
STATUTORY INSTRUMENTS

2015 No. 213

OVERSEAS TERRITORIES

**The Russia, Crimea and Sevastopol (Sanctions)
(Overseas Territories) (Amendment) Order 2015**

<i>Made</i>	- - - -	<i>11th February 2015</i>
<i>Laid before Parliament</i>		<i>18th February 2015</i>
<i>Coming into force</i>	- -	<i>11th March 2015</i>

Her Majesty, in exercise of the powers conferred on Her by section 112 of the Saint Helena Act 1833⁽¹⁾, the British Settlements Acts 1887 and 1945⁽²⁾, 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, interpretation and extent

1.—(1) This Order may be cited as the Russia, Crimea and Sevastopol (Sanctions) (Overseas Territories) (Amendment) Order 2015 and comes into force on 11th March 2015.

(2) In this Order, “the principal Order” means the Russia, Crimea and Sevastopol (Sanctions) (Overseas Territories) Order 2014⁽³⁾.

(3) This Order extends to the territories listed in Schedule 1 to the principal Order.

Amendments to the principal Order

2. The principal Order is amended as follows.

3. In article 3(1) at the appropriate place insert—

““entity in Crimea or Sevastopol” means any entity having its registered office, central administration or principal place of business in Crimea or Sevastopol, its subsidiaries or affiliates under its control in Crimea or Sevastopol, or branches and other entities operating in Crimea or Sevastopol;

“exploration and production projects” means—

- (a) oil exploration and production in waters deeper than 150 metres;
- (b) oil exploration and production in the offshore area north of the Arctic Circle; or

(1) 1833 c.85.

(2) 1887 c.54 and 1945 c.7.

(3) S.I. 2014/2710 as amended by S.I. 2014/2919.

- (c) projects that have the potential to produce oil from resources located in shale formations by way of hydraulic fracturing, excluding the exploration and production through shale formations to locate or extract from non-shale reservoirs;
“in Russia” includes, for the purposes of articles 8, 8A, 9 or 13, its Exclusive Economic Zone and Continental Shelf;”.

4. For article 5 substitute—

“Investment in Crimea or Sevastopol

- 5.—(1) It is an offence for a person to knowingly—
 - (a) acquire any new or extend any existing participation in ownership of real estate located in Crimea or Sevastopol;
 - (b) acquire any new or extend any existing participation in ownership or control of an entity in Crimea or Sevastopol, including the acquisition in full of such entity or the acquisition of shares and other securities of a participating nature in such entity;
 - (c) grant or be part of any arrangement to grant any loan or credit or otherwise provide financing, including equity capital, to an entity in Crimea or Sevastopol, or for the documented purpose of financing such entity;
 - (d) create any joint venture in Crimea or Sevastopol or with an entity in Crimea or Sevastopol;
 - (e) provide investment services directly related to the activities referred to in subparagraphs (a) to (d).
- (2) Nothing in paragraph (1) prevents —
 - (a) the conduct of legitimate business with entities outside Crimea or Sevastopol where the related investments are not destined for entities in Crimea or Sevastopol; or
 - (b) the execution of an obligation arising from a contract concluded before 11th March 2015, or ancillary contracts necessary for the execution of such a contract, provided that the Governor has been informed at least five working days in advance.
- (3) This article is subject to articles 13 and 14.”.

5. In article 6—

- (a) for “equipment” in the heading and paragraphs (1) to (3) substitute “goods”;
- (b) for “Annex III” in paragraphs (1) to (3) substitute “Annex II”;
- (c) for paragraph (4) substitute—
 - “(4) Nothing in paragraph (1) prevents the execution until 21st June 2015 of an obligation arising from a contract concluded before 11th March 2015, or ancillary contracts necessary for the execution of such a contract, provided that the Governor has been informed at least five working days in advance.
 - (5) This article is subject to articles 13 and 14.”.

6. After article 6 insert—

“Prohibition of assistance and services related to infrastructure in Crimea or Sevastopol

6A.—(1) It is an offence for a person to knowingly provide (directly or indirectly) technical assistance, brokering, construction or engineering services directly relating to infrastructure in Crimea and Sevastopol in the following sectors—

- (a) transport;
- (b) telecommunications;
- (c) energy; or
- (d) prospecting for, exploration and production of oil, gas and mineral resources.

(2) Nothing in paragraph (1) prevents the execution until 21st June 2015 of an obligation arising from a contract concluded before 11th March 2015, or ancillary contracts necessary for the execution of such a contract.

