

Statutory Document No. 2022/0238



European Union and Trade Act 2019

RUSSIA SANCTIONS (APPLICATION) (NO. 9) REGULATIONS 2022

Approved by Tynwald:

Coming into Operation: in accordance with regulation 2

The Council of Ministers makes the following Regulations under section 19 of the European Union and Trade Act 2019.

The Council of Ministers is of the opinion that, by reason of urgency, it is necessary to make these Regulations subject to the Tynwald procedure set out in section 31 of the Legislation Act 2015 (“affirmative”) instead of the “approval required” Tynwald procedure applied by virtue of section 19(1) of the European Union and Trade Act 2019.

1 Title

These Regulations are the Russia Sanctions (Application) (No. 9) Regulations 2022.

2 Commencement

These Regulations come into operation immediately after they are made¹.

3 Application of the Russia (Sanctions) (EU Exit) (Amendment) (No. 11) Regulations 2022

- (1) The Russia (Sanctions) (EU Exit) (Amendment) (No. 11) Regulations 2022² (“the applied legislation”) apply to the Island, as part of the law of the Island, subject to the following modifications.
- (2) In regulation 1 (citation and commencement) —
 - (a) in the heading, omit “and commencement”; and

¹ Paragraph 7 of Schedule 4 to the European Union and Trade Act 2019 provides that if a statutory document contains a declaration that the Council of Ministers is of the opinion that, by reason of urgency, it is necessary to make the statutory document subject to the Tynwald procedure set out in section 31 of the Legislation Act 2015 (“affirmative”), that procedure applies to the statutory document instead of the “approval required” Tynwald procedure applied by virtue of any provision of the European Union and Trade Act 2019.

² SI 2022/792.

- (b) omit paragraph (2).
- (3) In regulation 2 (amendment of the Russia (Sanctions) (EU Exit) Regulations 2019), after “2019”, insert **63**, as they have effect in the Island³, **62**.
- (4) In regulation 3(2) (interpretation of Part 5), for the definition of “medical device”, substitute —
63 “medical device” has the meaning given in regulation 2 of the Medical Devices Regulations 2002 (of Parliament)⁴; **62**.
- (5) In regulation 4 (definition of “interception and monitoring services”), in the inserted regulation 21A(7), in the definition of “wireless telegraphy” and “wireless telegraphy apparatus”, after “the Wireless Telegraphy Act 2006”, insert **63** (of Parliament)⁵ (as it has effect in the Isle of Man)⁶ **62**.
- (6) In regulation 8 (further prohibitions relating to certain goods and services) —
- (a) in the inserted regulation 46J (interpretation), after “regulation 6(7)”, insert **63** (as that regulation has effect in the United Kingdom) **62**;
- (b) in the inserted regulation 46L(5) (banknotes), after paragraph (b), insert —
63 (c) Government notes issued by the Isle of Man Treasury under the Currency Act 1992 (of Tynwald). **62**;
- (c) in the inserted regulations 46T (acquisition of revenue generating goods) to 46W (financial services and funds relating to revenue generating goods), after “United Kingdom”, wherever occurring, insert **63** or the Isle of Man **62**.
- (7) In regulation 10 (exceptions), in the inserted regulation 60G(1)(b) (trade: exception in relation to certain revenue generating goods consigned from Russia), after “United Kingdom”, insert **63** or the Isle of Man **62**.
- (8) Omit regulation 12 (amendment and insertion of Schedules) and regulation 13 (revocation).
- (9) Omit Schedules 1 to 3.
- (10) The text of the applied legislation is annexed to these Regulations.

³ SI 2019/855, as amended by SI 2020/590 and SI 2020/951, was applied to the Island by SD 2020/0504. SD 2020/0504, has subsequently been amended by SI 2022/194, SI 2022/195, SI 2022/203, SI 2022/205, SI 2022/241, SI 2022/395, SI 2022/452 and SI 2022/477 as they are applied to the Island.

⁴ SI 2002/618.

⁵ 2006 Chapter 36.

⁶ The Wireless Telegraphy Act 2006 was extended to the Island by SI 2007/278.

4 Amendment of the Russia Sanctions (Application) Regulations 2020

- (1) The Russia Sanctions (Application) Regulations 2020 are amended as follows⁷.
- (2) In the Schedule, in paragraph 1(2) (general), for “2, 2A, 2B and 3”, substitute **2, 2A, 2B, 2C, 2D, 2E, 3, 3A, 3B, 3C and 3D**.

5 Revocation of the Russia Sanctions (Application) (No. 8) Regulations 2022

The Russia Sanctions (Application) (No. 8) Regulations 2022⁸ are revoked.

MADE 18 JULY 2022

C RANDALL
Chief Secretary

⁷ SD 2020/0504, as amended by SD 2022/0098.

⁸ SD 2022/0219.

*EXPLANATORY NOTE**(This note is not part of the Regulations)*

These Regulations further amend the Russia (Sanctions) (EU Exit) Regulations 2019, as those Regulations have effect in the Island (“the 2019 Regulations”) by applying to the Island the Russia (Sanctions) (EU Exit) (Amendment) (No. 11) Regulations 2022.

