Ukraine.

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.

The maritime enforcement powers contained in Part 10 of the Regulations apply in relation to Manx 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, trade, aircraft, shipping and immigration sanctions contained in the Regulations are set out below.

### **1.1 Non-government controlled territory of Ukraine**

The territorial scope of certain measures in the Regulations is 'non-government controlled Ukrainian territory'. This is defined in regulation 2 as 'Crimea and non-government controlled areas of the Donetsk and Luhansk oblasts'.

'Crimea' is further defined as the Autonomous Republic of Crimea and the City of Sevastopol.

'Non-government controlled areas of the Donetsk and Luhansk oblasts' means the parts of the Donetsk oblast and the Luhansk oblast of Ukraine as determined in Decree Number 32/2019<sup>2</sup> issued by the President of Ukraine on 7 February 2019 under Article 1 of the Law of

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

<sup>2</sup> Presidential Decree Number 32/2019 "Decree of the President of Ukraine: On the Borders and the List of Districts, Cities, Settlements and Villages, and parts of their territories, temporarily occupied in Donetsk and Luhansk Oblasts" was issued

Ukraine of 18 January 2018 Nr. 2268-VIII<sup>3</sup> 'On the Peculiarities of State Policy on Ensuring the State Sovereignty of Ukraine over Temporarily Occupied Territories in Donetsk and Luhansk Oblasts'.

## 1.2 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.

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](#)

## 1.3 Financial sanctions

### 1.3.1 Asset Freeze

The Regulations impose financial sanctions through a targeted asset freeze on designated persons and prohibitions on making funds or economic resources available. 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, either directly or indirectly.

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

### 1.3.2 Other financial and investment restrictions

The Regulations prohibit a person from directly or indirectly dealing with a transferable security or money market instrument if it has a maturity exceeding 30 days, and was issued after 1 August 2014 by:

- Sberbank, VTB bank, Gazprombank, Vnesheconombank (VEB), Rosselkhozbank (as listed in [Schedule 2](#))
- an entity incorporated or constituted in a country other than the Isle of Man which is owned by one or more of the five banks listed above
- an entity acting on behalf of or at the direction of those five banks named above or an entity incorporated or constituted in a country other than the Isle of Man which is owned by one or more of those five banks.

It is also prohibited for a person to directly or indirectly deal with a transferable security or money market instrument if it has a maturity exceeding 30 days, and was issued after 12 September 2014 by:

- OPK Oboronprom, United Aircraft Corporation, Uralvagonzavod, Rosneft, Transneft or Gazprom Neft (as listed in [Schedule 2](#))

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under Article 1 of that Law on 7th February 2019. URL: <https://zakon.rada.gov.ua/laws/show/32/2019> (in Ukrainian). English Translation: <https://www.gov.uk/government/publications/russia-sanctions-guidance/annex-b-ukrainian-presidential-decree-number-322019-in-english>

<sup>3</sup> Law of Ukraine of 18th January 2018 Number 2268-VIII "On the Peculiarities of State Policy on Ensuring the State Sovereignty of Ukraine over Temporarily Occupied Territories in Donetsk and Luhansk Oblasts". Verkhovna Rada of Ukraine Information of 09.03.2018 - 2018, No 10, p. 67. URL: <https://zakon.rada.gov.ua/laws/show/2268-19> (in Ukrainian). English Translation: <https://www.gov.uk/government/publications/russia-sanctions-guidance/annex-a-law-of-ukraine-number-2268-viii-in-english>

- an entity incorporated or constituted in a country other than the Isle of Man which is owned by one or more of the six entities listed above
- an entity acting on behalf of or at the direction of those six entities named above or an entity incorporated or constituted in a country other than the Isle of Man which is owned by one or more of those six entities.

It is prohibited for a person to directly or indirectly deal with a transferable security or money-market instrument if it has a maturity exceeding 30 days, and was issued on or after 1 March 2022 by:

- an entity incorporated or constituted under the law of the Isle of Man and owned by one or more of the entities listed in [Schedule 2](#)
- an entity acting on behalf or at the direction of the above

It is prohibited for a person to directly or indirectly deal with a transferable security or money-market instrument if it has a maturity exceeding 30 days, and was issued on or after 1 March 2022 by:

- a person connected with Russia (this is defined in regulation 19A(2), and is subject to the exclusions in regulation 16(4D)(a))
- an entity owned by such persons
- an entity acting on behalf or at the direction of any of the above

It is prohibited for a person to directly or indirectly deal with a transferable security or money market instrument if it was issued:

- on or after 15th December 2022
- by a relevant entity (i.e. a person who is not a person connected with Russia)
- for the purposes of making an investment in relation to Russia (see below)

It is also prohibited for a person to directly or indirectly deal with a transferable security or money-market instrument which was issued on or after 1 March 2022 by the Government of Russia (as defined in regulation 6).

### **1.3.3 Loan and credit arrangements**

The Regulations prohibit a person from directly or indirectly granting or entering into any arrangement to grant a new loan or credit, with a maturity exceeding 30 days to:

- the entities listed in [Schedule 2](#)
- an entity which is incorporated or constituted under the law of a non-Isle of Man country and owned by one or more of the entities listed in [Schedule 2](#), or an entity acting on behalf of or at the direction of either that entity or an entity listed in [Schedule 2](#)
- an entity which is incorporated or constituted under the law of the Isle of Man and owned by an entity listed in [Schedule 2](#), on or after 1 March 2022
- a person connected with Russia (this is defined in regulation 19A(2), and is subject to the exclusions in regulation 17(5))

The Regulations prohibit granting a new loan or credit arrangement to a relevant entity for the purposes of making an investment in relation to Russia.

The Regulations prohibit a person from providing funds to a relevant entity where the purpose of making those funds or economic resources available is to enable a relevant entity to grant a loan that is otherwise prohibited under regulation 17.

The Regulations also prohibit a person from directly or indirectly granting or entering into any arrangement to grant a new loan or credit to the Government of Russia (as defined in regulation 6), on or after 1 March 2022.

#### **1.3.4 Correspondent banking relationships and sterling payments**

The Regulations prohibit an Isle of Man credit or financial institution from establishing or continuing a correspondent banking relationship with a designated person if the Isle of Man credit or financial institution knows, or has reasonable cause to suspect, that the correspondent banking relationship is with a designated person.

This prohibition applies to correspondent bank accounts held by Isle of Man credit or financial institutions in any currency.

The Regulations also prohibit an Isle of Man credit or financial institution from processing a sterling payment to, from or via, a designated person, or a credit or financial institution (domiciled anywhere including the Isle of Man) owned or controlled by the designated person, if the Isle of Man credit or financial institution has reasonable cause to suspect that the sterling payment is to, from or via a designated person.

This prohibition applies to payment chains or third party payments.

#### **1.3.5 Investments in relation to non-government controlled Ukrainian territory**

The Regulations prohibit:

- directly or indirectly acquiring, extending a participation, or acquiring any ownership interest in land located in non-government controlled Ukrainian territory
- directly or indirectly acquiring, extending a participation, or acquiring any ownership interest in an entity which has a place of business located in non-government controlled Ukrainian territory ("a relevant entity")
- directly or indirectly granting any loan or credit, entering into any arrangement to grant a loan or credit or otherwise provide funds, including equity capital, to a relevant entity or for the purpose of financing the relevant entity
- directly or indirectly establishing any joint venture in non-government controlled Ukrainian territory or with a relevant entity
- providing investment services directly related to the activities referred to in the 4 bullet points above.

#### **1.3.6 Provision of financial services for the purpose of foreign exchange reserve and asset management**

The Regulations prohibit an Isle of Man individual or entity from providing financial services for the purpose of foreign exchange reserve and asset management to:

- the Central Bank of the Russian Federation
- the National Wealth Fund of the Russian Federation
- the Ministry of Finance of the Russian Federation
- a person owned or controlled directly or indirectly by any of the persons above; or
- a person acting on behalf of or at the direction of any of the persons above

“Foreign exchange reserve and asset management” means activities relating to the reserves or assets of the persons listed above. Such reserves or assets include money market instruments (including cheques, bills and certificates of deposit); foreign exchange; derivative products (including futures and options); exchange rate and interest rate instruments (including products such as swaps and forward rate agreements); transferable securities; other negotiable instruments and financial assets (including bullion, such as gold); and special drawing rights. For example, it is prohibited to provide financial services to carry out transactions with the Central Bank of the Russian Federation involving its gold.

### **1.3.7 Investments in relation to Russia**

The Regulations prohibit:

- direct acquisition of any ownership interest in Russian land and persons connected with Russia
- indirect acquisition of any ownership interest in Russian land and persons connected with Russia for the purpose of making funds or economic resources available directly or indirectly to, or for the benefit of, persons connected with Russia
- direct or indirect acquisition of any ownership interest in entities (which are not persons connected with Russia) for the purpose of making funds or economic resources available directly or indirectly to, or for the benefit of, persons connected with Russia
- establishing joint ventures with a person connected with Russia
- opening representative offices and establishing branches and subsidiaries in Russia; or
- the provision of investment services directly related to all activities above

### **1.3.8 Trust Services**

There are prohibitions on providing trust services to or for the benefit of persons connected with Russia and designated persons.

