

Statutory Document No. 2022/0240



European Union and Trade Act 2019

RUSSIA SANCTIONS (APPLICATION) (NO. 10) 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. 10) Regulations 2022.

2 Commencement

These Regulations come into operation immediately after they are made¹.

3 Application of the Russia (Sanctions) (EU Exit) (Amendment) (No. 12) Regulations 2022

- (1) The Russia (Sanctions) (EU Exit) (Amendment) (No. 12) 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 2022/801.

- (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 6 (exceptions relating to investments in relation to Russia), in the inserted regulation 60ZZA(3) (exceptions relating to investments in relation to Russia), in the definition of “the Amendment No.12 Regulations”, at the end, insert **63**, as those Regulations have effect in the Island **62**.
- (5) In regulation 7 (exception for authorised conduct in a relevant country), for “in a relevant country”, in both places (including the heading), substitute **63** outside the Isle of Man **62**.
- (6) In regulation 8(e) (Treasury licences), in the inserted paragraph (d), for “consider”, substitute **63** considers **62**.
- (7) In regulation 10 (Treasury licences: purposes) —
- (a) in the inserted paragraph 19 (safety and soundness of a firm), for “Bank of England, the Prudential Regulation Authority or the Financial Conduct Authority”, substitute **63** Isle of Man Financial Services Authority **62**; and
- (b) in the inserted paragraph 20 (space), for “a United Kingdom”, substitute **63** an Island **62**.
- (8) The text of the applied legislation is annexed to these Regulations.

4 Application of the Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022

- (1) The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022⁴ (“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
- (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 Island⁵, **62**.

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, SI 2022/477, SI 2022/792 as they are applied to the Island.

⁴ SI 2022/814.

⁵ 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

- (4) Omit Part 2 (designation criteria).
- (5) In regulation 4 (trade: humanitarian exception), in the inserted regulation 61ZA(2) (Trade: exception for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts), in the definition of “relevant prohibition”, in paragraph (b), for “non-UK”, substitute **“non-IOM”**.
- (6) The text of the applied legislation is annexed to these Regulations.

MADE 20 JULY 2022

C RANDALL
Chief Secretary

2022/203, SI 2022/205, SI 2022/241, SI 2022/395, SI 2022/452, SI 2022/477 and SI 2022/792 as they are applied to the Island.

*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 —

- (a) the Russia (Sanctions) (EU Exit) (Amendment) (No. 12) Regulations 2022; and
- (b) the Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022.

These Regulations add new financial sanctions to Part 3 (Finance) of the 2019 Regulations. New restrictions are imposed in relation to investments (and services directly related to those investments) in respect of land located in Russia, persons connected with Russia, relevant entities, joint ventures, opening a representative office or establishing a branch or subsidiary located in Russia. These Regulations provide for exceptions to, and licensing powers in relation to, these new provisions.

These Regulations also provide for a new exception from trade sanctions measures for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts. There are also some minor amendments to expand on the definition of ownership in relation to ships and aircraft, and correct minor errors.

Annex

STATUTORY INSTRUMENTS

2022 No. 801

SANCTIONS

The Russia (Sanctions) (EU Exit) (Amendment) (No.12) Regulations 2022

| | | |
|-------------------------------|---------|-----------------------|
| <i>Made</i> | - - - - | <i>14th July 2022</i> |
| <i>Laid before Parliament</i> | | <i>18th July 2022</i> |
| <i>Coming into force</i> | - - | <i>19th July 2022</i> |

The Secretary of State⁽⁶⁾, considering that the requirements of section 45(2) of the Sanctions and Anti-Money Laundering Act 2018⁽⁷⁾ are met, makes the following Regulations in exercise of the powers conferred by sections 1, 3(1)(b)(ii) and (iii), (d)(ii) and (iii), (g)(ii) and (iii) and (2)(b) and (c), 5, 15(2)(a) and (b) and (3), 16, 17, 45(1)(b) and 62(6) of, and paragraph 9(b) of Schedule 1 to, that Act:

Citation and commencement

1.—(1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) (No.12) Regulations 2022.

~~(2) These Regulations come into force on 19th July 2022.~~

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

2. The Russia (Sanctions) (EU Exit) Regulations 2019⁽⁸⁾, as they have effect in the Island⁹, are amended as set out in regulations 3 to 10.

