

Treasury  
Customs and Excise Division

## Sanctions Notice 10

### United Nations Sanctions

### Iraq



July 2006  
(Amended to 27 July 2018)



**Isle of Man**  
Government

*Reilts Ellan Vannin*

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## About this Notice

This Notice draws attention in convenient form to the Orders and Regulations made under the United Nations Act 1946 and the European Communities (Isle of Man) Act 1973 which place financial sanctions on Iraq.

This Notice provides guidance on certain aspects only of the Orders and Regulations, and should be read in conjunction with those Orders and Regulations.

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

The list of persons and entities subject to the sanctions may be found at:

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>

Enquiries concerning this Notice 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](mailto: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

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



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you believe you are affected by anything contained in this Notice.

For further information on sanctions in general, including how to deal with false positives, or when sanctions are lifted or persons delisted, see Sanctions Notice 26.

Sanctions Notice 32 deals with the granting of licences.

These Notices, and other information about sanctions and export and trade controls, may be found at -

<https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

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## Direction

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 Financial Intelligence Unit.

All persons in business or a profession in the Island, including 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 Financial Intelligence Unit.

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

Reports of accounts and amounts frozen should be made using THEMIS; however, if you do not have access to this reporting system, you should use the appropriate form on the FIU website.

### Financial Intelligence Unit contact details

Financial Intelligence Unit  
PO Box 51  
Douglas  
Isle of Man  
IM99 2TD

Telephone: +44 1624 686000

Email: [fiu@gov.im](mailto:fiu@gov.im)

## Introduction

1. In 2000 an Order-in-Council, made under section 1 of the United Nations Act 1946 of Parliament placed certain financial sanctions on Iraq.

This Order was the Iraq (United Nations Sanctions) (Isle of Man) Order 2000 [SI 2000 No. 3245] - referred to in this Notice as "the 2000 Order".

The 2000 Order has since been amended by -

- the Iraq (United Nations Sanctions) (Amendment) Order 2003 [SI 2003 No. 1347],
- the Iraq (United Nations Sanctions) (Isle of Man) (Amendment) Order 2003 [SI 2003 No. 1522] - referred to in this Notice as "the 2003 Order", and

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- the Iraq (United Nations Sanctions) (Isle of Man) (Amendment) Order 2004 [SI 2004 No. 1982] - referred to in this Notice as “the 2004 Order”.

2. The various Orders were made to implement in the Isle of Man the following United Nations Security Council Resolutions -

UN SCR 661 of 6 August 1990      which imposed certain financial sanctions on Iraq, referred to in this Notice as “the 2000 Resolution”; and

UN SCR 1483 of 23 May 2003      which lifted most restrictions on the export of goods to Iraq, and replaced the previous framework of sanctions with one which would target members of the former regime, referred to in this Notice as “the 2003 Resolution”.

The 2000 Order implemented the sanctions regime of the 2000 Resolution in the Isle of Man.

The 2003 Order gave effect to the changes to the sanctions regime made by the 2003 Resolution.

3. The financial sanctions regime is governed by the 2000 Order and the 2003 Order, as amended by the 2004 Order with effect from 29 July 2004.

However, any direction or notice issued by the Treasury prior to 29 July 2004 continued to have effect, and would continue to have effect until specifically revoked by a notice issued by the Treasury. Furthermore, no direction or notice issued by the Treasury prior to 29 July 2004 was revoked or replaced.

- 3A. The EU also implemented matching sanctions measures in respect of Iraq by means of Council Regulation (EC) No 1210/2003 and subsequent amending Regulations.

3B. ...

- 3C. With effect from 25 July 2018 the Isle of Man applied Council Regulation (EU) 1210/2003 as substantively amended by a number of subsequent EU Instruments, by means of the European Union (Iraq Sanctions) Order 2018 [SD 2018/0212]. The Iraq Sanctions Regulations 2018 also came into operation on the same day and provide for the enforcement of the EC Regulations and penalties for such offences [SD 2018/0213].

### **Persons and entities affected by the sanctions**

4. Any person who, except under the authority of a licence granted by the Treasury makes any funds available directly or indirectly to a person or entity subject to sanctions will be guilty of an offence.
5. The financial sanctions regime applies to any person in the Isle of Man, and to any person elsewhere which is a body corporate incorporated or constituted in the Isle of Man under the law of the Island, and to any Limited Liability Company (LLC)

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constituted under Island law.

The regime therefore applies to all banks, financial institutions, charitable organisations and non-governmental organisations in the Island, or established under Island law.