In particular, an Island person anywhere, or person within the Island, must not provide trust services:

- to or for the benefit of a person connected with Russia unless pursuant to an ongoing arrangement pursuant to which that person provided those services to or for the benefit of the person connected with Russia immediately prior to 16 December 2022;
- to or for the benefit of a person designated for the purposes of Regulation 18C (trust services).

The provision of trust services means:

- creating a trust or similar arrangement;
- providing a registered office, business address, correspondence address, or administrative address for a trust or similar arrangement;
- operating or managing a trust or similar arrangement; or
- acting or arranging for another person to act as a trustee of a trust of similar arrangement.

Trust services are provided “for the benefit of” where the person (“B”):

- is a beneficiary of a trust or similar arrangement,
- is a potential beneficiary in a document from the settlor relating to a trust or similar arrangement (such as a letter of wishes), or



- having regard to all the circumstances, B might reasonably be expected to obtain, or be able to obtain, a significant financial benefit from the trust or similar arrangement.

“beneficiary”, “potential beneficiary” and “settlor”, in relation to an arrangement similar to a trust, means those individuals who hold equivalent or similar positions to those described in the sub-paragraphs above in respect of a trust.

### ***Exceptions***

The prohibitions outlined in relation to the provision of trust services do not apply if the trust services are provided in relation to discharging or complying with obligations for purposes including:

- the discharge or compliance with UK statutory or regulatory obligations;
- the maintenance of an asset freeze;
- dealing with transferable securities or money market instruments where such dealing with is not prohibited by Regulations 16 (securities restrictions) and 18B (investment restrictions)

The trust services restrictions are also not contravened if the services are not provided primarily to, or for the benefit of, a designated person or person connected with Russia and are provided in respect of:

- community amateur sports clubs registered with HMRC
- certain UK charities
- registered pension schemes
- certain activities relating to financial services and markets.

The trust services restrictions also do not apply if the services are not provided primarily to or for the benefit of a designated person and are provided for making funds and economic resources available to or for the benefit of a minor, or vulnerable adult.

## **1.4 Trade sanctions**

The Regulations impose trade prohibitions relating to:

- military goods and military technology (as specified in [Schedule 2 to the Export Control Order 2008](#))
- any thing which falls within Annex I in Part 3, Chapter 93 of the [Goods Classification Table](#), other than military goods
- defence and security goods and defence and security technology (as specified in Schedule 3C)
- dual-use goods and technology (as specified in [Annex I to Council Regulation 428/2009](#) which is retained by the European Union (Withdrawal) Act 2018 (‘the Dual-Use Regulation’))
- special materials and related equipment and materials processing (as specified in Parts 1A and 1B of Schedule 2A to the Regulations)
- critical-industry goods and technology (as specified in Schedule 2A to the Regulations)
- quantum computing and advanced materials goods and technology (as specified in Schedule 2E to the Regulations)
- aviation and space goods and technology (as specified in Schedule 2C to the Regulations)
- jet fuel and fuel additives (as specified in Part 8 of Schedule 2A to the Regulations)
- maritime goods and maritime technology (defined by reference to Chapter 4 (Navigation Equipment) and Chapter 5 (Radio-Communication Equipment) of Annex 1 of Merchant

Shipping Notice 1874(a))

- infrastructure-related goods (as specified in Part 3 of Schedule 3 to the Regulations)
- energy-related goods (as specified in Part 2 of Schedule 3 to the Regulations) and energy-related services
- oil refining goods and technology (as specified in Schedule 2D to the Regulations)
- luxury goods (as specified in Schedule 3A to the Regulations)
- G7 dependency and further goods (as specified in Schedule 3E to the Regulations)
- goods originating in non-government controlled Ukrainian territory
- iron and steel products (as specified in Schedule 3B to the Regulations) and associated ancillary services
- iron and steel products processed in a third country (as specified in Schedule 3B to the Regulations) and associated ancillary services, from 30 September 2023
- oil and oil products (as specified in Schedule 3F to the Regulations)
- the supply or delivery by ship of oil and oil products under the commodity codes 2709 and 2710 from Russia to and between third countries and related services
- coal and coal products (as specified in Schedule 3H to the Regulations)
- liquefied natural gas (as specified in Chapter 4L to the Regulations)
- gold, gold jewellery and products related to gold (as specified in Schedule 3G to the Regulations)
- banknotes denominated in sterling and any official currency of the European Union
- goods which generate significant revenues for Russia (as specified in Schedule 3D and 3DA to the Regulations)
- Russia's vulnerable goods (as specified in Schedule 3I to the Regulations)
- provision of technical assistance, armed personnel, financial services or funds, or associated brokering services where such provision enables or facilitates the conduct of certain military activities
- services relating to a relevant infrastructure sector in non-government controlled Ukrainian territory
- services relating to tourism in non-government controlled Ukrainian territory
- internet services
- professional and business services (as specified in Chapter 6B of the Regulations)

There are circumstances (set out in the relevant lists of controlled items) in which certain items are not controlled, for example when body armour or a helmet is accompanying a person for that person's own protection. Please check the relevant lists as applicable.

Energy-related goods, infrastructure-related goods, aviation and space goods, oil refining goods, G7 dependency and further goods, luxury goods, iron and steel products, revenue generating goods, Russia's vulnerable goods, coal and coal products, oil and oil products and gold are identified by reference to commodity codes in the Goods Classification Table which is published as part of the Tariff of the United Kingdom ("UK Tariff"). The UK Tariff sets out a system for the classification of goods for importers to ascertain the applicable rate of import duty for their goods. It is this system of classification that is used in the Regulations in order to determine whether these goods are within scope of the prohibitions.

This means that where commodity codes are used in the Regulations, the relevant goods are those which would be classified under the relevant commodity code (applying the rules in the UK Tariff) if the goods were being imported to the UK.

Some of the listings of commodity codes in the Regulations have an "ex" before the code. Where this "ex" appears before a commodity code this means the prohibitions in the Regulations do not apply to all of the items under that commodity code. The prohibitions will

only apply to those items that (1) would be classified under the commodity code and (2) match the description given next to the relevant "ex" code entry in the Regulations.

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 herein.

#### **1.4.1 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. For the purposes of Chapter 4JA (gold jewellery and relevant processed gold), the concept of 'Export' refers to export from Russia, which is defined within the chapter itself.

The export prohibitions at regulation 22 (restricted goods) prohibit the export of certain goods to Russia as well as exports that are for use in Russia. This means that, even if the immediate destination is not Russia, the prohibition may still apply.

Regulation 30B prohibits the export of relevant restricted goods to non-government controlled Ukrainian territory.

Regulation 40 prohibits the export of energy-related goods to, or for use in, Russia.

Regulation 46B prohibits the export of luxury goods to, or for use in, Russia.

Regulation 46M prohibits the export, supply or delivery and making available of sterling or European Union denominated banknotes to, or for use in, Russia or to a person connected with Russia.

Regulation 46N prohibits the export of jet fuel and fuel additives to, or for use in, Russia.

The export prohibitions in Chapter 5 (infrastructure-related goods) prohibit certain exports to and for use in non-government controlled Ukrainian territory. This means that, even if the immediate destination is not non-government controlled Ukrainian territory, the prohibition may still apply.

Regulation 46Y prohibits the export, supply or delivery, and making available of G7 dependency and further goods to, or for use in, Russia.

Regulation 46Z30 prohibits the export of Russia's vulnerable goods to, or for use in Russia. This measure came into force on 1 January 2023.

Exporters should check the ultimate end use of goods and may apply for a licence or contact the Export Control Joint Unit (ECJU) if they know or think the items may be used in Russia or in non-government controlled Ukrainian territory.

#### **1.4.2 Import of goods**

The concept of 'import' is set out in customs legislation, which clarifies in particular that goods removed to the Isle of Man from the United Kingdom are not to be regarded as imported, subject to some exceptions.

The import prohibition in regulation 23 (arms and related material), regulations 46D and 46IB (iron and steel products), regulations 46S and 46XB (Schedules 3D and 3DA revenue generating goods), regulation 46Z4 (oil and oil products), regulation 46Z18 (coal and coal

products), and 46Z25 (liquefied natural gas) covers goods that are consigned from Russia and goods that originated in Russia. This means that even if the immediate place the goods were shipped from was not Russia, the prohibition may still apply.

The import prohibitions in regulation 47 cover imports of goods which originated in non-government controlled Ukrainian territory. This means that even if the immediate place the goods were shipped from was not non-government controlled Ukrainian territory, the prohibition may still apply.

