

Treasury
Customs and Excise Division

Sanctions Notice 24

United Nations Sanctions
European Union Sanctions

Iran



January 2011
(Updated to 25 November 2015)



Isle of Man
Government

Reilts Ellan Vannin

About this Notice

This Notice draws attention in convenient form to measures adopted by the United Nations and European Union and having effect in the Isle of Man which impose trade, economic or financial sanctions.

This Notice provides guidance on certain aspects only of any measures that implement those sanctions in the Island, and should be read in conjunction with the relevant instrument.

The Treasury has appointed its Customs and Excise Division to act for the purpose of enforcing financial sanctions. Accordingly, certain powers have been delegated by the Treasury to the Division.

Enquiries and applications should be addressed to the address given below and marked for the attention of the Sanctions Officer.

Enquiries may also be made by -

- facsimile transmission (01624) 661725
- Email (customs@gov.im)
- Telephone (01624) 648138

The address for any enquiries or applications relating to this Notice is -

The Sanctions Officer
The Treasury
Customs and Excise Division
PO Box 6
Custom House
North Quay
Douglas
Isle of Man
IM99 1AG

Fax: (01624) 661725
Email: customs@gov.im

Media enquiries about the sanctions detailed in this Notice should be addressed to the Head of Communications at the Chief Secretary's Office - telephone (01624) 685284.

References to lists of persons and entities affected by the sanctions measures detailed in this Notice are to those lists contained in the relevant EU measures applied in the Island. The applied measures provide for such lists to be changed from time to time, as they are amended by the EU, and the latest consolidated lists may be found at - http://www.hm-treasury.gov.uk/fin_sanctions_index.htm



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Directions

The Customs and Excise Division, as agent for the Treasury, **directs** that any funds held for or on behalf of the individuals or entities named in the published lists having effect in the Island must not be made available, except under the authority of a licence in writing from the Treasury.

Any funds should be blocked or frozen and the details reported to the Division.

Financial Institutions **must** check whether they maintain any account, or otherwise hold or control funds or economic resources, for individuals or entities included in the lists and, if so, they should freeze the account, funds or economic resources and report their findings to the Division.

Any person, entity or body with information that would facilitate compliance with the sanctions Regulation(s) **must** supply such information to the Division and co-operate in any verification of the information.

The Treasury can serve a written notice on anyone to whom the measures apply, requiring them to furnish the Treasury with any information in their possession or control, or produce any document in their possession or control, for the owner of those funds shall furnish the Treasury with any information in their possession or control, or produce any document in their possession or control, for the purpose of allowing the Treasury to ensure compliance with, or detect evasion of, the sanctions.

Failure to furnish such information or documents without reasonable excuse is an offence. Providing false information to the Treasury is also an offence, as is providing false information for the purposes of obtaining a licence (or failing to comply with any condition of the licence).

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This Notice is provided for information purposes only, and its contents should not be taken as a definitive statement of the law. You are advised to seek independent legal advice if you believe you are affected by anything contained in this Notice.

Additional information on trade and doing business with Iran may be found on the UKTI website. This is the website of UK Trade & Investment, the Government Department that brings together the work of the Department for Business, Innovation and Skills and the Foreign and Commonwealth Office and which supports both businesses in the UK trading internationally and overseas enterprises seeking to locate in the UK. <http://www.ukti.gov.uk/export/countries/asiapacific/middleeast/iran.html>

One also needs to be aware of the possible effect of US sanctions, including where transactions take place using US dollars. Information about US sanctions on Iran may be found at - <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>

Important Notice - suspension of certain EU sanctions with effect from 20 January 2014

On 20 January 2014, the EU adopted Council Regulation (EU) No 42/2014 and Council Decision 2014/21/CFSP, which had the effect of suspending certain prohibitions and restrictions previously imposed, and of amending the thresholds for prior notification to, or authorisation from the Treasury, for the transfer of funds.

These changes were to have effect for an initial 6 months.

On 20 March 2014, the European Union (Iran Sanctions) (Proliferation Amendment and Council Decision Revocation) Order 2014 [SD 2014/0118] applied Council Regulation 42/2014/EU in Island law.

On 21 July 2014, the EU extended the suspension of various restrictive measures until 24 November 2014. The continued suspension allowed the provision of insurance and transport in relation to Iranian crude oil sales to current customers; the import, purchase or transportation of Iranian petrochemical products; and the trade in gold and precious metals with the Iranian Government and its public bodies. The increased thresholds for authorising transfers of funds to and from also remained in force. This period of suspension was later extended to 30 June 2015, and subsequently to 14 January 2016.

