STATUTORY INSTRUMENTS

2024 No. 948

SANCTIONS

The Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024

Made - - - -	*11th September 2024*
Laid before Parliament	*12th September 2024*
Coming into force - -	*10th October 2024*

The Secretary of State(**a**) makes these Regulations in exercise of the powers conferred by sections 1(1)(a) and (c), (2) and (3), 16, 17, 17A, 21(1) and 54(1) and (2) of the Sanctions and Anti-Money Laundering Act 2018(**b**).

PART 1
General

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024.

(2) These Regulations come into force on 10th October 2024.

(3) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Interpretation

2. In these Regulations—

"the Act" means the Sanctions and Anti-Money Laundering Act 2018;

"aircraft" has the meaning given in section 6(9) (aircraft sanctions) of the Act;

"aircraft sanctions regulations" means provisions in regulations made under section 1 (power to make sanctions regulations) of the Act(**c**) that—

(**a**) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines "appropriate Minister" as including the Secretary of State.

(**b**) 2018 c. 13. Section 16 is amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), section 65. Section 17 is amended by the Economic Crime and Corporate Transparency Act 2023 (c. 56), section 214(3) ("the 2023 Act") and S.I. 2022/500 and S.I. 2023/149. Section 17A is inserted by the 2023 Act, section 214(4).

(**c**) Section 1 is amended by the Economic Crime (Transparency and Enforcement) Act 2022, section 57 and the Economic Crime and Corporate Transparency Act 2023, section 35.

(a) contain a prohibition or requirement imposed for a purpose mentioned in section 6(1) (aircraft sanctions) of the Act,

(b) authorise a direction within section 6(3) to (5) of the Act, or

(c) make supplemental provision (within the meaning of section 1(6) of the Act) in connection with any prohibition or requirement mentioned in paragraph (a) or any direction mentioned in paragraph (b), including these Regulations;

"CEMA" means the Customs and Excise Management Act 1979(**a**);

"the Commissioners" means the Commissioners for His Majesty's Revenue and Customs;

"conduct" includes acts and omissions;

"document" includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include producing a copy of the information in legible form;

"excluded trade sanctions regulations" means—

(a) the following provisions in the Russia (Sanctions) (EU Exit) Regulations 2019(**b**)—

(i) regulations 46Z9B to 46Z9D (maritime transportation of certain oil and oil products);

(ii) regulation 54A (internet services),

(b) regulation 27P (preventing provision of internet services) of the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019(**c**), or

(c) a provision in those Regulations which makes supplemental provision (within the meaning of section 1(6) of the Act) in connection with any prohibition or requirement mentioned in paragraphs (a) or (b);

"sanctions regulations" means trade sanctions regulations, aircraft sanctions regulations and shipping sanctions regulations;

"ship" has the meaning given in section 7(14) (shipping sanctions) of the Act;

"shipping sanctions regulations" means provisions in regulations made under section 1 (power to make sanctions regulations) of the Act that—

(a) contain a prohibition or requirement imposed for a purpose mentioned in section 7(1) (shipping sanctions) of the Act,

(b) authorise a direction within section 7(3) to (5) of the Act,

(c) fall within section 7(6) of the Act, or

(d) make supplemental provision (within the meaning of section 1(6) of the Act) in connection with any prohibition or requirement mentioned in paragraph (a), any direction mentioned in paragraph (b), or any provision falling within paragraph (c), including these Regulations;

"trade sanctions regulations" means provisions in regulations made under section 1 (power to make sanctions regulations) of the Act that are not excluded trade sanctions regulations and that—

(**a**) 1979 c. 2.

(**b**) S.I. 2019/855. Regulations 46Z9B to 46Z9D are inserted by S.I. 2022/1122 and regulation 54A is inserted by S.I. 2022/477.

(**c**) S.I. 2019/600. Regulation 27P is inserted by S.I. 2023/616.

(a) contain a prohibition or requirement imposed for a purpose mentioned in section 5(1) (trade sanctions) of the Act, or

(b) make supplemental provision (within the meaning of section 1(6) of the Act) in connection with any prohibition or requirement mentioned in paragraph (a), including these Regulations;

"United Kingdom person" has the meaning given in section 21 (extra-territorial application) of the Act.

Application of requirements outside the United Kingdom

3.—(1) A United Kingdom person may comply, or fail to comply, with a relevant requirement by conduct wholly or partly outside the United Kingdom.

(2) Any person may comply, or fail to comply, with a relevant requirement by conduct in the territorial sea(**a**).

(3) In this regulation, a "relevant requirement" means any requirement imposed—

(a) by regulation 15(1) or (2) (reporting obligations: trade sanctions), 16(1) or (2) (reporting obligations: aircraft and shipping sanctions) or 20(3) (production of documents), or

(b) by reason of a request made under regulation 17(1) (power to request information: general), 18(1) (power to request information: trade sanctions), 19(1) or (3) (power to request information: aircraft and shipping sanctions) or 20(1) (production of documents).

(4) Nothing in this regulation is to be taken to prevent a relevant requirement from applying to conduct (by any person) in the United Kingdom.

Purposes

4.—(1) The purposes of the regulations contained in this instrument that are made under section 1 of the Act are considered appropriate by the Minister to further support enforcement of prohibitions and requirements, for the purposes of—

(a) compliance with UN obligations; and

(b) furthering a foreign policy objective of the government of the United Kingdom and promoting respect for democracy, the rule of law and good governance.

(2) The prohibitions and requirements referred to in paragraph (1) are those imposed by or under sanctions regulations made under section 1 of the Act, for the further purposes set out in those regulations (whether compliance with a UN obligation, or other international obligation, specified in the regulations, or a particular purpose that is within section 1(2) of the Act).

