EXPLANATORY MPORANDUM TO

THE IRAN (RESTRICTIVE MEASURES) (OVERSEAS TERRITORIES) ORDER 2012

2012 No. 1756

1. This Explanatory Memorandum has been prepared by the Foreign and Commonwealth Office and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

This instrument, The Iran (Restrictive Measures) (Overseas Territories) Order 2012 ("the Order"), implements in certain Overseas Territories restrictive measures adopted by the United Nations and the European Union to address Iran's nuclear proliferation and ballistic missile programmes. The Order is based on United Nations Security Council resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010), EU Council Decision 2010/413/CFSP, as amended by Council Decision 2012/35/CFSP, and EU Council Regulation 267/2012. The Order revokes the Iran (United Nations Measures) (Overseas Territories) Order 2007 and the Iran (United Nations Measures) (Overseas Territories) (Amendment) Order 2007.

3. Matters of special interest to the Joint Committee on Statutory Instruments

The Order is being laid before Parliament and brought into force immediately after making because of the need to rectify a gap in the implementation of Iran sanctions in the Overseas Territories and to give effect to new sanctions measures adopted by the European Union on 23rd March 2012. The Order will be made at the Privy Council meeting on 10th July 2012 and laid before Parliament on 11th July 2012. The Order will come into force the day after it is laid.

4. Legislative Context

4.1 This Order is made in exercise of statutory powers under the United Nations Act 1946, the Saint Helena Act 1833, the British Settlement Acts 1887 and 1945 and the legislative power of the Royal Prerogative.

4.2 The statutory and prerogative powers to legislate for the Overseas Territories are applicable to the Overseas Territories as follows:

(i) The United Nations Act 1946 applies to all Overseas Territories;
(ii) The Saint Helena Act 1833 applies to St Helena;
(iii) The British Settlement Acts 1887 and 1945 are applicable to Ascension and Tristan da Cunha, British Antarctic Territory, the Falkland Islands, Pitcairn (including Henderson, Ducie and Oeno Islands), and South Georgia and the South Sandwich Islands);
(iv) The prerogative legislative power is applicable to Anguilla, British Indian Ocean Territory, Cayman Islands, Montserrat, the Sovereign Base Areas of Akrotiri and Dhekelia, Turks and Caicos Islands, and the Virgin Islands.

4.3 This Order applies in the specified Overseas Territories restrictive measures equivalent to those adopted by the United Nations and the European Union.

4.4 Those restrictive measures comprise 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.

5. Territorial Extent and Application

This Order applies to the following territories: Anguilla, British Antarctic Territory, British Indian Ocean Territory, Cayman Islands, the Falkland Islands, Montserrat, Pitcairn (including 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, the Turks and Caicos Islands and the Virgin Islands. Bermuda legislates independently to impose restrictive measures. The restrictive measures are given effect in Gibraltar by the Council Regulation which is directly applicable in Gibraltar.

6. European Convention on Human Rights

This Order is made under statutory powers and under the Royal Prerogative and although laid is not subject to any Parliamentary procedure. As the instrument is not subject to Parliamentary procedure and does not amend primary legislation, no statement is required.

7. Policy background

The UK fully supports the UN and EU restrictive measures against Iran. This Order replaces the existing implementing measures, and implements in the Overseas Territories additional prohibitions and restrictions adopted by the United Nations and the European Union against the Government of Iran, and certain persons, entities or bodies engaged in activities supporting the nuclear proliferation and ballistic missile programmes.

8. Consultation

The Overseas Territories were consulted about the Order.

9. Guidance

Guidance may be sought from the contact below.

10. Impact

A Regulatory Impact Assessment has not been prepared for this instrument.

11. Regulating small business

The Order applies to small business, as it does to all persons and businesses in the Overseas Territories.

12. Monitoring & review

12.1 The restrictive measures adopted by the United Nations Security Council and the Council of the European Union are monitored and reviewed by both bodies.

12.2 If the Security Council and/or the Council of the European Union decide to modify, suspend or lift these measures, this Order will be reviewed and amended or revoked as necessary.

13. Contact

Gerry Regan at the Foreign and Commonwealth Office can answer any queries regarding the instrument: Tel: 020 7008 6207 or E-mail: gerry.regan@fco.gov.uk.