

CAYMAN ISLANDS



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NOTICE

THE IRAN (SANCTIONS) (OVERSEAS TERRITORIES) ORDER 2023

SI 2023 NO. 1377

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NOTICE is hereby given that the Iran (Sanctions) (Overseas Territories) Order 2023 SI 2023 No. 1377 was made on 13th December, 2023 and came into force on 14th December, 2023.

The full text of the Order can be viewed via the following link:

<https://www.legislation.gov.uk/uksi/2023/1377/made/data.pdf>

The Explanatory Note of the Iran (Sanctions) (Overseas Territories) Order 2023 SI 2023 No. 1377 is as follows:

“EXPLANATORY NOTE

(This note is not part of the Order)

This Order extends with modifications the Iran (Sanctions) Regulations 2023 (S.I. 2023/1314) (“the Iran Regulations”) as amended from time to time to all British overseas territories except Bermuda and Gibraltar (which implement sanctions under their own legislative arrangements).

Section 63(3)(c) of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) (“the Sanctions Act”) provides that His Majesty may by Order in Council provide for any provision of Part 1 of that Act, or any regulations under Part 1 of that Act, to extend with or without modifications to any of the British overseas territories. Section 63(4) provides that this includes the power to extend any regulations as amended from time to time.

The Iran Regulations were made under Part 1 of the Sanctions Act to establish a sanctions regime in relation to Iran for the purpose of encouraging the Government of Iran to comply with international human rights law and respect human rights and to deter Iran from conducting hostile activity against the United Kingdom and other countries. The Iran Regulations revoke and replace the Iran (Sanctions) (Human Rights) (EU Exit) Regulations 2019.

The Iran Regulations, as modified and extended to the British overseas territories listed in Schedule 1 by this Order (“the modified Regulations”), provide that a person designated by the Secretary of State for being, or having been, involved in certain activities, is a designated person for the purposes of the modified Regulations. Designated persons may be excluded from an overseas territory and

may be made subject to financial sanctions, including having their funds or economic resources frozen. The modified Regulations also impose trade restrictions on specified goods and technology which may be used to repress the civilian population of Iran (as specified in Schedule 2); on specified goods and technology (as specified in Schedule 3) which may be used for interception and monitoring services in Iran; and on specified goods and technology which may be used by Iran to build and improve their unmanned aerial vehicle systems (as specified in Schedule 4 to the Iran Regulations). A further trade sanction that is imposed by the modified Regulations is to prohibit the provision of interception and monitoring services to, or for the benefit of, the Government of Iran.

The modified Regulations provide for certain exceptions to this sanctions regime (for example to allow for frozen accounts to be credited with interest or other earnings and to allow acts done for the purpose of national security or the prevention of serious crime). The Governor of a British overseas territory to which the modified Regulations extend may, with the consent of the Secretary of State, issue a licence in respect of activities that would otherwise be prohibited under the modified Regulations. Schedule 5 sets out the purposes under which the Governor may issue a financial sanctions licence. The modified Regulations also require the Governor of the territory to publish an up-to-date list of designated persons.

The modified Regulations prescribe powers for the provision and sharing of information to enable the effective implementation and enforcement of the sanctions regime. The modified Regulations also prescribe enforcement powers in relation to suspected ships, aircraft or vehicles, and for the issue of a search warrant. The modified Regulations make it a criminal offence to contravene, or circumvent, any of the prohibitions in the modified Regulations and prescribe the penalties that apply to such offences.

This Order also extends to the territories for the purposes of the modified Regulations specific provisions of Part 1 of the Sanctions Act, namely provisions relating to protection for acts done for purposes of compliance, Crown application and saving for prerogative powers.

This Order revokes the Iran (Sanctions) (Overseas Territories) Order 2020 (S.I. 2020/1598).

An Impact Assessment has not been prepared for this instrument: the territorial extent of the instrument and the modified Regulations is the British overseas territories listed in Schedule 1, and no, or no significant, impact is foreseen on the private, voluntary or public sectors in the United Kingdom.”.