

2012 No. 1756

OVERSEAS TERRITORIES

The Iran (Restrictive Measures)  
(Overseas Territories) Order 2012

<i>Made</i> - - - -	<i>10th July 2012</i>
<i>Laid before Parliament</i>	<i>11th July 2012</i>
<i>Coming into force</i> - -	<i>12th July 2012</i>

At the Court at Windsor Castle, the 10th day of July 2012

Present,

The Queen's Most Excellent Majesty in Council



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Her Majesty, in exercise of the powers conferred on Her by section 1 of the United Nations Act 1946(a), section 112 of the Saint Helena Act 1833(b), the British Settlements Acts 1887 and 1945(c), and all of the other powers enabling Her to do so, is pleased, by and with the advice of Her Privy Council, to order as follows:

**Citation, commencement and extent**

1.—(1) This Order may be cited as the Iran (Restrictive Measures) (Overseas Territories) Order 2012 and comes into force on 12th July 2012.

(2) This Order extends to the territories listed in Schedule 1 except article 53 which applies to Bermuda in addition to the territories listed in Schedule 1.

**Interpretation**

2.—(1) In this Order, unless otherwise provided—

“aircraft” means a fixed wing, swivel wing, rotary wing, tilt rotor or tilt wing airborne vehicle or helicopter;

“assistance” means any form of assistance including advice, training, technical assistance, financing and financial assistance, investment, brokering or other services, and the transfer of financial resources and services;

“branch”, in relation to a financial or credit institution, means a place of business which forms a legally dependent part of a financial or credit institution and which carries out directly all or some of the transactions inherent in the business of financial or credit institutions;

“brokering services” means—

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(a) 1946 c.45.  
(b) 1833 c.85.  
(c) 1887 c.54 and 1945 c.7.

- (a) the negotiation or arrangement of transactions for the purchase, sale or supply of goods and technology or of financial and technical services, including from a third country to any other third country, or
- (b) the selling or buying of goods and technology or of financial and technical services, including where they are located in third countries for their transfer to another third country;

“claim” means any claim, whether asserted by legal proceedings or not, made before or after the date on which this Order comes into force, under or in connection with a contract or transaction, and includes in particular—

- (a) a claim for performance of any obligation arising under or in connection with a contract or transaction,
- (b) a claim for extension or payment of a bond, financial guarantee or indemnity of whatever form,
- (c) a claim for compensation in respect of a contract or transaction,
- (d) a counterclaim, or
- (e) a claim for the recognition or enforcement, including by the procedure of *exequatur*, of a judgment, an arbitration award or an equivalent decision, wherever made or given;

“commander”, in relation to an aircraft, means the member of the flight crew designated as commander of the aircraft by the operator of the aircraft, or, if there is no operator, the person who is for the time being the pilot in command of the aircraft;

“contract or transaction” means any transaction of whatever form and whatever the applicable law, whether comprising one or more contracts or similar obligations made between the same or different parties, and for this purpose “contract” includes a bond, guarantee or indemnity, (particularly a financial guarantee or financial indemnity), and credit, whether legally independent or not, as well as any related provision arising under or in connection with the transaction;

“the Council Regulation” means Council Regulation (EU) No 267/2012 adopted by the Council of the European Union on 23rd March 2012<sup>(a)</sup> concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran and repealing Regulation EU No 961/2010<sup>(b)</sup>, and a reference to an Annex to that Regulation is to be construed as a reference to that Annex as amended from time to time;

“designated person” means any person, entity or body listed in Annex VIII or IX to the Council Regulation;

“document” includes information recorded in any form, and in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form;

“economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but may be used to obtain funds, goods or services;

“export” includes shipment as stores;

“exportation” in relation to any ship or aircraft, includes the taking out of the Territory of the ship or aircraft, whether or not it is conveying goods or passengers, or moving under its own power; and cognate expressions are to be construed accordingly;

“financing and financial assistance” in relation to the provision of assistance related to restricted goods includes in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of restricted goods;

“funds” means financial assets and benefits of every kind, including (but not limited to)—

- (a) cash, cheques, claims on money, drafts, money orders and other payment instruments,

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(a) O.J. L.88 24.2.2012, p.1.

(b) O.J. L.281 27.10.2010, p.1.

- (b) deposits with relevant 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, rights of set-off, guarantees, performance bonds or other financial commitments,
- (f) letters of credit, bills of lading, bills of sale,
- (g) documents providing evidence of an interest in funds or financial resources, or
- (h) any other instrument of export financing;

“frozen account” means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person;

“Gazette” means the official gazette of the Territory or any other form in which official information is normally made available in the Territory;

“goods” includes items, materials and equipment;

“Governor” means the Governor or other officer administering the Government of the Territory;

“insurance” means an undertaking or commitment where a natural or legal person is obliged, in return for a payment, to provide another person, in the event of materialisation of a risk, with an indemnity or a benefit as determined by the undertaking or commitment;

“Iranian person, entity or body” means—

- (a) the State of Iran or any public authority of the State of Iran,
- (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 persons or bodies mentioned in paragraphs (a) to (c);

“master”, in relation to a ship, includes any persons (other than a pilot) for the time being in charge of the ship;

“officer”, in relation to a body corporate, means a director, manager, secretary or other similar officer of the body corporate or any person who has purported to act in any such capacity;

“operator”, in relation to an aircraft or vehicle, means the person for the time being having the management of the aircraft or vehicle;

“owner”, in relation to a ship, where the owner is not the operator, means the operator and any person to whom it is chartered;

“person” means any natural or legal person, entity or body;

“a person to whom this Order applies” means any person in the Territory, or any person elsewhere who is—

- (a) a British citizen, a British overseas territories citizen, a British Overseas citizen, a British subject, a British National (Overseas) or a British protected person and is ordinarily resident in the Territory; or
- (b) a body incorporated or constituted under the law of any part of the Territory;

“prohibited goods” means any goods, software or technology, including restricted goods, the sale, supply, transfer, export or purchase of which is prohibited by articles 4 to 16;

“reinsurance” means the activity consisting in accepting risks ceded by an insurance undertaking or by another reinsurance undertaking or, in the case of the association of underwriters known as Lloyd’s, the activity consisting in accepting risks, ceded by any member of Lloyd’s, by an insurance or reinsurance undertaking other than the association of underwriters known as Lloyd’s;

“relevant institution” means—

- (a) any person who may lawfully accept deposits in or from within the Territory by way of business; or,
- (b) any society established lawfully in the Territory whose principal purpose is the making of loans secured on residential property where such loans are funded substantially by its members;

“restricted goods” means the goods, software and technology specified in Schedule 2 to the Export Control Order 2008(a) and, in so far as they are not covered in that Schedule, the goods, software and technology specified in the Common Military List of the European Union(b);

“the Security Council Resolution” means resolution 1737 (2006) adopted by the Security Council of the United Nations on 23 December 2006;

“ship” includes every description of vessel used in navigation;

“shipment” includes loading into an aircraft;

“stores” means goods for use in a ship or aircraft and includes fuel and spare parts and other articles of equipment, whether or not for immediate fitting, but excludes any goods for use in a ship or aircraft as merchandise for sale by retail to persons carried in them;

“technical assistance” means any technical support related to repairs, development, manufacture, assembly, testing, maintenance, or any other technical service, and may take forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services, including verbal forms of assistance;

“transfer of funds” means—

- (a) any transaction carried out on behalf of a payer through a payment service provider by electronic means, with a view to making funds available to a payee at a payment service provider, irrespective of whether the payer and the payee are the same person, or
- (b) any transaction by non-electronic means such as in cash, cheques or accountancy orders, with a view to making funds available to a payee irrespective of whether the payer and payee are the same person;

“vehicle” means land transport vehicle.

(2) For the purpose of the definition of “relevant institution” in paragraph (1)—

- (a) the activity of accepting deposits has the meaning given in any relevant order made under section 22 of the Financial Services and Markets Act 2000(c), and
- (b) a person is not regarded as accepting deposits by way of business if—
  - (i) the person does not hold himself or herself out as accepting deposits on a day to day basis, and
  - (ii) any deposits which the person accepts are accepted only on particular occasions, whether or not involving the issue of any securities.

(3) In determining for the purposes of paragraph (2)(b)(ii) whether deposits are accepted only on particular occasions, regard is to be had to the frequency of those occasions and to any characteristics distinguishing them from each other.

(4) In the application of this Order to any of the territories listed in Schedule 1, the expression “the Territory” in this Order means that territory.

(5) An expression used both in this Order and in the Council Regulation has the meaning that it bears in the Council Regulation.

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(a) SI 2008/3231.

(b) O.J. C. 86 18.3.2011, p.1.