Part 1 - General

1. On 23rd December 2006 the United Nations Security Council adopted Resolution 1737, calling on Iran to suspend nuclear enrichment-related and reprocessing activities, including research and development, and work on all heavy water-related projects.
2. The Resolution was adopted as an anti-proliferation measure, and in the light of the failure of Iran to comply with the provisions of Security Council Resolution 1696 of 2006, which called on it to take the steps required of it by the International Atomic Energy Agency.
3. Security Council Resolution 1737 required all States to take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft, or for the use in or benefit of, Iran - whether or not originating in their territories - of all items, materials, equipment, goods and technology which could contribute to Iran's -
 - enrichment-related,
 - reprocessing, or
 - heavy water-related activities, or
 - to the development of nuclear weapon delivery systems.
4. Resolution 1737 also required all States to take the necessary measures to prevent the provision to Iran of any technical assistance or training, financial assistance investment brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of prohibited items, materials, equipment, goods and technology.
5. Resolution 1737 also required States to freeze the funds, other financial assets and economic resources owned or controlled by persons and entities designated by the Security Council or its Sanctions Committee.
6. Resolution 1737 included in an Annex a list of persons and entities that should be subject to the financial and economic sanctions.
7. On 24th March 2007 the UN Security Council adopted Resolution 1747. Amongst other things, this Resolution added to the list of persons and entities subject to sanctions. These were included in Annex 1 to the Resolution.
8. On 20th April 2007 the European Union adopted Council Regulation (EC) No. 423/2007 which imposed trade and financial sanctions against Iran. The trade embargo provisions of this Regulation applied in Island law. However, the types of goods and materials concerned would already be subject to the strict export and trade control licensing requirements of orders made under the Export Control Act 2002 (and which have been applied as part of Isle of Man law). On 10th February 2008 Annexes I and II to Regulation 423/2007 were both replaced by means of Commission Regulation (EC) No. 116/2008. Annex I listed the goods and materials subject to restrictions, and Annex II the relevant competent authorities of the various Member States.
9. On 21st April 2007 the EU added to its list of persons and entities subject to sanctions those included in Resolution 1747. On 23rd April 2007 the EU added to the controls imposed under Resolution 1737 by imposing financial sanctions on certain persons. These were listed in Council Decision 2007/242/EC.

10. On 3rd August 2007 the European Communities (Iran Sanctions) (Application) Order 2007 came into operation in the Island. This applied Council Regulation (EC) No. 423/2007 (as amended by Commission Regulation (EC) No. 441/2007 and Council Regulation (EC) No. 618/2007). On 6th August 2007 the Iran Sanctions Regulations 2007 came into operation, providing for offences and penalties for breaches of the Council Regulation, and information powers for the investigation of suspected breaches. The effect of the two instruments was to fully implement the UN-mandated restrictions in the Island, and the powers necessary to enforce them.
11. On 3rd March 2008 the UN Security Council adopted Resolution 1803. Amongst other matters, this Resolution imposed a travel ban on certain individuals said to be involved with its nuclear programme, and called for states to exercise vigilance over the activities of financial institutions with all banks domiciled in Iran - and, in particular, with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad.
12. On 12th March 2008 the European Union adopted Commission Regulation (EC) No. 219/2008. Commission Regulation (EC) No. 219/2008 amends Annex IV to Council Regulation (EC) No. 423/2007 to reflect the persons and entities added to Annexes I and II to UN Resolution 1803 (2008). Subsequently Annex V to Regulation (EC) No. 423/2007 was replaced following Council Decision of 23 June 2008.
13. On 10th November 2008 the EU adopted Council Regulation (EC) No. 1110/2008. Amongst other things, this Regulation amended Council Regulation 423/2007 so as to require pre-shipment (pre-departure) and pre-arrival advices to be submitted to Customs by cargo aircraft and merchant vessels owned or operated by -
 - Iran Air Cargo;
 - Islamic Republic of Iran Shipping Linein respect of shipments entering or leaving the customs territory of the EU (which includes the Isle of Man).

The advice had to state if the goods involved were covered by Regulation 1110/2008 or Regulation 1334/2000 (which dealt with dual-use goods).

Until 31st December 2010 advices could be made in writing using commercial, port or transport documentation, and could accompany import or export declarations made to Customs and Excise. **This requirement also applied in the Isle of Man.**
14. On 16th February 2009 the European Communities (Iran Sanctions) (Application) Order 2009 [SD 134/09] and Iran Sanctions Regulations 2009 [SD 135/09] came into operation in the Isle of Man. These applied EC Regulation 423/2007/EC, as amended and implemented by subsequent measures, and provided for offences, penalties for breaches of the EC Regulation and licences.
15. On 10th April 2009 the Iran (United Nations Sanctions) Order 2009 [SI 2009 No 886] came into force in the UK. This extended controls on the procurement from Iran of military goods and transfers of such goods using UK-flagged vessels, aircraft and vehicles. Such procurement is prohibited by UN Security Council Resolution 1747 (2007).
16. On 12th October 2009 the Financial Restrictions (Iran) Order 2009 [SD 781/09] came into operation in the Island. This, and a similarly-named Order that came into force in the UK on the same date, prohibited financial and credit transactions and business dealings with -
 - Bank Mellat; and
 - the Islamic Republic of Iran Shipping Lines ("IRISL").