Dealing with transferable securities or money-market instruments

3. In regulation 16(7) (dealing with transferable securities or money-market instruments), for “and 59 (exceptions relating to loans and credit arrangements)” substitute “, 59 (exceptions relating to loans and credit arrangements) and 60ZZA (exceptions relating to investments in relation to Russia)”.

⁽⁶⁾ 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.

⁽⁷⁾ 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, 16 and 45 are amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), sections 57, 62 and 65.

⁽⁸⁾ 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, SI 2022/792 and by the Sentencing Act 2020 (c. 17).

⁹ 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, SI 2022/477 and SI 2022/792 as they are applied to the Island.

Other financial and investment restrictions

4. In Chapter 2 of Part 3 (Finance), after regulation 18A (provision of financial services relating to foreign exchange reserve and asset management) insert—

"Investments in relation to Russia

18B.—(1) A person ("P") must not carry on an activity mentioned in paragraph (2) if P knows, or has reasonable cause to suspect, that P is carrying on such an activity.

(2) The activities in this paragraph are—

- (a) directly acquiring any ownership interest in land located in Russia;
- (b) indirectly acquiring any ownership interest in land located in Russia for the purpose mentioned in paragraph (3);
- (c) directly acquiring any ownership interest in or control over a person, other than an individual, connected with Russia;
- (d) indirectly acquiring any ownership interest in or control over a person, other than an individual, connected with Russia for the purpose mentioned in paragraph (3);
- (e) directly or indirectly acquiring any ownership interest in or control over a relevant entity for the purpose mentioned in paragraph (3);
- (f) directly or indirectly establishing any joint venture with a person connected with Russia;
- (g) opening a representative office or establishing a branch or subsidiary located in Russia; or
- (h) providing investment services directly related to an activity referred to in subparagraphs (a) to (g).

(3) The purpose mentioned in paragraph 2(b), (d) and (e) above is making funds or economic resources available—

- (a) directly or indirectly to a person connected with Russia; or
- (b) for the benefit of a person connected with Russia.

(4) For the purposes of paragraph (3)—

- (a) economic resources are made available to a person connected with Russia only if that person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services;
- (b) making funds or economic resources indirectly available to a person connected with Russia includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person connected with Russia; and
- (c) funds or economic resources are made available for the benefit of a person connected with Russia only if that person thereby obtains, or is able to obtain, a significant financial benefit, and "financial benefit" includes the discharge (or partial discharge) of a financial obligation for which the person connected with Russia is wholly or partly responsible.

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

(6) A person who contravenes a prohibition in paragraph (1) commits an offence.

(7) In this regulation, the reference to a person ("P") directly or indirectly acquiring any ownership interest in or control over a person or entity means—

- (a) P directly or indirectly acquiring any share in the person or entity;
- (b) P directly or indirectly acquiring any voting rights in the person or entity;
- (c) P directly or indirectly acquiring any right to appoint or remove a majority of the board of directors of the person or entity; or

(d) P directly or indirectly acquiring any means of ensuring that the affairs of the person or entity are conducted in accordance with the wishes of P where it is reasonable, having regard to all of the circumstances, to expect that P would (if P chose to) in most cases or significant respects, by whatever means, be able to do so.

(8) In this regulation—

“branch” means, in relation to a person other than an individual, a place of business which forms a legally dependent part of that person and which carries out all or some of the transactions inherent in the business of that person;

“investment services” has the same meaning as it has in regulation 16 (dealing with transferable securities or money-market instruments);

“relevant entity” means a person, other than an individual, which has a place of business located in Russia but is not a person connected with Russia.”.

Circumventing etc. prohibitions

5. In regulation 19(1) (circumventing etc. prohibitions), for “regulations 11 to 18A” substitute “regulations 11 to 18B”.

Exceptions relating to investments in relation to Russia

6. After regulation 60 (exceptions relating to investments in relation to non-government controlled Ukrainian territory) insert—

“Exceptions relating to investments in relation to Russia

60ZZA.—(1) The prohibitions in regulation 18B (investments in relation to Russia) are not contravened by any act done by a person (“P”) in satisfaction of an obligation of P arising under a contract concluded before the coming into force of the Amendment No.12 Regulations, or an ancillary contract necessary for the satisfaction of such a contract, provided that P has notified the Treasury no later than the day five working days before the day on which the act is carried out.

