EXPLANATORY MEMORANDUM TO

THE SANCTIONS (EU EXIT) (MISCELLANEOUS AMENDMENTS) REGULATIONS 2025

2025 No. 394

1. Introduction

1.1 This explanatory memorandum has been prepared by the Foreign, Commonwealth and Development Office (FCDO) and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Stephen Doughty MP, Minister of State at the Foreign, Commonwealth and Development Office, can confirm that this Explanatory Memorandum meets the required standard.

2.2 Abigail Culank, Deputy Director for Sanctions at the Foreign, Commonwealth and Development Office, can confirm that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 The Sanctions Directorate at the Foreign, Commonwealth and Development Office, 0207 008 8553 or email: fcdo.correspondence@fcdo.gov.uk, can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The measures contained within this instrument will improve the clarity and consistency of sanctions regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018 ("the Sanctions Act"). The Sanctions (EU Exit) (Miscellaneous Amendments) Regulations 2025 ("the Regulations") clarify, on the face of relevant sanctions regulations, amendments to designation procedures that were introduced by the Economic Crime (Transparency and Enforcement) Act 2022 ("the 2022 Act"). The Regulations also clarify the division of enforcement responsibilities between His Majesty's Revenue and Customs (HMRC) and the Department for Business and Trade (DBT) regarding certain existing trade measures under the Syria and Venezuela sanctions regulations. The Regulations also amend the Republic of Belarus sanctions regulations to correct an error in S.I. 2022/748 and ensure the Secretary of State with the power to designate is referenced consistently across the UK's sanctions regulations.

4.2 The Regulations are made under the Sanctions Act to make amendments to:

a) the Venezuela (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/135)

b) the Democratic People's Republic of Korea (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/411)

c) the Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/433)

d) the South Sudan (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/438)

e) the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019 (S.I. 2019/461)

f) the Republic of Guinea-Bissau (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/554)

g) the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/573)

h) the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577)

i) the Republic of Belarus (Sanctions (EU Exit) Regulations 2019 (S.I. 2019/600)

j) the Zimbabwe (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/604)

k) the Chemical Weapons (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/618)

l) the Syria (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/792)

m) the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855)

n) the Guinea (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/1145)

o) the Cyber (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/597)

p) the Bosnia and Herzegovina (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/608),

q) the Nicaragua (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/610)

r) the Central African Republic (Sanctions) (EU Exit) Regulations (S.I. 2020/616)

s) the Somalia (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/642)

t) the Global Human Rights Sanctions Regulations 2020 (S.I. 2020/680)

u) the Mali (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/705)

v) the Sudan (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/753)

w) the Yemen (Sanctions) (EU Exit) (No. 2) Regulations 2020 (S.I. 2020/1278)

x) the Unauthorised Drilling Activities in the Eastern Mediterranean (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/1474)

y) the Libya (Sanctions) (EU Exit) Regulations 2020 (S.I. 2020/1665)

z) the Global Anti-Corruption Sanctions Regulations 2021 (S.I. 2021/488), and

aa) the Myanmar (Sanctions) Regulations 2021 (S.I. 2021/496)

(together "**the Amended Regulations**").

Where does the legislation extend to, and apply?

4.3 The extent of the Regulations is the whole of the United Kingdom ("UK"). Subject to paragraph 4.3, the territorial application of the Regulations is also the same as the territorial application of the Amended Regulations, that is, it applies to the whole of the UK.

4.4 The Regulations also apply to conduct by UK persons where that conduct is wholly or partly outside the UK, and also apply to conduct by any person in the territorial sea adjacent to the UK. "UK person" is defined in section 21(2) of the Sanctions Act as a

UK national or a body incorporated or consolidated under the law of any part of the UK.

5. Policy Context

What is being done and why?

5.1 The Government is committed to improving the legislative clarity and consistency of sanctions regulations, to reduce the risk of misinterpretation, facilitate compliance and aid enforcement. The Regulations make amendments to the Amended Regulations to this effect.