At the same time 3 general licences were made that provided for payments made or received in connection with contracts entered into prior to 12th October 2009, and for ongoing contracts of insurance.

The Order expired on 11 October 2010 and was not renewed.

17. On 27 July 2010 EU Implementing Regulation (EU) No. 668/2010 expanded considerably the lists of persons and entities affected by Council Regulation No. 423/2007/EC. The expanded lists had immediate effect in the Island. The new Regulation added 40 legal entities, and in some cases subsidiaries and branches, and 10 natural persons to the lists - including those linked to either the Islamic Revolutionary Guards Corps (IRGC) or the Islamic Republic of Iran Shipping Lines (IRISL).
18. On 26 July 2010 the EU adopted Council Decision No. 2010/413/CFSP, a policy instrument committing the 27 Member States to joint action under the Common Foreign and Security Policy. This Decision replaced a 2007 Decision, and it introduced new features to EU sanctions against Iran. However, it required a further Regulation to provide detailed implementation and enforcement provisions. The main new features of the Decision were later included in Council Regulation 961/2010/EU.
19. On 30 September 2010 the European Union (Council Decision) (Iran) (Application) Order 2010 [SD 855/10] applied Council Decision No. 2010/413/CFSP in the Island.
20. On 25 October 2010 the EU adopted Council Regulation No. 961/2010/EU. This replicated the asset freezing measures contained in Council Regulation 423/2007/EC and implemented the additional restrictive measures against Iran set out in Council Decision 2010/413/CFSP. Council Regulation 423/2007/EC was repealed - but continued to have effect in the Isle of Man by reason of the application order giving it effect in the Island.
21. The additional restrictive measures introduced by Council Decision 2010/413/CFSP and Council Regulation 961/2010/EU were —
 - (a) a ban on the sale, supply or transfer of key equipment and technology connected with 4 key sectors of Iran's oil and gas industries, or to Iranian (or Iranian-owned) companies engaged in those sectors outside Iran. Technical and financial assistance would be covered by the prohibition;
 - (b) a ban on the direct or indirect supply, sale or transfer of all items and technology included on the EU lists of dual-use items (except certain telecommunications and information security items and technology);
 - (c) a ban on the investment by Iranian entities in the EU in any commercial activity connected to uranium mining, nuclear materials etc, or ballistic missile technologies;
 - (d) a ban on loans or credit to Iranian enterprises (including the acquisition of, or participation in them) engaged in the key oil and gas sectors or Iranian enterprises engaged in those sectors outside Iran;
 - (e) strict restrictions for financial institutions and banks - applying to all Iranian banks, branches and subsidiaries, inside and outside Iran. Previously only named banks etc were affected. Transfer of funds to or from Iran would require notification and authorisation - if over €10,000 or €40,000 depending on purpose - and this applied to all banks and financial institutions, not just Iranian ones. EU banks were generally prohibited from opening branches or doing business in Iran;
 - (f) a strict control regime on all cargo movements to and from Iran, with inspection requirements etc. Pre-arrival and pre-departure notification of all air and sea

movements is required. Bunkering and servicing of vessels and aircraft suspected of carrying prohibited goods is prohibited.

22. On 11 January 2011 the European Union (Iran Sanctions) (Application) Order 2011 [SD 015/11] applied Council Regulation 961/2010/EU in the Island. On 12 January 2011 the Iran Sanctions Regulations 2011 [SD 016/11] came into operation to provide for offences, penalties and information powers in connection with the applied Regulation. The previous 2009 application order and regulations, which had applied Council Regulation 423/2007/EC, were revoked and so that Regulation ceased to have effect in the Island.

See Part 2 of this Notice for detail of the requirement to notify or seek prior authorisation for the transfer of funds to or from Iran or Iranian businesses or a person in Iran.

23. On 12 April 2011 the EU adopted Council Decision 2011/235/CFSP followed, on 14 April 2011, by Council Regulation (EU) No. 359/2011. These imposed further sanctions on those considered to be responsible for human rights violations in Iran.

24. On 28 April 2011 the European Union (Iran Sanctions) (Application) (No. 2) Order 2011 [SD 315/11] came into operation and applied Council Regulation (EU) No. 359/2011 in Island law.

All funds and economic resources belonging to, owned, held or controlled by persons listed in Annex I to the Regulation were to be frozen, and no funds or economic resources were to be made available, directly or indirectly, to or for the benefit of those persons.

The Iran Sanctions (No. 2) Regulations 2011 [SD 316/11] provide for offences and penalties for breaches of the Council Regulation, as it has effect in the Island, and for the Treasury to issue licences, where appropriate.

