EXPLANATORY MEMORANDUM TO

THE SYRIA (SANCTIONS) (EU EXIT) (AMENDMENT) REGULATIONS 2024

2024 No. 677

1. Introduction

1.1 This explanatory memorandum has been prepared by the Foreign, Commonwealth and Development Office 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 The Rt Hon Anne Marie Trevelyan MP, Minister of State at the Foreign, Commonwealth and Development Office, confirms that this Explanatory Memorandum meets the required standard.

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

3. Contact

3.1 The Sanctions Directorate at the Foreign, Commonwealth and Development Office, Telephone: 0207 008 8553 or email: fcdo.correspondence@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 This instrument amends the humanitarian exception to the petroleum measures contained in the Syria (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/792) ("the 2019 Regulations"), with the aim of improving the delivery of humanitarian aid in Syria.

Where does the legislation extend to, and apply?

4.2 The territorial extent of this instrument is the whole of the UK.

4.3 This instrument also applies to conduct by UK persons where that conduct is wholly or partly outside the UK, and some parts of it also apply to conduct by any person in the territorial sea adjacent to the UK.

5. Policy Context

What is being done and why?

5.1 This instrument amends the humanitarian exception to the petroleum provisions contained in the 2019 Regulations, with the purpose of improving humanitarian delivery in Syria.

5.2 The instrument expands the categories of eligibility for the humanitarian exception in the 2019 Regulations, from solely UK-funded persons to all organisations covered by UN Security Council Resolution 2664 (to the extent that these are captured by UK sanctions in the first place). This extension will enable a greater number of persons ("relevant persons") to benefit from the humanitarian exception and will facilitate the more efficient delivery of humanitarian aid, including earthquake relief efforts, which are currently authorised by General Licences.

5.3 The instrument further extends the 2019 Regulations to ensure it applies to those involved in the humanitarian delivery chain. This change will ensure that the delivery chains of relevant persons benefit from the humanitarian exception.

5.4 The instrument also amends the 2019 Regulations to authorise financial service providers of relevant persons to use the humanitarian exception, removing the requirement for financial service providers to apply for individual licences to facilitate activities authorised by the exception.

5.5 The instrument removes the existing notification requirement for use of the humanitarian exception for petroleum prohibitions in the 2019 Regulations. As a result, relevant persons will no longer need to notify the Export Control Joint Unit when they have relied on the exception.

5.6 The instrument adds a new notification requirement for relevant persons using the humanitarian exception, requiring them to notify HM Treasury on an annual basis, if they are conducting humanitarian assistance activities in Syria, with a reduced penalty for failure to comply with this new notification requirement. The notification requirement will apply to relevant persons, but not to financial service providers, the UN, the International Committee of the Red Cross/International Federation of Red Cross and Red Crescent Societies, the British Red Cross or to downstream delivery partners.

5.7 Finally, the instrument makes a small amendment to the humanitarian fuel exception and another, related, exception for petroleum products for diplomatic/consular premises in the 2019 Regulations. Those exceptions are amended to refer to "acquiring" fuel rather than "purchasing" it. The record keeping requirements within the 2019 Regulations with respect to trade licences will also be amended to clarify that the specified information is required "where appropriate". This will ensure that the correct records are kept for the relevant licences.

What was the previous policy, how is this different?

5.8 The humanitarian exception to certain petroleum-related prohibitions in the 2019 Regulations authorises UK funded persons to engage in relevant activities where necessary for the delivery of humanitarian assistance activities. The purpose of this exception is to facilitate humanitarian work in Syria by removing the requirement for UK funded persons to apply for individual licences.

5.9 The range of technical amendments to the humanitarian exception in the 2019 Regulations made by this instrument are aimed at improving the overall efficiency and useability of the humanitarian exception.

5.10 In particular, the widening of the categories of eligibility for use of the exception will support humanitarian delivery in Syria, including earthquake relief efforts following the earthquakes in Syria in February 2023.

6. Legislative and Legal Context

How has the law changed?

6.1 As set out above, this instrument makes a range of technical amendments to the humanitarian exception to certain petroleum-related prohibitions in the 2019 Regulations. The amendments are targeted at improving the efficiency and useability of the humanitarian exception.

Why was this approach taken to change the law?

6.2 The amendments are based on feedback on the practical operation of the 2019 Regulations from the financial and humanitarian sectors through the UK's Tri-Sector Group, which brings together representatives from the financial sector, non-profit organisations and Government.

7. Consultation

Summary of consultation outcome and methodology

7.1 No consultation has been carried out on this instrument. The Explanatory Memorandum to the 2019 Regulations themselves explains that consultation has been 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 Act, nor is there any other legal obligation to consult in respect of this instrument. HM Government will continue engagement with stakeholders on the implementation of UK sanctions.

8. Applicable Guidance

8.1 In accordance with section 43 of the Sanctions Act, guidance has been published in relation to the prohibitions and requirements under the 2019 Regulations. This guidance will be updated to reflect the amendments to those Regulations made by this instrument.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. The removal of the notification requirement will reduce the burden on users of the exception, as outlined above.

9.2 UK businesses must already comply with sanctions against individuals and entities appearing on a regularly updated gov.uk list. The process for notifying businesses about sanctions remains unchanged, so we do not expect significant changes to IT systems or administrative changes.

9.3 An impact assessment[1] was produced for the primary legislation. The assessment concluded that the introduction of the Sanctions Act, and statutory instruments under it to transfer existing sanctions regimes into UK law, would overall reduce uncertainty for business and would not result in significant costs or impact, apart from some

[1] https://publications.parliament.uk/pa/bills/lbill/2017-2019/0069/sanctions-and-anti-money-laundering-IA.pdf.

familiarisation costs for businesses associated with adapting to the new legislative framework.

Impact on businesses, charities and voluntary bodies

9.4 There is no significant impact on business, charities or voluntary bodies as this is an update to existing legislation.

9.5 The legislation does not impact small or micro businesses.

9.6 There is no impact on the public sector as this is an update to existing legislation.

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. In the case of the 2019 Regulations, that would include the measures introduced by this instrument. As such, the Minister does not consider that a review clause in this instrument is appropriate.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This instrument, which is subject to the made affirmative procedure, is laid before Parliament on 23 May 2024 under section 55(3) of the Sanctions Act and comes into force on 24 May 2024.

12. European Convention on Human Rights

12.1 The Rt Hon Anne-Marie Trevelyan MP, Minister of State at the Foreign, Commonwealth and Development Office, has made the following statement regarding Human Rights:

"In my view the provisions of the Syria (Sanctions) (EU Exit) (Amendment) Regulations 2024 are compatible with the Convention rights."

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.