(c) 2000 c. 8.

### **Publicly available list of designated persons and restricted goods**

- 3.—(1) The Governor must publish in the Gazette a list of—
- (a) designated persons, and
  - (b) restricted goods.
- (2) A list published under paragraph (1) must be updated as necessary.

#### *Restricted and prohibited goods*

### **Supply of restricted goods to Iran**

- 4.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly—
- (a) supplies or delivers, or agrees to supply or deliver, restricted goods to any person or destination in Iran, or
  - (b) does anything else calculated to promote the supply or delivery of restricted goods to any person or destination in Iran.
- (2) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.

### **Exportation of restricted goods to Iran**

- 5.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly exports, or attempts to export, restricted goods from the Territory—
- (a) to any destination in Iran, or
  - (b) to any other destination for the purpose of delivery (directly or indirectly) to, or to the order of, any person in Iran.
- (2) Restricted goods which are exported, or attempted to be exported, in contravention of paragraph (1) may be forfeited, disposed of or transferred as appropriate.
- (3) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.
- (4) If, but for this paragraph, P would be guilty of an offence under this article and article 4, P is not guilty of an offence under this article.

### **Provision of assistance related to the supply, sale, transfer, manufacture, maintenance or use of restricted goods**

- 6.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly provides (directly or indirectly) assistance relating to—
- (a) the sale, supply, transfer of restricted goods to a person or destination in Iran, or
  - (b) the maintenance, manufacture or use of restricted goods by a person in Iran.
- (2) Paragraph (1) does not apply if the person is acting under the authority of a licence granted by the Governor under this Order.

### **Procurement of restricted goods from Iran**

- 7.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly procures, or attempt to procure, restricted goods from Iran.
- (2) Restricted goods which are procured, or attempted to be procured, in contravention of paragraph (1) may be forfeited, disposed of or transferred as appropriate.
- (3) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.

### **Use of ships, aircraft and vehicles for carriage of prohibited goods to Iran**

- 8.—(1) A person falling within paragraph (2) (“P”) commits an offence if P knowingly—
- (a) uses a relevant ship or aircraft for the carriage of prohibited goods, or
  - (b) uses any vehicle within the Territory for the carriage of prohibited goods,
- if the carriage is, or forms part of, carriage from any place outside Iran to any destination in Iran.
- (2) The following persons fall within this paragraph—
- (a) a person to whom this Order applies;
  - (b) in the case of a ship registered in the Territory, the owner or master of the ship;
  - (c) in the case of any other ship the person to whom the ship is for the time being chartered if the person is a person to whom this Order applies;
  - (d) in the case of an aircraft registered in the Territory, the operator or commander of the aircraft;
  - (e) in the case of any other aircraft the person to whom the aircraft is for the time being chartered if the person is a person to whom this Order applies; or
  - (f) in the case of a vehicle, the operator or driver of the vehicle.
- (3) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.
- (4) For the purposes of paragraph (1)(a), “a relevant ship or aircraft” means—
- (a) a ship or aircraft registered in the Territory, or
  - (b) any other ship or aircraft that is for the time being chartered to a person to whom this Order applies.
- (5) This article is without prejudice to any other provision of law prohibiting or restricting the use of ships, aircraft or vehicles.

### **Provision of services to ships and aircraft carrying prohibited goods**

- 9.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly provides a relevant service to—
- (a) a vessel owned or controlled (directly or indirectly) by an Iranian person, entity or body that P reasonably believes to be carrying prohibited goods, or
  - (b) a cargo aircraft owned or controlled (directly or indirectly) by an Iranian person, entity or body that P reasonably believes to be carrying prohibited goods.
- (2) For the purposes of paragraph (1), “relevant service” means—
- (a) any servicing of a vessel, including bunkering or ship supply services, or
  - (b) in the case of a cargo aircraft, engineering or maintenance services.
- (3) Paragraph (1) applies until any cargo being carried by the vessel or aircraft has been inspected and, if necessary, seized or disposed of.
- (4) Paragraph (1) does not apply if—
- (a) P is acting under the authority of a licence granted by the Governor under this Order, or
  - (b) the relevant service is necessary for humanitarian or safety purposes.

*Further export and import restrictions relating to listed goods etc.*

### **Offences related to goods and technology listed in Annex I or II**

- 10.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly —

- (a) sells, supplies, transfers or exports (directly or indirectly) goods or technology listed in Annex I or II to the Council Regulation to any Iranian person, entity or body or for use in Iran;
- (b) purchases, imports or transports from Iran (directly or indirectly) goods or technology listed in Annex I or II to the Council Regulation, whether or not the item concerned originated in Iran;
- (c) provides (directly or indirectly) technical assistance or brokering services related to goods or technology listed in Annex I or II to the Council Regulation, or related to the provision, manufacture, maintenance and use of goods listed in either of those Annexes, to any Iranian person, entity or body or for use in Iran; or
- (d) provides (directly or indirectly) financing or financial assistance related to goods or technology listed in Annex I or II to the Council Regulation (including in particular grants, loans and export credit insurance) for any sale, supply, transfer or export of such items, or for any provision of related technical assistance, to any Iranian person, entity or body or for use in Iran.

(2) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.

(3) A licence may be granted to authorise a transaction in relation to goods or technology referred to in paragraph (1)(a), or assistance or brokering services referred to in paragraph (1)(c) or (d), if—

- (a) the goods, technology, assistance or brokering services are for food, agricultural, medical or other humanitarian purposes, and
- (b) in those cases where the transaction concerns goods or technology contained in the Nuclear Suppliers Group or Missile Technology Control Regime lists, the Sanctions Committee established pursuant to paragraph 18 of the Security Council Resolution has determined in advance and on a case-by-case basis that the transaction would clearly not contribute to the development of technologies in support of Iran’s proliferation-sensitive nuclear activities, or to the development of nuclear weapon development delivery systems.

**Offences related to goods and technology listed in Annex III**

11.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly —

- (a) sells, supplies, transfers or exports (directly or indirectly) the goods or technology listed in Annex III to the Council Regulation to any Iranian person, entity or body or for use in Iran;
- (b) provides (directly or indirectly) technical assistance or brokering services related to the goods or technology listed in Annex III, or related to the provision, manufacture, maintenance and use of goods listed in that Annex, to any Iranian person, entity or body or for use in Iran; or
- (c) provides (directly or indirectly) financing or financial assistance related to the goods or technology listed Annex III (including in particular grants, loans and export credit insurance) for any sale, supply, transfer or export of such items, or for any provision of related technical assistance to any Iranian person, entity or body or for use in Iran.

(2) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.

(3) The Governor must not grant a licence for an activity mentioned in paragraph (1), and may annul, suspend, modify or revoke a licence that has already been so granted, if the Governor reasonably believes that the activity is or may be intended for use in connection with—

- (a) Iran’s enrichment-related, reprocessing or heavy water-related activities,
- (b) the development of nuclear weapon delivery systems by Iran, or



- (c) the pursuit by Iran of activities related to other topics about which the International Atomic Energy Agency has expressed concerns or has identified as outstanding.

**Offences related to key equipment or technology listed in Annex VI**

- 12.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly —
- (a) sells, supplies, transfers or exports (directly or indirectly) key equipment or technology listed in Annex VI to the Council Regulation to any Iranian person, entity or body or for use in Iran;
  - (b) provides (directly or indirectly) technical assistance or brokering services related to the key equipment and technology listed in Annex VI, or related to the provision, manufacture, maintenance and use of goods listed in that Annex, to any Iranian person, entity or body or for use in Iran;
  - (c) provides (directly or indirectly) financing or financial assistance related to key equipment or technology listed in Annex VI to any Iranian person, entity or body or for use in Iran.
- (2) Paragraph (1) does not apply to, and does not prohibit the execution of an obligation arising from—
- (a) a transaction required by a trade contract concluded before the date on which this Order comes into force, or an ancillary contract necessary for the execution of such a contract, that concerns key equipment or technology for—
    - (i) the exploration of crude oil and natural gas,
    - (ii) the production of crude oil and natural gas, or
    - (iii) the refining or liquefaction of natural gas; or
  - (b) a transaction required by a trade contract or agreement concluded before the date on which this Order comes into force and relating to an investment in Iran made before that date,

if the person, entity or body seeking to engage in, or provide assistance to, the transaction, has informed the Governor of the Territory in which it is established at least 20 working days in advance.