(2) The prohibitions in regulation 18B are not contravened by a person dealing, directly or indirectly, with—

- (a) a transferable security where such dealing is prohibited by regulation 16;
- (b) a relevant security issued by a person connected with Russia; or
- (c) a relevant security issued by a relevant entity.

(3) In this regulation—

“dealing with” a relevant security issued by a person connected with Russia or by a relevant entity includes a reference to purchasing or selling the security, providing investment services relating to the security or assisting in the issuance of the security;

“relevant entity” shall have the same meaning as it has in regulation 18B (investments in relation to Russia);

“relevant security issued by a person connected with Russia” means a security issued by—

- (a) a person connected with Russia;
- (b) a person, other than an individual, which is owned by a person falling within sub-paragraph (a); or
- (c) a person, other than an individual, acting on behalf or at the direction of a person within sub-paragraph (a) or sub-paragraph (b);

which—

- (d) is negotiable on the capital market;
- (e) is of any of the following kinds, but excluding instruments of payment—
 - (i) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;
 - (ii) bonds or other forms of securitised debt, including depositary receipts in respect of such securities;
 - (iii) any other securities giving the right to purchase or sell any security of a kind mentioned in paragraph (i) or (ii); and
- (f) was admitted to trading on a regulated market or multilateral trading facility prior to the coming into force of the Amendment No.12 Regulations;

“relevant security issued by a relevant entity” means a security issued by a relevant entity, negotiable on the capital market, of any of the following kinds, but excluding instruments of payment—

- (a) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;
- (b) bonds or other forms of securitised debt, including depositary receipts in respect of such securities;
- (c) any other securities giving the right to purchase or sell any security of a kind mentioned in paragraph (a) or (b).

“the Amendment No.12 Regulations” means the Russia (Sanctions) (EU Exit) (Amendment) (No.12) Regulations 2022, **as those Regulations have effect in the Island;**

“transferable security” has the same meaning as it has in regulation 16 (dealing with transferable securities or money-market instruments).

Exception for authorised conduct in a relevant country outside the Isle of Man

7. In regulation 62A(1) (exception for authorised conduct in a relevant country **outside the Isle of Man**), for “and 18A (provision of foreign reserve and asset management services)” substitute “, 18A (provision of foreign reserve and asset management services) and 18B (investments in relation to Russia)”.

Treasury Licences

8. In regulation 64 (Treasury licences)—

- (a) in paragraph (1), for “and 18A (provision of foreign reserve and asset management services)” substitute “, 18A (provision of foreign reserve and asset management services) and 18B (investments in relation to Russia)”;
- (b) in paragraph (1A), for “regulations 11 to 17A” substitute “regulations 11 to 18B”;
- (c) after sub-paragraph (b) of paragraph (2) omit “and”;
- (d) in paragraph 2(c) for “Schedule 5” substitute “Schedule 5, and”;
- (e) after sub-paragraph (c) insert—

“(d) in the case of acts which would otherwise be prohibited by regulation 18B (investments in relation to Russia), where the Treasury ~~consider~~ **considers** that it is appropriate to issue the licence for a purpose set out in Part 3 of Schedule 5.”

Finance: powers to request information

9. In regulation 72(5)(c) (finance: powers to request information), in sub-paragraph (c) for “or regulation 18A (provision of foreign reserve and asset management services)” substitute “, 18A

(provision of foreign reserve and asset management services) or 18B (investments in relation to Russia)".

Treasury licences: purposes

10. After Part 2 of Schedule 5 (Treasury licences: purposes) insert—

"PART 3

Investments in relation to Russia

Extraordinary situation

14. To enable anything to be done to deal with an extraordinary situation.

Humanitarian assistance activity

15. To enable anything to be done in connection with the performance of any humanitarian assistance activity.

Medical goods or services

16.—(1) To enable anything to be done in connection with the provision of medical goods or services for the benefit of the civilian population of a country.

(2) To enable the import, export or use of medical goods.

Food

17. To enable anything to be done in connection with the production or distribution of food for the benefit of the civilian population of a country.

Diplomatic missions etc.

18.—(1) To enable anything to be done in order that the functions of a diplomatic mission or consular post in Russia, or of an international organisation enjoying immunities in accordance with international law, may be carried out.

(2) To enable anything to be done in order that the functions of a diplomatic mission or consular post of Russia in the United Kingdom may be carried out.

