Draft Order laid before Parliament under section 55(5) of the Sanctions and Anti-Money Laundering Act 2018, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2022 No.

SANCTIONS

The Sanctions (Damages Cap) Regulations 2022

Made - - - -	***
Coming into force - -	***

The Secretary of State(**a**) makes the following Regulations in exercise of the powers conferred by sections 39(2A) and 54(1)(a) of the Sanctions and Anti-Money Laundering Act 2018(**b**).

A draft of these Regulations has been laid before, and approved by a resolution of, each House of Parliament in accordance with section 55(5) of the Sanctions and Anti-Money Laundering Act 2018(**c**).

Citation and commencement

1. These Regulations may be cited as the Sanctions (Damages Cap) Regulations 2022 and come into force on the day after the day on which they are made.

Damages cap

2.—(1) The amount specified for the purposes of section 39(2A) (court reviews: cap on damages) of the Sanctions and Anti-Money Laundering Act 2018 is £10,000.

(2) Paragraph (1) does not apply where the court considers that it is necessary to disapply that paragraph because failure to do so would be a breach of the appropriate person's(**d**) Convention rights (within the meaning of the Human Rights Act 1998(**e**)).

Signed by the authority of the Secretary of State

Name
Secretary of State for Foreign, Commonwealth and Development Affairs
Date Foreign, Commonwealth and Development Office

(**a**) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an "appropriate Minister" as including the Secretary of State.
(**b**) 2018 c. 13. Section 39(2A) was inserted by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), section 64(1)(b).
(**c**) Section 55(5)(aa) was inserted by the Economic Crime (Transparency and Enforcement) Act 2022, section 64(2).
(**d**) "Appropriate person" is defined in section 38(3) of the Sanctions and Anti-Money Laundering Act 2018.
(**e**) 1998 c. 42.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 39 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) ("the Sanctions Act") makes provision in respect of the availability of damages in particular sanctions-related court proceedings. Section 39(2A) allows for a cap to be set on the amount of damages available where a court is satisfied that the decision concerned in such proceedings was made in bad faith. These Regulations specify that cap as £10,000. The cap does not apply where the court considers that it is necessary to disapply it so as not to breach the person's Convention rights (within the meaning of the Human Rights Act 1998).

Section 64(3) of the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10) (which amended the Sanctions Act to insert the power to specify a cap on the amount of damages) provides that those amendments apply in relation to proceedings to which section 39(2) of the Sanctions Act applies that are commenced on or after 4 March 2022.

No impact assessment has been prepared for these Regulations. An impact assessment was, however, produced for the primary legislation which provided for the cap and can be found at https://bills.parliament.uk/publications/45581/documents/1585.

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