**Offences related to crude oil and petroleum products listed in Annex IV**

- 13.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly—
- (a) imports crude oil or petroleum products listed in Annex IV to the Council Regulation into the Territory if the products originated in Iran, or have been exported from Iran;
  - (b) purchases crude oil or petroleum products listed in Annex IV which are located in or which originated in Iran;
  - (c) transports crude oil or petroleum products listed in Annex IV if the products originated in Iran, or are being exported from Iran to any other country; or
  - (d) provides (directly or indirectly) financing or financial assistance (including financial derivatives, insurance and reinsurance) related to the import, purchase or transport of crude oil and petroleum products listed in Annex IV if the products originated in Iran, or have been imported from Iran.
- (2) Paragraph (1) does not apply to—
- (a) the execution of trade contracts concluded before the date on which this Order comes into force, or ancillary contracts necessary for the execution of such contracts;
  - (b) the execution of other contracts concluded before the date on which this Order comes into force, or ancillary contracts necessary for the execution of such contracts, where the contract specifically provides that the supply of Iranian crude oil and petroleum products, or the proceeds derived from their supply, are for the reimbursement of outstanding amounts to persons, entities or bodies under the jurisdiction of the Territory; or

- (c) the import, purchase and transport of crude oil or petroleum products which have been exported from Iran before the date on which this Order comes into force, or where the export was made pursuant to paragraph (a) or (b), on or before that date,

if the person, entity or body seeking to perform the contract concerned has informed the Governor of the Territory in which it is established at least 20 working days in advance.

(3) Paragraph (1)(d) does not apply to the provision (directly or indirectly) before the date on which this Order comes into force of third party liability insurance or environmental liability insurance and reinsurance.

#### **Offences related to petrochemical products listed in Annex V**

14.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly —

- (a) imports petrochemical products listed in Annex V to the Council Regulation into the Territory if the products originated in Iran, or have been exported from Iran;
- (b) purchases petrochemical products listed in Annex V which are located in or which originated in Iran;
- (c) transports petrochemical products listed in Annex V if the products originated in Iran, or are being exported from Iran to any other country; or
- (d) provides (directly or indirectly) financing or financial assistance (including financial derivatives, insurance and reinsurance) related to the import, purchase or transport of petrochemical products listed in Annex V if the products originated in Iran, or have been imported from Iran.

(2) Paragraph (1) does not apply to—

- (a) the execution of trade contracts concluded before the date on which this Order comes into force, or ancillary contracts necessary for the execution of such contracts;
- (b) the execution of other contracts concluded before the date on which this Order comes into force, or ancillary contracts necessary for the execution of such contracts, where the contract specifically provides that the supply of Iranian petrochemical products, or the proceeds derived from their supply, are for the reimbursement of outstanding amounts to persons, entities or bodies under the jurisdiction of the Territory; or
- (c) the import, purchase and transport of petrochemical products which have been exported from Iran before the date on which this Order comes into force or, where the export was made pursuant to paragraph (b), on or before that date,

if the person, entity or body seeking to perform the contract concerned has informed the Governor of the Territory in which it is established at least 20 working days in advance.

(3) Paragraph (1)(d) does not apply to the provision (directly or indirectly) before the date on which this Order comes into force of third party liability insurance or environmental liability insurance and reinsurance.

#### **Offences related to the movement of gold, precious metals or diamonds listed in Annex VII**

15.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly —

- (a) sells, supplies, transfers or exports (directly or indirectly) gold, precious metals or diamonds, as listed in Annex VII to the Council Regulation, to the Government of Iran;
- (b) purchases, imports or transports (directly or indirectly) gold, precious metals or diamonds as listed in Annex VII, whether the item concerned originated in Iran or not, from the Government of Iran;
- (c) provides (directly or indirectly) technical assistance or brokering services, financing or financial assistance, relating to gold, precious metals or diamonds as listed in Annex VII, to the Government of Iran.

(2) For the purposes of paragraph (1), “the Government of Iran” includes—

- (a) public bodies, corporations and agencies of the Government of Iran,

- (b) any person, entity or body acting on behalf or at the direction of the Government of Iran, and
- (c) any entity or body owned or controlled by the Government of Iran.

#### **Offences related to the movement of Iranian bank notes and coins**

16. A person to whom this Order applies (“P”) commits an offence if P knowingly sells, supplies, transfers or exports (directly or indirectly) newly printed or unissued Iranian denominated bank notes or minted coinage to, or for the benefit of, the Central Bank of Iran.

#### **Offences related to restrictions on financing of certain enterprises**

17.—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly —

- (a) grants any financial loan or credit to a relevant Iranian person, entity or body;
- (b) acquires or extends a participation in a relevant Iranian person, entity or body;
- (c) creates a joint venture with a relevant Iranian person, entity or body; or
- (d) establishes cooperation with an Iranian person, entity or body engaged in the transmission of natural gas.

(2) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.

(3) Paragraph (1)(b) and (c) do not apply to the granting of a financial loan or credit, or to the acquisition or extension of a participation, if the following conditions are met—

- (a) the transaction is required by an agreement or contract concluded before the date on which this Order comes into force, and
- (b) the Governor has been informed at least 20 working days in advance of the agreement or contract.

(4) A licence may be granted to authorise an investment through a transaction referred to in paragraph (1) if—

- (a) the investment is for food, agricultural, medical or other humanitarian purposes, and
- (b) in those cases where the investment is made in an Iranian person, entity or body engaged in the manufacture of goods or technology contained in the Nuclear Suppliers Group or Missile Technology Control Regime lists, the Sanctions Committee has determined in advance and on a case-by-case basis that the transaction would clearly not contribute to the development of technologies in support of Iran’s proliferation-sensitive nuclear activities, or to the development of nuclear weapon development delivery systems.

(5) The Governor must not grant a licence for an activity mentioned in paragraph (1), and may annul, suspend, modify or revoke a licence that has already been so granted, if the Governor reasonably believes that the activity is or may be intended for use in connection with—

- (a) Iran’s enrichment-related, reprocessing or heavy water-related activities,
- (b) the development of nuclear weapon delivery systems by Iran, or
- (c) the pursuit by Iran of activities related to other topics about which the International Atomic Energy Agency has expressed concerns or has identified as outstanding.

(6) For the purposes of paragraph (1)—

“cooperation” means—

- (a) the sharing of investment costs in an integrated or managed supply chain for the receipt or delivery of natural gas directly from or to the territory of Iran, and
- (b) direct cooperation for the purpose of investing in liquefied natural gas facilities within the territory of Iran or in liquefied natural gas facilities directly connected to such facilities;

“exploration of crude oil and natural gas” includes the exploration for, prospection of and management of crude oil and natural gas reserves, as well as the provision of geological services in relation to such reserves;

“petrochemical industry” means production plants for the manufacturing of items in Annex V to the Council Regulation;

“production of crude oil and natural gas” includes bulk gas transmission services for the purpose of transit or delivery to directly interconnected grids;

“refining” means the processing, conditioning or preparation for the ultimately final sale of fuels;

“relevant Iranian person, entity or body” means an Iranian person entity or body engaged —

- (a) in the manufacture of goods or technology listed in the Common Military List or in Annex I or II to the Council Regulation,
- (b) in the exploration or production of crude oil and natural gas, the refining of fuels or the liquefaction of natural gas, or
- (c) in the petrochemical industry.

### **Offences related to restrictions on investment in certain enterprises**

**18.**—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly makes an investment through transactions referred to in article 17(1)(a), (b) or (c) in an Iranian person, entity or body engaged in the manufacture of goods or technology listed in Annex III to the Council Regulation.

(2) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.

### **Offences related to restrictions on investment on Iranian uranium mining and nuclear industry**

**19.**—(1) A person to whom this Order applies (“P”) commits an offence if P knowingly accepts or approves, by concluding an agreement or by any other means—

- (a) the granting of any financial loan or credit,
- (b) the acquisition or extension of a participation, or
- (c) the creation of a joint venture,

by one or more Iranian persons, entities or bodies in an enterprise engaged in an activity falling within paragraph (2).

(2) The following activities fall within this paragraph—

- (a) uranium mining,
- (b) uranium enrichment and reprocessing of uranium, and
- (c) the manufacture of goods or technology included in the Nuclear Suppliers Group or Missile Technology Control Regime lists.

(3) Paragraph (1) does not apply if P is acting under the authority of a licence granted by the Governor under this Order.

### **Circumvention of prohibitions in articles 4 to 19**

**20.** A person to whom this Order applies (“P”) commits an offence if P knowingly participates in an activity, the object or effect of which is (directly or indirectly)—

- (a) to circumvent any of the prohibitions in articles 4 to 19, or
- (b) to enable or facilitate the contravention of any such prohibition.

**Customs powers to demand evidence of destination of prohibited goods**

**21.**—(1) The Governor may require any person who exports or ships prohibited goods that have been exported from the Territory to provide proof to the Governor’s satisfaction that the goods have reached a permitted destination.

