EXPLANATORY MEMORANDUM TO

THE REPUBLIC OF MALDIVES (ASSET-FREEZING) (REVOCATION) REGULATIONS 2020

2020 No. 221

1. Introduction

1.1 This explanatory memorandum has been prepared by HM Treasury and is laid before Parliament by Command of Her Majesty

2. Purpose of the instrument

2.1 This instrument revokes the Republic of Maldives (Asset-Freezing) Regulations 2018 (S.I. 2018/861), which implemented the domestic enforcement regime for the sanctions regime adopted on 16th July 2018 under EU Council Regulation 2018/1001 (OJ L 180, 17.7.2018, p.1). This Regulation contained restrictive measures adopted at the EU in view of the situation in the Republic of Maldives in 2018. On 17th June 2019, the Council adopted decision (CFSP) 2019/993, lifting the restrictive measures in place. Council Regulation (EU) No. 2019/985 (OJ L 160, 18.6.2019, p.1) repealed Council Regulation (EU) 2018/1001, meaning that the UK implementing Regulations may now be revoked.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

4.1 The extent of this instrument is the whole of the United Kingdom.

4.2 The territorial application of this instrument is the whole of the United Kingdom, and outside the United Kingdom to any UK national or any body incorporated in the United Kingdom.

5. European Convention on Human Rights

5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement of compatibility is required.

6. Legislative Context

6.1 This instrument is being made in order to repeal the Republic of Maldives (Asset-Freezing) Regulations 2018 (S.I. 2018/861), as the EU Council revoked the Maldives sanctions regime in June 2019 and so the UK enforcement framework is redundant.

7. Policy background

What is being done and why?

7.1 This instrument is being made to revoke the Republic of Maldives (Asset-Freezing) Regulations 2018 (S.I. 2018/861). That instrument was made in order to implement the EU Council Regulations 2018/1001 (OJ L 180, 17.7.2018, p.1) containing new restrictive measures, which were adopted following a deterioration of the political situation in the Republic of Maldives in 2018.

7.2 The Republic of Maldives (Asset-Freezing) Regulations 2018 (S.I. 2018/861) was laid by HM Treasury in August 2018 in order to provide the framework to enforce domestic penalties against any breaches of this new EU sanctions regime. However, no persons or entities have ever been listed under this regime.

7.3 On 17th June 2019 the EU Council decided to repeal the Maldives sanctions regime, due to the improved political situation in the Republic of Maldives. For this reason, the instrument providing the domestic enforcement framework for this regime can be revoked, as it is now redundant.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

9.1 Not applicable.

10. Consultation outcome

10.1 No consultation has been carried out in relation to this instrument, as it repeals the SI which enabled the enforcement of financial sanctions, which have subsequently been repealed by the EU Council.

11. Guidance

11.1 Guidance on asset freezing and other financial sanctions measures is available on HM Treasury's website (https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets).

11.2 The Office of Financial Sanctions Implementation, within HM Treasury, operates a free subscription email service alerting subscribers to changes to the asset freezing regime, and to other financial sanctions measures. A dedicated telephone line and email address are available for the financial sector and any other persons to submit queries on the asset freezing and financial sanctions regimes.

12. Impact

12.1 The impact on business, charities or voluntary bodies is negligible, as the instrument it repeals did not impost substantive requirements itself.

12.2 The impact on the public sector is also negligible.

12.3 An Impact Assessment has not been prepared for this instrument as any impact results from the Council Regulation rather than this instrument, which only relates to enforcement powers.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 It is not appropriate to make provision for periodic review as contemplated in sections 28-32 of the Small Business Enterprise and Employment Act 2015 because this instrument does not regulate business.

15. Contact

15.1 Please contact SanctionsLegislation@hmtreasury.gov.uk for any queries regarding the instrument.

15.2 Giles Thomson, Deputy Director for Sanctions and Illicit Finance at HM Treasury can confirm that this Explanatory Memorandum meets the required standard.

15.3 Economic Secretary to HM Treasury, John Glen MP, can confirm that this Explanatory Memorandum meets the required standard.