The import prohibition in regulation 46Z11 (Chapter 4J) covers gold (Part 2 of Schedule 3G) that originates in Russia, where this is exported from Russia on or after 21 July 2022. This means that even if the immediate place the goods were shipped from was not Russia, the prohibition may still apply if the Russian origin gold was exported from Russia on, or after, 21 July 2022.

The import prohibition in regulation 46Z16B (Chapter 4JA) covers gold jewellery (Part 3 of Schedule 3G) that originates in Russia, where this is exported from Russia on or after 29 October 2022. This means that even if the immediate place the goods were shipped from was not Russia, the prohibition may still apply if the Russian origin gold jewellery was exported from Russia on or after 29 October 2022.

The import prohibition in regulation 46Z16C (Chapter 4JA) covers relevant processed gold, defined as gold (Part 2 of Schedule 3G) that has been processed in a third country and incorporates gold that, on or after 21 July 2022, originated in and has been exported from Russia. This means that even if the immediate place the goods were shipped from or processed in was not Russia, the prohibition may still apply if the goods incorporate gold that originated in and has been exported from Russia on or after 21 July 2022.

Therefore, importers should check the original place goods were consigned or exported from and apply for a licence or contact the UK's [Import Licensing Branch](#) if you think the items may have originated in or have been consigned from Russia or non-government controlled Ukrainian territory.

### **1.4.3 Supply and delivery of goods**

Supply and delivery prohibitions in the Regulations prohibit a person from directly or indirectly supplying or delivering certain goods from a third country to a place in Russia (or to non-government controlled Ukrainian territory in respect of Chapter 5, infrastructure-related goods) or from a place in Russia to a third country and between third countries.

Regulation 24 (restricted goods), regulation 41 (energy related goods), regulation 46B (luxury goods), regulation 46N (jet fuel and fuel additives), regulation 46Y (G7 dependency and further goods), and 46Z30 (Russia's vulnerable list) prohibit the direct or indirect supply or delivery from a third country to a place in Russia.

Regulation 30C prohibits the direct or indirect supply or delivery of relevant restricted goods from a third country to a place in non-government controlled Ukrainian territory.

Regulation 46F (iron and steel products) prohibits the direct or indirect supply or delivery of certain iron and steel products from a place in Russia to a third country.

Regulation 46M (banknotes) prohibits the direct or indirect supply or delivery or making available of sterling banknotes or any banknotes denominated in any official currency of the European Union to a person connected with Russia. It also prohibits making available such banknotes for use in Russia.

Regulation 46XD (Schedule 3DA revenue generating goods) prohibits the direct or indirect supply or delivery of revenue generating goods listed in Schedule 3DA from a place in Russia, to a third country.

Regulation 46Z9B (Maritime transportation of certain oil and oil products to and between third countries) prohibits the direct or indirect supply or delivery by ship of oil and oil products under the commodity codes 2709 and 2710 from a place in Russia to a third country or between third countries.

Regulations 24(4) and 41(4) specify that for the purposes of those prohibitions a "third country" is a country that is not the UK, Isle of Man or Russia. Regulation 49(4) specifies that for the purposes of that prohibition a "third country" is a country that is not the UK, Isle of Man or non-government controlled Ukrainian territory.

#### **1.4.4 Making available or acquiring goods and technology**

Prohibitions in the Regulations (aside from those in Chapter 5) on making certain goods or technology available (e.g. through a sale) include directly or indirectly making them available for use in Russia or to a "person connected with Russia". Some of the prohibitions also prohibit directly or indirectly acquiring certain goods or technology which originate in Russia or which are located in Russia or from a person connected with Russia.

For Schedule 3D revenue generating goods (regulation 46T), oil and oil products (regulation 46Z5), coal and coal products (regulation 46Z19), and liquefied natural gas (regulation 46Z26), the direct and indirect acquisition of those goods, which originate in or are located in Russia, with the intention of those goods entering the Isle of Man is prohibited.

For gold (regulation 46Z12) and gold jewellery (regulation 46Z16D) the direct and indirect acquisition of those goods, which originate in and which are located in, or (in the case of gold jewellery) have been exported after 29 October 2022 from Russia, with the intention of those goods entering the Isle of Man is prohibited.

For iron and steel products (regulation 46E) and Schedule 3DA revenue generating goods (regulation 46XC), the direct and indirect acquisition of those goods, which originate in Russia or are located in Russia is prohibited regardless of whether the person acquiring them intends to bring the goods into the Isle of Man.

Regulation 42 prohibits making energy related goods available for use in Russia or to a person connected with Russia.

Prohibitions in Chapter 5 on making infrastructure-related goods available include directly or indirectly making them available for use in non-government controlled Ukrainian territory or to a "person connected with non-government controlled Ukrainian territory".

Regulation 21 sets out when a person is to be regarded as "connected with" Russia and when a person is to be regarded as "connected with" non-government controlled Ukrainian territory (and this applies where these terms are used in other trade prohibitions in this Part of the Regulations).

#### **1.4.5 Transfer of technology**

Prohibitions in the Regulations on the transfer of certain technology include transfer to a place in Russia or a person connected with Russia.

Regulation 26 (restricted technology) also prohibits transfer to persons outside the IOM/UK or to a place outside the IOM/UK, where the transfer is from a place in Russia.

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

#### **1.4.6 Technical assistance**

The term "technical assistance" in relation to goods or technology is defined in regulation 21, 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 goods or technology.

The prohibitions apply to the direct or indirect provision of such technical assistance in relation to goods covered by an export prohibition

- 1) to persons "connected with Russia" or
- 2) for use in Russia,

except those in Chapter 5 which apply where the provision applies -

- 1) to persons "connected with non-government controlled Ukrainian territory" or
- 2) for use in non-government controlled Ukrainian territory.

This means that, even if the person to whom you are providing the relevant technical assistance is not in or "connected with Russia" (or non-government controlled Ukrainian territory, for Chapters 2A and 5), the prohibition may still apply if the goods or technology to which the technical assistance relates are for use in Russia (or non-government controlled Ukrainian territory, for Chapters 2A and 5). Therefore, if you are providing technical assistance you should check whether the goods or technology may be used in Russia or non-government controlled Ukrainian territory, as appropriate, and apply for a licence or contact ECJU if so.

Regulation 46A prohibits the direct or indirect provision of technical assistance to or for the benefit of persons designated for the purpose of this regulation, where that assistance relates to an aircraft or ship. The persons designated for the purposes of this provision are set out in the UK Sanctions List under 'sanctions imposed'.

The prohibition applies in relation to any aircraft or ship. You should carry out your own checks to determine to whom, or for whose benefit, you are providing technical assistance related to aircraft or ships.

In relation to goods covered by prohibitions on import, [supply and delivery or acquisition], the measures apply to the direct or indirect provision of technical assistance relating to the import, [supply and delivery] or acquisition of the prohibited goods.

The following Regulations prohibit the direct or indirect provision of technical assistance to specific arrangements:

- Regulation 27 (relating to restricted goods and restricted technology)
- Regulation 30F (relating to relevant restricted goods and relevant restricted technology in relation to non-government controlled Ukraine)

- Regulation 43 (relating to energy-related goods)
- Regulation 46A (relating to aircraft and ships)
- Regulations 46G and 46IC (relating to iron and steel products)
- Regulation 46O (relating to jet fuel and fuel additives)
- Regulation 46V (relating to Schedule 3D revenue generating goods)
- Regulation 46XE (relating to Schedule 3DA revenue generating goods)
- Regulation 46Z (relating to G7 dependency and further goods)
- Regulation 46Z7 (relating to oil and oil products)
- Regulation 46Z14 (relating to gold)
- Regulation 46Z16E (relating to gold jewellery)
- Regulation 46Z16F (relating to relevant processed gold)
- Regulation 46Z21 (relating to coal and coal products)
- Regulation 46Z27 (relating to liquefied natural gas)
- Regulation 46Z31 (relating to Russia's vulnerable goods)
- Regulation 51 (relating to infrastructure-related goods in relation to non-government controlled Ukraine)

#### **1.4.7 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 UK 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 UK 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 persons connected with Russia (or non-government controlled Ukrainian territory, in respect of Chapters 2A and 5).

These prohibitions also prohibit the direct or indirect provision of financial services or funds in pursuance of or in connection with specific arrangements involving Russia (or non-government controlled Ukrainian territory in respect of Chapters 2A and 5).