These Regulations amend Part 5 of the 2019 Regulations relating to trade with Russia. New restrictions are imposed in relation to trade in —

- (a) maritime goods and maritime technology in certain circumstances;
- (b) military goods and technology with non-government controlled Ukrainian territory;
- (c) defence and security goods and technology;
- (d) interception and monitoring services;
- (e) banknotes;
- (f) jet fuel and fuel additives;
- (g) goods which generate significant revenues for Russia.

Existing prohibitions relating to trade in iron and steel goods, certain items with non-government controlled Ukrainian territory, oil and refining goods and technology and energy-related goods are also extended to include a wider range of products and services.

Provisions relating to exceptions to the prohibitions and restrictions, offences and definitions are also updated as a consequence of the trade amendments.

These Regulations also revoke the Russia Sanctions (Application) (No. 8) Regulations 2022, as a consequence of these Regulations.

Annex

STATUTORY INSTRUMENTS

2022 No. 792

SANCTIONS

The Russia (Sanctions) (EU Exit) (Amendment) (No. 11) Regulations 2022

Made - - - - *12th July 2022*

Laid before Parliament *14th July 2022*

Coming into force - - *15th July 2022*

The Secretary of State⁽⁹⁾, considering that the condition in section 45(2) of the Sanctions and Anti-Money Laundering Act 2018⁽¹⁰⁾ is met, makes the following Regulations in exercise of the powers conferred by sections 1, 3(1)(b)(ii) and (d)(ii), 5(1) and 15(2)(a) and (b) and (6) of, and paragraphs 2(a)(ii) and (b), 4(a)(ii) and (b), (c) and (d), 5(a)(ii) and (b), 6(a)(ii) and (b), 7(a)(ii) and (b), 11(a)(ii), 13(b), (c), (g), (h), (k), (l), (n) and (q) and (w), 14(f), (g) and (k), 17(a), 19(a), 20(c) and (d), 21, 22 and 23 of Schedule 1 to, that Act.

Citation and commencement

1. (1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) (No. 11) Regulations 2022.

~~(2) These Regulations come into force on 15th July 2022.~~

Amendment of the Russia (Sanctions) (EU Exit) Regulations 2019

2. The Russia (Sanctions) (EU Exit) Regulations 2019⁽¹¹⁾, **as they have effect in the Island¹²**, are amended as set out in regulations 3 to 12.

Interpretation of Part 5

3. (1) Regulation 21 is amended as follows.

(2) In paragraph (1), insert in the appropriate places—

⁽⁹⁾ The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an “appropriate Minister” as including the Secretary of State.

⁽¹⁰⁾ 2018 c. 13. Section 17(5)(b)(i) (enforcement) is amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 443(1). Sections 1 and 45 are amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), sections 57 and 62.

⁽¹¹⁾ S.I. 2019/855 as amended by S.I. 2020/590; S.I. 2020/951, S.I. 2022/123, S.I. 2022/194, S.I. 2022/195, S.I. 2022/203, S.I. 2022/205, S.I. 2022/241, S.I. 2022/395, S.I. 2022/452, S.I. 2022/477 and by the Sentencing Act 2020 (c. 17).

⁽¹²⁾ SI 2019/855, as amended by SI 2020/590 and SI 2020/951, was applied to the Island by SD 2020/0504. SD 2020/0504 has subsequently been amended by SI 2022/194, SI 2022/195, SI 2022/203, SI 2022/205, SI 2022/241, SI 2022/395, SI 2022/452 and SI 2022/477 as they are applied to the Island.

“defence and security goods” means—

- (a) interception and monitoring goods,
- (b) internal repression goods, and
- (c) goods relating to chemical and biological weapons; ”;

“defence and security technology” means—

- (a) interception and monitoring technology,
- (b) internal repression technology, and
- (c) technology relating to chemical and biological weapons; ”;

“goods relating to chemical and biological weapons” means—

- (a) any thing specified in Part 4 of Schedule 3C, other than technology relating to chemical and biological weapons (but see paragraph (4A))⁽¹³⁾, and
- (b) any tangible storage medium on which technology relating to chemical and biological weapons is recorded or from which it can be derived;”;

“interception and monitoring goods” means any item mentioned in paragraph (a) or (b), provided that it may be used for interception and monitoring services—

- (a) a relevant Part 2 item⁽¹⁴⁾,
- (b) any tangible storage medium on which interception and monitoring technology is recorded or from which it can be derived;”;

“interception and monitoring technology” means any thing—

- (a) which is described as software in paragraph 2 of Part 2 of Schedule 3C provided that it may be used for interception and monitoring services, and
- (b) which is described as other software or other technology in paragraph 3 of Part 2 of Schedule 3C (but see paragraph (4C));”;