PART 2

Enforcement

Power to impose monetary penalties

5.—(1) Subject to paragraphs (2) to (4), the Secretary of State may impose a monetary penalty on a person if the Secretary of State is satisfied, on the balance of probabilities, that the person has breached a prohibition, or failed to comply with an obligation, imposed by or under sanctions regulations.

(**a**) Section 62(1) of the Sanctions and Anti-Money Laundering Act 2018 defines "the territorial sea" as (without more), the territorial sea adjacent to the United Kingdom.

(2) The Secretary of State may not impose a monetary penalty under paragraph (1) for a breach of a prohibition, or a failure to comply with an obligation, in trade sanctions regulations where paragraph (3) applies in respect of any suspected offence relating to that breach or failure to comply.

(3) This paragraph applies where the suspected offence is capable of being investigated under the trade sanctions regulations concerned, by the Commissioners without—

(a) any referral to the Commissioners, or

(b) any decision by the Commissioners to treat the suspected offence as having been referred to them.

(4) A penalty may be imposed under paragraph (1)—

(a) in the case of a United Kingdom person, in relation to conduct—

(i) in the United Kingdom or the territorial sea, or

(ii) wholly or partly outside the United Kingdom;

(b) in the case of any other person, in relation to conduct in the United Kingdom or the territorial sea.

(5) Any monetary penalty payable under paragraph (1) is recoverable by the Secretary of State as a civil debt.

(6) Any monetary penalty received by the Secretary of State under paragraph (1) must be paid into the Consolidated Fund.

Trade sanctions: monetary penalties, supplementary

6. For the purposes of regulation 5(1) (power to impose monetary penalties), any defence that the person did not know and had no reasonable cause to suspect that an offence had been committed under trade sanctions regulations is to be ignored.

Aircraft and shipping sanctions: monetary penalties, supplementary

7.—(1) Paragraph (2) applies for the purposes of regulation 5(1) in determining whether a person has breached a prohibition, or failed to comply with an obligation, imposed by or under aircraft sanctions regulations or shipping sanctions regulations.

(2) Any requirement imposed by or under those regulations for the person to have known, suspected or believed any matter, or to have acted without reasonable excuse, is to be ignored.

Liability of officers of bodies corporate etc.

8.—(1) Paragraph (2) applies where a body corporate has breached a prohibition, or failed to comply with an obligation, imposed by or under sanctions regulations.

(2) Where the breach or failure referred to in paragraph (1)—

(a) is committed with the consent or connivance of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in such capacity, or

(b) is attributable to any neglect on the part of any such person,

the Secretary of State may impose a monetary penalty on that person as well as on the body corporate.

(3) In relation to a body corporate whose affairs are managed by its members, in paragraph (2)(a) "director" means a member of the body corporate.

(4) Paragraph (2) also applies in relation to a body that is not a body corporate, with the substitution for the reference to a director of the body of a reference—

(a) in the case of a partnership, to a partner;

(b) in the case of an unincorporated body other than a partnership—

(i) where the body's affairs are managed by its members, to a member of the body;

(ii) in any other case, to a member of the governing body.

Trade sanctions: calculation of penalty

9.—(1) The amount of the penalty under regulation 5(1) for breach of a prohibition or failure to comply with an obligation imposed by or under trade sanctions regulations is to be such amount as the Secretary of State may determine, but it may not exceed the permitted maximum.

(2) Where it is possible to estimate the value of the breach of the prohibition or failure to comply with the obligation specified in regulation 5(1), the permitted maximum is the greater of—

(a) £1,000,000, and

(b) 50% of the estimated value of the breach or failure to comply.

(3) In any other case, the permitted maximum is £1,000,000.

Aircraft and shipping sanctions: calculation of penalty

10.—(1) The amount of the penalty under regulation 5(1) for breach of a prohibition or failure to comply with an obligation imposed by or under aircraft sanctions regulations or shipping sanctions regulations is to be such amount as the Secretary of State may determine, but it may not exceed the permitted maximum.

(2) Where it is possible to estimate the value of the aircraft or ship used in connection with the breach of the prohibition or failure to comply with the obligation specified in regulation 5(1), the permitted maximum is the greater of—

(a) £1,000,000, and

(b) 50% of the estimated value of the aircraft or ship (as the case may be).

(3) In any other case, the permitted maximum is £1,000,000.

(4) For the purpose of paragraph (2), "estimated value" means the estimated value of the aircraft or ship at the time of the breach or failure to comply, as the case may be.

Monetary penalties: procedural rights

11.—(1) Before imposing a monetary penalty on a person under regulation 5(1), the Secretary of State must inform the person of the Secretary of State's intention to do so.

(2) The Secretary of State must also—

(a) explain the grounds for imposing the penalty,

(b) specify the amount of the penalty,

(c) explain that the person is entitled to make representations, and

(d) specify the period within which any such representations must be made.

(3) If the Secretary of State decides to impose the penalty (having considered any representations), the Secretary of State must—

(a) inform the person of the decision,

(b) explain that the person is entitled to seek a review by the Secretary of State, and

(c) specify the period within which the person must inform the Secretary of State that the person wishes to seek such a review.

(4) If the person seeks a review, the Secretary of State may—

(a) uphold the decision to impose the penalty and its amount,

(b) uphold the decision to impose the penalty but substitute a different amount, or

(c) cancel the decision to impose the penalty.

(5) If on a review under paragraph (4) the Secretary of State decides to uphold the decision to impose the penalty and its amount, or to uphold the decision to impose the penalty but to substitute a different amount, the person may appeal (on any ground) to the Upper Tribunal.

(6) On an appeal under paragraph (5), the Upper Tribunal may—

(a) quash the Secretary of State's decision to impose the penalty;

(b) uphold that decision but substitute a different amount for the amount determined by the Secretary of State.