The following regulations prohibit the direct or indirect provision of financial services to specific arrangements:

- Regulation 28 (relating to restricted goods and restricted technology)
- Regulation 30G (relating to relevant restricted goods and relevant restricted technology in relation to non-government controlled Ukraine)
- Regulation 44 (relating to energy-related goods)
- Regulations 46H and 46ID (relating to iron and steel products)
- Regulation 46P (relating to jet fuel and fuel additives)
- Regulation 46W (relating to Schedule 3D revenue generating goods)
- Regulation 46XF (relating to Schedule 3DA revenue generating goods)
- Regulation 46Z1 (relating to G7 dependency and further goods)
- Regulation 46Z8 (relating to oil and oil products)
- Regulation 46Z9C (relating to maritime transportation of certain oil and oil products)
- Regulation 46Z15 (relating to gold)
- Regulation 46Z16G (relating to gold jewellery)
- Regulation 46Z16H (relating to relevant processed gold)
- Regulation 46Z22 (relating to coal and coal products)
- Regulation 46Z28 (relating to liquefied natural gas)

- Regulation 46Z32 (relating to Russia’s vulnerable goods)
- Regulation 52 (relating to infrastructure-related goods in relation to non-government controlled Ukraine)

#### **1.4.8 Brokering services**

The definition of ‘brokering services’ is set out in regulation 21, 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 29 (non-IOM activity relating to restricted goods and restricted technology)
- Regulation 30H (non-IOM activity relating to the non-government controlled Ukrainian territory limited goods and non-government controlled Ukrainian territory limited technology)
- Regulation 45 (non-IOM activity relating to energy-related goods and energy-related technology)
- Regulations 46I and 46IE (relating to iron and steel products)
- Regulation 46Q (relating to jet fuel and fuel additives)
- Regulation 46X (relating to revenue generating goods)
- Regulation 46XG (relating to Schedule 3DA revenue generating goods)
- Regulation 46Z2 (relating to G7 dependency and further goods)
- Regulation 46Z9 (relating to oil and oil products)
- Regulation 46Z9D (relating to maritime transportation of certain oil and oil products)
- Regulation 46Z16 (relating to gold)
- Regulation 46Z16I (relating to gold jewellery and relevant processed gold)
- Regulation 46Z23 (relating to coal and coal products)
- Regulation 46Z29 (relating to liquefied natural gas)
- Regulation 46Z33 (relating to Russia’s vulnerable goods)
- Regulation 53 (non-IOM activity relating to infrastructure-related goods and goods from non-government controlled Ukrainian territory)

#### **1.4.9 Other service provisions**

Certain other services are prohibited in the Regulations. These include the provision of certain services which enable or facilitate certain military activities, insurance and reinsurance services, energy-related services, infrastructure-related services, tourism-related services, internet services, other professional and business services, which in the Regulations refers to accounting, advertising, architectural, auditing, business and management consulting, engineering, IT consultancy and design, and public relations services.

As set out in regulation 30, the direct or indirect provision of the following services is prohibited where such provision enables or facilitates the conduct of military activities carried on or proposed to be carried on by the Russian military or any other military end-user who is a person connected with Russia:



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

Provisions on insurance and reinsurance services are set out in regulation 29A and prohibit the direct or indirect provision of insurance and reinsurance services where it relates to aviation and space goods and aviation and space technology.

The prohibitions apply to the direct or indirect provision of insurance and reinsurance services (1) to persons "connected with Russia" or (2) for use in Russia. This means that, even if the person to whom you are providing the relevant insurance or reinsurance service is not in or "connected with Russia" (as defined in Regulation 21), the prohibition may still apply if the goods or technology to which the service relates are for use in Russia.

It would not apply where the insurance is for the benefit of the non-Russian owner of the items, rather than their user or operator. Nor does it apply where the items either remain in Russia as the result of the termination of a lease and against the lessor's will; or are being flown out of Russia in the process of returning them to their owner.

The provision of insurance and reinsurance services in respect of a satellite where the only nexus with Russia is that it is orbiting over Russia, or broadcasting to Russia (and where the insurance and reinsurance services will not be provided to a person connected with Russia), would likewise not come within the scope of these prohibitions.

Therefore, if you are providing insurance or reinsurance services you should check whether the goods or technology may be used in Russia, and apply for a licence or contact ECJU if so.

Provisions on energy-related services are set out in regulation 46 and prohibit the direct or indirect provision of "relevant energy services", defined as certain "specified services" necessary for an "oil or gas exploration or production project" in Russia. The specified services being drilling, well testing, logging and completion services, and the supply of specialised floating vehicles.

Provisions on infrastructure-related services and tourism-related services are set out in regulation 54 and prohibit the provision of services relating to certain specified infrastructure sectors or services relating to tourism in non-government controlled Ukrainian territory.

Provisions on internet services are set out in regulation 54A and require social media companies, and internet service providers, to take reasonable steps to prevent their users from encountering or accessing services or content online directly generated, shared or uploaded by a designated person. Application store providers must also take reasonable steps to prevent users from using their services to download or access internet services provided by a designated person. Designations for the purposes of these measures will be made by the Secretary of State and published on the [UK Sanctions List](#).

Therefore, if you are an internet service provider, or provide a social media service or application store for internet service applications, then you should check whether an entity has been designated by the UK Government for this purpose and take the necessary action to ensure compliance with the prohibitions.

Regulation 46K prohibits the provision of interception and monitoring services to, or for the benefit of, the Government of Russia.

Prohibitions on the provision of professional and business services (accounting, advertising, architectural, auditing, business and management consulting, engineering, IT consultancy and design, and public relations services) are set out in regulation 54C. These prohibit the direct or indirect provision of such services to persons connected with Russia.

Provision of services via any or all of modes of service supply 1, 2, 3, or 4, as defined under the World Trade Organization's General Agreement on Trade in Services (GATS), to any person connected with Russia is covered by the prohibitions. This would include the cross-border supply of such services by an IOM services provider to another company incorporated under Russian law and the provision of services to Russian residents who are temporarily located in another country, including the IOM.

Please refer to Schedule 3J in the Regulations for the definitions of prohibited services. Several of these definitions are presented as references to Central Product Classification (CPC) codes. Where they are presented in this way, it is recommended that you review your activity against the correct version (for example: Provisional, 1.0, 1.1, 2, or 2.1) and individual code numbers (for example, "CPC 8671 – Architectural services") that correspond to each prohibition. This information will enable you to navigate to the relevant definitions at the following link: [CPC Codes](#).

Though the accounting and auditing services definitions are based on CPC codes, they are defined in Schedule 3J for clarity, given the differences in exceptions and licensing which apply to these two sectors. The definition of accounting services is based on the Provisional Central Product Classification (CPC) Codes 1991 and includes CPC 86212 Accounting Review Services, CPC 86213 Compilation of Financial Statements services, CPC 86219 Other Accounting Services and CPC 86220 Bookkeeping Services, except tax returns. The definition of auditing services is also based on the Provisional CPC Code 1991, CPC 86211 Financial Auditing Services.

The definitions of business and management consulting and public relations services are not based on CPC codes, but instead on Extended Balance of Payments Services classification (EBOPS) 2010 and includes EBOPS 10.2.1.3 – (Business and management consulting and public relations services includes advisory, guidance and operational assistance services provided to businesses for business policy and strategy, and the overall planning, structuring and control of an organization.)

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).

## **1.5 Transport sanctions**

The Regulations impose transport prohibitions relating to aircraft and shipping.

### **1.5.1 Shipping sanctions**

The Regulations prohibit Russian ships, and other ships specified by the Secretary of State, from entering ports in the Isle of Man. The Regulations also confer powers on the Secretary of State and harbour authorities to issue port barring directions to the master or pilot of a specified ship. The Regulations provide the Secretary of State with a power to control the movement of Russian ships or specified ships by requiring them to leave or enter specified ports, proceed to a specified place or remain where they are.

The Regulations prohibit the registration of ships owned, controlled, chartered or operated by designated persons or persons connected with Russia on the Isle of Man Ship Register and confer powers on the Secretary of State to direct the Isle of Man Ship Registrar to terminate the registration of such ships.

The Regulations also confer powers on the Secretary of State and harbour authorities to detain Russian ships or specified ships at ports or anchorages.

'Russian ship' is not a term used in the Regulations. However, it is used in this shipping section of the guidance to aid understanding and readability. It means a ship which is:

- owned, controlled, chartered or operated by a designated person
- owned, controlled, chartered or operated by persons connected with Russia
- registered in Russia, or
- flying the flag of Russia

These sanctions do not apply to other ships originating from or destined for Russian ports; ships carrying cargo to or from Russia are not within scope of the transport sanctions unless they fall within the definition of a Russian ship or specified ship as above. These Regulations do not apply to ships (that are not otherwise included in the Regulations) with Russian crews or Masters, unless they are a designated person.

The Regulations also provide the Secretary of State with the power to issue directions in relation to the movement of British cruise ships, preventing them from entering any ports located in Crimea, or in the non-government controlled areas of the Donetsk and Luhansk oblasts. Such a direction can be given to any master or pilot of a British ship which is a cruise ship (defined as a ship which is providing cruise services).