“internal repression goods” means—

- (a) any thing specified in Part 3 of Schedule 3C, other than—
 - (i) any thing which is internal repression technology,
 - (ii) any thing for the time being specified in Schedule 2 to the Export Control Order 2008⁽¹⁵⁾, or
 - (iii) any thing for the time being specified in Annex I of the Dual-Use Regulation, and
- (b) any tangible storage medium on which internal repression technology is recorded or from which it can be derived;”;

“internal repression technology” means any thing which is described in Part 3 of Schedule 3C as software or technology;”;

“maritime goods” and “maritime technology” mean respectively any goods and technology specified in Chapter 4 (Navigation Equipment) and Chapter 5 (Radio-Communication Equipment) of Annex 1 of the Merchant Shipping Notice 1874⁽¹⁶⁾ but not including any thing in those Chapters for the time being specified in—

- (a) Schedules 2 and 3 to the Export Control Order 2008,
- (b) Annex I to the Dual Use Regulation, or
- (c) Schedule 2A;”;

⁽¹³⁾ Inserted by paragraph (7) of this regulation.

⁽¹⁴⁾ “Relevant Part 2 item” is defined in regulation 21(4B) which is inserted by paragraph (7) of this regulation.

⁽¹⁵⁾ S.I. 2008/3231.

⁽¹⁶⁾ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1042678/MSN_1874_Amendment_5.pdf

~~“medical device” means—~~

~~(a) a medical device within the meaning given in regulation 2 of the Medical Devices Regulations 2002 in so far as those Regulations apply to England, Wales and Scotland, and~~

~~(b) a medical device within the meaning given in—~~

~~(i) article 2 of Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on medical devices, amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC, and~~

~~(ii) article 2 of Regulation (EU) 2017/746 of the European Parliament and of the Council of 5 April 2017 on in vitro diagnostic medical devices and repealing Directive 98/79/EC and Commission Decision 2010/227/EU,~~

~~in so far as those Regulations apply to Northern Ireland;”;~~

“medical device” has the meaning given by regulation 2 of the Medical Devices Regulations 2002 (of Parliament)¹⁷;”;

“technology relating to chemical and biological weapons” means any thing specified as technology or software in Part 4 of Schedule 3C, other than technology which is—

(a) the minimum necessary for—

(i) the installation, operation, maintenance and repair of any goods which are not subject to a prohibition under this Part, or

(ii) patent applications,

(b) in the public domain,

(c) a medical device, or

(d) used for basic scientific research;”.

(3) In the definition of “critical-industry goods”, in paragraph (a)(ii)—

(i) at the end of (aa) omit “or”;

(ii) at the end of (bb) for “and” substitute “or”;

(iii) after (bb) insert—

“(cc) Part 3 of Schedule 3C, and”.

(4) In the definition of “critical-industry technology”—

(i) at the end of paragraph (a) omit “or”;

(ii) at the end of paragraph (b) insert “or”

(iii) after paragraph (b) insert—

“(c) Part 3 of Schedule 3C,”.

(5) At the end of the definition of “restricted goods” insert—

“(g) defence and security goods;

(h) maritime goods;”.

(6) At the end of the definition of “restricted technology” insert—

“(g) defence and security technology;

(h) maritime technology;”.

(7) After paragraph (4) insert—

(¹⁷) SI 2002/618.

“(4A) The definition of “goods relating to chemical and biological weapons” does not apply to anything specified in Part 4 of Schedule 3C—

(a) which is—

(i) a pharmaceutical formulation designed for human administration in the treatment of a medical condition; and

(ii) pre-packaged for distribution as a medicinal product; or

(b) which is a medical device.

(4B) For the purpose of the definition of “interception and monitoring goods” in paragraph (1) “a relevant Part 2 item” means any thing described in Part 2 of Schedule 3C, other than—

(a) any thing which is interception and monitoring technology, or

(b) any thing for the time being specified in—

(i) Schedule 2 to the Export Control Order 2008, or

(ii) Annex I of the Dual-Use Regulation.

(4C) The definition of “interception and monitoring technology” does not apply to software which is—

(a) generally available to the public, or

(b) in the public domain.”

(4D) For the purposes of this Part, the following terms have the meaning given to them in the Dual-Use Regulation—

“basic scientific research”;

“in the public domain”.”.

Definition of “interception and monitoring services”

4. In Chapter 1 of Part 5, after regulation 21, insert—

“Definition of interception and monitoring services

21A. (1) For the purposes of this Part, “interception and monitoring services” means any service that has as its object or effect the interception of a communication in the course of its transmission by means of a telecommunication system.

(2) A person intercepts a communication in the course of its transmission by means of a telecommunication system if, and only if—

(a) the person does a relevant act in relation to the system; and

(b) the effect of the relevant act is to make any content of the communication available, at a relevant time, to a person who is not the sender or intended recipient of the communication.

(3) In paragraph (2) a “relevant act”, in relation to a telecommunication system, means—

(a) modifying, or interfering with, the system or its operation;

(b) monitoring transmissions made by means of the system;

(c) monitoring transmissions made by wireless telegraphy to or from apparatus that is part of the system.