Monetary penalties: procedural rights, supplementary

12.—(1) A person is not liable for a monetary penalty under regulation 5(1) in respect of conduct amounting to an offence if—

(a) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or

(b) the person has been convicted of that offence in respect of that conduct.

(2) No proceedings may be brought against a person in respect of conduct amounting to an offence if the person has been given a monetary penalty under regulation 5(1) in respect of that conduct.

Monetary penalties: reports

13.—(1) The Secretary of State may, at such intervals as the Secretary of State considers appropriate, publish reports about the imposition of monetary penalties under regulation 5.

(2) Subject to paragraph (3), the Secretary of State may publish reports at such intervals as the Secretary of State considers appropriate in cases where—

(a) a monetary penalty has not been imposed under regulation 5(1), but

(b) the Secretary of State is satisfied, on the balance of probabilities, that a person has breached a prohibition, or failed to comply with an obligation, imposed by or under sanctions regulations.

(3) Paragraph (2) does not apply where regulation 5(2) and (3) (exception to power to impose monetary penalties) applies.

PART 3

Information and records

Application of this Part

14. This Part does not apply where regulation 5(2) and (3) (exception to power to impose monetary penalties) applies.

Reporting obligations: trade sanctions

15.—(1) A relevant person ("RP") must inform the Secretary of State as soon as practicable if—

(a) RP knows, or has reasonable cause to suspect, that a person ("P") has breached a prohibition or failed to comply with an obligation under trade sanctions regulations, and

(b) the information or other matter on which the knowledge or cause for suspicion is based came to RP in the course of carrying on their business.

(2) Where RP informs the Secretary of State under paragraph (1), RP must state—

(a) the information or other matter on which the knowledge or suspicion is based, and

(b) any information it holds about P by which P can be identified.

(3) An RP who fails to comply with a requirement in this regulation commits an offence.

(4) In this regulation—

"cryptoasset" means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically;

"firm" means any entity that, whether or not a legal person, is not an individual, and includes a body corporate and a partnership or other unincorporated body;

"money" means—

(a) money in sterling,

(b) money in any other currency, or

(c) money in any other medium of exchange,

but does not include a cryptoasset;

"relevant person" means—

(a) a person that has permission under Part 4A of the Financial Services and Markets Act 2000(**a**) to carry on one or more regulated activities (permission to carry on a regulated activity);

(b) an undertaking that by way of business—

(i) operates a currency exchange office;

(ii) transmits money (or any representation of monetary value) by any means; or

(iii) cashes cheques that are made payable to customers;

(c) a firm or sole practitioner that provides legal or notarial services to other persons, by way of business,

and paragraphs (a) and (b) are to be read with section 22 (regulated activities) of the Financial Services and Markets Act 2000(**b**), any relevant order under that section and Schedule 2 (regulated activities) to that Act(**c**).

(**a**) 2000 c. 8. Part 4A is inserted by the Financial Services Act 2012 (c. 21), section 11(2) and amended by the Financial Services Act 2021 (c. 22), Schedule 11, paragraph 2 and the Financial Services and Markets Act 2023 (c. 29), section 20; Schedule 5, paragraphs 4 to 12; and Schedule 8, paragraphs 2 and 4 to 6 and S.I. 2013/504; S.I. 2013/1773; S.I. 2013/3115; S.I. 2015/575; S.I. 2015/910; S.I. 2016/225; S.I. 2016/680; S.I. 2016/1239; S.I. 2017/701; S.I. 2017/1064; S.I. 2018/135; S.I. 2018/546; S.I. 2018/698; S.I. 2018/1149; S.I. 2019/632; S.I. 2021/1376; S.I. 2023/1410 and S.I. 2023/1424.

(**b**) Section 22 is amended by the Financial Services Act 2012, section 7(1); the Financial Guidance and Claims Act 2018 (c. 10), section 27; the Financial Services and Markets Act 2023, section 69(3) and S.I. 2018/135.

(**c**) Schedule 2 is amended as follows. Paragraph 9A is inserted by the Dormant Bank and Building Society Accounts Act 2008 (c. 31), Schedule 2, paragraph 1(3). Paragraph 13 is amended by S.I. 2019/632. Paragraph 23 is amended, and paragraphs 23B, and 24A to 24D are inserted, by the Financial Services Act 2012, section 7. Paragraph 23A is inserted

(5) For the purpose of paragraph (1)(b), information or another matter comes to RP "in the course of carrying on their business" if the information or other matter comes to RP—

(a) in the case of a person within paragraph (a) of the definition of "relevant person" in paragraph (4), in the course of carrying on the regulated activity to which the permission mentioned in paragraph (a) of that definition relates;

(b) in the case of an undertaking within paragraph (b) of the definition of "relevant person" in paragraph (4), in the course of carrying on an activity mentioned in paragraph (b) of that definition;

(c) in the case of a firm or sole practitioner within paragraph (c) of the definition of "relevant person" in paragraph (4), in the course of providing the services mentioned in paragraph (c) of that definition.

Reporting obligations: aircraft and shipping sanctions

16.—(1) A relevant person ("RP") must inform the Secretary of State as soon as practicable if—

(a) RP knows, or has reasonable cause to suspect, that a person ("P") has breached a prohibition or failed to comply with an obligation under aircraft sanctions regulations or shipping sanctions regulations, and

(b) the information or other matter on which the knowledge or cause for suspicion is based came to RP in the course of—

(i) chartering an aircraft or ship by way of business,

(ii) carrying on business in connection with acting as an airport operator or a harbour authority, or

(iii) carrying on activities, whether paid or unpaid and whether for business or leisure, in connection with acting as—

(aa) a pilot in command,

(bb) an operator,

(cc) a master, or

(dd) a pilot.

(2) Where RP informs the Secretary of State under paragraph (1), RP must state—

(a) the information or other matter on which the knowledge or suspicion is based, and

(b) any information it holds about P by which P can be identified.