### **1.5.2 Aircraft sanctions**

The Regulations prohibit a Russian aircraft which is owned, chartered or operated by persons connected with Russia or designated persons from overflying the Isle of Man or landing in the Isle of Man.

In addition, they provide a power for the Department of Enterprise to refuse to register an aircraft or for the Secretary of State to direct the Department of Enterprise to terminate the registration of an aircraft that is owned or operated by a designated person or chartered by a designated person.

They confer direction making powers for the Secretary of State, an air traffic control unit and airport operators regarding aircraft movements in Isle of Man airspace and at the airport. The Regulations also provide a power for the Secretary of State to direct an airport operator to secure the detention of a Russian aircraft at an airport or to secure the movement of a Russian aircraft to a specified airport.

Russian aircraft is defined as an aircraft:

- owned, chartered or operated by a designated person, or a person connected with Russia, or
- registered in Russia

The Department for Infrastructure is ultimately responsible for the implementation of these transport sanctions.

## **1.6 Immigration sanctions**

The effect of the Regulations is to impose a travel ban on persons who are designated by the UK Secretary of State for the purposes of being made subject to immigration sanctions. Such persons are excluded persons for the purposes of section 8B of the Immigration Act 1971 (as that 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. Any foreign national who is subject to a travel ban under the Regulations, and who 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.

## **1.7 Information and record keeping**

Part 8 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).

Part 8 also establishes information powers and record-keeping responsibilities in relation to the trade sanctions contained in the Regulations. It provides for offences for failing to comply with any of those requirements or intentionally obstructing an official in the exercise of those powers.

If you have obligations or responsibilities under Part 8 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, aircraft, shipping 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 70(6) or 74 (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 are 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](#).

## **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). Any breach of the trade licensing provisions is also triable either way and carries a maximum sentence on indictment of 2 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.

Communications and Utilities Regulatory Authority ("CURA") is responsible for monitoring compliance with trade sanctions in relation to internet services, and for assessing suspected breaches. It has the power to impose monetary penalties for breaches of these sanctions.

Where appropriate and where permitted by law, CURA may share relevant information with parts of government, supervisory bodies and regulators.

## **2.3 Transport sanctions**

Any breach of the prohibitions relating to the transport sanctions is triable either way and carries a maximum sentence of 7 years' imprisonment or a fine (or both).

The offence of failing to comply with a detention direction in relation to a ship is triable either way and carries a sentence or a fine.

A breach of the transport sanctions relating to the movement of aircraft includes:

- the failure of an operator or pilot of a Russian aircraft to comply with the prohibition on overflying the United Kingdom or landing in the United Kingdom
- the failure of an airport operator, without reasonable excuse, to comply with a direction given by the Secretary of State

- the failure of an operator or pilot in command of a Russian aircraft to comply with a direction given by air traffic control or an airport operator

All of which are offences that are triable either way and carry a maximum sentence of 7 years' imprisonment or a fine (or both).

The Secretary of State may notify a person that the existence or content of a port barring, entry or movement direction and any direction relating to the movement of aircraft, or anything done under such directions, is to be treated as confidential. Disclosure of confidential information carries a maximum sentence of 6 months' imprisonment on summary conviction or a fine (or both).

The Department for Infrastructure is ultimately responsible for the implementation of these transport sanctions.

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

Licensing and exception provisions are contained in Part 7 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 issued in accordance with the Regulations.

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.

There are exceptions relating to prohibitions of loans and credit arrangements. The exception for relevant loans consisting of a drawdown or disbursement applies to arrangements entered into before 15 September 2014, where the loan has been made or granted to a person listed in Schedule 2, entities owned by them and incorporated or constituted under the law of a non-IOM country, or entities acting on behalf or at the direction of either of the above.

Where such a loan has been made or granted to an entity incorporated or constituted under the law of the Isle of Man and owned by a person listed in Schedule 2, or a person connected with Russia, or the Government of Russia, the exception generally applies to arrangements entered into before 1 March 2022. For certain loans not prohibited prior to 29 October 2022, the exception relates to arrangements entered into before 29 October 2022.

There are exceptions relating to prohibitions on correspondent banking relationships. The exception relating to aviation enables the payment of any fee or charge required to permit an aircraft to overfly Russia or to land in or take off from Russia.

There are exceptions relating to investments in Russia and in relation to non-government controlled Ukrainian territory.

There are also exceptions relating to trust services. These exceptions permit the provision of trust services in certain instances.

The Regulations set out exceptions relating to some of the trade restrictions. Regulation 61 provides for an exception to certain trade prohibitions where the act is an act dealing with an

emergency. This is defined as an act assisting with the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health or safety, infrastructure or the environment. This exception should only be relied on where there is genuinely insufficient time to apply for a licence to cover the activity of assisting in prevention or mitigation of the event. The exception can only be relied upon where satisfactory justification is received within 5 working days beginning with the day on which the act is done, and where the activity was genuinely to deal with the emergency.

Regulation 60ZA provides for certain time-limited exceptions to the trade sanctions relating to non-government controlled areas of the Donetsk and Luhansk oblasts, if related to an obligation arising from a contract concluded before 23 February 2022.

These exceptions provide that:

- the prohibitions in regulation 47 (imports from non-government controlled Ukrainian territory) or regulation 52(3)(a) (financial services and funds in relation to imports from non-government controlled Ukrainian territory) are not contravened if the action carried out under these contracts, or ancillary contracts necessary for their execution, is carried out by 24 May 2022 and is notified to the Secretary of State at least 10 days beforehand
- the prohibitions in regulation 48 to 51, 52(1), (2) or (3)(b) to (e), or 53 (trade in relation to non-government controlled Ukrainian territory) are not contravened if the action carried out under these contracts, or ancillary contracts necessary for their execution, is carried out by 24 August 2022 and is notified to the Secretary of State at least 5 days beforehand
- the prohibitions in regulation 54(1)(a) (prohibition on infrastructure-related services relating to non-government controlled Ukrainian territory) are not contravened if the action carried out under these contracts, or ancillary contracts necessary for their execution, is carried out by 24 August 2022
- the prohibition in regulation 54(1)(b) (prohibition on tourism services relating to non-government controlled Ukrainian territory) is not contravened if the action carried out under these contracts, or ancillary contracts necessary for their execution, is carried out by 24 August 2022 and is notified to the Secretary of State at least 5 days beforehand.

Regulation 60A provides for certain exceptions in relation to prohibitions relating to the export of goods, supply and delivery of goods, making goods and technology available for use in Russia or available to a person connected with Russia, transfer of technology, and the provision of related services. These are the restrictions set out in regulations 22, 24(1)(a), 25(1)(a) and (b), 26(1)(a) and (b), 27 to 29, 46B, 46XC, 46Y to 46Z2, 46Z10 to 46Z16B and 46Z30 to 46Z33. This provides that prohibitions are not contravened:

in relation to any critical industry goods or technology, or quantum computing and advanced materials goods and technology, which are:

- the personal effects of a person travelling to or from Russia
- of a non-commercial nature for the personal use of a person travelling to or from Russia and contained in that person's luggage
- necessary for the official purposes of a diplomatic mission or consular post in Russia, or of an international organisation enjoying immunities in the Isle of Man in accordance with international law

in relation to any luxury goods which are:

- necessary for the official purposes of a diplomatic mission or consular post in Russia, or of an international organisation enjoying immunities in accordance with international law
- the personal effects of their staff

- gold jewellery that is for personal use of and owned by the natural person exporting the jewellery to Russia, or an immediate family member travelling with them, contained in their luggage provided that the jewellery is not intended for sale.

in relation to G7 dependency and further goods which are:

- necessary for the official purposes of a diplomatic mission or consular post in Russia, or an international organisation enjoying immunities in accordance with international law
- the personal effects of their staff

in relation to gold and gold jewellery which is:

- necessary for the official purposes of a diplomatic mission or consular post in Russia, or an international organisation enjoying immunities in accordance with international law
- gold jewellery that is for personal use of and owned by the natural person importing it, or an immediate family member, travelling with them to the Isle of Man, contained in their luggage provided that the jewellery is not intended for sale.

in relation to Russia's vulnerable goods which are:

- necessary for the official purposes of a diplomatic mission or consular post in Russia, or an international organisation enjoying immunities in accordance with international law; or
- the personal effects of their staff.

in relation to Schedule 3DA revenue generating goods which are:

- necessary for the functioning of diplomatic or consular representations of the Isle of Man in Russia.