(4) In paragraph (2), a “relevant time”, in relation to a communication transmitted by means of a telecommunication system, means—

- (a) any time while the communication is being transmitted; and
- (b) any time when the communication is stored in or by the system (whether before or after its transmission).

(5) For the purpose of paragraph (2), the cases in which any content of a communication is to be taken to be made available to a person at a relevant time include any case in which any of the communication is diverted or recorded at a relevant time so as to make the content of the communication available to a person after that time.

(6) In paragraph (3), references to modifying a telecommunication system include references to attaching any apparatus to, or otherwise modifying or interfering with—

- (a) any part of the system; or
- (b) any wireless telegraphy apparatus used for making transmissions to or from apparatus that is part of the system.

(7) For the purposes of this regulation, the following definitions also apply—

“apparatus” includes any equipment, machinery or device (whether physical or logical) and any wire or cable;

“communication”, for the purpose of a telecommunication system, includes—

- (a) anything comprising speech, music, sounds, visual images or data of any description; and
- (b) signals serving for the impartation of anything between persons, between a person and a thing or between things, for the actuation or control of any apparatus;

“content”, in relation to a communication and a telecommunication system, means any element of the communication, or any data attached to or logically associated with the communication, which reveals anything of what might reasonably be considered to be the meaning (if any) of the communication, but—

- (a) any meaning arising from the fact of the communication or from any data relating to the transmission of the communication is to be disregarded; and
- (b) anything which is systems data is not content;

“systems data” means any data that enables or facilitates, or identifies or describes anything connected with enabling or facilitating, the functioning of a telecommunication system (including any apparatus forming part of the system);

“a telecommunication system” means a system (including the apparatus comprised in it) that exists for the purpose of facilitating the transmission of communications by any means involving the use of electrical or electromagnetic energy;

“wireless telegraphy” and “wireless telegraphy apparatus” have the same meaning as in sections 116 and 117 of the Wireless Telegraphy Act 2006⁽¹⁸⁾ **(of Parliament) (as it has effect in the Isle of Man)**¹⁹.”.

Maritime goods and maritime technology

5. (1) In regulation 22—
- (a) after paragraph (1) insert—

⁽¹⁸⁾ 2006 c. 36.

⁽¹⁹⁾ The Wireless Telegraphy Act 2006 was extended to the Island by SI 2007/278.

- “(1A) The export of maritime goods and maritime technology for the placing on board of a Russian-flagged vessel is prohibited.”;
- (b) in paragraph (2), for “Paragraph (1) is” substitute “Paragraphs (1) and (1A) are”.
- (2) In regulation 24—
- (a) after paragraph (1)(b) insert—
- “(c) directly or indirectly supply or deliver maritime goods or maritime technology from a third country for the placing on board of a Russian-flagged vessel.”;
- (b) after paragraph (3)(b) insert—
- “(c) it is a defence for a person charged with the offence of contravening paragraph (1)(c) to show that the person did not know and had no reasonable cause to suspect that the supply or delivery was for the placing on board of a Russian-flagged vessel, whether directly or indirectly.”.
- (3) In regulation 25—
- (a) after paragraph (1)(e) insert—
- “(f) directly or indirectly make maritime goods or maritime technology available for the placing on board of a Russian-flagged vessel.”;
- (b) after paragraph (3)(d) insert—
- “(e) it is a defence for a person charged with the offence of contravening paragraph (1)(f) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were to be made available for the placing on board of a Russian-flagged vessel.”.
- (4) In regulation 26—
- (a) after paragraph (1)(c) insert—
- “(d) transfer maritime technology to a Russian-flagged vessel.”;
- (b) after paragraph (3)(c) insert—
- “(d) it is a defence for a person charged with the offence of contravening paragraph (1)(d) to show that the person did not know and had no reasonable cause to suspect that the transfer was to a Russian-flagged vessel.”.

Goods and technology relating to non-government controlled Ukrainian territory

6. In Part 5, after Chapter 2 insert—

“CHAPTER 2A

Goods and technology relating to non-government controlled Ukrainian territory

Interpretation

- 30A.** In this Chapter—

“relevant restricted goods” means only those restricted goods which are not infrastructure-related goods but which are military goods;

“relevant restricted technology” means only that restricted technology which is military technology.

Export of relevant restricted goods and relevant restricted technology

30B. (1) The export of relevant restricted goods and of relevant restricted technology to, or for use in, non-government controlled Ukrainian territory is prohibited.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

Supply and delivery of relevant restricted goods and relevant restricted technology

30C. (1) A person must not directly or indirectly supply or deliver relevant restricted goods and relevant restricted technology from a third country to a place in non-government controlled Ukrainian territory.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were destined (or ultimately destined) for non-government controlled Ukrainian territory.

(4) In this regulation, "third country" means a country that is not the United Kingdom or the Isle of Man.