25. On 27 May 2011 the European Union (Iran Sanctions) (Application) (No. 3) Order 2011 [SD 427/11] applied in Island law Council Implementing Regulation (EU) No. 503/2011 with effect from that date. The applied Regulation added to the list of those persons and entities subject to sanctions and included in Annex VIII to Regulation (EU) No. 961/2010, and replaced 4 entries in Annex VIII.

At the same time the Iran Sanctions (Amendment) Regulations 2011 [SD 428/11] amended the Iran Sanctions Regulations 2011 to take account of the application of Regulation 503/2011.

26. The Export Control (Eritrea, Iran, Syria and Miscellaneous Amendments) (Application) Order 2011 [SD 501/11] applied the Export Control (Iran) Order 2011 [SI 2011/1297] in Island law with effect from 20 June 2011. This provided for offences and penalties for certain breaches of Regulation 961/2010, such as trading in military goods, providing financial or technical assistance, or providing certain key equipment or technology for use in Iran's oil and gas industries.

- 26A. On 23 January 2012 the EU adopted Council Decision 2012/35/CFSP which *inter alia* provided for a ban on the import, purchase and transport of Iranian crude oil and petrochemical products, and on the supply of key equipment and technology for the petrochemical industry. The ban would be put into effect by a following Regulation. Under Protocol 3, any "customs" element of this Regulation - on the import or export of oil or equipment, for example, would have effect in the Isle of Man.

27. At 12.00 midday on 22 November 2011 the Financial Restrictions (Iran) Order 2011 came into operation. This contained a direction from the Treasury which required financial and credit institutions in the Island to cease business relationships and transactions with Iranian banks and the Central Bank of Iran.

The restrictions imposed by the 2011 Order were renewed by means of the Financial Restrictions (Iran) Order 2012 [SD 0717/12] with effect from 21 November 2012.

More details of these restrictions are provided in Part 3 of this Notice.

A copy of the 2011 Order, and the 6 General Licences issued at the same time, may be found on the Customs and Excise website.

27A. By 15 December 2011 a number of orders had applied all relevant EU Regulations imposing restrictive measures against Iran and various entities and individuals up to and including Council Implementing Regulation (EU) No. 1245/2011 of 1 December 2011. Thus, as of that date, economic sanctions, and the lists of those affected by those sanctions, were fully in line with those in force in the EU.

27B. On 24 March 2012 new Council Regulation (EU) No. 267/2012 replaced Regulation 961/2010 in the EU and, *inter alia*, gave effect to EU Council Decision 2012/35/CFSP of 23 January.

That Decision provided for significant additional sanctions, including a phased embargo of Iranian crude oil imports, with a prohibition on the purchase, import or transport of crude oil, petroleum products and petrochemical products.

The Regulation also included -

- a prohibition on providing related finance or financial assistance, insurance or reinsurance;
- a prohibition on the sale, supply or transfer of key equipment and technology for the petrochemical industry;
- restrictions on finance and investment in the petrochemical sector;
- a prohibition on the sale, supply, transfer or export to or from the Government of Iran (or any company controlled by it) of gold, precious metals and diamonds;
- a ban on the supply of new currency banknotes or coinage to or for the benefit of the Central Bank of Iran.

Regulation 267/2012 came into operation in the Isle of Man with effect from 4 pm on 1st June 2012 (being applied by means of the European Union (Iran Sanctions) (Proliferation) Order 2012 [SD 427/12]).

27C. On 19 June 2012 the European Union (Iran Sanctions) (Human Rights) Order 2012 applied Council Regulations (EU) Nos. 359/3011 and 264/2012, and Council Implementing Regulation (EU) No. 1002/2011 in Island law. These Regulations are concerned with further restrictions against Iran due to concerns about human rights abuses there. Application of these Regulations meant that from that date sanctions restrictions involving Iran in Island law fully corresponded to those in place in the UK, and that any changes to lists of those affected by sanctions measures imposed because of human rights concerns applied automatically in the Island.

27D. On 15 October 2012 the EU increased further its sanctions against Iran, citing a lack of progress in talks over Iran's nuclear issues. The new measures targeted Iran's nuclear and ballistic programmes, and the revenues of the Iranian government for those programmes, and were also intended to ensure that EU financial institutions did not process funds that could contribute to Iran's nuclear programme or the development of ballistic missiles. In addition -

- the export to Iran of certain materials that could be used in the nuclear or ballistic missile programmes was banned;
- the import of natural gas from Iran was banned (with activities related to the transport and import of such gas also prohibited);
- the existing ban on key equipment for the oil, gas and petrochemical industries was broadened;
- EU industries were barred from involvement in the construction of new oil tankers for Iran;
- key equipment and technology for ship building and maintenance could no longer be supplied; and
- 34 additional entities that provided substantial financial support to the Iranian government were added to sanctions lists, with a further individual being made subject to a travel ban and asset freeze.

See EU Council Decision 2012/635/CFSP and Council Implementing Regulation (EU) No. 945/2012.