(2) For the purposes of paragraph (1), “a permitted destination” means—

- (a) a destination to which the exportation of prohibited goods is not prohibited by this Order, or
- (b) a destination to which the exportation of prohibited goods is authorised by a licence granted under this Order.

(3) A person (“P”) commits an offence if P fails to comply with a requirement under paragraph (1), unless P proves that P did not consent to or connive at the goods reaching a destination other than a permitted destination.

**Declaration as to goods: powers of search**

**22.**—(1) An officer authorised by the Governor may require any person who is about to leave the Territory (“P”) to—

- (a) declare whether P is carrying prohibited goods destined for Iran or for delivery (directly or indirectly) to, or to the order of, any person in Iran, and
- (b) produce any such goods that P is carrying.

(2) P commits an offence if P—

- (a) fails without reasonable excuse to comply with a requirement under paragraph (1), or
- (b) knowingly or recklessly makes a declaration which is false in a material particular.

(3) An officer authorised by the Governor, or a person acting under the officer’s authority, may search P for the purpose of finding out whether P is carrying prohibited goods.

(4) A search under paragraph (3) must be carried out by a person of the same sex as P.

(5) P commits an offence if P fails without reasonable excuse to comply with a request to be searched under paragraph (3).

(6) An officer authorised by the Governor, or a person acting under the officer’s authority, must, if requested to do so, produce evidence of his or her authority before exercising any power conferred by this article.

**Investigation etc. of suspected ships**

**23.**—(1) Where an authorised officer reasonably suspects that a ship has been, is being, or is about to be used in the commission of an offence under article 8(1)—

- (a) the officer may (alone or assisted by persons under the officer’s authority) board the ship and search it and, for that purpose, may use or authorise the use of reasonable force;
- (b) the officer may request the owner or master of the ship to provide such information relating to the ship and its cargo and produce for inspection such documents and cargo as the officer may specify; and
- (c) the officer must seize any prohibited goods on the ship, and may take further action in accordance with paragraph (2).

(2) The further action referred to in paragraph (1)(c) is—

- (a) to direct the master of the ship to refrain from landing any part of the ship’s cargo specified under paragraph (1)(b) at any port specified by the officer, except with the officer’s consent, or
- (b) to request the master of the ship to take any of the following steps—

- (i) to stop the ship from proceeding with the voyage on which it is engaged, or about to engage, until notified by an authorised officer that the ship may so proceed;
  - (ii) if the ship is in port in the Territory, to cause it to remain there until notified by an authorised officer that the ship may depart;
  - (iii) if the ship is in any other place, to take it to a port specified by the officer and keep it there until notified by an authorised officer that the ship may depart;
  - (iv) to take the ship to any other destination specified by the officer in agreement with the master.
- (3) An authorised officer may take such steps as appear necessary to secure compliance with a request under paragraph (2)(b) where—
- (a) the master fails to comply with the request, or
  - (b) the officer reasonably suspects that the request may not be complied with.
- (4) Those steps may include in particular—
- (a) entering, or authorising entry upon, the ship, and
  - (b) using, or authorising the use of, reasonable force.
- (5) A master or owner of a ship (“P”) commits an offence if P—
- (a) fails to comply with a direction under paragraph (2)(a),
  - (b) fails without reasonable excuse to comply with a request under paragraph (1)(b) or (2),
  - (c) knowingly or recklessly provides information or a document which is false in a material particular in response to a request under paragraph (1)(b), or
  - (d) wilfully obstructs an authorised officer, or a person acting under the officer’s authority, in the exercise of any power conferred by this article.
- (6) An authorised officer, or a person acting under the officer’s authority, must, if requested to do so, produce evidence of his or her authority before exercising any power conferred by this article.
- (7) In this article “authorised officer” means—
- (a) a commissioned naval or military officer;
  - (b) a British consular officer;
  - (c) a police or customs officer; or
  - (d) a person authorised by the Governor for the purpose of this article, whether generally or in a particular case.

#### **Investigation etc. of suspected aircraft**

- 24.—**(1) Where an authorised person reasonably suspects that an aircraft has been, is being, or is about to be used in the commission of an offence under article 8(1)—
- (a) the person may (alone or assisted by persons under the authorised person’s authority) board the aircraft and search it and, for that purpose, may use or authorise the use of reasonable force;
  - (b) the person may request the charterer, operator or commander of the aircraft to provide such information relating to the aircraft and its cargo and produce for inspection such documents and cargo as the person may specify; and
  - (c) if the aircraft is in the Territory, the person may request the charterer, operator or commander to keep the aircraft and any of its cargo in the Territory until notified that the aircraft and its cargo may depart.
- (2) An authorised person may take such steps as appear necessary to secure compliance with a request under paragraph (1)(c) where—
- (a) the charterer, operator or commander fails to comply with the request, or
  - (b) the person reasonably suspects that the request may not be complied with.

- (3) Those steps may include in particular—
- (a) entering, or authorising entry upon, the aircraft or any land;
  - (b) detaining, or authorising the detention of, the aircraft and any of its cargo;
  - (c) seizing any prohibited goods; and
  - (d) using, or authorising the use of, reasonable force.
- (4) A charterer, operator or commander of an aircraft (“P”) commits an offence if P—
- (a) fails without reasonable excuse to comply with a request under paragraph (1),
  - (b) knowingly or recklessly provides information or a document which is false in a material particular in response to a request under paragraph (1)(b), or
  - (c) wilfully obstructs an authorised person, or a person acting under that person’s authority, in the exercise of any power conferred by this article.
- (5) An authorised person, or a person acting under that person’s authority, must, if requested to do so, produce evidence of his or her authority before exercising any power conferred by this article.
- (6) In this article, “authorised person” means a person authorised by the Governor for the purpose of this article either generally or in a particular case.

**Investigation, etc. of suspected vehicles**

- 25.**—(1) Where an authorised person reasonably suspects that a vehicle in the Territory has been, is being, or is about to be used in the commission of an offence under article 8(1)—
- (a) the person may (alone or assisted by persons under the authorised person’s authority) enter the vehicle and search it and, for that purpose, may use or authorise the use of reasonable force;
  - (b) the person may request the operator or driver of the vehicle to provide such information relating to the vehicle and any goods in the vehicle and produce for inspection such documents and goods as the person may specify; and
  - (c) the person may request the operator or driver to keep the aircraft and any goods in the vehicle in the Territory until notified that the vehicle may depart.
- (2) An authorised person may take such steps as appear necessary to secure compliance with a request under paragraph (1)(c) where—
- (a) the operator or driver fails to comply with the request, or
  - (b) the person reasonably suspects that the request may not be complied with.
- (3) Those steps may include in particular—
- (a) entering, or authorising entry of, the vehicle or upon any land;
  - (b) detaining, or authorising the detention of, the vehicle and any goods in the vehicle;
  - (c) seizing any prohibited goods; and
  - (d) using, or authorising the use of, reasonable force.
- (4) An operator or driver of a vehicle (“P”) commits an offence if P—
- (a) fails without reasonable excuse to comply with a request under paragraph (1),
  - (b) knowingly or recklessly provides information or a document which is false in a material particular in response to a request under paragraph (1)(b), or
  - (c) wilfully obstructs an authorised person, or a person acting under that person’s authority, in the exercise of any power conferred by this article.
- (5) An authorised person, or a person acting under that person’s authority, must, if requested to do so, produce evidence of his or her authority before exercising any power conferred by this article.

(6) In this article, “authorised person” means a person authorised by the Governor for the purpose of this article either generally or in a particular case.

### **Provisions supplementary to articles 23 to 25**

**26.—**(1) A person (“P”) to whom this Order applies commits an offence if P discloses information given or a document produced by a person in accordance with a request made under article 23, 24 or 25 except—

- (a) to any person who would have been authorised to request the information or document under article 23, 24 or 25, or to any person holding or acting in any office under or in the service of—
  - (i) the Crown in right of the Government of the United Kingdom,
  - (ii) the Government of the Isle of Man,
  - (iii) the States of Guernsey or Alderney or the Chief Pleas of Sark,
  - (iv) the States of Jersey, or
  - (v) the Government of any British overseas territory;
- (b) for the purpose of giving assistance pursuant to any resolution of the Security Council of the United Nations relating to Iran, and with the authority of the Governor, to—
  - (i) any organ of the United Nations, or
  - (ii) any person in the service of the United Nations, the Council of the European Union, the European Commission or the government of any country;
- (c) with a view to instituting, or otherwise for the purposes of, any proceedings—
  - (i) in the Territory, for an offence under this Order or, with respect to any of the matters regulated by this Order, for an offence relating to customs; or
  - (ii) in the United Kingdom, any of the Channel Islands, the Isle of Man or any British overseas territory, for an offence under a similar provision in any such jurisdiction;
- (d) to the Financial Services Authority of the United Kingdom, or to the relevant authority with responsibility in any other country or territory for the regulation and supervision of financial services business;
- (e) with the consent of a person, who in the person’s own right, is entitled to the information, or to possession of the document, to any third party.