Making available relevant restricted goods and relevant restricted technology

30D. (1) A person must not—

(a) directly or indirectly make relevant restricted goods or relevant restricted technology available to a person connected with non-government controlled Ukrainian territory; or

(b) directly or indirectly make relevant restricted goods or relevant restricted technology available for use in non-government controlled Ukrainian territory.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

(a) it is a defence for a person charged with an offence of contravening paragraph (1)(a) ("P") to show that P did not know and had no reasonable cause to suspect that the person was connected with non-government controlled Ukrainian territory;

(b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in non-government controlled Ukrainian territory.

Transfer of relevant restricted technology

30E. (1) A person must not—

(a) transfer relevant restricted technology to a place in non-government controlled Ukrainian territory; or

(b) transfer relevant restricted technology to a person connected with non-government controlled Ukrainian territory.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the transfer was to a place in non-government controlled Ukrainian territory;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) ("P") to show that P did not know and had no reasonable cause to suspect that the person was connected with non-government controlled Ukrainian territory.

Technical assistance relating to relevant restricted goods and relevant restricted technology

30F. (1) A person must not directly or indirectly provide technical assistance relating to relevant restricted goods or relevant restricted technology—

- (a) to a person connected with non-government controlled Ukrainian territory; or
- (b) for use in non-government controlled Ukrainian territory.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a) ("P") to show that P did not know and had no reasonable cause to suspect that the person was connected with non-government controlled Ukrainian territory;
- (b) it is a defence for a person charged with an offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in non-government controlled Ukrainian territory.

Financial services and funds relating to relevant restricted goods and relevant restricted technology

30G. (1) A person must not directly or indirectly provide, to a person connected with non-government controlled Ukrainian territory, financial services in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of relevant restricted goods;
- (b) the direct or indirect supply or delivery of relevant restricted goods;
- (c) directly or indirectly making relevant restricted goods or relevant restricted technology available to a person;
- (d) the transfer of relevant restricted technology; or
- (e) the direct or indirect provision of technical assistance relating to relevant restricted goods or relevant restricted technology.

(2) A person must not directly or indirectly provide funds to a person connected with non-government controlled Ukrainian territory in pursuance of or in connection with an arrangement mentioned in paragraph (1).

(3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of relevant restricted goods to, or for use in, non-government controlled Ukrainian territory;
- (b) the direct or indirect supply or delivery of relevant restricted goods to a place in non-government controlled Ukrainian territory;

- (c) directly or indirectly making relevant restricted goods or relevant restricted technology available—
 - (i) to a person connected with non-government controlled Ukrainian territory, or
 - (ii) for use in non-government controlled Ukrainian territory;
 - (d) the transfer of relevant restricted technology—
 - (i) to a person connected with non-government controlled Ukrainian territory, or
 - (ii) to a place in non-government controlled Ukrainian territory; or
 - (e) the direct or indirect provision of technical assistance relating to relevant restricted goods or relevant restricted technology—
 - (i) to a person connected with non-government controlled Ukrainian territory, or
 - (ii) for use in non-government controlled Ukrainian territory.
- (4) Paragraphs (1) to (3) are subject to Part 7 (Exceptions and licences).
- (5) A person who contravenes a prohibition in any of paragraphs (1) to (3) commits an offence, but—
- (a) it is a defence for a person charged with an offence of contravening paragraph (1) or (2) ("P") to show that P did not know and had no reasonable cause to suspect that the person was connected with non-government controlled Ukrainian territory;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (3) to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to relevant restricted goods and relevant restricted technology

- 30H.** (1) A person must not directly or indirectly provide brokering services to a person connected with non-government controlled Ukrainian territory in relation to an arrangement whose object or effect is—
- (a) the export of relevant restricted goods;
 - (b) the direct or indirect supply or delivery of relevant restricted goods;
 - (c) directly or indirectly making relevant restricted goods or relevant restricted technology available to a person;
 - (d) the transfer of relevant restricted technology; or
 - (e) the direct or indirect provision of technical assistance relating to relevant restricted goods or relevant restricted technology.
- (2) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph."

Iron and steel products

7. (1) Chapter 4C of Part 5 is amended as follows.
- (2) For regulation 46C substitute—

"Interpretation

46C. In this Chapter—

"iron and steel products" means any thing specified in Schedule 3B;

"third country" means a country that is not the United Kingdom, the Isle of Man or Russia."

(3) After regulation 46F insert—

"Technical assistance relating to iron and steel products

46G. (1) A person must not directly or indirectly provide technical assistance relating to—

(a) the import of iron and steel products which—

(i) originate in Russia; or

(ii) are consigned from Russia;

(b) the direct or indirect acquisition of iron and steel products which—

(i) originate in Russia; or

(ii) are located in Russia; or

(c) the direct or indirect supply or delivery of iron and steel products from a place in Russia to a third country.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

(a) it is a defence for a person charged with an offence of contravening paragraph (1)(a), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an import described in that paragraph;

(b) it is a defence for a person charged with an offence of contravening paragraph (1)(b), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an acquisition described in that paragraph;

(c) it is a defence for a person charged with an offence of contravening paragraph (1)(c), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to a supply or delivery described in that paragraph.