(3) An RP who fails to comply with a requirement in this regulation commits an offence.

(4) In this regulation—

"airport operator", "operator" and "pilot in command" have the meaning given in section 6(10) (aircraft sanctions) of the Act;

"harbour authority", "master" and "pilot" have the meaning given in section 7(14) (shipping sanctions) of the Act;

"relevant person" means—

(a) a pilot in command (in relation to aircraft);

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by the Regulation of Financial Services (Land Transactions) Act 2005 (c. 24), section 1. Paragraph 24C is amended by S.I. 2013/1881. Paragraph 25 is amended by the Financial Services Act 2012, section 8 and the Financial Guidance and Claims Act 2018, section 27 for England, Scotland and Wales. Paragraph 26 is amended by the Financial Services Act 2012, section 8 and the Financial Guidance and Claims Act 2018, section 27.

(b) an operator (in relation to aircraft);

(c) an airport operator;

(d) a person that charters an aircraft or ship by way of business;

(e) a master or pilot (in relation to a ship or fishing vessel, as the case may be);

(f) a harbour authority.

Power to request information: general

17.—(1) The Secretary of State may request a person to provide information within paragraph (2) if the Secretary of State believes that the person may be able to provide the information.

(2) Information within this paragraph is such information as the Secretary of State may reasonably require for the purpose of—

(a) the exercise of functions under these Regulations,

(b) monitoring compliance with, or detecting evasion of, sanctions regulations, or

(c) investigating a suspected breach of a prohibition, or a suspected failure to comply with an obligation, imposed by or under sanctions regulations.

(3) The Secretary of State may specify the way in which, and the period within which, information is to be provided.

(4) If no such period is specified, the information which has been requested must be provided within a reasonable time.

(5) A request may include a continuing obligation to keep the Secretary of State informed as circumstances change, or on such regular basis as the Secretary of State may specify.

Power to request information: trade sanctions

18.—(1) The Secretary of State may request a person acting under a trade licence to provide information about any matter to which the licence relates, for a purpose mentioned in regulation 17(2) (power to request information: general).

(2) In paragraph (1), "trade licence" means an authorisation issued by the Secretary of State or the Treasury (as the case may be) providing for a prohibition imposed by trade sanctions regulations not to apply to anything done under that authorisation(**a**).

(3) Regulation 17(3) to (5) applies to this regulation.

Power to request information: aircraft and shipping sanctions

19.—(1) The Secretary of State may request a person acting under an aircraft licence or shipping licence to provide information about any matter to which the licence relates, for—

(a) a purpose mentioned in regulation 17(2) (power to request information: general), or

(b) the purpose of monitoring compliance with, or detecting evasion of any condition of, that licence.

(2) In paragraph (1), "aircraft licence" and "shipping licence" means an authorisation issued by the Secretary of State providing for a prohibition imposed by aircraft sanctions regulations or shipping sanctions regulations (as the case may be) not to apply to anything done under that authorisation.

(**a**) Section 15(2)(b) of the Sanctions and Anti-Money Laundering Act 2018 provides that an appropriate Minister may make regulations under section 1 of that Act which provide for a prohibition imposed by the regulations not to apply to anything done under the authority of a licence issued by an appropriate Minister specified in the regulations. "Appropriate Minister" is defined by sections 1(9) and 62(1) of that Act as the Secretary of State and the Treasury.

(3) The Secretary of State may request a person subject to a direction to provide information about any matter to which the direction relates, for—

(a) a purpose mentioned in regulation 17(2) (power to request information: general), or

(b) the purpose of monitoring compliance with, or detecting evasion of, that direction.

(4) In paragraph (3), "direction" means a direction made under aircraft sanctions regulations or shipping sanctions regulations.

(5) Regulation 17(3) to (5) applies to this regulation.

Production of documents

20.—(1) A request under regulations 17 to 19 may include a request to produce specified documents or documents of a specified description.

(2) Where the Secretary of State requests that documents be produced, the Secretary of State may—

(a) take copies of or extracts from any document so produced,

(b) request any person producing a document to give an explanation of it, and

(c) where that person is a body corporate, partnership or unincorporated body other than a partnership, request any person who is—

(i) in the case of a partnership, a present or past partner or employee of the partnership, or

(ii) in any other case, a present or past officer or employee of the body concerned,

to give such an explanation.

(3) Where the Secretary of State requests a person to produce documents, that person must—

(a) take reasonable steps to obtain the documents (if they are not already in the person's possession or control);

(b) keep the documents under the person's possession or control (except for the purpose of providing them to the Secretary of State or as the Secretary of State may otherwise permit).

Information offences

21.—(1) A person commits an offence, if that person—

(a) without reasonable excuse, refuses or fails within the time and in the manner specified (or, if no time has been specified, within a reasonable time) to comply with any request under regulations 17 to 19;

(b) knowingly or recklessly gives any information, or produces any document, which is false in a material particular in response to such a request;

(c) with intent to evade any provision of regulations 17 to 20, destroys, mutilates, defaces, conceals or removes any document;

(d) otherwise intentionally obstructs the Secretary of State in the exercise of the powers under regulations 17 to 20.

(2) Where a person is convicted of an offence under this regulation, the court may make an order requiring that person, within such period as may be specified in the order, to comply with the request.

Penalties for offences

22. A person who commits an offence under regulation 15(3) (reporting obligations: trade sanctions), 16(3) (reporting obligations: aircraft and shipping sanctions) or 21(1) (information offences) is liable—

(a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 6 months or a fine (or both);

(b) on summary conviction in Scotland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both);

(c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both).

Jurisdiction to try offences

23.—(1) Where an offence under regulation 15(3), 16(3) or 21(1) is committed in the United Kingdom—

(a) proceedings for the offence may be taken at any place in the United Kingdom, and

(b) the offence may for all incidental purposes be treated as having been committed at any such place.