(2) In paragraph (1)(e) “in the person’s own right” means not merely in the capacity as a servant or agent of another person.

(3) Any power conferred by article 23, 24 or 25 to request for inspection information, a document, cargo or goods includes a power to specify the form in which the information or document should be given, and the period within which the information, document, goods or cargo should be produced for inspection.

(4) This article and articles 23 to 25 are without prejudice to any other provision of law conferring powers, imposing restrictions or enabling restrictions to be imposed in respect of ships, aircraft or vehicles.

### *Freezing funds and making funds available*

#### **Freezing funds and economic resources**

**27.—**(1) A person to whom this Order applies (“P”), including the designated person, commits an offence if P deals with funds or economic resources belonging to, or owned, held or controlled by, a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

- (2) In this article, “deals with” means—
  - (a) in relation to funds—



- (i) use, alter, move, allow access to or transfer;
  - (ii) deal with the funds in any other way that would result in a change in volume, amount, location, ownership, possession, character or destination; or
  - (iii) make any other change that would enable use, including portfolio management; and
- (b) in relation to economic resources, use to obtain funds, goods or services in any way, including by selling, hiring or mortgaging the resources.
- (3) Paragraph (1) is subject to article 43 (licences).

#### **Making funds available to a designated person**

**28.**—(1) A person to whom this Order applies (“P”) commits an offence if P makes funds available, directly or indirectly, to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

- (2) Paragraph (1) is subject to articles 34 (credits to a frozen account) and 43 (licences).

#### **Making funds available for the benefit of a designated person**

**29.**—(1) A person to whom this Order applies (“P”) commits an offence if P makes funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

- (2) For the purposes of paragraph (1)—

- (a) funds are made available for the benefit of a designated person only if that person obtains, or is able to obtain, a significant financial benefit from the funds, and
- (b) “financial benefit” includes the discharge of a financial obligation for which the designated person is wholly or partly responsible.

- (3) Paragraph (1) is subject to articles 34 (credits to a frozen account) and 43 (licences).

#### **Making economic resources available to a designated person**

**30.**—(1) A person to whom this Order applies (“P”) commits an offence if P makes economic resources available, directly or indirectly, to a designated person if P knows, or has reasonable cause to suspect—

- (a) that P is making the economic resources so available, and
- (b) that the designated person would be likely to exchange the economic resources, or use them in exchange, for funds, goods or services.

- (2) Paragraph (1) is subject to article 43 (licences).

#### **Making economic resources available for the benefit of a designated person**

**31.**—(1) A person to whom this Order applies (“P”) commits an offence if P makes economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

- (2) For the purposes of paragraph (1)—

- (a) economic resources are made available for the benefit of a designated person only if that person obtains, or is able to obtain, a significant financial benefit from the economic resources, and
- (b) “financial benefit” includes the discharge of a financial obligation for which the designated person is wholly or partly responsible.

- (3) Paragraph (1) is subject to article 43 (licences).

## **Transfers of funds**

**32.—**(1) A person to whom this Order applies (“P”) commits an offence if P knowingly transfers funds above EUR 10 000 or equivalent to or from an Iranian person, entity or body without informing the Governor in advance in writing.

(2) A person (“P”) commits an offence if P knowingly transfers funds of or above EUR 40 000 or equivalent to or from an Iranian person, entity or body without a licence granted by the Governor under this article, but this is subject to paragraph (3).

(3) The following transfers of funds may be carried out without a licence—

- (a) transfers due on transactions regarding foodstuffs, healthcare, medical equipment, or for humanitarian purposes, or
- (b) any other transfer below EUR 40 000 or equivalent.

(4) Paragraphs (1) to (3) apply regardless of whether the transfer of funds is executed in a single operation or in several operations which appear to be linked, and for the purposes of this paragraph “operations which appear to be linked” includes—

- (a) a series of consecutive transfers from or to the same Iranian person, entity or body which are made in connection with a single obligation to a transfer of funds, where each individual transfer falls below the threshold set out in paragraphs (1) to (3) but which, in aggregate, meet the criteria for notification or authorisation, or
- (b) a chain of transfers involving different payment service providers or natural or legal persons which effects a single obligation to make a transfer of funds.

(5) A licence must be granted by the Governor under this article to authorise a transfer of funds of or above EUR 40 000 or equivalent unless the Governor has reasonable grounds to determine that the transfer of funds could be in breach of any of the prohibitions or obligations in this Order.

(6) A licence is to be deemed to have been granted by the Governor under this article if—

- (a) the Governor has received a request in writing for a licence under this article and,
- (b) within four weeks of receiving the request, the Governor has not objected in writing to the transfer of funds for which the licence is requested.

## **Notifications and authorisations of transfers of funds**

**33.—**(1) A branch or subsidiary, incorporated or constituted in the Territory, of a credit or financial institution domiciled in Iran must notify the Governor within five working days after carrying out or receiving any transfer of funds of—

- (a) the transfer of funds carried out or received by it,
- (b) the names of the parties, and
- (c) the amount transferred and the date of the transaction.

(2) If the information is available, the notification must also specify—

- (a) the nature of the transaction,
- (b) the nature of the goods covered by the transaction, in particular whether the goods are included in Annex I, II, III, IV, V, VI or VII to the Council Regulation, and
- (c) if the export of the goods is subject to authorisation, the number of the licence granted by the Governor.

(3) A person to whom this Order applies who fails to comply with paragraph (1) or (2) commits an offence.

(4) Notifications and requests for authorisation relating to the transfer of funds must be processed in accordance with paragraph (5) or (6).

(5) In the case of electronic transfers of funds processed by credit or financial institutions, notifications and requests for authorisation relating to the transfer of funds are to be processed as follows—

- (a) notifications and requests for authorisation relating to the transfer of funds to an Iranian person, entity or body which is located outside the Territory are to be addressed by or on behalf of the payment service provider of the payer to the Governor of the Territory where the initial order to execute the transfer was given;
  - (b) notifications and requests for authorisation relating to the transfer of funds from an Iranian person, entity or body which is located outside the Territory are to be addressed by or on behalf of the payment service provider of the payee to the Governor of the Territory in which the payee is resident or the payment service provider is established;
  - (c) notifications and requests for authorisation relating to the transfer of funds to an Iranian person, entity or body which is located within the Territory are to be addressed by or on behalf of the payment service provider of the payee to the Governor of the Territory in which the payee is resident or the payment service provider is established;
  - (d) notifications and requests for authorisation relating to the transfer of funds from an Iranian person, entity or body which is located within the Territory are to be addressed by or on behalf of the payment service provider of the payer to the Governor of the Territory where the initial order to execute the transfer was given;
  - (e) where there is more than one payment service provider involved in a series of linked transfers of funds, transfers within the Territory must include a reference to the authorisation granted by the Governor.
- (6) In the case of transfers of funds which are effected by non-electronic means, notifications and requests for authorisation relating to the transfer of funds are to be processed as follows—
- (a) notifications and requests for authorisation relating to the transfer of funds to an Iranian person, entity or body which is located outside the Territory are to be addressed by the payer to the Governor of the Territory where the payer is resident;
  - (b) notifications and requests for authorisation relating to the transfer of funds from an Iranian person, entity or body are to be addressed by the payee to the Governor of the Territory where the payee is resident.

#### **Credits to a frozen account**

**34.**—(1) Articles 28 and 29 are not contravened— by a person who credits a frozen account with—

- (a) interest or other earnings due on the account, or
- (b) payments due under contracts, agreements or obligations that were concluded or arose before the account became a frozen account.

(2) Articles 28 and 29 do not prevent a relevant institution from crediting a frozen account where it receives funds transferred to the account.

#### **Circumvention of prohibitions in articles 27 to 31**

**35.** A person (“P”) commits an offence if P intentionally participates in activities knowing that the object or effect of them is (directly or indirectly)—

- (a) to circumvent any of the prohibitions in articles 27 to 31, or
- (b) to enable or facilitate the contravention of any such prohibition.