Financial services and funds relating to iron and steel products

46H. (1) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

(a) the import of iron and steel products which—

(i) originate in Russia; or

(ii) are consigned from Russia;

(b) the direct or indirect acquisition of iron and steel products which—

(i) originate in Russia; or

(ii) are located in Russia; or

(c) the direct or indirect supply or delivery of iron and steel products from a place in Russia to a third country.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to iron and steel products

46I. (1) A person must not directly or indirectly provide brokering services in relation to any arrangements described in regulation 46H(1)(a) to (c).

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.”.

Further prohibitions relating to certain goods and services

8. After regulation 46I (inserted by regulation 7), insert—

“CHAPTER 4D

Interception and monitoring services

Interpretation

46J. In this Chapter, “Government of Russia” has the meaning given in regulation 6(7) **(as that regulation has effect in the United Kingdom);**

Interception and monitoring services

46K. (1) A person must not directly or indirectly provide interception and monitoring services to, or for the benefit of, the Government of Russia.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person (“P”) charged with that offence to show that P did not know and had no reasonable cause to suspect that the services were provided to, or for the benefit of, the Government of Russia.

CHAPTER 4E

Banknotes

Banknotes

46L. (1) The export of banknotes to, or for use in, Russia is prohibited.

(2) A person must not directly or indirectly—

(a) supply or deliver banknotes to a person connected with Russia;

(b) make banknotes available to a person connected with Russia; or

- (c) make banknotes available for use in Russia.
- (3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (2) commits an offence.
- (5) In this regulation, “banknotes” means—
 - (a) sterling denominated banknotes issued by the Bank of England and banks in Scotland and Northern Ireland; and
 - (b) banknotes denominated in any official currency of the European Union.
- (c) Government notes issued by the Isle of Man Treasury under the Currency Act 1992 (of Tynwald).**

CHAPTER 4F

Jet fuel and fuel additives

Interpretation

46M. In this Chapter, “jet fuel and fuel additives” means the goods listed under that heading in Part 8 of Schedule 2A⁽²⁰⁾.

Jet fuel and fuel additives

- 46N.** (1) The export of jet fuel and fuel additives to, or for use in, Russia is prohibited.
- (2) A person must not directly or indirectly—
- (a) supply or deliver jet fuel and fuel additives from a third country to a place in Russia;
 - (b) make jet fuel and fuel additives available to a person connected with Russia;
 - (c) make jet fuel and fuel additives available for use in Russia.
- (3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (2) commits an offence, but—
- (a) it is a defence for a person charged with the offence of contravening paragraph (2)(a) to show that the person did not know and had no reasonable cause to suspect that the jet fuel and fuel additives were destined (or ultimately destined) for Russia;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (2)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Russia;
 - (c) it is a defence for a person charged with the offence of contravening paragraph (2)(c) to show that the person did not know and had no reasonable cause to suspect that the jet fuel and fuel additives were for use in Russia.
- (5) In this regulation, “third country” means a country that is not the United Kingdom, the Isle of Man or Russia.

⁽²⁰⁾ Those goods are inserted into Part 8 by regulation 11(5) and Schedule 2.

Technical assistance relating to jet fuel and fuel additives

46O. (1) A person must not directly or indirectly provide technical assistance relating to jet fuel and fuel additives—

- (a) to a person connected with Russia; or
- (b) for use in Russia.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a), to show that the person did not know and had no reasonable cause to suspect that the technical assistance was to be provided to a person connected with Russia;
- (b) it is a defence for a person charged with an offence of contravening paragraph (1)(b), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to jet fuel and fuel additives for use in Russia.

Financial services and funds relating to jet fuel and fuel additives

46P. (1) A person must not directly or indirectly provide, to a person connected with Russia, financial services in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of jet fuel and fuel additives;
- (b) the direct or indirect supply or delivery of jet fuel and fuel additives;
- (c) directly or indirectly making jet fuel and fuel additives available to a person connected with Russia; or
- (d) the direct or indirect provision of technical assistance relating to jet fuel and fuel additives.

(2) A person must not directly or indirectly make funds available to a person connected with Russia in pursuance of or in connection with an arrangement mentioned in paragraph (1).

(3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of jet fuel and fuel additives to, or for use in, Russia;
- (b) the direct or indirect supply or delivery of jet fuel and fuel additives to a place in Russia;
- (c) directly or indirectly making jet fuel and fuel additives available—
 - (i) to a person connected with Russia, or
 - (ii) for use in Russia; or
- (d) the direct or indirect provision of technical assistance relating to jet fuel and fuel additives—
 - (i) to a person connected with Russia, or
 - (ii) for use in Russia.

(4) Paragraphs (1) to (3) are subject to Part 7 (Exceptions and licences).