Prohibition on services related to tourism activities in Crimea or Sevastopol

6B.—(1) It is an offence for a person to knowingly provide services directly related to tourism activities in Crimea or Sevastopol, including by arranging for or facilitating any cruise ship to enter into or call at any port listed in Annex III to the Crimea and Sevastopol Regulation.

(2) Nothing in paragraph (1) prevents —

- (a) the arrangement or facilitation of a ship entering or calling at one of the ports listed in Annex III to the Crimea and Sevastopol Regulation for reasons of maritime safety in cases of emergency. In such cases, the Governor shall be informed within five working days;
- (b) the execution of an obligation arising from a contract concluded before 11th March 2015, or ancillary contracts necessary for the execution of such a contract, provided that the Governor has been informed at least five working days in advance.

(3) For the purposes of this article “cruise ship” means a ship providing cruise services which is registered in the Territory or is owned by or under the operational control of a person falling within article 2(1)(a) or (b).”.

7. In article 7, for paragraph (3) substitute —

“(3) Nothing in paragraph 1(c) prevents —

- (a) the execution of contracts concluded before 11th March 2015, or ancillary contracts necessary for the execution of such contracts;
- (b) any sale, supply, transfer or export of dual-use goods and technology intended for the aeronautics and space industry for non-military use and for a non-military end-user.

(4) This article is subject to articles 13 and 14.”.

8. In article 8(1)—

- (a) for “technologies” substitute “items”;
- (b) for sub-paragraph (b) substitute—

“(b) “(b) to any person in any other State or territory, if such items are for use in Russia.”.

9. For article 8A, substitute—

“8A.—(1) It is an offence for a person to knowingly provide (directly or indirectly) assistance relating to the sale, supply, transfer, export, of any of the items listed in Annex II to the Russia Sanctions Regulation to any person in Russia or to any person in any other State or territory, if such assistance concerns items for use in Russia.

(2) It is an offence for a person to knowingly provide (directly or indirectly) assistance relating to the maintenance, use or manufacture of any of the items listed in Annex II to the Russia Sanctions Regulation to a person in Russia or to a person elsewhere, if such assistance concerns items for use in Russia.

(3) This article is subject to articles 13 and 14.”.

10. In article 9(1)—

(a) delete from “services necessary” to “Russia” and substitute “associated services necessary for exploration and production projects in Russia”;

(b) after paragraph (3) insert—

“(4) Where a service provider carries out an activity falling within paragraph (1) in accordance with paragraphs (2) or (3), the service provider shall notify the Governor within five working days of the start of that activity.”.

11. For article 11, substitute—

“11.—(1) It is an offence for a person to knowingly provide (directly or indirectly) assistance relating to the sale, supply, transfer, export of restricted goods or dual-use goods and technology to any person in Russia or for use in Russia.

(2) It is an offence for a person to knowingly provide (directly or indirectly) assistance relating to the maintenance, use or manufacture of restricted goods or dual-use goods or technology to a person in Russia or for use in Russia.

(3) Nothing in paragraphs (1) or (2) prevents any provision of assistance related to dual-use goods and technology unless the goods or technology are intended for military use or for delivery to a military end-user or for a person listed in Annex IV to the Russia Sanctions Regulation.

(4) Where the assistance related to dual-use goods is for a person listed in Annex IV to the Russia Sanctions Regulation, nothing in paragraphs (1) to (3) prevents—

(a) the execution of contracts concluded before 11th March 2015, or ancillary contracts necessary for the execution of such contracts;

(b) assistance related to dual-use goods and technology intended for the aeronautics and space industry for non-military use and for a non-military end-user, as well as for maintenance and safety of existing civil nuclear capabilities within the Territory.

(5) This article is subject to articles 13 and 14.”.

12. In Article 12—

(a) in paragraph (3) for “16th October 2014”, substitute “11th March 2015”;

(b) for paragraph (4), substitute—

“(4) Paragraph (3) does not apply to—

(a) loans or credit that have a specific and documented objective to provide financing for non-prohibited imports or exports of goods and non-financial services between the Territory and a third State, including expenditure on goods and services from another third State necessary for executing the export or import contracts;

- (b) loans that have a specific documented objective to provide emergency funding to meet solvency and liquidity criteria for legal persons established in the Territory, which are owned by more than 50% by any person listed in Annex III to the Russia Sanctions Regulation; or
- (c) drawdown or disbursements made under a contract concluded before 11th March 2015, provided that such drawdown or disbursements meet the all following terms and conditions—
 - (i) were agreed before 11th March 2015;
 - (ii) have not been modified on or after that date; and
 - (iii) before 11th March 2015 a contractual maturity date has been fixed for the repayment in full of all funds made available and for the cancellation of all the commitments, rights and obligations under the contract.