#### **Enhanced vigilance**

**36.**—(1) This article applies to credit and financial institutions in their activities with—

- (a) any bureaux de change, credit or financial institution domiciled in Iran,
- (b) any branch or subsidiary, wherever located, of a bureaux de change, credit or financial institution domiciled in Iran, or

- (c) any bureaux de change, credit or financial institution that is not domiciled in Iran, but is controlled by a person or entity domiciled in Iran.
- (2) For the purpose of preventing infringements of this Order, credit and financial institutions must—
- (a) exercise continuous vigilance over account activity, particularly through their programmes on customer due diligence;
  - (b) require that in payment instructions all information fields which relate to the originator and beneficiary of the transaction in question be completed and, if that information is not supplied, refuse the transaction;
  - (c) maintain all records of transactions for a period of five years and make them available to the Governor on request; and
  - (d) if they have reasonable grounds to suspect that activities with credit and financial institutions may be in breach of the provisions of this Order, report without delay their suspicions to the Governor.
- (3) A person who fails to comply with paragraph (2) commits an offence.

*Restrictions on financial services*

**Supply of financial messaging services to a designated person**

37. A person (“P”) commits an offence if P supplies specialised financial messaging services which are used to exchange financial data to a designated person if P knows, or has reasonable cause to suspect, that P is supplying such a service to a designated person.

**Sale or purchase of Iranian bonds**

38.—(1) A person (“P”) commits an offence if P sells or purchases (directly or indirectly) Iranian public or public-guaranteed bonds issued after the date on which this Order comes into force to or from a person, entity or body falling within paragraph (4) if P knows or has reasonable cause to suspect that the sale or purchase is to or from such a person, entity or body.

(2) A person (“P”) commits an offence if P provides brokering services with respect to Iranian public or public-guaranteed bonds issued after the date on which this Order comes into force to a person, entity or body falling within paragraph (4) if P knows or has reasonable cause to suspect that the services are being provided to such a person, entity or body.

(3) A person (“P”) commits an offence if P assists a person, entity or body falling within paragraph (4) to issue Iranian public or public-guaranteed bonds, by providing—

- (a) brokering services,
- (b) advertising, or
- (c) any other service with respect to such bonds,

if P knows or has reasonable cause to suspect that P is assisting such a person, entity or body.

(4) The following persons, entities and bodies fall within this paragraph—

- (a) the State of Iran or its Government,
- (b) public bodies, corporations and agencies of the Government of Iran,
- (c) any bureaux de change, credit or financial institution domiciled in Iran,
- (d) any branch or subsidiary, wherever located, of a bureaux de change, credit or financial institution domiciled in Iran,
- (e) any bureaux de change, credit or financial institution that is not domiciled in Iran, but is controlled by a person or entity domiciled in Iran,
- (f) a person, entity or body acting on behalf of or at the direction of a legal person, entity or body falling within sub-paragraph (a), (b), (c), (d) or (e),

- (g) a legal person, entity or body owned or controlled by a person, entity or body falling within sub-paragraph (a), (b), (c), (d), (e) or (f).

### **Credit and financial institutions: accounts and correspondent banking relationships**

**39.**—(1) A credit or financial institution (“P”) commits an offence if P—

- (a) opens a new bank account,
- (b) establishes a new correspondent banking relationship, or
- (c) establishes a new joint venture,

with a person, entity or body falling within article 38(4) if P knows or has reasonable cause to suspect that the account, relationship or venture is with such a person, entity or body.

(2) P commits an offence if P—

- (a) opens a new representative office in Iran, or
- (b) establishes a new branch or subsidiary in Iran.

(3) P commits an offence if P authorises the opening of a representative office or the establishment of a branch or subsidiary in the Territory of a credit or financial institution domiciled in Iran or of any credit or financial institution falling within article 38(4).

(4) P commits an offence if P grants an authorisation for taking up and pursuing the business of a credit institution, or for any other business requiring prior authorisation, by a representative office, branch or subsidiary of a credit or financial institution domiciled in Iran or of any credit or financial institution falling within article 38(4) if the representative office, branch or subsidiary was not in operation before the date on which this Order comes into force.

### **Agreements**

**40.** A person (“P”) commits an offence if P concludes an agreement for, or on behalf of, a person, entity or body falling within article 38(4) which relates to the opening of a representative office or the establishment of a branch or subsidiary in the Territory if P knows or has reasonable cause to suspect that the agreement is for, or on behalf of, such a person.

### **Acquisition or extension of ownership interest**

**41.** A credit or financial institution (“P”) commits an offence if P allows a person, entity or body falling within article 38(4) to acquire or extend a participation, or acquire any other ownership interest in P.

### **Insurance and reinsurance**

**42.**—(1) A person (“P”) commits an offence if P provides insurance or reinsurance, or brokers the provision of insurance or reinsurance, to—

- (a) the State of Iran or its Government, or its public bodies, corporations or agencies,
- (b) an Iranian person, entity or body other than a natural person, or
- (c) a natural person or a legal person, entity or body acting on behalf of or at the direction of a legal person, entity or body referred to in sub-paragraph (a) or (b),

if P knows or has reasonable cause to suspect that the insurance or reinsurance is being provided to such a person, entity or body.

(2) Paragraph (1) applies to the extension or renewal of an insurance or reinsurance agreement concluded before the date on which this Order comes into force (except where there is a prior contractual obligation on the part of the insurer or reinsurer to accept an extension or renewal of a policy), but, subject to articles 28 to 31, does not apply to compliance with an insurance or reinsurance agreement concluded before that date.

(3) Paragraph (1) does not apply to the provision or brokering of compulsory or third party liability insurance or reinsurance to Iranian persons, entities or bodies based in the Territory, or to the provision of insurance for Iranian diplomatic or consular missions in the Territory.

(4) Paragraph (1)(c) does not apply to the provision of—

- (a) insurance or the brokering of insurance, including health and travel insurance, to individuals acting in their private capacity, except for persons listed in Annexes VIII and IX of the Council Regulation, or
- (b) reinsurance relating to insurance falling within sub-paragraph (a).

(5) Paragraph (1)(c) does not prevent the provision of insurance or reinsurance or the brokering of insurance to the owner of a vessel, aircraft or vehicle which is chartered by a person, entity or body referred to in paragraph (1)(a) or (b), provided that the person, entity or body to which it is chartered is not a designated person.

(6) For the purposes of paragraph (1)(c), a person, entity or body does not act at the direction of a person, entity or body referred to in paragraph (1)(a) or (b) where the direction is for the purposes of docking, loading, unloading or safe transit of a vessel or aircraft temporarily in Iranian waters or airspace.

### *Licences*

#### **Licences granted under articles 27 to 31**

**43.**—(1) A person (“P”) is not guilty of an offence under articles 27 to 31 in respect of anything done by P under the authority of a licence granted by the Governor under paragraph (2).

(2) A licence granted under this paragraph may relate to—

- (a) payment of basic expenses of designated persons and their dependent family members, including payments for foodstuffs, rent or mortgage, medicines, medical treatment, taxes, insurance premiums and public utility charges;
- (b) payment of reasonable professional fees and expenses associated with the provision of legal services;
- (c) payment of fees or service charges for the routine holding or maintenance of frozen funds or economic resources;
- (d) payment of necessary extraordinary expenses as determined by the Governor and approved by the Committee established pursuant to paragraph 18 of the Security Council Resolution;
- (e) satisfaction of a judicial, administrative or arbitral lien or judgment entered into prior to the date on which this Order comes into force and not for the benefit of a designated person;
- (f) funds necessary for activities directly related to the items specified in subparagraph 3(b)(i) and (ii) of the Security Council Resolution;
- (g) funds or economic resources determined by the Governor to be necessary for official purposes of diplomatic or consular missions or international organisations enjoying immunities in accordance with international law;
- (h) payment by a designated person of sums due under a contract entered into prior to the date on which the person or entity was so designated, provided that—
  - (i) the contract is not related to restricted goods or to assistance related to restricted goods, other than restricted goods or related assistance which are or is the subject of a licence granted by the Governor under this Order, and
  - (ii) the payment is not directly or indirectly received by a designated person; or
- (i) the making available of funds or economic resources held by the Central Bank of Iran, or the making available of funds or economic resources to the Central Bank of Iran, determined by the Governor to be necessary for or in connection with—

- (i) providing credit or financial institutions with liquidity for the financing of trade or the servicing of trade loans, or
- (ii) a specific trade contract, the execution of which may involve the Central Bank of Iran, provided that the payment will not contribute to an activity prohibited under this Order.

### **Licences: general**

**44.**—(1) Any licence granted by the Governor under this Order must specify the acts authorised by it and may be—

- (a) general or granted to a category of persons or to a particular person;
- (b) subject to conditions; and
- (c) of indefinite duration or subject to an expiry date.

(2) The Governor may vary or revoke a licence at any time.

