

Introduction

The Treasury has issued this guidance to assist in the implementation of, and compliance with the Haiti (Sanctions) Regulations 2022, 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 Haiti (Sanctions) Regulations 2022 have effect in the Isle of Man by the Haiti (Sanctions) (Isle of Man) Order 2022 [[SI 2022/1340](#)] ("the Regulations").

This document contains guidance on the prohibitions and requirements imposed by the Regulations. In addition it provides guidance on best practice from complying with the prohibitions and requirements; the enforcement of them; and circumstances where they do not apply.

Further guidance

This document should be read alongside the [Financial Sanctions - General Guidance](#).

Contact details for enquiries

Enquiries concerning this Notice may be made by –

- Email customs@gov.im
- Telephone 01624 648109

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1. Prohibitions and requirements imposed by the Regulations

These Regulations impose financial and trade sanctions for the purpose of giving effect to the obligations under United Nations Security Council Resolution 2653 (2022) ('UNSCR 2653').

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.

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)¹ 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 8 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 and trade sanctions contained in the Regulations are set out below.

1.1 Designation of persons

Where the UK Secretary of State has designated a person, that designation also has effect in the Isle of Man from the same time, and any variation or revocation of the designation will also have effect in the Island.

When these Regulations are in force a list of those persons designated under these Regulations and details of the sanctions in respect of which they have been designated, will be on [GOV.UK](https://www.gov.uk)

Persons subject to a travel ban under UNSCR 2653 are not captured by the Regulations. For further information, please refer to the Immigration Sanctions section below.

¹ 1981 Chapter 61.

1.2 Financial sanctions

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 Trade sanctions

The Regulations impose trade prohibitions in relation to designated persons. These include prohibitions relating to:

- military goods and military technology (as specified in [Schedule 2 to the Export Control Order 2008](#))
- provision of technical assistance, armed personnel, financial services or funds, or associated brokering services where such provision enables or facilitates the conduct of armed hostilities.

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.

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.

The export prohibitions in the Regulations covers export to a designated person as well as exports for the benefit of a designated person. This means that, even if the immediate consignee is not a designated person, the prohibition may still apply.

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 by or for the benefit of a designated person.

Supply and delivery of goods

Supply and delivery prohibitions in the Regulations prohibit a person from directly or indirectly supplying or delivering goods from a third country to, or for the benefit of, a designated person. Regulation 16(4) specifies that a third country is a country that is not the UK or the Isle of Man.

Making goods and technology available

Prohibitions in the Regulations on making goods or technology available (e.g. through a sale) includes directly or indirectly making them available to, or for the benefit of, a designated person.

Transfer of technology

Prohibitions in the Regulations on the transfer of certain technology include transfer to, or for the benefit of, a designated person.

The term 'transfer' means a transfer by any means (or combination of means), including oral communication and the transfer of goods on which the technology is recorded or from which it can be derived, other than the export of such goods.

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

Technical assistance

The term 'technical assistance' in relation to goods or technology is defined in Regulation 14, 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 to, or for the benefit of, a designated person.

This means that, even if the person to whom you are providing the relevant technical assistance is not a designated person, the prohibition may still apply if the goods or technology to which the technical assistance relates are for the benefit of a designated person. Therefore, if you are providing technical assistance you should check the ultimate end use of the goods or technology to which the technical assistance relates and contact ECJU if you know or think the goods or technology may be used by or for the benefit of a designated person.

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, or for the benefit of, a designated person in pursuance of or in connection with an arrangement set out in Regulation 20(1). This captures arrangements related to the goods or technology controlled by the Regulations, for example an arrangement for the export of goods or the direct or indirect supply or delivery of goods.

The financial services and funds prohibitions also prohibit the direct or indirect provision of financial services or funds to anyone, where this is in pursuance of or in connection with specific arrangements involving a designated person set out in Regulation 20(3). This captures arrangements the object or effect of which falls into one of the prohibitions, for example an arrangement for the export of goods to or for the benefit of a designated person.

Brokering services

The definition of 'brokering service' is set out in Regulation 14, 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 21.

Other service provisions

Certain other services are prohibited in the Regulations. These include the direct or indirect provision of services where such provision enables or facilitates the conduct of armed hostilities in Haiti.