Safety and soundness of a firm

19. To enable anything to be done by a person, following consultation by that person (or a person acting on their behalf) with the relevant supervising authority or authorities, that is necessary or expedient in order to promote the safety and soundness of a firm which is supervised by the Bank of England, the Prudential Regulation Authority or the Financial Conduct Authority **Isle of Man Financial Services Authority**

Space

20. To enable anything to be done for a ~~United Kingdom~~ **an Island** person to undertake spaceflight activity."

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”).

These Regulations add new financial sanctions to Part 3 (Finance) of the 2019 Regulations. The amendments insert restrictions regarding investments (and services directly related to those investments) in respect of land located in Russia, persons connected with Russia, relevant entities, joint ventures, opening a representative office or establishing a branch or subsidiary located in Russia. These Regulations provide for exceptions to, and licensing powers in relation to, these new provisions.

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 at [], or from the Foreign, Commonwealth and Development Office, King Charles Street, London, SW1A 2AH.

STATUTORY INSTRUMENTS

2022 No. 814

SANCTIONS

The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022

Made - - - - At 12.00 p.m. on 14th July 2022

Laid before Parliament at 11.00 a.m. on 18th July 2022

Coming into force at 5.00 p.m. on 18th July 2022

The Secretary of State⁽¹⁰⁾, considering that the condition in section 45(2) of the Sanctions and Anti-Money Laundering Act 2018⁽¹¹⁾ is met, makes the following Regulations in exercise of the powers conferred by sections 1, 6(1) and (6), 7(1) and (8), 11(5), 11(6)(b), 15(2)(a), 16(1)(a) to (c) and (e), 45, 62(4) and (5) of that Act:

Citation and commencement

11.—(1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022.

~~(2) These Regulations come into force at 5.00 p.m. on 18th July 2022.~~

PART 1

General

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

12. The Russia (Sanctions) (EU Exit) Regulations 2019⁽¹²⁾, as they have effect in the Island¹³, are amended as set out in regulations 3 to 9.

⁽¹⁰⁾ 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.

⁽¹¹⁾ 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.

⁽¹²⁾ 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; S.I. 2022/792; S.I. 2022/801; and by the Sentencing Act 2020 (c. 17).

¹³ 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, SI 2022/477 and SI 2022/792 as they are applied to the Island.

PART 2

Designation criteria

Designation criteria

~~13. In regulation 6 (designation criteria)—~~

~~(a) in paragraph (4)—~~

~~(i) in sub-paragraph (d), after “trustee,” insert “or other manager”;~~

~~(ii) in sub-paragraph (d)(ii), after “sub-paragraph (b) or (c)” for “.” substitute “;”;~~

~~(iii) after sub-paragraph (d), insert—~~

~~“(e) holding the right, directly or indirectly, to nominate at least one director (whether executive or non-executive), trustee or equivalent of—~~

~~—————(i) a Government of Russia-affiliated entity, or~~

~~—————(ii) a person, other than an individual, which falls within sub-paragraph (b) or (c).
”;~~

~~(b) after paragraph (4), insert—~~

~~“(4A) For the purposes of this regulation, a person is involved in “destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine” or “obtaining a benefit from or supporting the Government of Russia” if they work for, or are affiliated to, the Government of Russia, as—~~

~~(a) an aide or adviser to the President of the Russian Federation,~~

~~(b) a head or deputy head of any public body, federal agency or service subordinate to the President of the Russian Federation, including the Administration of the President of the Russian Federation,~~

~~(c) a member of the Security Council of the Russian Federation, its Secretary or any of its Deputy Secretaries,~~

~~(d) the Chairman of the Government of the Russian Federation or any deputy of the Chairman,~~

~~(e) a Minister or Deputy Minister of any Ministry of the Russian Federation,~~

~~(f) a Governor or member of the Board of Directors of the Central Bank of the Russian Federation,~~

~~(g) a Presidential Plenipotentiary Envoy to a Federal District, or a regional Governor or Deputy Governor or equivalent,~~

~~(h) a head or deputy head of any other public body or agency of the Government of the Russian Federation,~~

~~(i) a member of the armed forces or law enforcement organs of the Russian Federation of the rank of colonel, or equivalent, or higher,~~

~~(j) a member of the Russian security and intelligence services of the rank of colonel, or equivalent, or higher,~~

~~(k) a vice president, or equivalent position or higher, of a Government of Russia-affiliated entity, or~~

~~(l) a director or manager, or equivalent position or higher, of a Government of Russia-affiliated entity.”;~~