The regime does not apply to subsidiaries operating wholly outside the Isle of Man and which do not have legal personality under Island law.

6. ...
7. In exercise of powers given to the Treasury under the 2000 Order, as amended, the Treasury hereby directs that funds held by, for or on behalf of, the persons included in the sanctions lists must not be made available to any person.

This direction is to have effect until revoked by a further notice given by the Treasury.

#### **Definition of "funds"**

8. "Funds" are defined in article 1 of the EC Regulation as follows -

"funds" means financial assets and economic benefits of every kind, including but not limited to -

- (a) cash, cheques, claims on money, drafts, money orders and other payment instruments;
- (b) deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
- (c) publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts;
- (d) interest, dividends or other income on or value accruing from or generated by assets;
- (e) credit, right of set-off, guarantees, performance bonds or other financial commitments;
- (f) letters of credit, bills of lading, bills of sale;
- (g) documents evidencing an interest in funds or financial resources;
- (h) any other instrument of export-financing.

#### **Payments sought by or on behalf of persons subject to sanctions**

9. A licence in writing is required for any person to make funds available to any person subject to sanctions or for the release of any funds frozen pursuant to the UN Security Council Resolutions or EC Regulation to any person.

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But transfers of funds to the Development Fund for Iraq held at the Federal Reserve Bank of New York shall be permitted without the requirement for a licence. In such cases, the person making the transfer must notify the Treasury in writing of -

- the identity of the person for or on whose behalf the funds were held,
- the amount transferred, and
- the date the transfer took place.

You should consult the Sanctions Officer before making any other transfers or payments from any frozen account.

## Licences

10. The Treasury will consider on a case by case basis applications to debit Designated Funds accounts or to make funds available to designated persons other than as permitted by this Notice.

All applications need to be made in writing to the Treasury at the address given on page 2 of this Notice.

All licences issued by the Treasury will be in writing.

11. (1) By this sub-paragraph, which constitutes a written general licence under article 5 of the 2000 Order, funds may be made available to -

Government of Iraq

Iraq Airways Company

a.k.a. Iraqi Airways Company or IAC  
Other information: State Airline

Central Bank of Iraq

Rashid Street, Baghdad, Iraq  
Offices in Mosul and Basra  
Former Governor was Dr Issam El Moulla Hweish

Rasheed Bank

a.k.a.: Rashid Bank, or Al-Rashid Bank, or Al-Rasheed Bank  
PO Box 7177, Haifa Street, Baghdad, Iraq; or Al Masarif Street, Baghdad, Iraq  
Other information: State-owned bank

Rafidain Bank

Rashid Street, Baghdad, Iraq  
Other information: State-owned bank  
London branch of Rafidain Bank is in provisional liquidation  
Offices in Iraq, UK, Jordan, UAE, Yemen, Sudan, Egypt

but not funds held by, for or on behalf of a person named in a sanctions list that have been frozen pursuant to paragraph 7 above, and not funds that are

required to be transferred to the Development Fund for Iraq (see paragraph 9 above).

The licence is of indefinite duration.

- (2) By this sub-paragraph, which constitutes a written general licence granted under article 5 of the 2000 Order, as amended, funds held by, for or on behalf of persons or entities listed in sub-paragraph (1) above that were or are received on or after 23 May 2003 by the person holding the funds are NOT required to be transferred to the account of the Development Fund for Iraq.

This licence is of indefinite duration.

12. The restrictions imposed by sanctions do not prevent the crediting of frozen accounts by financial or credit institutions that receive funds transferred by third parties to the account of a listed person, entity or body provided that any additions to such accounts are also frozen. The financial and credit institutions must inform the Financial Intelligence Unit immediately about such transactions.

This paragraph constitutes a general licence for the purposes of the 2000 Order.

- 12A. The Treasury may authorise the making available of certain funds or economic resources under such conditions as it deems appropriate, after having determined that the funds or economic resources concerned are -

- necessary to satisfy the basic needs of natural or legal persons, entities or bodies listed in Annex IV, and dependent family members of such natural persons, including payments of foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
- intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services;
- intended exclusively for payment of fees or service charges for routine holding or maintenance of frozen funds or economic resources; or
- necessary for extraordinary expenses, provided that the relevant competent authority has notified the grounds on which it considers that a specific authorisation should be granted to the competent authorities of the other Member States and to the Commission at least two weeks prior to authorisation.