(3) On the grant, variation or revocation of a licence, the Governor must—

- (a) in the case of a licence granted to a particular person, give written notice of the grant, variation or revocation to that person, and
- (b) in the case of a general licence or a licence granted to a category of persons, take such steps as the Governor considers appropriate to publicise the grant, variation or revocation of the licence.

(4) A person who, for the purpose of obtaining a licence, knowingly or recklessly makes any statement or gives any document or information which is false in a material particular commits an offence.

(5) A licence granted in connection with the application for which the false statement was made or the false document or information given is void from the time it was granted.

(6) A person (“P”) commits an offence if, having acted under the authority of a licence, P fails to comply with any conditions in the licence.

(7) P is not guilty of an offence under paragraph (6) if—

- (a) the licence was modified after the completion of the act authorised by the licence, and
- (b) the alleged failure to comply with a condition in the licence would not have been a failure if the licence had not been so modified.

### **Notices**

**45.**—(1) This article has effect in relation to any notice to be given to a person by the Governor under article 44(3)(a).

(2) The notice may be given—

- (a) by posting it to the person’s last known address, or
- (b) where the person is a body corporate, partnership or unincorporated body other than a partnership, by posting it to the registered or principal office in the Territory of the body or partnership.

(3) Where the Governor does not have an address in the Territory for the person, the Governor must make arrangements for the notice to be given to the person at the first available opportunity.

### *General*

### **Restrictions on claims etc**

**46.**—(1) A claim in connection with a contract or transaction, the performance of which has been affected (directly or indirectly) in whole or in part by this Order, must not be satisfied if it is made by—

- (a) a designated person, entity or body listed in Annex VIII or IX of the Council Regulation,
- (b) any other Iranian person, entity or body, including the Government of Iran, or
- (c) any person, entity or body acting through or on behalf of one of the persons, entities or bodies referred to in sub-paragraph (a) or (b).

(2) For the purpose of paragraph (1), the performance of a contract or transaction is to be regarded as having been affected by this Order where the existence or content of the claim results (directly or indirectly) from any provision of this Order.

(3) In any proceedings for the enforcement of a claim, it is for the person seeking enforcement to prove that satisfaction of the claim is not prohibited by paragraph (1).

(4) This article is without prejudice to the right of any person, entity or body referred to in paragraph (1) to judicial review of the legality of the non-performance of contractual obligations in accordance with this Order.

### **Evidence and information**

47. Schedule 5 (which contains further provisions about obtaining evidence and information) has effect.

### **Penalties**

48.—(1) A person guilty of an offence under article 4, 5, 6, 7, 8, 9, 10(1)(a), 11(1)(a), 12(1)(a), 15(1)(a), 16 or 20 is liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding seven years or to a fine or to both; or
- (b) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding £5,000 or its equivalent or to both.

(2) A person guilty of an offence under article 10(1)(b) to (d), 11(1)(b) or (c), 12(1)(b) or (c), 13, 14, 15(1)(b) or (c), 17, 18, 19, 23(5)(c), 24(4)(b), 25(4)(b), 27 to 33, 35, 37 to 42 or paragraph 4(b) or (d) of Schedule 5 is liable—

- (a) on conviction on indictment to imprisonment for a term not exceeding two years or to a fine or to both; or
- (b) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding £5,000 or its equivalent or to both.

(3) A person guilty of an offence under article 22(2)(b), 44 or paragraph 2(4) of Schedule 5 is liable—

- (a) on conviction on indictment to imprisonment for a term not exceeding two years or to a fine or to both; or
- (b) on summary conviction to a fine not exceeding £5,000 or its equivalent or to both.

(4) A person guilty of an offence under article 23(5)(a), (b) or (c), 24(4)(a) or (c), 25(4)(a) or (c), 26, 36 or paragraph 4(a) or (c) of Schedule 5 is liable on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding £5,000 or its equivalent or to both.

(5) A person guilty of an offence under article 21, 22(2)(a) or 22(5) is liable on summary conviction to a fine not exceeding £5,000 or its equivalent.

(6) If an offence under this Order committed by a body corporate is shown—

- (a) to have been committed with the consent or connivance of an officer of the body corporate, or
- (b) to be attributable to any neglect on the part of an officer of the body corporate,

the officer as well as the body corporate is guilty of an offence and is liable to be proceeded against and punished accordingly.

(7) This article applies to—



- (a) the Sovereign Base Areas of Akrotiri and Dhekelia as set out in Schedule 2,
- (b) the Falkland Islands and South Georgia and the South Sandwich Islands subject to the modification set out in Schedule 3, and
- (c) St Helena, Ascension and Tristan da Cunha as set out in Schedule 4.

### **Proceedings**

**49.**—(1) Proceedings against any person for an offence may be taken before the appropriate court in the Territory having jurisdiction in the place where that person is for the time being.

(2) Summary proceedings for an offence alleged to have been committed outside the Territory, may be instituted at any time not later than 12 months from the date on which the person charged first enters the Territory after committing the offence.

(3) No proceedings for an offence may be instituted in the Territory except by or with the consent of the principal public officer of the Territory having responsibility for criminal prosecutions.

(4) Irrespective of whether such consent has been obtained, paragraph (3) does not prevent—

- (a) the arrest, or the issue or execution of a warrant for the arrest, of any person in respect of such an offence, or
- (b) the remand in custody or on bail of any person charged with such an offence.

(5) In this article “offence” means an offence under this Order.

(6) This article applies to the Sovereign Base Areas of Akrotiri and Dhekelia as set out in Schedule 2.

### **Functions of the Governor**

**50.**—(1) The Governor may, to such extent and subject to such restrictions and conditions as the Governor thinks proper, delegate or authorise the delegation of any of the Governor’s powers under this Order to any person, or class or description of persons.

(2) References in this Order to the Governor are to be construed accordingly.

(3) The Governor may by regulations specify in the currency of the Territory the amount which is to be taken as equivalent to sums expressed in sterling and sums expressed in Euros in this Order.

### **Miscellaneous**

**51.**—(1) Any provision of this Order which makes it an offence to act except under the authority of a licence granted by the Governor does not have effect if—

- (a) the act is done anywhere other than the Territory, and
- (b) the act is done under the authority of a licence granted in accordance with the law in force in the place where it is done corresponding to the provisions of this Order.

### **Liability**

**52.** No liability will arise for any person concerned in the freezing of funds or economic resources in accordance with article 27 unless it is proved that the funds or economic resources were frozen or withheld as a result of negligence.

### **Revocations**

**53.** The following Orders are revoked—

- (a) The Iran (United Nations Measures) (Overseas Territories) Order 2007, and
- (b) the Iran (United Nations Measures) (Overseas Territories) (Amendment) Order 2007.

## Savings

54. A licence which was granted by the Governor under the Iran (United Nations Measures) (Overseas Territories) Order 2007 and was in effect immediately before the coming into force of this Order has effect as if it were an authorisation granted under this Order.

*Richard Tilbrook*  
Clerk of the Privy Council

## SCHEDULE 1

Article 1(2)

### Territories to which this Order extends

Anguilla

British Antarctic Territory

British Indian Ocean Territory

Cayman Islands

Falkland Islands

Montserrat

Pitcairn, Henderson, Ducie and Oeno Islands

St Helena, Ascension and Tristan da Cunha

South Georgia and the South Sandwich Islands

The Sovereign Base Areas of Akrotiri and Dhekelia in the Island of Cyprus

Turks and Caicos Islands

Virgin Islands

## SCHEDULE 2

Article 48

### Application of Articles 48 and 49 to the Sovereign Base Areas of Akrotiri and Dhekelia in the Island of Cyprus

1. Any person guilty of an offence under article 4, 5, 6, 7, 8, 9, 10(1)(a), 11(1)(a), 12(1)(a), 15(1)(a), 16 or 20 is liable on conviction to imprisonment for a term not exceeding seven years, or to a fine, or to both.

2. Any person guilty of an offence under article 10(1)(b) to (d), 11(1)(b) or (c), 12(1)(b) or (c), 13, 14, 15(1)(b) or (c), 17, 18, 19, 22(2)(b), 23(5)(c), 24(4)(b), 25(4)(b), 27 to 33, 35, 37, 42, 44 or paragraph 2(4), 4(b) or (d) of Schedule 5 is liable on conviction to imprisonment for a term not exceeding two years, or to a fine, or to both.

3. Any person guilty of an offence under article 23(5)(a) or (b), 23(5)(d), 24(4)(a) or (c), 25(4)(a) or (c), 26, 36 or paragraph 4(a) or (c) of Schedule 5 is liable on conviction to imprisonment for a term not exceeding three months, or to a fine not exceeding £5000 or its equivalent, or to both.