5.2 The Regulations will clarify, on the face of the relevant sanctions regulations, designation procedures that were introduced into the Sanctions Act by the 2022 Act.

5.3 The 2022 Act removed the statutory test of 'appropriateness' for Ministers when designating individuals in order to streamline the designation process. This process is known as the 'standard procedure'. The legislation also introduced an 'urgent' procedure' through which the Secretary of State can mirror designations made by certain allied countries (specified in the regulations). A designation still relies upon thorough consideration of its merits and the legal criteria.

5.4 Section 61 of the 2022 Act provided that pre-commencement sanctions regulations (i.e. those regulations in force prior to Royal Assent to the 2022 Act on 15 March 2022) will operate as if they contain, and had always contained, the amendments to designation procedures. The purpose of the amendments in the Regulations is therefore to improve legislative clarity and reduce the incidence of misinterpretation and the risk of error.

5.5 The 2022 Act amendments have already been explicitly reflected in the Iran (Sanctions) Regulations 2023 because these regulations were laid in Parliament following the commencement of the primary legislative changes. The amendments have also been explicitly reflected in the Republic of Belarus (EU Exit) (Sanctions) Regulations 2019. It follows that reflecting these amendments on the face of all pre-commencement sanctions regulations with autonomous designation powers will ensure that current designations procedures are stated clearly across the UK's sanctions regimes.

5.6 The Regulations also clarify the division of enforcement responsibilities between HMRC and DBT regarding certain existing trade measures under the Syria and Venezuela sanctions regulations.

5.7 HMRC will continue to have full enforcement responsibility for trade sanctions offences within its customs remit. Trade sanctions offences that fall outside HMRC's customs remit will require a referral from DBT or another named organisation for criminal enforcement consideration. DBT, through the Office of Trade Sanctions Implementation (OTSI), continues to be responsible for the civil enforcement of standalone services, goods and technology which do not cross the UK border, and related ancillary services.

5.8 The relevant trade measure under the Syria sanctions regulations relates to the transfer of crude oil and natural gas technology from outside the UK to Syria, or to a person connected with Syria. The relevant trade measure under the Venezuela sanctions regulations relates to the provision of interception and monitoring services to the Government of Venezuela. The Regulations will bring these measures in line with existing trade sanctions regimes, ensuring a consistent approach to the enforcement of trade sanctions.

5.9 The Regulations also amend the Republic of Belarus sanctions regulations to correct an error in S.I. 2022/748 and ensure the Secretary of State with the power to designate is referenced consistently across the UK's sanctions regulations.

What was the previous policy, how is this different?

5.10 Section 61 of the 2022 Act provided that pre-commencement sanctions regulations operate as if they contain, and had always contained, the amendments to designation procedures. As a consequence, any person that reads pre-commencement sanctions regulations without cross-referring to the 2022 Act will not immediately recognise that the relevant regulations have been substantially amended. Clarifying these amendments to designation procedures on the face of all pre-commencement sanctions regulations will improve legislative clarity and reduce the incidence of misinterpretation and the risk of error.

5.11 Changes were made to sanctions regulations by the Sanctions (EU Exit) (Miscellaneous Amendments and Revocation) Regulations 2024 and the Sanctions (EU Exit) (Miscellaneous Amendments) Regulations 2024 to reflect division of enforcement responsibilities between HMRC and DBT. The Regulations make further amendments for these purposes to the Syria and Venezuela regulations.

6. Legislative and Legal Context

How has the law changed?

6.1 The Regulations apply to the Amended Regulations made under powers in the Sanctions Act. The Sanctions Act establishes a legal framework which enables His Majesty's Government to impose sanctions for a number of purposes, including that it is in the interests of international peace and security and furthers a foreign policy objective of the government of the UK.

6.2 The Regulations will clarify, on the face of the relevant sanctions regulations, designation procedures that were introduced into the Sanctions Act by the 2022 Act. Section 61 of the 2022 Act provided that pre-commencement sanctions regulations operate as if they contain, and had always contained, the amendments to designation procedures. Therefore, the Regulations do not change the law but rather clarify changes to the law that were made by the 2022 Act.