(2) Where an offence under these Regulations is committed outside the United Kingdom—

(a) proceedings for the offence may be taken at any place in the United Kingdom, and

(b) the offence may for all incidental purposes be treated as having been committed at any such place.

(3) In the application of paragraph (2) to Scotland, any such proceedings against a person may be taken—

(a) in the sheriff court district in which the person is apprehended or is in custody, or

(b) in such sheriff court district as the Lord Advocate may determine.

(4) In paragraph (3) "sheriff court district" is to be read in accordance with the Criminal Procedure (Scotland) Act 1995(**a**) (see section 307(1) (interpretation) of that Act).

Procedure for offences by unincorporated bodies

24.—(1) Paragraphs (2) and (3) apply if it is alleged that an offence under these Regulations has been committed by an unincorporated body (as opposed to by a member of the body).

(2) Proceedings in England and Wales or Northern Ireland for such an offence must be brought against the body in its own name.

(3) For the purposes of proceedings, for such an offence brought against an unincorporated body—

(a) rules of court relating to the service of documents have effect as if the body were a body corporate;

(b) the following provisions apply as they apply in relation to a body corporate—

(**a**) 1995 c. 46.

(i) section 33 (procedure on charge of offence against corporation) of the Criminal Justice Act 1925(**a**) and Schedule 3 (corporations) to the Magistrates' Courts Act 1980(**b**);

(ii) section 18 (procedure on charge) of the Criminal Justice Act (Northern Ireland) 1945(**c**) and Article 166 (corporations) of, and Schedule 4 (corporations) to, the Magistrates' Courts (Northern Ireland) Order 1981(**d**).

(4) A fine imposed on an unincorporated body on its conviction of an offence under these Regulations is to be paid out of the funds of the body.

Time limit for proceedings for offences

25.—(1) Proceedings for an offence under these Regulations may be brought within the period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to justify the proceedings comes to the prosecutor's knowledge.

(2) But such proceedings may not be brought by virtue of paragraph (1) more than 3 years after the commission of the offence.

(3) A certificate signed by the prosecutor as to the date on which the evidence in question came to the prosecutor's knowledge is conclusive evidence of the date on which it did so, and a certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.

(4) In relation to proceedings in Scotland—

(a) section 136(3) (date of commencement of summary proceedings) of the Criminal Procedure (Scotland) Act 1995 applies for the purposes of this regulation as it applies for the purposes of that section, and

(b) references in this regulation to the prosecutor are to be treated as references to the Lord Advocate.

Information offences relating to trade sanctions: application of CEMA

26.—(1) Where the Commissioners investigate or propose to investigate any matter with a view to determining—

(a) whether there are grounds for believing that a relevant offence has been committed, or

(b) whether a person should be prosecuted for such an offence,

the matter is to be treated as an assigned matter.

(2) In paragraph (1) "assigned matter" has the meaning given in section 1(1) of CEMA(**e**).

(3) In this regulation a "relevant offence" means an offence under—

(a) regulation 15(3) (reporting obligations: trade sanctions);

(b) regulation 21(1) (information offences) insofar as it relates to trade sanctions regulations.

(**a**) 1925 c. 86. Section 33 is amended by the Magistrates' Courts Act 1952 (c. 55), Schedule 6; the Courts Act 1971 (c. 23), Schedule 8, paragraph 19 and the Courts Act 2003 (c. 39), Schedule 10, paragraph 1.

(**b**) 1980 c. 43. Paragraph 2 is amended by the Criminal Justice Act 2003 (c. 44), Schedule 3, paragraph 51 and Schedule 37, Part 4. Paragraph 5 is repealed by the Criminal Justice Act 1991 (c. 53), Schedule 13. Paragraph 6 is amended by the Criminal Justice Act 2003, Schedule 3, paragraph 51.

(**c**) 1945 c. 15 (N.I.). Section 18 is amended by the Magistrates' Courts Act 1964 (c. 21 (N.I.)), Schedule 7 and S.I. 1972/538 (N.I. 1).

(**d**) S.I. 1981/1675 (N.I. 26); Schedule 4 is amended by the Criminal Justice (Committal Reform) Act (Northern Ireland) 2022 (c. 4 (N.I.)), Schedule, paragraph 8(3)(m).

(**e**) The definition of "assigned matter" is substituted by the Commissioners for Revenue and Customs Act 2005 (c. 11), Schedule 4, paragraph 22 and amended by the Scotland Act 2012 (c. 11), section 24 and the Wales Act 2014 (c. 29), section 7.

(4) The Commissioners may not investigate the suspected commission of a relevant offence unless the suspected offence has been the subject of—

(a) a referral to the Commissioners by the Secretary of State, or

(b) a decision by the Commissioners to treat the suspected offence as if it had been referred to them under sub-paragraph (a).

(5) Section 138 (arrest of persons) of CEMA(**a**) applies to a person who has committed, or whom there are reasonable grounds to suspect of having committed, a relevant offence as it applies to a person who has committed, or whom there are reasonable grounds to suspect of having committed, an offence for which the person is liable to be arrested under the customs and excise Acts, but as if—

(a) any reference to an offence under, or for which a person is liable to be arrested under, the customs and excise Acts were to a relevant offence;

(b) in subsection (2), the reference to any person so liable were to a person who has committed, or whom there are reasonable grounds to suspect of having committed, a relevant offence.