(5) For the purposes of paragraph (4)(c) the terms and conditions of drawdowns and disbursements include provisions concerning the length of the repayment period for each drawdown or disbursement, the interest rate applied or the interest rate calculation method, and the maximum amount.”.

13. In article 13(3)—

- (a) in sub-paragraph (a)—
 - (i) after “6(1) and (3),” insert “7(1)(a) or (b),”;
 - (ii) for “11” substitute “11(1) or (2)”;
 - (iii) for “agreement” substitute “an ancillary contract necessary for the execution of such a contract”;
- (b) for sub-paragraphs (b) and (c) substitute—
 - “(b) “(b) the activities set out in articles 8 or 8A provided the Governor has no reasonable grounds to believe that the sale supply, transfer or export of the items listed in Annex II to the Russia Sanctions Regulation, or the assistance relating to the sale, supply, transfer, export, maintenance, use or manufacture of any of such items, is for exploration and production projects in Russia;
 - (c) the activities set out in articles 5, 6, 8 or 8A, where the sale, supply, transfer or export of the items listed in Annex II to the Russia Sanctions Regulation or Annex II to the Crimea and Sevastopol Regulation, or the assistance relating to the sale, supply, transfer, export, maintenance, use or manufacture of any of such items, is necessary for the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment;
 - (d) the activities set out in articles 5 or 6, provided that they are—
 - (i) necessary for official purposes of consular missions or international organisations enjoying immunities in accordance with international law located in Crimea or Sevastopol;
 - (ii) related to projects exclusively in support of hospitals, or other public health institutions providing medical services or civilian education establishments located in Crimea or Sevastopol; or
 - (iii) appliances or equipment for medical use;
 - (e) the activities set out in article 5 provided that the transaction is for the purpose of maintenance in order to ensure safety of existing infrastructure.”.

14. In article 20(1) after “6,” insert “6A, 6B,”.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

15. In paragraph 1(2) of Schedule 2, after “6,” insert “6A, 6B,”.

Richard Tilbrook
Clerk of the Privy Council

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Russia, Crimea and Sevastopol (Sanctions) (Overseas Territories) Order 2014 (S.I. 2014/2710 as amended by S.I. 2014/2919) (the “Principal Order”).

This Order gives effect in specified Overseas Territories to provisions specified in Council Decision 2014/872/CFSP of 4 December 2014, which amends certain restrictive measures imposed on Russia by Council Decision 2014/512/CFSP of 23 June 2014, as amended by EU Council Decision 2014/659/CFSP of 8 September 2014.

The measures against Russia which have been amended relate to the sale, supply, etc. of items listed in Annex II to Council Regulation (EU) No 833/2014 and related technical assistance, financial assistance and brokering services and to the provision of associated services for certain types of oil exploration and production projects. These changes are given effect through amendments to the prohibitions specified in articles 7, 8, 8A, 9 and 11 of the Principal Order as well as the licensing provisions in article 13 of that Order.

In addition, this Order gives effect in specified Overseas Territories to further sanctions imposed on Crimea and Sevastopol by Council Decision 2014/933/CFSP of 18 December 2014, which amends Council Decision 2014/386/CFSP of 23 June 2014.

The new restrictive measures in relation to Crimea and Sevastopol include: a ban on all foreign investments and related investment services in Crimea or Sevastopol; a broadening of the former export and associated technical and financial assistance prohibitions, to cover goods and technology suited for use in the sectors of transport, telecommunications, energy, or the prospecting for, exploration and production of oil, gas and mineral resources; a ban on the provision of technical assistance, brokering, construction or engineering services relating to infrastructure in Crimea or Sevastopol in those sectors; and a ban on the provision of services directly related to tourism activities in Crimea or Sevastopol.

This Order gives effect to the additional sanctions on Crimea and Sevastopol by amending articles 5 and 6 and inserting new articles 6A and 6B to the Principal Order, as well as by making further provision for the Governor to license these activities in line with the exemptions under the Crimea and Sevastopol regime.