EXPLANATORY MEMORANDUM TO

THE IRAN (UNITED NATIONS SANCTIONS) (AMENDMENT) ORDER 2016

2016 No. 378

1. Introduction

1.1 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

2.1 This Order amends prohibitions on the carriage of certain goods to and from Iran set out in the Iran (United Nations Sanctions) Order 2009 (S.I. 2009/886) ("the principal Order"). It reflects changes in the sanctions regime against Iran as provided for in United Nations Security Council resolution 2231 of 20 July 2015 ("resolution 2231"). It also updates and makes other minor amendments to the principal Order.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is not subject to any Parliamentary procedure, consideration as to whether there are other matters of interest to the House of Commons does not arise.

4. Legislative Context

4.1 The current United Nations sanctions regime against Iran is set out in resolution 2231. The sanctions are given effect in the European Union by Council Decision 2010/413/CFSP of 26 July 2010 (as amended most recently by Council Decision (CFSP) 2015/1863 of 18 October 2015) and Council Regulation (EU) No. 267/2012 (as amended most recently by Council Regulation (EU) 2015/1862 and Council Implementing Regulation (EU) 2015/1861 both of 18 October 2015) ("the Council Regulation").

4.2 The principal Order provides for the enforcement in the United Kingdom of certain aspects of the trade restrictions against Iran and contains prohibitions on the use of certain vessels, aircraft and vehicles to carry specified goods to and from Iran.

5. Extent and Territorial Application

5.1 The extent of the instrument is the whole of the United Kingdom.

5.2 The territorial application of the instrument is the whole of the United Kingdom.

6. European Convention on Human Rights

6.1 As this Order is not subject to Parliamentary procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

7.1 On 14 July 2015, China, France, Germany, the Russian Federation, the United Kingdom and the United States, supported by the High Representative of the Union for Foreign Affairs and Security Policy, agreed a Joint Comprehensive Plan of Action ("JCPOA") with Iran. The JCPOA provided for staged sanctions relief in exchange for Iran verifiably limiting its nuclear programme. On 20 July 2015, the United Nations Security Council adopted resolution 2231 endorsing the JCPOA and making provision for changes to United Nations sanctions against Iran.

7.2 The first stage of sanctions relief includes the termination of the provisions of previous United Nations Security Council resolutions which imposed sanctions related to Iran's nuclear activity, and the imposition of certain restrictions as set out in resolution 2231. These changes took effect on 16 January 2016.

7.3 The amendments made by this Order reflect the revised package of sanctions. In particular, the Order:

a) substitutes new restrictions on the use of ships, aircraft and vehicles to carry certain goods to and from Iran in articles 4 and 4A of the principal Order; and

b) omits restrictions in relation to the provision of ship supply services contained in article 5A of the principal Order.

7.4 The Order also updates and makes other minor amendments to the principal Order. The prohibition on the procurement of certain goods from Iran contained in article 3 of the principal Order is omitted as provision in respect of this activity is made in export control legislation.

Consolidation

7.5 The Foreign and Commonwealth Office will keep the need for consolidation of the principal Order under review

8. Consultation outcome

8.1 There was no public consultation in the United Kingdom.

9. Guidance

9.1 No guidance will be issued.

10. Impact

10.1 There is minimal impact on business, charities or voluntary bodies. The impact is that business must apply for authorisation for the activities referred to in paragraph 7.3(a) above, consistent with relevant provisions in resolution 2231.

10.2 There is no impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation applies to activities that are undertaken by small businesses.

12. Monitoring & review

12.1 United Nations sanctions are monitored and reviewed by the United Nations Security Council. This Order will be reviewed and amended as appropriate following any further modifications to the sanctions regime by the United Nations.

13. Contact

13.1 Louise Moreland at the Foreign and Commonwealth Office can answer any queries regarding the instrument. Telephone: 020 7008 3124. Email: louise.moreland@fco.gov.uk