(6) The provisions of CEMA mentioned in paragraph (7) apply in relation to proceedings for a relevant offence as they apply in relation to proceedings for an offence under the customs and excise Acts, but as if—

(a) any reference to the customs and excise Acts were to either of the provisions mentioned in paragraph (3)(a) or (b);

(b) in section 145(6) (institution of proceedings)(**b**), the reference to an offence for which a person is liable to be arrested under the customs and excise Acts were to a relevant offence;

(c) in section 151 (application of penalties)(**c**), the reference to any penalty imposed under the customs and excise Acts were to any penalty imposed under these Regulations in relation to a relevant offence;

(d) in section 154 (proof of other matters)(**d**), the references to goods were to include documents and in subsection (2)—

(i) the reference to proceedings relating to customs or excise were to proceedings under either of the provisions mentioned in paragraph (3)(a) or (b);

(ii) the reference to the place from which any goods have been brought included a reference to the place to which goods have been exported, supplied or delivered or the place to or from which technology has been transferred.

(7) The provisions of CEMA are sections 145 (institution of proceedings), 146 (service of process), 147 (proceedings for offences), 148(1) (place of trial for offences), 150 (incidental provisions as to legal proceedings), 151 (application of penalties), 152 (power of Commissioners to mitigate penalties, etc.), 154 (proof of certain other matters) and 155 (persons who may conduct proceedings)(**e**).

(**a**) Section 138 is amended by the Police and Criminal Evidence Act 1984 (c. 60), section 114, Schedule 6, paragraph 37 and Schedule 7; the Finance Act 1988 (c. 39), section 11; the Serious Organised Crime and Police Act 2005 (c. 15), Schedule 7, paragraph 54; and S.I. 1989/1341 (N.I. 12).

(**b**) Section 145(6) is amended by the Police and Criminal Evidence Act 1984, section 114 and the Commissioners for Revenue and Customs Act 2005, Schedule 4, paragraph 23.

(**c**) Section 151 is amended by the Magistrates' Courts Act 1980 (c. 43), Schedule 7, paragraph 177.

(**d**) Section 154 is amended by the Taxation (Cross-border Trade) Act 2018 (c. 22), Schedule 7, paragraph 106.

(**e**) Section 145 is amended by the Police and Criminal Evidence Act 1984, section 114; the Commissioners for Revenue and Customs Act 2005, Schedule 4, paragraph 23 and Schedule 5 and S.I. 2014/834. Section 147 is amended by the Criminal Justice Act 1982 (c. 48), Schedule 14, paragraph 42; the Finance Act 1989 (c. 26), Schedule 17, Part 1 and the Criminal Justice Act 2003, Schedule 37, Part 4. Section 150 is amended by the Finance Act 2016 (c. 24), section 174. Section 151 is amended by the Magistrates' Courts Act 1980, Schedule 7, paragraph 177. Section 152 is amended by the Commissioners for Revenue and Customs Act 2005, Schedule 4, paragraph 26 and Schedule 5. Section 154 is

(8) In this regulation, "the customs and excise Acts" has the meaning given in section 1(1) of CEMA.

Disclosure of information

27.—(1) The Secretary of State may, in accordance with this regulation, disclose any information obtained under or by virtue of this Part.

(2) Information referred to in paragraph (1) may be disclosed for, or in connection with, any of the following purposes—

(a) any purpose stated in regulation 4;

(b) the exercise of functions under these Regulations;

(c) facilitating, monitoring or ensuring compliance with the Act and regulations or directions made under it;

(d) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in the United Kingdom—

(i) for an offence under sanctions regulations;

(ii) for an offence under CEMA in connection with any offence under sanctions regulations;

(iii) in relation to a monetary penalty under sanctions regulations or section 146 (breach of financial sanctions legislation) of the Policing and Crime Act 2017(**a**);

(e) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in any of the Channel Islands, the Isle of Man, or any British overseas territory, for an offence under a provision in any such jurisdiction that is similar to a provision in sanctions regulations;

(f) compliance with an international obligation(**b**);

(g) facilitating the exercise by an authority outside the United Kingdom or by an international organisation of functions which correspond to functions under sanctions regulations.

(3) Information referred to in paragraph (1) may be disclosed to the following persons—

(a) a police officer;

(b) any person holding or acting in any office under or in the service of—

(i) the Crown in right of the Government of the United Kingdom,

(ii) the Crown in right of the Scottish Government, the Northern Ireland Executive or the Welsh Government,

(iii) the States of Jersey, Guernsey or Alderney or the Chief Pleas of Sark,

(iv) the Government of the Isle of Man, or

(v) the Government of any British overseas territory;

(c) any law officer of the Crown for Jersey, Guernsey or the Isle of Man;

(d) the Scottish Legal Aid Board;

(e) the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England, the Jersey Financial Services Commission, the Guernsey Financial Services Commission or the Isle of Man Financial Services Authority;

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amended by the Taxation (Cross-border Trade) Act 2018, Schedule 7, paragraph 106. Section 155 is amended by the Commissioners for Revenue and Customs Act 2005, Schedule 4, paragraph 27 and Schedule 5.

(**a**) 2017 c. 3. Section 146 is amended by the Economic Crime (Transparency and Enforcement) Act 2022, section 54.

(**b**) Section 1(8) of the Sanctions and Anti-Money Laundering Act 2018 defines "international obligation" as an obligation of the United Kingdom created or arising by or under any international agreement.

(f) any other regulatory body (whether or not in the United Kingdom);

(g) any organ of the United Nations;

(h) the Council of the European Union, the European Commission or the European External Action Service;

(i) the Government of any country;

(j) any other person where the Secretary of State considers that it is appropriate to disclose the information.

(4) Information referred to in paragraph (1) may be disclosed to any person with the consent of a person who, in their own right, is entitled to the information.

(5) In paragraph (4) "in their own right" means not merely in the capacity as a servant or agent of another person.

Disclosure to the Secretary of State

28.—(1) A relevant public authority may disclose information to the Secretary of State if the disclosure is made for the purpose of enabling or assisting the Secretary of State to discharge any of the Secretary of State's functions in connection with any sanctions regulations.