27E. On 14 November 2012, by means of Council Regulation (EU) No. 1067/2012 the EU granted a further exemption in relation to those listed in Annex IX to Regulation 267/2012 to have effect from 16 November. The amendment to Regulation 267/2012 provides that the prohibitions in the asset-freezing provisions of that Regulation shall not apply to acts and transactions carried out with regard to entities listed in Annex IX -

- (a) which hold rights derived from an original award before 27 October 2010, by a sovereign Government other than Iran, of a production sharing agreement as referred to in Article 39 of Regulation 267/2012, in so far as such acts and transactions relate to those entities' participation in that agreement;
- (b) in so far as necessary for the execution, until 31 December 2014, of the obligations arising from contracts referred to in point (b) of Article 12(1) of Regulation 267/2012 provided that those acts and transactions have been authorised in advance, on a case-by-case basis, by the competent authority concerned and that the Member State concerned has informed the other Member States and the Commission of its intention to grant an authorisation.

Regulation 1067/2012 was applied by order in the Isle of Man on 14 December 2012.

27F. On 21 December 2012 the EU introduced additional measures by means of Regulations 1263/2012 and 1264/2012. As well as adding more names to the lists of those affected by an asset freeze, these Regulations -

- further tightened the prohibitions on transactions with Iranian banks;
- introduced a ban on the import, purchase and transport of Iranian natural gas (and associated finance and financing assistance);
- introduced a ban on the sale, supply or transfer of certain materials (including graphite and certain metals) and certain industrial processing software to Iran (and again any associated finance or financial assistance);
- imposed new restrictions on involvement in the construction, service and supply of cargo vessels and oil tankers. This included a ban on making available vessels designed

- for the storage or shipment of oil; and
- broadened existing restrictions relating to the supply of certain key equipment and technology for the oil, gas and petrochemical sectors in Iran.

The new Regulations also saw the ban on dealings involving Iranian banks and Iranian-owned banks imposed in the UK and Isle of Man extended to the whole of the EU. The restrictions also extend to bureaux de change and financial institutions controlled by Iranian persons and entities.

The new Regulations also impacted upon transfers of funds, creating an additional requirement on top of the need to notify transfers or obtain prior authorisation for a transfer. See paragraph 4 in Part 2 of this Notice for more information.

EU Regulations 1245/2012, 1263/2012 and 1264/2012 were applied in the Isle of Man with effect from 31 January 2013.

- 27G. On 19 November 2013, the European Union (Iran Sanctions) (Proliferation) (Amendment) Order 2013 [SD 0408/13] applied in Island law Council Regulation (EU) No. 971/2013, which Regulations had further amended Regulation 267/2012. The amendments implemented new grounds for which entities (including non-EU entities) may be designated and subject to asset-freezing.

These are that the person or entity has evaded or violated EU or UN sanctions; he or it provided "insurance or other essential services to IRGC, or to entities owned or controlled by them or acting on their behalf"; or they provided "insurance or other essential services to IRISL, or to entities owned or controlled by them or acting on their behalf".

- 27H. On 20 January 2014, the EU adopted Council Regulation 42/2014/EU and Council Decision 2014/21/CFSP. These had the effect of suspending, for an initial 6 months, certain prohibitions and restrictions, and amending the thresholds for transfers of funds to and from Iran and Iranian businesses, entities and individuals (see Part 2 of this Notice).

In summary, the changes made affected -

- (a) the purchase, import and transportation of crude oil and certain petrochemical products from Iran;
- (b) the sale, supply, transfer or import or export of gold, precious metals and diamonds to or from Iran;
- (c) the release or making available of funds or economic resources to the Ministry of Petroleum in Iran; and
- (d) the thresholds above which prior notification to, or authorisation from, the Treasury is required for the transfer of funds to or from Iran and Iranian persons and entities.

On 20 March 2014, the European Union (Iran Sanctions) (Proliferation Amendment and Council Decision Revocation) Order 2014 [SD 2014/0118] applied Council Regulation 42/2014/EU in Island law.

- 27I. Following an agreement between Iran and a number of other countries, including the UK, on 14 July 2015, a Joint Comprehensive Plan of Action (JCPOA) was implemented, which was endorsed on 20 July 2015 by the UN under UN SCR 2231, and by the EU on 31 July under Council Decision (EU) No 2015/1336/CFSP. There was no immediate lifting of sanctions, although a suspension of certain of them which was already in place was to continue. There were other amendments to the EU sanctions regime to allow for the implementation of the JCPOA, including modification of certain nuclear facilities in Iran. Accordingly, Council

Decision 2010/413/CFSP was amended by Decision 2015/1336, and Council Regulation (EU) No 267/2012/EU by Regulation 2015/1327/EU. The latter allowed for the licensing of certain supplies, sales, transfers etc. Council Regulation (EU) No 2015/1328 of 31 July 2015 provided for an extension to 14 January 2016 of an exemption for certain acts and transactions in respect of certain contracts involving Iranian crude oil and petroleum products and the proceeds from their supply.