### **Transfers to the Development Fund for Iraq**

13. Any person holding funds to which a Notice applies must so transfer the funds as soon as possible after they become aware that they hold such funds to the account of the Development Fund for Iraq held at the Federal Reserve Bank of New York.
14. The requirement to transfer funds to the Development Fund for Iraq does not apply to -



- (a) funds that are required to be dealt with by -
  - (i) an order or judgement of a court, or
  - (ii) a final and binding arbitral award made on or before 2 July 2003, or
  - (iii) a binding determination made on or before that day by a public authority, or
  - (iv) under an enactment;
- (b) funds that on or before 2 July 2003 were subject to a lien, charge or other like interest created or imposed as a means of enforcing -
  - (i) an order or judgement of a court, or
  - (ii) a final and binding arbitral award made on or before 2 July 2003, or
  - (iii) a binding determination made on or before that day by a public authority, or
  - (iv) under an enactment;
- (c) funds that are authorised by a licence from the Treasury to be dealt with in some other way.

15. The details presently held by the Treasury for the account of the Development Fund for Iraq are -

Federal Reserve Bank of New York  
33 Liberty Street, New York, NY10045

Swift Code: FRNYUS 33 XXX

Customer Accounts/ABA No.: 0210-86773 (DFI)

### **Freezing of funds on suspicion**

16. If the Treasury considers that there are reasonable grounds to suspect that funds are being held by or on behalf of a designated person, it can direct that those funds are not to be made available to any designated person. Any such direction will be given in writing. It is an offence under the Order to contravene such a direction.

### **Requirements to provide information**

17. The Treasury or any other person authorised by the Treasury, such as the Financial Intelligence Unit may request any person to whom the Order applies, to furnish it 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 Order.

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18. Failure to furnish such information or documents without reasonable excuse is an offence. Providing false information 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).

#### **Funds frozen prior to the 2003 Order**

19. Except for those funds held by, for or on behalf of designated persons, funds of other residents of Iraq should no longer be frozen under the 2000 Order, as amended.

#### **Details of changes made to this Notice and relevant lists**

20. The two general licences that applied to the frozen assets of

- (a) Technology and Development Group Limited; and
- (b) TMG Engineering Limited

were revoked on 19 January 2010.

Consequently, the original paragraph 12 of this Notice was omitted with effect from 19 January 2010. Please see the Customs and Excise News Release dated 19 January 2010 for further information.

Paragraph 14(a) has also been amended to remove a redundant reference.

21. Various amendments made to this Notice with effect from 24 July 2014, these including -
- updated weblink on page 2 for the list of those subject to sanctions;
  - amendment of paragraph 3;
  - new paragraph 3A regarding parallel EU sanctions inserted;
  - amendment of paragraphs 4, 5, 7, 9, 11, 13 and 20;
  - paragraph 6 (definitions of "Designated 23a" and "Designated 23b" persons omitted);
  - new paragraph 12 (re crediting of frozen accounts) and 12A (re making of funds available for certain necessary items) inserted; and
  - address for the Development Fund of Iraq in paragraph 15 updated.
22. New paragraph 3B added to emphasise how effect given to the various UN sanctions prohibitions in the Isle of Man, 30 June 2015.
23. New "directions" substituted on page 4, 25 November 2015.
24. Mention of Sanctions Notices 26 and 32 added on page 3, 10 March 2017

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25. On 3 August 2017, amendments to make clear that not only financial institutions are subject to reporting requirements of the sanctions.
  26. On 5 December 2017, entry in paragraph 11 re Iraq Re-Insurance Company removed following delisting by UN on 24 November 2017 and EU on 3 December 2017.
  27. Various amendments to make clear that reporting of frozen accounts or breaches of sanctions must be made to the Financial Intelligence Unit, 3 April 2018.
  28. Privacy Notice added, 31 May 2018.
  29. New paragraph 3C inserted relating to the European Union (Iraq Sanctions) Order 2018. Omitted paragraph 3B. Amended definition of "funds", 27 July 2018.

### **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 <http://www.gov.im/categories/tax,-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

### Privacy Notice

The Treasury collects information about you in order to administer taxation and carry out other functions for which it is responsible (e.g. National Insurance, customs and excise duties, property rates, social security benefits, state pensions and legal aid etc.), and for the detection and prevention of crime.

Whilst that information will primarily be provided by you, where the law allows we may also get information about you from other organisations, or give information about you to them. This may be to check the accuracy of the information provided, prevent or detect crime or protect public funds in other ways. These organisations may include other government departments, the police and other agencies.

To find out more about how we collect and use personal information, contact any of our offices or visit our website at: <https://www.gov.im/about-the-government/departments/the-treasury/privacy-notice/>

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