Regulation 60B provides for exceptions from restrictions related to the export, supply and delivery, and making available/transfer of critical industry goods and technology which are:

- consumer communication devices for civilian use
- software updates for civilian use

That regulation also provides for exceptions to restrictions related to the provision of technical assistance, financial services and brokering services in relation to critical industry goods and technology which are:

- consumer communication devices for civilian use
- software updates for civilian use

Regulation 60C provides for certain exceptions in relation to prohibitions relating to the export of critical-industry goods and aviation and space goods in regulations 22 and 28. This provides that certain prohibitions are not contravened by the removal of an aircraft from the Isle of Man to Russia:

- if it travels under its own power, and
- in the case of an aircraft, it is carrying goods or passengers, or travelling from the Isle of Man in order to undertake a return flight carrying goods or passengers; and
- its removal is not for the purpose of a transfer of ownership (including any of its component parts) or a change of operator

It also provides that certain prohibitions are not contravened by the removal of any vessel to Russia:

- if it is removed from the Isle of Man under its own power, and



- its removal is not for the purpose of a transfer of ownership (including any of its component parts) or a change of operator

It also provides that the prohibition in regulation 27(1)(a) is not contravened by the provision of technical assistance to an aircraft owned, chartered or operated by a person connected with Russia, at the airport provided that the assistance is not for the purposes of facilitating a transfer of ownership of the aircraft or any of its component parts; or a change in the operator of the aircraft.

Regulation 60D provides that the prohibitions in regulation 46A on technical assistance relating to aircraft and ships are not contravened by providing technical assistance in circumstances where a failure to do so would endanger the lives of persons on board or the safety of an aircraft in flight or a ship at sea.

Regulation 60DA provides for exceptions in relation to the prohibitions on the provision of accounting, advertising, architectural, auditing, business and management consulting, engineering, IT consultancy and design, and public relations services. In some cases these exceptions apply to all prohibitions under regulation 54C. In other cases they are unique and tailored to specific services prohibitions:

- exception related to authorised conduct in a relevant country, such as the Channel Islands, or any British overseas territory (as in Regulation 62A) – applies to all prohibitions in regulation 54C.
- exception related to official purposes of a diplomatic mission or consular post in Russia or of an international organisation enjoying immunities in accordance with international law – applies to all prohibitions in regulation 54C.
- exception related to the discharge or compliance with Isle of Man statutory or regulatory obligations, such obligations not arising under contract – applies to accounting, business and management consulting, engineering and public relations services prohibitions. A similar tailored exception applies to the auditing services prohibition.
- exception related to services provided to a Russian subsidiary of an Isle of Man credit institution - applies to the auditing services prohibition only.
- exception related to provision of ensuring the continuance and/or resumption of civilian telecommunications services and/or services incident to the exchange of communications over the internet – this applies to IT consultancy and design only.

Exceptions related to satisfying obligations arising from contracts:

- satisfying an obligation arising from a contract or provision of services is carried out before 20 August 2022, and the provider has notified the Treasury no later than the day 10 working days before the day on which the act is carried out – applied to accounting, business and management consulting and public relations services prohibitions, however, this exception has now expired and has therefore been omitted from the Regulations.
- concluded before the day on which the [Application \(No.14\) Regulations](#) come into force, or an ancillary contract necessary for the satisfaction of such a contract, provided that the act is carried out before the end of 3 months beginning with the day on which the Application (No.14) Regulations come into force, and the provider notifies the Treasury via email ([customs@gov.im](mailto:customs@gov.im)) of the provision of services; the provider can notify the intention to provide services or the actual provision of services at any time before the end of 15 March 2023. – applies to advertising, architectural, engineering, and IT consultancy and design services prohibitions.
- concluded before the day on which the Application (No.14) Regulations come into force, or an ancillary contract necessary for the satisfaction of such a contract, provided that the act is carried out before the end of 31st May 2023, and the provider notifies the Treasury

via email ([customs@gov.im](mailto:customs@gov.im)) of the provision of services; the provider can notify the intention to provide services or the actual provision of services at any time before the end of 15 March 2023 - applies to the auditing services prohibition.

Regulation 60E provides an exception in relation to prohibitions on the export of maritime goods and maritime technology for non-military use and for a non-military end-user, humanitarian assistance activity, health emergencies, the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment, or as a response to natural disasters.

Regulation 60F provides an exception in relation to prohibitions on the export of banknotes intended for the personal use of people and their families travelling to Russia up to a value of £10,000. There is also an exception for the official purposes of diplomatic missions, consular posts and international organisations, which does not have a limit. There is also an exception for when a person either did not know, or had no reasonable cause to suspect, that an offence would be committed.

Regulation 60G provides an exception in relation to goods consigned from Russia before the prohibitions entered into force. For goods falling under Part 3 of Schedule 3B, Part 3 of Schedule 3D and Part 3 of Schedule 3DA, this is provided that the goods are consigned from Russia before 20 April 2023 and imported into the UK or IOM before 20 May 2023.

Regulation 60GA provides an exception to the acquisition, technical assistance, financial services and brokering services of iron and steel products, in relation to such goods located in the United Kingdom or the Isle of Man, having been lawfully imported there.

Regulation 60GB provides an exception to the acquisition, technical assistance, financial services and brokering services of Schedule 3DA revenue generating goods:

- where those goods are located in the United Kingdom or the Isle of Man, having been lawfully imported there;
- where an United Kingdom national located in Russia engages in these activities in relation to goods which are located in Russia and are for personal use of that United Kingdom national or their immediate family members.

Regulation 60H provides for exceptions in relation to oil and oil products. The prohibitions on the import, acquisition and supply and delivery of oil and oil products are not contravened by activity where the oil or oil products originate in a country that is not Russia, are not owned by a person connected with Russia, and are only being loaded in, departing from or transiting through Russia.

Regulation 60I provides an exception in relation to the prohibitions on energy-related goods and related activities (chapter 4) where prohibitions are not contravened by:

- the provision of insurance or reinsurance to a relevant person with regard to that person's activities outside the energy sector in Russia
- a relevant activity that is necessary for the purposes of a UK petroleum project

Regulation 61ZA provides an exception to certain prohibitions concerning infrastructure-related goods and related services in relation to non-government controlled Ukrainian territory for activities necessary to ensure the timely delivery of humanitarian assistance activity in non-government controlled areas of Donetsk and Luhansk oblast.

Regulation 62 provides for an exception in relation to prohibitions relating to the import of goods originating in non-government controlled Ukrainian territory, and the provision of financial services or funds in pursuance of or in connection with an arrangement whose object or effect is the import of goods which originate in non-government controlled

Ukrainian territory, where the goods have been satisfactorily certified by or on behalf of the Government of Ukraine as originating in Ukraine.

Regulation 62A establishes an exception to regulations 11 to 15 and 18 and Chapters 2 to 6 and Chapter 6B of Part 5 (Trade) 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 disapplying a prohibition in that jurisdiction which corresponds to the relevant prohibition.

The Regulations establish exceptions relating to some of the transport sanctions. There is an exception for the granting of access to a port where the access is needed by a ship in the case of an emergency or where a port entry or movement direction has been given in relation to the ship. Exceptions also apply in relation to the movement of aircraft in the case of an emergency.

The Regulations also include an exception in relation to any prohibition or requirement imposed by the Regulations for actions which a responsible officer has determined to be in the interests of national security, or the prevention or detection of serious crime in the IOM or elsewhere.

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 (asset freeze measures and making available provisions) contained in the Regulations, the designated person or representative (on their behalf) may apply for a licence from the Treasury to use their funds or economic resources (non-monetary assets, such as property or vehicles). Part 1 of Schedule 5 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 professional fees for or reasonable expenses associated with the provision of legal services
- reasonable fees or service charges arising from the routine holding or maintenance of frozen funds or economic resources
- extraordinary expenses
- pre-existing judicial decisions etc
- extraordinary situations
- prior obligations
- diplomatic missions and consular posts
- humanitarian assistance activities
- medical goods and services
- production or distribution of food

The following licensing grounds, set out in Part 1A of Schedule 5, apply to loans and credit:

- humanitarian assistance activities
- medical goods and services
- production or distribution of food
- diplomatic missions and consular posts
- space activities

- extraordinary situations

Where a person is designated for the purposes of correspondent banking and sterling clearing prohibitions contained in the Regulations, a person or representative (on their behalf) may apply for a licence from Treasury to allow sterling payments to, from or via a designated person by the designated person. Part 1B of Schedule 5 to the Regulations sets out the purposes pursuant to which, or for which activities, Treasury may grant an individual licence. In summary these are:

- basic needs – including for the provision of insolvency services
- legal services
- financial regulation
- extraordinary situations

A person or representative (on their behalf) may apply for a licence from Treasury to allow sterling payments to, from or via a designated person. Part 1C of Schedule 5 to the Regulations sets out the purposes pursuant to which, or for which activities, Treasury may grant an individual licence. In summary these are:

- humanitarian assistance activities
- medical goods and services
- production or distribution of food
- diplomatic missions and consular posts
- space activities

A person or representative (on their behalf) may apply for a licence from the Treasury to allow provision of financial services for the purposes of foreign exchange reserve and asset management to the Central Bank of the Russian Federation; the National Wealth Fund of the Russian Federation or the Ministry of Finance of the Russian Federation. Part 1D of Schedule 5 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:

- humanitarian assistance activity
- financial regulation
- financial stability
- safety and soundness of a firm
- extraordinary situation

Licence applications can also be made to the Treasury for acts that would otherwise be prohibited under regulation 18 (investments in relation to non-government controlled Ukrainian territory) on these 3 grounds:

- consular posts
- medical and educational purposes
- health and the environment

Licence applications can also be made to the Treasury for acts that would otherwise be prohibited under regulation 18C (trust services) on these grounds:

- extraordinary situations;
- humanitarian assistance activity;
- medical goods or services;
- food;

- diplomatic missions etc.;
- safety and soundness of a firm;
- financial regulation;
- financial stability;
- unauthorised unit trusts

The Treasury has also issued general licences under this regime. For details of the general licences that are in force, please visit [Customs and Excise's Sanctions and Export Control page](#).