27J. On 18 August 2015, the European Union (Iran Sanctions) (Proliferation) (Amendment) (No. 2) Order 2015 [SD 2015/0271] applied Council Regulations (EU) No. 2015/1327 and 2015/1328 of 31 July 2015 in Island law. At the same time, the Iran Sanctions (Proliferation) (Amendment) (No. 2) Regulations 2015 [SD 2015/0272] amended the Iran Sanctions (Proliferation) Regulations 2012 accordingly.

27K. On 19 October 2015, Council Regulations (EU) No 2015/1861 and 2016/1862, and Council Decision 2015/1863/CFSP came into force. These made amendments to EU legislation (Regulation 267/2012 and Decision 2010/410) in the light of the JCPOA.

Regulation 2015/1861 made extensive amendment of Regulation 267/2012 to permit the supply of certain goods and services, subject to certain conditions including prior authorisation, but also continuing an arms embargo. It also amended the provisions dealing with the freezing of funds, and the making available of economic resources.

Regulation 2015/1862 amended the implementation of Regulation 267/2012, amending the lists of persons and entities, deleting 36 names from Annex VIII to Regulation 267/2012 and 295 names from Annex IX to Regulation 267/2012.

It should be noted that the changes made by these two Regulations did not have immediate effect, but are to be implemented from a date in the future, and are dependent on continuing Iranian compliance with the JCPOA.

On 13 November 2015, the European Union (Iran Sanctions) (Proliferation) (Amendment) (No. 3) Order 2015 [SD 2015/0372] applied Council Regulation (EU) No 2015/1861 in the Island, but not to take effect until the Council of the EU had confirmed the necessary compliance with the relevant terms of the JCPOA.

28. Persons and entities who are included on the list of those subject to sanctions in the Isle of Man because they are listed by the relevant Sanctions Committee of the United Nations. A person may petition the Committee for de-listing by contacting the relevant Focal Point for De-listing at the UN Headquarters in New York.
See <http://www.un.org/sc/committees/dfp.shtml>

Part 2 - Transfer of Funds

1. The principal financial sanctions requirements under Council Regulation 267/2012/EU (as amended) are —
 - (a) transfers of funds below €10,000 do not require either notification to, or prior authorisation from, the Treasury;
 - (b) transfers of personal remittances to or from an Iranian person, entity or body of between €10,000 and €400,000 require prior notification to the Treasury;
 - (c) transfers of personal remittances to or from an Iranian person, entity or body of €400,000 or more require prior authorisation from the Treasury;
 - (d) transfers due in respect of transactions involving foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes and between €10,000 and €1,000,000 require prior notification to the Treasury;
 - (e) transfers due in respect of transactions involving foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes and of €1,000,000 or more require prior authorisation from the Treasury.

Prior notification or authorisation also applies where there is a series of transfers where the aggregate amount reaches or exceeds any of the various thresholds detailed above.

Restrictions on the transfer of funds were first applied from 11 January 2011, modified from 31 January 2013, and applied in the form detailed above from 20 January 2014.

Forms for notifying or applying for authorisation are annexed to this Notice. They should be sent (by post, fax or other electronic means) to the Sanctions Officer at Customs and Excise.

| Transfer value | Purpose | Requirements |
|---|--|--|
| Transfers of less than €10,000 | Any purpose | No requirements. These can be made as normal unless there are a series of transactions of less than €10,000 that appear to be linked. If this is the case, they should be notified to the Sanctions Officer |
| Transfers of between €10,000 and €400,000 | Personal remittances | Must be notified in advance |
| Transfers of €400,000 or more | Personal remittances | Must be SUBMITTED IN ADVANCE FOR AUTHORISATION . They cannot be undertaken without prior authorisation. |
| Transfers of between €10,000 and €1m | In respect of transactions involving foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes | Must be notified in advance |

| | | |
|--------------------------|--|--|
| Transfers of €1m or more | In respect of transactions involving foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes | Must be SUBMITTED IN ADVANCE FOR AUTHORISATION . They cannot be undertaken without prior authorisation. |
|--------------------------|--|--|

2. For the purpose of a transfer of funds, an "Iranian person, entity or body" is defined in Council Regulation 267/2012/EU as meaning -
 - (a) the State of Iran or any public authority thereof;
 - (b) any natural person in, or resident in, Iran;
 - (c) any legal person, entity or body having its registered office in Iran; or
 - (d) any legal person, entity or body, inside or outside Iran, owned or controlled directly or indirectly by one or more of the above mentioned persons or bodies.

3. Customs and Excise would advise any institution involved in transfers of money that it interprets the requirements of Regulation 267/2012 as meaning that they should treat multiple transfers as aggregated - and that the prior notification and prior approval thresholds would apply to the multiple transfers on a cumulative basis. This would be regardless of the period of time between individual transfers.