As set out in Regulation 22, the direct or indirect provision of the following services to, or for the benefit of, a designated person is prohibited where such provision enables or facilitates the conduct of armed hostilities:

- (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).

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).

1.4 Immigration sanctions

As described in section 1.1, the Regulations do not impose separate immigration sanctions on designated individuals. Such persons are already 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 designated 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 [UNSCR 2653](#), 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.

Further information on [travel ban cases](#) can be found on the UK Home Office pages (the Isle of Man imposes the same immigration controls as the UK).

1.5 Information and record keeping

Part 6 of the Regulations places obligations on relevant firms (the definition of which is set out in the Regulations) to report information to the Treasury about known or suspected designated persons or about persons who may have committed an offence under specified provisions of the Regulations. The Treasury has designated the Financial Intelligence Unit (FIU) as the body to whom reports should be made, via [THEMIS](#).

It also grants powers to the Treasury to request information from, amongst others, a designated person, including powers to request the production of documents. It also establishes offences for failing to comply with these requests (including providing false information in respect of licences).

Part 6 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 6 of these Regulations, it is important that you familiarise yourself with them. If you are unclear of your obligations or responsibilities, you are advised to seek independent legal advice.

2. How will these sanctions measures be enforced?

The Regulations make it a criminal offence to contravene the financial and trade 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.

2.1. Financial sanctions

Breaches of financial sanctions are a serious criminal offence. Any breach of the main financial prohibitions in the Regulations is an offence that is triable either way and carries a maximum sentence of 7 years' imprisonment or a fine (or both).

Committing an offence under regulations 31(6) or 35 (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).

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.

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

Licensing and exception provisions are contained in Part 5 of the Regulations.

3.1 Exceptions

The Regulations set out 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.

Regulation 25 establishes exceptions relating to financial sanctions including for the crediting of a frozen account by a relevant institution (any such interest and other earnings will be frozen in accordance with the relevant legislation underpinning the asset freeze). An exception also exists from the prohibition on making funds available to a designated person, when funds are transferred to a frozen account in discharge (or partial discharge) of an obligation which arose before the recipient became a designated person.

Regulation 27 establishes an exception to regulations 8 to 12 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.

Regulation 28 also includes an exception in relation to any prohibition or requirement imposed by the Regulations for actions determined by a responsible officer to be in the interests of national security, or the prevention or detection of serious crime in the Isle of Man or elsewhere.

There is an exception to regulations 8 to 12 in respect of "relevant activities" (being any activity which would otherwise be prohibited by regulations 8 to 12) which is necessary to ensure the timely delivery of humanitarian assistance or to carry out other activities that support basic human needs by:

- (a) the United Nations, including its –

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

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

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

UN Security Council Resolution 2664 (2022) replaced a previous humanitarian exception in the Haiti (Sanctions) Regulations 2022. The current exception broadens the scope of the previous exception and all those persons and activities covered by the previous exception continue to be covered.

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 is designated for the purposes of financial sanctions (asset freeze measures and making available provisions) contained in the Regulations, the designated person or a 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). Schedule 2 to the Regulations sets out the purposes pursuant to which, or for which activities, the Treasury may grant an individual licence. In summary these are:

- basic needs
- reasonable 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 and economic resources

- extraordinary expenses
- prior obligations

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

3.3 Licensing for trade sanctions

The Regulations do not contain a power to issue licences in respect of trade sanctions. If you are engaging in trade with a designated person you are advised to undertake due diligence to ensure that you are not breaching the prohibitions in the Regulations.

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](#).

3.4 Overlap with strategic export licensing

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 Haiti, 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 Haiti.

3.5 Immigration sanctions

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

4. Further Information

Sign up to receive [Notices to Exporters](#) for updates on trade sanctions.

To receive an email alerting you to any changes to the consolidated list of financial sanctions targets, you can subscribe to the RSS feed for Customs and Excise news releases by copying and pasting this URL: <https://www.gov.uk/categories/tax-vat-and-your-money/customs-and-excise/news/RssCategorisedNews> into your RSS feed reader or Microsoft Outlook RSS feeds folder. You can also view our [guidance on how to use RSS Feeds](#).