(2) In this regulation—

"relevant public authority" means—

(a) any person holding or acting in any office under or in the service of—

(i) the Crown in right of the Government of the United Kingdom,

(ii) the Crown in right of the Scottish Government, the Northern Ireland Executive or the Welsh Government,

(b) any local authority,

(c) any police officer,

(d) the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England or any other regulatory body in the United Kingdom,

(e) the Civil Aviation Authority,

(f) a person who holds a licence under section 5 (licences: general) of the Transport Act 2000(**a**) to provide air traffic services (within the meaning of section 98 (air traffic services) of that Act),

(g) a harbour authority (within the meaning of section 7(14) (shipping sanctions) of the Act), or

(h) any other person exercising functions of a public nature.

(3) In paragraph (2)—

"local authority" means—

(a) in relation to England—

(i) a county council,

(ii) a district council,

(iii) a London Borough council,

(iv) the Common Council of the City of London in its capacity as a local authority,

(**a**) 2000 c. 38. Section 5 is amended by S.I. 2009/1941 and S.I. 2011/205.

(v) the Council of the Isles of Scilly, or

(vi) an eligible parish council within the meaning of section 1(2) (meaning of "local authority") of the Local Government Act 2000(**a**);

(b) in relation to Wales, a county council, a county borough council or a community council;

(c) in relation to Scotland, a council constituted under section 2 (constitution of councils) of the Local Government etc. (Scotland) Act 1994(**b**), or

(d) in relation to Northern Ireland, a district council.

Part 3: supplementary

29.—(1) A disclosure of information—

(a) under regulations 15 or 16 (reporting obligations: trade, aircraft or shipping sanctions) or 27 or 28 (disclosure of information by or to the Secretary of State), or

(b) pursuant to regulations 17 to 20 (powers to request information and the production of documents),

does not breach any restriction on such disclosure imposed by statute or otherwise.

(2) But nothing in those regulations authorises a disclosure that—

(a) contravenes the data protection legislation;

(b) is prohibited by any of Parts 1 (general privacy protections) to 7 (bulk personal dataset warrants) or Chapter 1 of Part 9 (miscellaneous and general provisions) of the Investigatory Powers Act 2016(**c**).

(3) Nothing in this Part is to be read as requiring a person who has acted or is acting as counsel or solicitor for any person to disclose any privileged information in their possession in that capacity.

(4) The regulations referred to in paragraph (1) do not limit the circumstances in which information may be disclosed apart from those regulations.

(5) Nothing in this Part limits any conditions which may be contained in a trade licence, aircraft licence or shipping licence.

(6) In this regulation—

"aircraft licence" and "shipping licence" have the meanings given in regulation 19(2) (power to request information: aircraft and shipping sanctions);

"the data protection legislation" has the meaning given in section 3(9) (terms relating to the processing of personal data) of the Data Protection Act 2018(**d**);

(**a**) 2000 c. 22. Section 1(2) is inserted by the Local Government and Public Involvement in Health Act 2007 (c. 28), section 77.

(**b**) 1994 c. 39. Section 2 is amended by the Environment Act 1995 (c. 25), Schedule 22, paragraph 232.

(**c**) 2016 c. 25. Part 1 is amended by the Data Protection Act 2018 (c. 12), Schedule 19, paragraph 199; the Finance Act (No. 2) Act 2023 (c. 30), section 352 and S.I. 2017/730; S.I. 2018/1123; S.I. 2019/742; S.I. 2022/500 and S.I. 2023/149. Part 2 is amended by the Policing and Crime Act 2017, Schedule 9, paragraph 74; the Counter-Terrorism and Border Security Act 2019 (c. 3), Schedule 4, paragraph 33; the Crime (Overseas Production Orders) Act 2019 (c. 5), section 16; the Armed Forces Act 2021 (c. 35), Schedule 4, paragraph 2 and Schedule 5, paragraphs 44 and 45; the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 (c. 41), Schedule 13, paragraph 9; and S.I. 2018/1310; S.I. 2019/742; S.I. 2022/500 and S.I. 2023/149. Part 3 is amended by S.I. 2018/1123; S.I. 2019/939; S.I. 2022/500; and S.I. 2023/149. Part 4 is amended by S.I. 2018/1123. Part 5 is amended by the Policing and Crime Act 2017, Schedule 9, paragraph 74; the Armed Forces Act 2021, Schedule 4, paragraph 2; S.I. 2018/1310; S.I. 2019/742; S.I. 2022/500 and S.I. 2023/149. Part 6 is amended by S.I. 2022/500; S.I. 2023/149 and S.I. 2024/514. Part 7 is amended by the Data Protection Act 2018, Schedule 19, paragraphs 200 and 202; and S.I. 2019/419; S.I. 2022/500 and S.I. 2023/149.

(**d**) Section 3(9) is amended by S.I. 2019/419.

"privileged information" means information with respect to which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings;

"trade licence" has the meaning given in regulation 18(2) (power to request information: trade sanctions).

PART 4

Miscellaneous

Aircraft sanctions regulations and shipping sanctions regulations: application of Chapter 1 of Part 2 of Serious Organised Crime and Police Act 2005

30. Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005(**a**) (investigatory powers) applies to any offence under—

(a) Parts 6 (ships) or 6A (aircraft), or regulation 68A (aircraft: licensing offences) of the Russia (Sanctions) (EU Exit) Regulations 2019(**b**);

(b) Parts 5A (aircraft) or 5B (ships) of the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019(**c**);

(c) Parts 7 (aircraft) or 8 (ships) of the Democratic People's Republic of Korea (Sanctions) (EU Exit) Regulations 2019(**d**);

(d) Part 6 (aircraft) of the Syria (Sanctions) (EU Exit) Regulations 2019(**e**);

(e) Parts 6 (trade, transport and finance measures related to UN designated ships) or 7 (aircraft) of the Libya (Sanctions) (EU Exit) Regulations 2020(**f**).