This would mean that—

 - (a) once transfers made to or from any particular person or entity come to more than €10,000 ALL subsequent transfers require prior notification; and
 - (b) once transfers made to or from any particular person or entity amount to €40,000 or more ALL subsequent transfers are subject to prior approval.

4. New EU Regulations 1263/2012 and 1264/2012 in December 2012 contained provisions that means that where any funds are sent from a bank account in the Island to an Iranian person's bank account, i.e. an account in an Iranian or Iranian-owned bank affected by the enhanced sanctions against such institutions, not only would notification or prior authorisation be required - but a licence from the Treasury would also be required to allow the transfer to go ahead. This licence has to be in writing and obtained in advance of the transfer taking place.



Isle of Man Customs and Excise Prior Notification of Transfer of Funds under Article 30 of EU Regulation 267/2012

Please send or email this form to the Sanctions Officer at Isle of Man Customs and Excise, PO Box 6, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG; Fax No (01624 661725) or email customs@gov.im with "Iranian Notification" in the subject line.

| | |
|--|-----------------|
| Date | |
| Name | |
| Address | |
| Contact details | |
| Role in the transaction | |
| Sender of funds e.g. Name, address | Name |
| | Address |
| Remitting bank e.g. Name, address, account details | Name |
| | Address |
| | Account details |
| Beneficiary of funds e.g. Name, address | Name |
| | Address |
| Beneficiary's bank e.g. Name, address, account details | Name |
| | Address |
| | Account details |
| Payment route i.e. details of other intermediaries – names, addresses, account details | Name |
| | Address |
| | |
| | Account details |
| Amount of transfer | |
| Purpose of transfer | |
| Method of payment i.e. bank transfer, cash, cheques, money orders etc. | |

Isle of Man Customs and Excise Prior Authorisation of Transactions under Article 30 of EU Regulation 267/2012

An authorisation shall be deemed granted if the Treasury has not objected in writing within four weeks from the date of receipt of the authorisation request.

Please send or email this form to the Sanctions Officer at Isle of Man Customs and Excise, PO Box 6, Custom House, North Quay, Douglas, Isle of Man, IM99 1AG; Fax No (01624 661725) or email customs@gov.im with "Iranian Authorisation" in the subject line.

| | |
|---|-----------------|
| Date | |
| Name | |
| Address | |
| Contact details | |
| Role in the transaction | |
| Sender of funds e.g. Name, address | Name |
| | Address |
| Remitting bank e.g. Name, address, account details | Name |
| | Address |
| | Account details |
| Beneficiary of funds e.g. Name, address | Name |
| | Address |
| Beneficiary's bank e.g. Name, address, account details | Name |
| | Address |
| | Account details |
| Payment route i.e. details of other intermediaries – names, addresses, account details | Name |
| | Address |
| | |
| | Account details |
| Amount of transfer | |
| Purpose of transfer | |
| If this transfer is part of a schedule of payments please provide details e.g. payments under a letter of credit or loan repayments | |
| Method of payment i.e. bank transfer, cash, cheques, money orders etc | |

Part 3 - Cessation of business relationships and transactions with banks incorporated in Iran

1. This Part provides an explanation of the requirements placed upon financial and credit institutions by -
 - (a) the direction (the "Direction") given by the Treasury in the Financial Restrictions (Iran) Order 2011 - which was renewed in 2012 by means of the Financial Restrictions (Iran) Order 2012 and thus continued to have effect until the latter Order was revoked on 27 February 2013 (to avoid confusion with the effects of the EU Regulation 1263/2012 below; and
 - (b) Council Regulation (EU) No. 1263/2012, as applied in the Island by the European Union (Iran Sanctions) (Proliferation) (Amendment) Order 2013 with effect from 31 January 2013.
2. The Direction required financial and credit institutions to cease business relationships and transactions with all banks incorporated in Iran, including all subsidiaries and branches of such banks, wherever located, and the Central Bank of Iran.
3. It is important to note that the effect of the Direction was to prohibit all transactions and business relationships between financial and credit institutions and Iranian banks. This may have made it difficult for companies to trade with Iranian companies who had a banking relationship with an Iranian bank. The Government therefore urged companies to proceed with caution if trading with Iran.
4. Council Regulation (EU) No. 1263/2012 amended Article 30 of Council Regulation (EU) No. 267/2012 so that it included a prohibition affecting credit and financial institutions. This prohibition means that businesses in the regulated sector involved in financial services activities cannot enter into, or continue, certain transactions or business relationships with Iranian banks (or branches or subsidiaries) subject to the EU sanctions regime, or the Central Bank of Iran.
5. Whilst the Financial Restrictions (Iran) Order 2012 was to be revoked, being superseded by the amendments to EU Regulation 267/2012, this did not significantly change the effect of the prohibition - except that the restriction now also applies to all types of Iranian financial institutions (e.g. money transmitters) as well as banks. In practice credit and financial institutions should not have experienced a significant difference in complying with the restrictions. It remains prohibited for credit and financial institutions to transfer funds to or from Iranian credit and financial institutions except where authorised by the Treasury. Some dealings (e.g. new correspondent accounts) with Iranian banks also remain prohibited under the EU Regulation.