6.3 The 2022 Act changed the law by amending the restrictions on the power of an appropriate Minister to designate a person by name. These restrictions must be included in any regulations made under section 1 of the Sanctions Act which authorise the Minister to designate persons.

6.4 Section 58 of the 2022 Act amended Section 11 of the Sanctions Act related to the designation of persons by name. The 2022 Act removed the statutory test of 'appropriateness' for Ministers when designating persons by name in order to streamline the designation process. This process became known as the 'standard procedure'. The 2022 Act also introduced an 'urgent' procedure' through which the Secretary of State can mirror the designations that are made by allied countries (specified in the regulations).

6.5 The Regulations also amend the Venezuela (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/135) by inserting a reference to regulation 29(3) (provision of interception and monitoring services) into regulation 56(3B) (trade enforcement: application of CEMA).

6.6 The Regulations amend the Syria (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/792) by inserting a reference to regulation 32(3) (transfer of technology prohibition) into regulation 84(3B) (trade enforcement: application of CEMA).

6.7 These amendments clarify the division of enforcement responsibilities in the trade sanctions enforcement legal framework between HMRC and DBT as set out in paragraph 5.7.

6.8 The Regulations amend the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/600) by substituting the reference to "the Minister" in regulation 5A(4) with "Secretary of State". In accordance with paragraph 4.7.6 of the Statutory Instrument Practice (8th Edition), the Department has decided not to apply the free-issue procedure. It has made this decision since in its view it would be disproportionate in an instrument running to over 50 pages to invoke that procedure given the minor nature of the correction in question.

Why was this approach taken to change the law?

6.9 As noted above, the Regulations clarify and therefore strengthen the sanctions legislative framework, reducing the risk of misinterpretation, facilitating compliance and aiding enforcement. Amending the Amended Regulations under the legal framework provided by the Sanctions Act is considered to be the most effective and appropriate way to change the law and is in line with the approach which has been taken for equivalent sanctions amendments.

7. Consultation

Summary of consultation outcome and methodology

7.1 No public consultation has been carried out on the Regulations, however public consultation was carried out in relation to the Sanctions Act.

7.2 There is neither a requirement in the Sanctions Act for public consultation on instruments made under the Sanctions Act, nor is there any other legal obligation to consult in respect of the Regulations. His Majesty's Government will continue engagement with stakeholders on the implementation of UK sanctions

8. Applicable Guidance

8.1 As there are no new prohibitions or requirements as a result of these amendments, there will be no external guidance produced.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because of the low level of impact per business expected.

Impact on businesses, charities and voluntary bodies

9.2 There is no significant impact on business, charities or voluntary bodies because the Regulations clarify designation procedures and enforcement responsibilities – they do not guarantee their application.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector because the main cost would be administration and enforcement and the infrastructure for this is already in place.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 If His Majesty's Government determined that it was no longer appropriate to maintain a sanctions regime or specific sanctions measures, that regime would be removed or amended accordingly. This would include the amendments made by the Regulations. As such, the Minister does not consider that a review clause in the Regulations is appropriate.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 The Regulations, which are subject to the negative parliamentary procedure, are laid before Parliament on 27 March 2025 under section 55(3) of the Sanctions Act and comes into force 21 days after laying.

Matters of special interest to the Joint Committee on Statutory Instruments

11.2 The Regulations amend both mixed UK/UN sanctions regimes which are subject to the negative Parliamentary procedure (in accordance with section 55(6) of the Sanctions Act) and UK autonomous sanctions regimes which are subject to the made affirmative Parliamentary procedure (in accordance with section 55(3)).

11.3 The Regulations make the same changes across all the Amended Regulations and therefore are combined into one instrument. As the Regulations contain 'UN regulations' within the meaning of section 55(7) of the Sanctions Act, they attract the negative Parliamentary procedure as provided for in section 55(6).

12. European Convention on Human Rights

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

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (''relevant European Union Acts'').