4. Any person guilty of an offence under article 21, 22(2)(a) or 22(5) is liable on conviction to a fine not exceeding £5000 or its equivalent.

5. Where a body corporate is guilty of an offence under this Order, and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of an officer of the body corporate, the officer, as well as the body corporate, is guilty of that offence and is liable to be proceeded against and punished accordingly.

6. Proceedings against any person for an offence under this Order may be taken before the appropriate court in the Territory having jurisdiction in the place where that person is for the time being.

7. No proceedings for an offence under this Order are to be instituted in the Territory except by or with the consent of the Attorney General and Legal Adviser.

8. Irrespective of whether consent under paragraph 7 has been obtained, paragraph 7 does not prevent—

- (a) the arrest, or the issue or execution of a warrant for the arrest, of any person in respect of such an offence; or
- (b) the remand in custody or on bail of any person charged with such an offence.

### SCHEDULE 3

Article 48

#### Application of Article 48 to the Falkland Islands and to South Georgia and the South Sandwich Islands

When the Magistrate's Court is sentencing a person following a summary conviction for an offence under this Order, as an alternative to the penalties applicable under article 48 to the relevant offence upon summary conviction, any penalties which would be applicable under article 48 upon conviction on indictment for that offence are available to the Magistrate's Court.

### SCHEDULE 4

Article 48

#### Application of Article 48 to St Helena, Ascension and Tristan da Cunha

1. A person guilty of an offence under article 4, 5, 6, 7, 8, 9, 10(1)(a), 11(1)(a), 12(1)(a), 15(1)(a), 16 or 20 is liable on conviction to imprisonment for a term not exceeding seven years or to a fine or to both.

2. A person guilty of an offence under article 10(1)(b) to (d), 11(1)(b) or (c), 12(1)(b) or (c), 13, 14, 15(1)(b) or (c), 17, 18, 19, 22(2)(b), 23(5)(c), 24(4)(b), 25(4)(b), 27 to 33, 35, 37, 42, 44 or paragraph 2(4), 4(b) or (d) of Schedule 5 is liable on conviction to imprisonment for a term not exceeding two years or to a fine or to both.

3. A person guilty of an offence under article 23(5)(a) or (b), 23(5)(d), 24(4)(a) or (c), 25(4)(a) or (c), 26, 36 or paragraph 4(a) or (c) of Schedule 5 shall be liable on conviction to imprisonment for a term not exceeding three months or to a fine not exceeding £5,000 or to both.

4. A person guilty of an offence under article 21, 22(2)(a) or 22(5) shall be liable on conviction to a fine not exceeding £5,000.

5. If an offence under this Order committed by a body corporate is shown—

- (a) to have been committed with the consent or connivance of an officer of the body corporate, or
- (b) to be attributable to any neglect on the part of an officer of the body corporate,

the officer as well as the body corporate is guilty of the offence and is liable to be proceeded against and punished accordingly.

## SCHEDULE 5

Article 47

### Evidence and Information

1. The Governor must take such steps as the Governor considers appropriate to cooperate with any international investigation relating to the funds, economic resources or financial transactions of—

- (a) a designated person;
- (b) a person owned or controlled by a designated person; or
- (c) a person acting on behalf of or at the direction of a designated person.

2.—(1) A relevant institution must inform the Governor as soon as practicable if it knows or suspects that a relevant person—

- (a) is a designated person;
- (b) is a person owned or controlled by a designated person;
- (c) is a person acting on behalf of or at the direction of a designated person; or
- (d) has committed an offence under article 27 to 29, 31 or 32, 35 or 44.

(2) Where a relevant institution informs the Governor under paragraph (1), it must state—

- (a) the information or other matter on which the knowledge or suspicion is based;
- (b) any information it holds about the relevant person by which the person can be identified; and
- (c) the nature and amount or quantity of any funds or economic resources held by the relevant institution for the relevant person since this Order came into force.

(3) A relevant institution must inform the Governor without delay if it credits a frozen account in accordance with article 34(1)(b) or (2).

(4) A relevant institution that fails to comply with any requirement of paragraph (1), (2) or (3) commits an offence.

(5) In this paragraph, “relevant person” means—

- (a) a customer of the institution;
- (b) a person who has been a customer of the institution since this Order came into force; or
- (c) a person with whom the institution has had dealings in the course of its business since then.

3.—(1) The Governor may request any person in or resident in the Territory to provide any information or to produce any document in the person’s possession or control which the Governor may require for the purpose of—

- (a) securing compliance with or detecting evasion of this Order;
- (b) obtaining evidence of the commission of an offence under this Order;
- (c) establishing the nature and amount or quantity of any funds or economic resources owned, held or controlled by a designated person; or
- (d) establishing the nature of any financial transactions entered into by any such person.

(2) This includes power to—

- (a) take copies of or extracts from any document so produced;
- (b) request any person producing a document to give an explanation of it; and

(c) where that person is a body corporate, request any person who is a present or past officer of, or employee of, the body corporate to give such an explanation.

(3) Any person to whom a request is made must comply with it within such time and in such manner as may be specified in the request.

(4) Nothing in this paragraph is to be taken to require any person who has acted as counsel or solicitor for any person to disclose any privileged information or document in the person's possession in that capacity.

4. A person commits an offence who—

- (a) without reasonable excuse, refuses or fails within the time and in the manner specified (or, if no time has been specified, within a reasonable time) to comply with any request made under this Schedule;
- (b) knowingly or recklessly gives any information, or produces any document, which is false in a material particular in response to such a request;
- (c) with intent to evade the provisions of this Schedule, destroys, mutilates, defaces, conceals or removes any document; or
- (d) otherwise intentionally obstructs the Governor in the exercise of the Governor's powers under this Schedule.

5. Where a person is convicted of an offence under paragraph 4(a), the court may make an order requiring the person, within such period as may be specified in the Order, to give the requested information or to produce the requested document.

6.—(1) The Governor may only disclose any information given or document produced under this Schedule (including any copy or extract made of any such document)—

- (a) to any person holding or acting in any office under or in the service of—
  - (i) the Crown in right of the Government of the United Kingdom;
  - (ii) the Government of the Isle of Man;
  - (iii) the States of Guernsey or Alderney or the Chief Pleas of Sark;
  - (iv) the States of Jersey; or
  - (v) the Government of any British overseas territory;
- (b) for the purpose of giving assistance or cooperation, pursuant to the Security Council Resolution, to—
  - (i) any organ of the United Nations;
  - (ii) any person in the service of the United Nations, the Council of the European Union, the European Commission or the Government of any country;
- (c) with a view to instituting, or otherwise for the purposes of, any proceedings—
  - (i) in the Territory, for an offence under this Order, or
  - (ii) in the United Kingdom, any of the Channel Islands, the Isle of Man or any British overseas territory, for an offence under a similar provision in any such jurisdiction;
- (d) to the Financial Services Authority of the United Kingdom or to the relevant authority with responsibility in any other country or territory for regulating and supervising financial services business; or
- (e) to any third party, with the consent of a person who, in the person's own right, is entitled to the information or to possession of the document, copy or extract.

(2) In sub-paragraph (1)(e) "in the person's own right" means not merely in the person's capacity as a servant or agent of another person.

7. An action done under this Schedule is not to be treated as a breach of any restriction imposed by statute or otherwise.

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order gives effect in specified Overseas Territories to the measures adopted by the European Union in Council Decision 2010/413/CFSP, as amended by Council Decision 2012/35/CFSP, and implemented by Council Regulation (EU) No. 267/2012 (the Regulation), which incorporated the provisions of United Nations Security Council Resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010), and applied additional restrictive measures in relation to Iran's nuclear proliferation and missile technology programmes.

The main provisions of the Council Decision and Regulation are: a prohibition on the supply of arms to, or purchase of arms from, Iran; a prohibition on the sale or supply of goods and technology which could contribute to Iran's proliferation activities; a prohibition on providing assistance or financing in relation to prohibited goods; a prohibition on the importation or transportation of oil from Iran; a prohibition on the importation or transportation of petrochemical products from Iran; a prohibition on financing any Iranian person or entity engaged in certain nuclear-related activities; a prohibition on supplying equipment to any Iranian person or for use in Iran for the exploration and production of oil or gas, or for use in the petrochemical industry in Iran; a prohibition on the sale or purchase of gold, precious metals or diamonds to or from Iran; a prohibition on the supply of newly printed banknotes and coins to Iran; restrictions on financial transactions to or from Iranian persons or entities; a prohibition on the purchase of Iranian bonds.

This Order revokes the Iran (United Nations Measures) (Overseas Territories) Order 2007 and the Iran (United Nations Measures) (Overseas Territories) (Amendment) Order 2007.

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