Further information on exceptions and licensing grounds can be found in the [Financial Sanctions - General Guidance](#)

### **3.3 Licensing for trade sanctions**

Licences may also be issued for certain trade activities that would otherwise be prohibited by the Regulations.

The Treasury is responsible for administering the licensing provisions for all trade sanctions. In exercising these powers, the Treasury seeks and considers advice from other Isle of Man and United Kingdom government departments.

In making decisions on whether to grant a licence to permit something which would otherwise be prohibited under Part 5 of the Regulations, the Treasury will consider each application on a case-by-case basis to determine whether granting a licence would be consistent with the stated purposes of the sanctions regime and any UN or other relevant international law obligations.

For some prohibitions there are specific activities which the UK's Department for Business and Trade considers are likely to be consistent with the aims of the sanctions. These can be found [here](#) (section 3.3). If you think that your proposed activity falls within one of these specific descriptions you should make this clear and explain why you believe this to be the case in your application for a licence.

You should not assume that a licence will be granted or engage in any activities prohibited by trade sanctions until your licence has been granted.

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](#)

When you import goods, you may need to submit an import declaration through Customs Handling of Import and Export Freight (CHIEF) system. Guidance is available on [how to make an import declaration](#).

### **3.4 Overlap with strategic export licensing**

#### **3.4.1 Military goods and military technology**

Please note that the export of and other trade in military goods and military technology are also controlled under the Export Control Order 2008 and so you may also need a licence which is valid under that legislation. This means that all licence applications relating to military goods and military technology will also need to be considered against the [Strategic Export Licensing Criteria](#). A licence under these Regulations is unlikely to be granted if a licence is refused for the same activity under the Export Control Order 2008.

The way this will work in practice is that the [Export Control Joint Unit](#) will consider an application for a licence which relates to activities that are licensable under both these Regulations and the Export Control Order 2008 as an application under both pieces of legislation. This means that only a single licence application is required.

The application will be considered against the relevant licensing criteria. If a licence is granted it will be valid under both the Export Control Order 2008 and the Regulations.

#### **3.4.2 Dual-use goods and technology**

The export of trade in dual-use goods and technology are also controlled under the retained Dual-Use Regulation. Authorisations under that Regulation are granted by the Treasury under licensing powers in the Export Control Order 2008.

This means that all licence applications relating to items which are controlled dual-use goods and technology will also need to be considered against the [strategic export licensing criteria](#). A licence under the Regulations is unlikely to be granted if an authorisation is refused for the same activity under the Dual-Use Regulation.

As explained above in relation to military goods and technology, only a single licence application will be required in relation to dual-use goods and technology which falls within the scope of both the Regulations and the Dual-Use Regulation. If the application is compatible with both criteria, a licence will be granted which will be valid under the Dual-Use Regulation and the Export Control Order 2008 as well as the Regulations.

#### **3.4.3 Overlap between items falling under Schedule 2C (aviation and space goods and technology) which are also military goods and technology or dual-use goods and technology**

Where an item falls within the definition of "aviation and space goods" or "aviation and space technology" list and also within the definitions of either military goods, military technology, dual-use goods or dual-use technology, it is subject to prohibitions under all relevant regulations. If you wish to rely on an exception, there must be a relevant exception available for all relevant prohibitions that it engages.

Similarly, if you wish to apply for a licence, your activity must be compatible with licensing grounds for all relevant prohibitions that it engages. The [Export Control Joint Unit](#) will assess your application against all relevant prohibitions and licensing grounds.

#### **3.4.4 Overlap between trade sanctions and financial sanctions**

If you import or export goods, you need to consider if financial sanctions apply to you. For instance, where your licensable trade activity may also be making funds or an economic resource available to, or for the benefit of, a designated person. You may need a licence from the Treasury as well as from the UK's [Export Control Joint Unit](#).

#### **3.4.5 Transit control**

Certain goods transiting the IOM/UK are still regarded as being exported when they leave the country and are therefore subject to control. Article 17 of the Export Control Order 2008 includes a transit and transshipment exception meaning that in many situations a licence is not required. This exception does not apply to goods destined for Russia, meaning that a licence is required to transit goods through the IOM/UK or to transship them in the IOM/UK with a view to re-exportation to Russia.

### **3.5 Licensing for transport sanctions**

Licences may also be issued for certain transport activities that would otherwise be prohibited by the Regulations. The Department for Enterprise has overall responsibility for aircraft transport sanctions licensing.

For some prohibitions there are some specific activities that the Department of Enterprise considers are likely to be consistent with the aims of the sanctions.

These are set out in the table below. If you think that your proposed activity falls within one of these specific descriptions you should make this clear and explain why you believe this to be the case in your application for a licence.

Prohibition description	Prohibition reference	Considerations for licensing
Prohibition on the movement of Russian aircraft	Regulation 57J	<p>A licence may be granted for the overflight of Isle of Man airspace, or for the landing in the Isle of Man, of a Russian aircraft where it is necessary either:</p> <ul style="list-style-type: none"> <li>- for the delivery of humanitarian assistance, or;</li> <li>- for the official purposes of a diplomatic mission or consular post in Russia or the Isle of Man, or of an international organisation enjoying immunities in the Isle of Man in accordance with international law, or;</li> <li>- for testing the aircraft for the purposes of providing technical assistance.</li> </ul>

You should not assume that a licence will be granted or engage in any activities prohibited by the sanctions until your licence has been granted.

A licence may be general or be issued to a particular category of person or to a particular person. Licences may contain conditions and they may be of a defined duration or of indefinite duration.

### 3.6 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 important news from Customs and Excise, including regular updates of changes to UN/UK sanctions, and to import, export and trade controls, subscribe to the RSS feed for Customs and Excise news releases by [copying and pasting this URL](#) into your RSS feed reader or Microsoft Outlook RSS feeds folder. You can also view our [guidance on how to use RSS Feeds](#).

[Financial Sanctions Evasion Typologies: Russian Elites and Enablers Red Alert document](#) issued by the National Economic Crime Centre (NECC) is devised with the aim of promoting awareness and bringing about preventative action. We recommend you use this Alert to complement existing knowledge and support on-going improvements to your business processes and procedures.



## Annex A

### Table of financial sanctions offences

Type of Sanctions offences	Specific offence	Relevant prohibition or requirement	Maximum penalty
Breach of sanctions (asset-freeze etc.)	<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. 11</li> <li>2. Reg. 12</li> <li>3. Reg. 13</li> <li>4. Reg. 14</li> <li>5. Reg. 15</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>
Breach of sanctions (other financial and investment restrictions)	<ol style="list-style-type: none"> <li>1. Dealing with a transferable security or money-market instrument if it has a maturity exceeding 30 days, and is issued after 1 August 2014 by (a) a person listed in paras 1 to 5 of Schedule 2; (b) an entity incorporated or constituted under the law of a non-IOM country, and owned directly or indirectly by a person in (a); or (c) a person acting on behalf of or at the direction of a person in (a) or (b).</li> <li>2. Dealing with a transferable security or money-market instrument if it has a maturity exceeding 30 days, and ii issued after 12 September 2014 by (a) a person listed in paras 6 to 11 of Schedule 2; (b) an entity incorporated under the law of a non-IOM country, and owned directly or indirectly by a person in (a); or (c) a person acting on behalf of or at the direction of a person in (a) or (b)</li> <li>3. Granting a new loan or credit with a maturity</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg. 16</li> <li>2. Reg. 16</li> <li>3. Reg. 17</li> <li>4. Reg. 18</li> <li>5. Reg. 18</li> <li>6. Reg. 18</li> <li>7. Reg. 18</li> <li>8. Reg. 18</li> </ol>	