(5) A person who contravenes a prohibition in any of paragraphs (1) to (3) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1) or (2) ("P") to show that P did not know and had no

reasonable cause to suspect that the person was connected with Russia;

- (b) it is a defence for a person charged with the offence of contravening paragraph (3) to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to jet fuel and fuel additives

46Q. (1) A person must not directly or indirectly provide brokering services to a person connected with Russia in relation to an arrangement whose object or effect is—

- (a) the export of jet fuel and fuel additives;
- (b) the direct or indirect supply or delivery of jet fuel and fuel additives;
- (c) directly or indirectly making jet fuel and fuel additives available to a person connected with Russia; or
- (d) the direct or indirect provision of technical assistance relating to jet fuel and fuel additives.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.

CHAPTER 4G

Revenue generating goods

Interpretation

46R. In this Chapter—

“revenue generating goods” means any thing specified in Schedule 3D⁽²¹⁾;

“third country” means a country that is not the United Kingdom, the Isle of Man or Russia.

Import of revenue generating goods

46S. (1) The import of revenue generating goods which are consigned from Russia is prohibited.

(2) The import of revenue generating goods which originate in Russia is prohibited.

(3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).

Acquisition of revenue generating goods

46T. (1) A person must not directly or indirectly acquire revenue generating goods which—

- (a) originate in Russia; or
- (b) are located in Russia,

with the intention of those goods entering the United Kingdom **or the Isle of Man.**

⁽²¹⁾ Schedule 3D is inserted by regulation 11(8) and Schedule 3.

- (2) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—
 - (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the goods originated in Russia;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods were located in Russia.

Supply and delivery of revenue generating goods

- 46U.** (1) A person must not directly or indirectly supply or deliver revenue generating goods from a place in Russia into the United Kingdom **or the Isle of Man.**
- (2) Paragraph (1) is subject to Part 7 (Exceptions and licences).
 - (3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the supply or delivery was from a place in Russia, whether directly or indirectly.

Technical assistance relating to revenue generating goods

- 46V.** (1) A person must not directly or indirectly provide technical assistance relating to—
- (a) the import of revenue generating goods which—
 - (i) originate in Russia, or
 - (ii) are consigned from Russia;
 - (b) the direct or indirect acquisition of revenue generating goods which—
 - (i) originate in Russia, or
 - (ii) are located in Russia,with the intention of those goods entering the United Kingdom **or the Isle of Man;**
 - (c) the direct or indirect supply or delivery of revenue generating goods from a place in Russia into the United Kingdom **or the Isle of Man.**
- (2) Paragraph (1) is subject to Part 7 (Exceptions and licences).
 - (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—
 - (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an import described in that paragraph;
 - (b) it is a defence for a person charged with an offence of contravening paragraph (1)(b), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an acquisition described in that paragraph;
 - (c) it is a defence for a person charged with an offence of contravening paragraph (1)(c), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to a supply or delivery described in that paragraph.

Financial services and funds relating to revenue generating goods

46W. (1) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the import of revenue generating goods which—
 - (i) originate in Russia, or
 - (ii) are consigned from Russia; or
- (b) the direct or indirect acquisition of revenue generating goods which—
 - (i) originate in Russia, or
 - (ii) are located in Russia,with the intention of those goods entering the United Kingdom **or the Isle of Man**;
- (c) the direct or indirect supply or delivery of revenue generating goods from a place in Russia into the United Kingdom **or the Isle of Man**.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to revenue generating goods

46X. (1) A person must not directly or indirectly provide brokering services in relation to any arrangements described in regulation 46X(1)(a) to (c).

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.”.

Application of prohibitions in Chapter 2 of Part 5

9. In Chapter 5 of Part 5, after regulation 53 insert—

“Application of prohibitions and requirements in Chapter 2 of Part 5 to non-government controlled Ukrainian territory

53A. Where it is specified in Schedule 2A, 3 or 3C or in any table in those Schedules that this regulation applies in relation to an item, any prohibition or requirement in Chapter 2 of this Part which applies to Russia in relation to that item also applies to non-government controlled Ukrainian territory.”.

Exceptions

10. (1) Part 7 is amended as follows.

(2) In each of regulation 60ZA(3) to (5), after “A prohibition in” insert “Chapter 2 of Part 5 in so far as it is applied to non-government controlled Ukrainian territory by regulation 53A or Chapter 2A of Part 5 (goods and technology relating to non-government controlled Ukrainian territory),”.

(3) After regulation 60D insert—

“Trade: exceptions in relation to maritime goods and maritime technology

- 60E.** (1) The prohibitions in Chapters 2 of Part 5—
- (a) in so far as they relate to maritime goods, do not apply to the sale, supply, making available or export of such goods, or to the related provision of technical and financial services, funds and brokering necessary for a purpose specified in paragraph (2);
 - (b) in so far as they relate to maritime technology, do not apply to the sale, supply, making available, transfer or export of such technology, or to the related provision of technical and financial assistance, necessary for a purpose specified in paragraph (2).
- (2) The purposes are—
- (a) non-military use for a non-military end-user;
 - (b) humanitarian assistance activity;
 - (c) addressing a health emergency;
 - (d) the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or on the environment; or
 - (e) providing a response to a natural disaster.
- (3) For the purposes of this regulation—
- “humanitarian assistance activity” is to be construed in accordance with paragraph A1 of Schedule 5;
- “maritime goods” and “maritime technology” respectively have the meanings given in regulation 21 (interpretation of Part 5).