Amendments to this Notice

- (a) New paragraph 24A inserted to provide guidance on multiple transfers, 18 February 2011.
- (b) New paragraph 24B inserted 19 April 2011.
- (c) New paragraph 24C inserted on 11 May 2011 concerned with the application of Council Regulation (EU) No. 359/2011.
- (d) New paragraph 24D re SD 427/11 and SD 428/11 inserted on 7 June 2011.
- (e) New paragraph 24E re SD 501/11 inserted on 7 June 2011.
- (f) Revised, Parts 1 and 2 created from existing content and Part 3 (Cessation of business relationships and transactions with banks incorporated in Iran) added on 22 November 2011.
- (g) New paragraph 27A inserted in Part 1 - 1 January 2012.
- (h) New paragraph 26A concerning Council Decision 2012/35/CFSP inserted 8 February 2012.
- (i) New paragraph 27B inserted into Part 1 on 28 March 2012 re Council Regulation (EU) No. 267/2012.
- (j) Paragraph 27B amended to show start date in the Island of Regulation 267/2012, 1st June 2012.
- (k) New paragraph 27C added, introduction on page 2 amended, and forms for declaration of funds amended, 20 June 2012.
- (l) New paragraph 27D re Council Decision 2012/635/CFSP and Regulation 945/2012 inserted 17 October 2012.
- (m) In Part 1, paragraph 27 amended to include reference to Financial Restrictions (Iran) Order 2012. Part 3 rewritten to take account of Financial Restrictions (Iran) Order 2012 (20 November 2012).
- (n) New paragraph 27E inserted 4 December 2012 to notify further exemption contained in Regulation 1067/2012.
- (o) Paragraph 27E amended to mention application of Regulation 1067/2012 from 14 December 2012.
- (p) 28 January 2013 - Contact information for UKTI re trade with Iran, and source of information on US sanctions, added on page 3. New paragraph 27F added to Part 1 regarding new EU Regulations 1263/2012 and 1264/2012, and new paragraph 4 added in Part 2.
- (q) 27 February 2013 -
 - In Part 1, paragraph 27F amended to include reference to EU Regulations 1245/2012, 1263/2012 and 1264/2012 having effect in the Island from 31 January 2013.
 - In Part 2, paragraph 1 and the Table replaced to reflect amendment of EU Regulation 267/2012 from 31 January 2013.
 - Forms CEM 62 MAN and CEM 63 MAN amended.
 - Part 3 replaced to reflect replacement of the Financial Restrictions (Iran) Order 2012 by

amendments made by EU Regulation 1263/2012 to EU Regulation 267/2012.

- (r) New paragraph 27G inserted into Part 1 on 22 November 2013 re Council Regulation (EU) No. 971/2013.
- (s) Notice re suspension and amendment of certain sanctions with effect from 20 January 2014 added on page 3. New paragraph 27H inserted into Part 1 concerning the changes made to the sanctions. Paragraph 1 of Part 2 also amended accordingly to take account of new thresholds for funds transfer reporting requirements.
- (t) Note on page 3 and paragraph 27H amended to mention application of Council Regulation (EU) No 42/2014 in the Island.
- (u) Note page 3 amended to reflect EU decision to extend suspension of certain restrictive measures to 24 November 2014.
- (v) Page 3 amended to mention extension of suspension of some sanctions to 30 June 2015.
- (w) 15 July 2015: page 3 amended to confirm suspension of certain sanctions measures until 14 January 2016.
- (x) 3 August 2015: new paragraph 27I inserted re modification of EU sanctions regime following the JCPOA of 14 July 2015.
- (y) On 19 August 2015, a new reference to Regulation 2015/1328 added to paragraph 27I, and new paragraph 27J inserted re SD 2015/0271 and SD 2015/0272.
- (z) New paragraph inserted re EU Regulations 2015/1861 and 2015/1862 and Council Decision 2015/1863, 20 October 2015.
- (aa) On 13 November 2015, paragraph 27K amended to mention SD 2015/0372.
- (bb) New "directions" and warning of possible offences added on page 3, 25 November 2015.

Isle of Man Customs and Excise Website

Amendments to these sanctions will be advised by means of news releases which will be published on the official Isle of Man Government website at <http://www.gov.im/>

The Isle of Man Customs and Excise website will contain details of all current sanctions, news releases and links to relevant lists at <http://www.gov.im/treasury/customs/>

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Isle of Man
Government

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