	<p>exceeding 30 days to (a) a person listed in Schedule 2; (b) an entity incorporated under the law of a non-IOM country, and owned by a person in (a); or (c) a person acting on behalf of or at the direction of a person in (a) or (b).</p> <p>4. Acquiring or extending a participation, or acquiring any ownership interest, in land located in Non-government controlled Ukrainian territory.</p> <p>5. Acquiring or extending a participation, or acquiring any ownership interest in an entity which has a place of business located in Non-government controlled Ukrainian territory.</p> <p>6. Granting any loan or credit, entering into any arrangement to grant a loan or credit, or otherwise provide funds to an entity which has a place of business located in Non-government controlled Ukrainian territory or for the purpose of financing such an entity.</p> <p>7. Establishing or participating in a joint venture in Non-government controlled Ukrainian territory or with an entity which has a place of business located in Non-government controlled Ukrainian territory.</p> <p>8. Providing investment services for activities in reg. 18.</p>		
Circumvention etc. of prohibitions	Circumventing directly or indirectly the prohibitions of regs. 11-18 (Part 3 Finance) or enabling the contravention of prohibitions.	Reg. 19	<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>
Breach of requirements under Treasury licences	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	1. Reg. 67 2. Reg. 67	<p> LIABLE ON CONVICTION ON INFORMATION -</p> <ul style="list-style-type: none"> <li>to custody for a term not exceeding 7 years</li> </ul>

	2. Failing to comply with the conditions of a Treasury licence		or to a fine, or to both.
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 67 (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> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg. 70</li> <li>2. Reg. 70</li> <li>3. Reg. 70</li> </ol>	<p> LIABLE on summary conviction -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 6 months, or to a fine not exceeding level 5 on the standard scale, or to both.</li> </ul>
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. 72.</li> <li>2. Knowingly and recklessly providing false information in respect of information requested under reg. 72.</li> <li>3. Evasion of requests made under reg. 72 or reg. 73.</li> <li>4. Obstruction of Treasury requests for information made under reg. 72 or reg. 73.</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg. 74</li> <li>2. Reg. 74</li> <li>3. Reg. 74</li> <li>4. Reg. 74</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>

## ANNEX B

### Table of trade sanctions offences

<b>Type of Sanctions offences</b>	<b>Specific offence</b>	<b>Relevant prohibition or requirement</b>	<b>Maximum penalty</b>
Breach of controls on exporting goods.	<ol style="list-style-type: none"> <li>1. 1.Exporting military goods</li> <li>2. Exporting dual-use goods</li> <li>3. Exporting energy-related goods</li> <li>4. Exporting infrastructure-related goods (Non-government controlled Ukrainian territory)</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg. 21</li> <li>2. Reg. 32</li> <li>3. Reg. 40</li> <li>4. Reg. 48</li> </ol> <p>Offence contained within Customs and Excise Management Act 1986 s. 69(1)</p>	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> <li>• to a penalty of £5,000 or of three times the value of the goods whichever is the greater, or to custody for a term not exceeding 6 months, or to both.</li> </ul>
Breach of controls on importing goods	<ol style="list-style-type: none"> <li>1. Importing military goods</li> <li>2. Importing goods (Non-government controlled Ukrainian territory).</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg. 23</li> <li>2. Reg. 47</li> </ol> <p>Offence contained within Customs and Excise Management Act s. 47(1)</p>	<p>Liable on conviction on information -</p> <ul style="list-style-type: none"> <li>• to a penalty of any amount, or to custody 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)</li> </ul>
Supplying and delivering goods	<ol style="list-style-type: none"> <li>1. Supplying and delivering military goods</li> <li>2. Supplying and delivering dual-use goods</li> <li>3. Supplying and delivering energy-related goods</li> <li>4. Supplying and delivering infrastructure-related goods (Non-government controlled Ukrainian territory)</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg 25(1)</li> <li>2. Reg 34(1)</li> <li>3. Reg 42(1)</li> <li>4. Reg 50(1)</li> </ol>	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> <li>• to custody to a term not exceeding 12 months or a fine (or both).</li> </ul> <p>Liable on conviction on information -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 10 years or a fine (or both).</li> </ul>
Making available goods and technology	<ol style="list-style-type: none"> <li>1. Making available military goods and technology</li> <li>2. Making available dual-use goods and technology</li> <li>3. Making available energy-related goods</li> <li>4. Making available infrastructure-related goods (Non-government</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg 25(1)</li> <li>2. Reg 34(1)</li> <li>3. Reg 42(1)</li> <li>4. Reg 50(1)</li> </ol>	<p>Liable on conviction on information -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 10 years or a fine (or both).</li> </ul>

	controlled Ukrainian territory)		
Transferring technology	<ol style="list-style-type: none"> <li>1. Transferring military technology</li> <li>2. Transferring dual-use technology</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg 26(1)</li> <li>2. Reg 35(1)</li> </ol>	
Providing technical assistance relating to goods and technology	<ol style="list-style-type: none"> <li>1. Providing technical assistance relating to military goods and technology</li> <li>2. Providing technical assistance relating to dual-use goods and technology</li> <li>3. Providing technical assistance relating to energy-related goods</li> <li>4. Providing technical assistance relating to infrastructure-related goods (Non-government controlled Ukrainian territory)</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg 27(1)</li> <li>2. Reg 36(1)</li> <li>3. Reg 43(1)</li> <li>4. Reg 51(1)</li> </ol>	<p> LIABLE on summary conviction -</p> <ul style="list-style-type: none"> <li>• to custody to a term not exceeding 12 months or a fine (or both).</li> </ul> <p> LIABLE on conviction on information -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 10 years or a fine (or both).</li> </ul>
Providing financial services and funds relating to goods and technology	<ol style="list-style-type: none"> <li>1. Providing financial services and funds relating to military goods and technology</li> <li>2. Providing financial services and funds relating to dual-use goods and technology</li> <li>3. Providing financial services relating to energy-related goods</li> <li>4. Providing financial services and funds relating to infrastructure-related goods (Non-government controlled Ukrainian territory)</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg 28(1)</li> <li>2. Reg 37(1-4)</li> <li>3. Reg 44(1)</li> <li>4. Reg 52(1-3)</li> </ol>	
Providing brokering services relating to goods and technology	<ol style="list-style-type: none"> <li>1. Providing brokering services relating to military goods and technology</li> <li>2. Providing brokering services relating to dual-use goods and technology</li> <li>3. Providing brokering services relating to energy-relating goods</li> <li>4. Providing brokering services relating to infrastructure-related goods (Non-government controlled Ukrainian territory)</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg 29(1)</li> <li>2. Reg 38(1)</li> <li>3. Reg 45(1)</li> <li>4. Reg 53(1)</li> </ol>	

Enabling or facilitating military activities	Providing technical assistance, armed personnel, financial services or funds, or brokering services where such provision enables or facilitates the conduct of military activities.	Reg 30(1)	
Providing other energy- related services	Providing relevant energy services	Reg 46(1)	
Providing other services relating to the Non-government controlled Ukrainian territory	<ol style="list-style-type: none"> <li>1. Providing services relating to a relevant infrastructure sector in Non-government controlled Ukrainian territory</li> <li>2. Providing services relating to tourism in Non-government controlled Ukrainian territory</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg 54(1)(a)</li> <li>2. Reg 54(1)(b)</li> </ol>	<p>Liabe on summary conviction -</p> <ul style="list-style-type: none"> <li>• to custody to a term not exceeding 12 months or a fine (or both).</li> </ul> <p>Liabe on conviction on information -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 10 years or a fine (or both).</li> </ul>
Circumvention etc. of prohibitions	Circumventing directly or indirectly the prohibitions of regs. 22-53 (Trade) or enabling the contravention of prohibitions.	Reg. 55	<ul style="list-style-type: none"> <li>• to custody for a term not exceeding 10 years or a fine (or both).</li> </ul>
Licensing Offences	<ol style="list-style-type: none"> <li>1. Knowingly or recklessly: <ol style="list-style-type: none"> <li>(a) Providing information that is false in a material respect, or</li> <li>(b) Providing or producing a document that is not what it purports to be, for the purpose of obtaining a trade licence.</li> </ol> </li> <li>2. Purporting to act under the authority of a trade licence but failing to comply with any condition contained in the licence.</li> </ol>	<ol style="list-style-type: none"> <li>1. Reg.68(1)</li> <li>2. Reg 68(2)</li> </ol>	<p>Liabe on summary conviction -</p> <ul style="list-style-type: none"> <li>• to custody to a term not exceeding 12 months or a fine (or both).</li> </ul> <p>Liabe on conviction on information -</p> <ul style="list-style-type: none"> <li>• to custody for a term not exceeding 2 years or a fine (or both).</li> </ul>
Information Offences	<ol style="list-style-type: none"> <li>1. Failing to comply with record keeping requirements in reg. 77.</li> <li>2. <ol style="list-style-type: none"> <li>(a) Intentionally obstructing an official in the performance of any of the official's functions</li> <li>(b) Failing to produce a register, record or document when reasonably required to do so by an official.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Reg. 77(6)</li> <li>2. Reg. 78(5)</li> </ol>	