~~(c) for paragraph (6), substitute—~~

~~“(6) In paragraph (2)(d), being “associated with” a person includes—~~

~~(a) obtaining a financial benefit or other material benefit from that person;~~

~~(b) being an immediate family member of that person.”;~~

~~(d) in paragraph (7)—~~

~~(i) after the definition of “Government of Russia affiliated entity”, insert—~~

~~““immediate family member” means—~~

~~(a) a wife or husband;~~

~~(b) a civil partner;~~

~~(c) a parent or step-parent;~~

~~(d) a child or step-child;~~

~~(e) a sibling or step-sibling;~~

~~(f) a niece or nephew;~~

~~(g) an aunt or uncle;~~

~~(h) a grandparent;~~

~~(i) a grandchild.”~~

PART 3

Exceptions

Trade: humanitarian exception

14. After regulation 61 (trade: exception for emergencies in certain cases), insert—

“Trade: exception for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts

61ZA.—(1) A relevant prohibition is not contravened by a person (“P”) carrying out a relevant activity which is necessary to ensure the timely delivery of humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts provided that P believes that carrying out the relevant activity is so necessary and there is no reasonable cause for P to suspect otherwise.

(2) For the purposes of this regulation—

“humanitarian assistance activity” includes the work of international and non-governmental organisations carrying out relief activities for the benefit of the civilian population of the non-government controlled areas of the Donetsk and Luhansk oblasts;

“relevant activity” means any activity which would, in the absence of this regulation, contravene a relevant prohibition;

“relevant prohibition” means—

(a) any prohibition in regulations 48 to 51, 52(1), (2) or (3)(b) to (e) (trade in relation to non-government controlled Ukrainian territory), or 54(1)(a) (prohibition on

- infrastructure-related services relating to non-government controlled Ukrainian territory), or
- (b) any prohibition in regulation 53(1)(b) to (g) (brokering services: ~~non-UK~~ **non-IOM** activity relating to infrastructure-related goods and goods from non-government controlled Ukrainian territory), except for any such prohibition which relates to an arrangement whose object or effect is the import of goods which originate in non-government controlled Ukrainian territory."

PART 4

Miscellaneous amendments

15. In regulation 57I (interpretation of Part 6), for paragraph (1)(a) substitute—

"(a) "owned" by a person if—

- (i) the legal title to the ship, or to any share in the ship, is vested in the person, or in a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, or
- (ii) the person, or a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, has a beneficial interest in the ship or in any share in the ship; and".

16. In regulation 57O (interpretation of Part 6A), for paragraph (2) substitute—

"(2) For the purposes of this Part an aircraft is "owned" by a person if—

- (a) the legal title to the aircraft, or to any share in the aircraft, is vested in the person, or a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, or
- (b) the person, or a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, has a beneficial interest in the aircraft or in any share in the aircraft,

and the reference to a legal title or other interest includes one held jointly with any other person or persons."

17. In regulation 76(2) (general trade licences: records), after "the following information" insert ", where appropriate,".

18. In regulation 78(1)(b)(i) (disclosure of information), after "Part 6 (Ships)" insert "or Part 6A (Aircraft)".

19. In regulation 94 (interpretation of Part 9), in the heading for "Part 9" substitute "Part 10".

Rehman Chishti

Parliamentary Under Secretary of State

Foreign, Commonwealth and Development Office

At 12.00 p.m. on 14th July 2022

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”).

Part 2 makes amendments to the designation criteria in regulation 6 of the 2019 Regulations: first, to specify additional activities for which a person may be designated; second, to make minor amendments to the definition of “being involved in obtaining a benefit from or supporting the Government of Russia”; and third, to broaden the interpretation of being “associated with” a designated person.

Part 3 provides for a new exception from trade sanctions measures for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts.

Part 4 makes provision to correct or resolve a number of issues arising from the 2019 Regulations or amendments made to them: first, to expand upon the definition of ownership in relation to ships and aircraft; and second, to correct drafting errors or omissions in regulations 76, 78 and 94.

An Impact Assessment has not been produced for these Regulations, as any impact would result primarily from any future increase in the number of sanctions designations. An Impact Assessment was, however, produced for the Sanctions and Anti-Money Laundering Act 2018 and can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/653271/Sanctions_and_Anti-Money_Laundering_Bill_Impact_Assessment_18102017.pdf.