Trade: exceptions in relation to banknotes

- 60F.** (1) Subject to paragraph (2), the prohibitions in Chapter 4E of Part 5 do not apply to the making available, supply, export or delivery of banknotes where the making available, supply, export or delivery is necessary for the personal use of natural persons travelling to Russia or members of their immediate families travelling with them.
- (2) The exception in paragraph (1) applies only to banknotes up to the value of £10,000 or its equivalent in any official currency of the European Union.
- (3) The prohibitions in Chapter 4E of Part 5 do not apply to the making available, supply, export or delivery of banknotes where the making available, supply, export or delivery is necessary for the official purposes of diplomatic missions, consular posts or international organisations in Russia enjoying immunities in accordance with international law.
- (4) The prohibitions in Chapter 4E of Part 5 do not apply to anything done by a person who did not know and had no reasonable cause to suspect that the banknotes were ultimately—
- (a) to be exported, supplied, delivered or made available to a person connected with Russia; or
 - (b) for use in Russia.
- (5) For the purposes of this regulation, “diplomatic mission” and “consular post” are to be construed in accordance with paragraph A1 of Schedule 5.

Trade: exception in relation to certain revenue generating goods consigned from Russia

60G. (1) The prohibitions in Chapter 4G of Part 5 do not apply to, or in relation to, revenue generating goods which are—

- (a) consigned from Russia before 23rd June 2022; and
- (b) imported into the United Kingdom **or the Isle of Man** before 10th July 2022.

(2) For the purposes of paragraph (1)(a), goods are deemed to have been consigned from Russia at the time when—

- (a) they have completed the applicable export formalities, and
- (b) where the goods were transported by—
 - (i) land, they have left Russia;
 - (ii) sea, the ship on which they were transported has departed a port in Russia for a destination outside Russia;
 - (iii) air, the aircraft on which they were transported has departed an airport in Russia for a destination outside Russia..”.

(4) In regulation 62(1), after “A prohibition in” insert “Chapter 2 of Part 5 in so far as it is applied to non-government controlled Ukrainian territory by regulation 53A or Chapter 2A of Part 5 (goods and technology relating to non-government controlled Ukrainian territory),”.

Trade offences in CEMA: modification of penalty

- 11. (1) Regulation 86 is amended as follows.
- (2) In paragraph (1), after “46D” insert “, 46S”.
- (3) In paragraph (3), for “40(1), 46B(1)” substitute “30B, 40(1), 46B(1), 46N(1),”.
- (4) In paragraph (5), for “40(1), 46B(1), 46D” substitute “30B, 40(1), 46B(1), 46D, 46N(1), 46S”.

Amendment and insertion of Schedules

- 12. *Omitted*

Revocation

- 13. *Omitted.*

Ahmad
Minister of State

12th July 2022

Foreign, Commonwealth and Development Office

SCHEDULES 1 TO 3

Omitted

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c. 13) to amend the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the 2019 Regulations”).

Regulations 3 to 8 and 12(2) to (5) and (8) amend Part 5 of the 2019 Regulations relating to trade, and both amend existing Schedules and insert new ones. New restrictions are imposed in relation to trade in—

- maritime goods and maritime technology in certain circumstances (regulation 5);
- military goods and technology with non-government controlled Ukrainian territory (as specified in new Chapter 2A of Part 5);
- defence and security goods and technology (as specified in Parts 2 to 4 of new Schedule 3C);
- interception and monitoring services;
- banknotes;
- jet fuel and fuel additives (as specified in an addition to Part 8 of Schedule 2A); and
- goods which generate significant revenues for Russia (as specified in new Schedule 3D).

As a result of those amendments—

- regulation 3 amends the definitions of “critical-industry goods”, “critical-industry technology”, “restricted goods” and “restricted technology” for the purposes of Part 5 of the 2019 Regulations;
- regulation 7 inserts additional prohibitions in Chapter 4C of Part 5 of the 2019 Regulations relating to trade in ancillary services relating to iron and steel goods and makes consequential amendments;
- regulation 9 extends prohibitions in Part 5 of the 2019 Regulations in relation to trade in certain items with non-government controlled Ukrainian territory;
- regulation 12(6) adds further things to the list of oil and refining goods and technology in Schedule 2D and regulation 12(7) adds further things to the list of energy-related goods in Schedule 3 in respect of which trade is prohibited.

Regulation 10 amends Part 7 of the 2019 Regulations to create exceptions to some of the new prohibitions.

Regulation 11 makes consequential amendments in relation to offences.

Regulation 13 revokes the Russia (Sanctions) (EU Exit) (Amendment) (No. 10) Regulations 2022 (S.I. 2022/689).

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector has been published alongside these Regulations and is available from legislation.gov.uk or from the Foreign, Commonwealth and Development Office, King Charles Street, London SW1A 2AH.