Stephen Doughty
Minister of State
Foreign, Commonwealth and Development Office

11th September 2024

(**a**) 2005 c. 15. Chapter 1 of Part 2 is amended by the Terrorism Act 2006 (c. 11), section 33 and Schedule 3, paragraph 2; the Northern Ireland (Miscellaneous Provisions) Act 2006 (c. 33), Schedule 3, paragraphs 2 to 8; the Criminal Justice and Licensing (Scotland) Act 2010 (asp. 13), Schedule 7, paragraph 77; the Bribery Act 2010 (c. 23), Schedule 1, paragraph 8; the Crime and Courts Act 2013 (c. 22), Schedule 8, paragraph 159; the Criminal Finances Act 2017 (c. 22), section 51; the Sanctions and Anti-Money Laundering Act 2018, Schedule 3, paragraph 4; the Economic Crime and Corporate Transparency Act 2023, section 206 and S.I. 2006/1629; S.I. 2014/834 and S.I. 2023/149.

(**b**) S.I. 2019/855. Part 6 is amended by S.I. 2022/203; S.I. 2022/241; S.I. 2022/395; S.I. 2022/814, S.I. 2023/665 and S.I. 2024/695. Part 6A is inserted by S.I. 2022/241 and amended by S.I. 2022/395 and S.I. 2022/814. Regulation 68A is inserted by S.I. 2022/395.

(**c**) S.I. 2019/600. Part 5A is inserted by S.I. 2021/1146 and amended by S.I. 2022/748. Part 5B is inserted by S.I. 2022/748.

(**d**) S.I. 2019/411. Part 8 is amended by S.I. 2020/591.

(**e**) S.I. 2019/792.

(**f**) S.I. 2020/1665.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made in exercise of the power in section 1(1)(a) and (c), (2) and (3) of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) ("the Act"). They supplement trade sanctions regulations, aircraft sanctions regulations and shipping sanctions regulations made under section 1 of the Act, for the purpose of enforcing prohibitions or requirements imposed by those regulations.

Part 1 contains general provisions.

Regulation 2 contains definitions of words and expressions used in these Regulations, including "trade sanctions regulations", "aircraft sanctions regulations" and "shipping sanctions regulations" (together, "sanctions regulations").

Regulation 3 makes provision for the application outside the United Kingdom of requirements imposed by these Regulations and regulation 4 sets out the purpose of these Regulations.

Part 2 contains provisions relating to enforcement.

Regulation 5 provides that the Secretary of State may impose a monetary penalty on a person if satisfied, on the balance of probabilities, that the person has breached a prohibition, or failed to comply with an obligation, imposed by or under sanctions regulations. The Secretary of State may not impose such a penalty in relation to a breach of a prohibition or a failure to comply with an obligation under trade sanctions regulations where regulation 5(3) applies. Regulation 6 supplements regulation 5 for the purposes of trade sanctions regulations and regulation 7 supplements regulation 5 for the purposes of aircraft sanctions regulations and shipping sanctions regulations. Regulation 8 makes provision for the Secretary of State to impose a monetary penalty on officers of a body corporate, partners in a partnership and members of unincorporated bodies which are not partnerships, as the case may be.

Regulations 9 and 10 make provision for the calculation of the amount of the penalty under regulation 5 in relation to a breach of a prohibition or failure to comply with an obligation imposed by, respectively, trade sanctions regulations, and aircraft and shipping sanctions regulations. Regulation 11 creates appeal rights for a person subject to a monetary penalty and regulation 12 provides for related procedural safeguards. Regulation 13 provides that the Secretary of State may publish reports relating to monetary penalties, including where a monetary penalty is not imposed. This does not apply in relation to a breach of a prohibition or a failure to comply with an obligation under trade sanctions regulations where regulation 5(3) applies.

Part 3 contains provisions relating to information and records.

Regulation 14 provides that Part 3 does not apply in relation to a breach of a prohibition or a failure to comply with an obligation under trade sanctions regulations where regulation 5(3) applies. Regulations 15 and 16 create new reporting obligations on relevant persons in relation to suspected breaches of prohibitions or failures to comply with obligations under, respectively, trade sanctions regulations and aircraft sanctions regulations and shipping sanctions regulations. These regulations make failure to comply with these new reporting obligations a criminal offence.

Regulation 17 creates a new general power for the Secretary of State to request information from a person for the purposes set out in that regulation, including monitoring compliance with or detecting evasion of sanctions regulations. Regulations 18 and 19 create new powers for the

Secretary of State to request information from a person about, respectively, trade licences, and aircraft licences and shipping licences. Regulation 20 provides that a request under regulations 17 to 19 may include a request to produce certain documents.

Regulation 21 creates new criminal offences in relation to the requirements in regulations 17 to 20 for a person to provide information or produce certain documents. Regulation 22 makes provision for penalties for an offence under the reporting obligations in regulations 15 and 16 and the information-related offences in regulation 21. Regulation 23 makes provision for the jurisdiction to try offences, regulation 24 makes provision for the procedure for offences by unincorporated bodies and regulation 25 makes provision in relation to the time limit for proceedings for summary offences. Regulation 26 makes provision for the Commissioners for His Majesty's Revenue and Customs to investigate an offence in relation to the reporting obligation in regulation 15 in relation to trade sanctions regulations and the information-related offences in regulation 21 to the extent that they apply to trade sanctions regulations.

Regulations 27 and 28 prescribe powers for, respectively, the sharing and provision of information to enable the effective implementation and enforcement of the sanctions regime in the United Kingdom. Regulation 29 contains supplemental provision in relation to the sharing and provision of information under Part 3.

Part 4 contains a miscellaneous provision applying the investigatory powers in Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005 (c. 15) to the offences under aircraft sanctions regulations and shipping sanctions regulations set out in regulation 30.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

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