

## Explanatory Memorandum for Tynwald Members

Issued by the Treasury

**To The Hon Stephen Rodan MLC, President of Tynwald and the Hon Council and Keys in Tynwald assembled**

**Tynwald – January 2020**

### **Application and implementation of European Union sanctions**

#### **1. TITLE OF MEASURES**

The following item is to be **moved for approval**:

- European Union (Turkey Sanctions) Order 2019 – *SD 2019/0476*

The following item is subject to the **negative resolution** procedure:

- Turkey Sanctions Regulations 2019 – *SD 2019/0477*

#### **2. CHANGES IN POLICY**

None.

#### **3. EFFECTS OF THE MEASURES**

The order applies the EU instrument listed below to the Island with certain modifications and the regulations implement the EU instrument as it has effect in the Island. A brief description of the effect of the EU instrument is provided.

*Council Regulation (EU) 2019/1890 of 11 November 2019 concerning restrictive measures in view of the situation in Turkey's unauthorised drilling activities in the Eastern Mediterranean.*

On 15 July 2019, the Council of the European Union adopted conclusions in which it deplored that, despite the Union's repeated calls to cease its illegal activities in the Eastern Mediterranean, Turkey had continued its drilling operations west of Cyprus and had launched a second drilling operation northeast of Cyprus within Cypriot territorial waters. It reiterated the serious immediate negative impact that such illegal actions have across the range of EU-Turkey relations and called again on Turkey to refrain from such actions, act in a spirit of good neighbourliness and respect the sovereignty and sovereign rights of Cyprus in accordance with international law.

On 14 October 2019, in the light of Turkey's continued illegal drilling activities in the Eastern Mediterranean, the Council reaffirmed its full solidarity with Cyprus with regard to the respect of its sovereignty and sovereign rights in accordance with international law. Moreover, the Council agreed to put in place a framework for restrictive measures targeting natural and legal persons responsible for or involved in the illegal drilling activity of hydrocarbons in the Eastern Mediterranean.

On 11 November 2019, the Council of the European Union adopted Council Regulation (EU) 2019/1890 The Regulation provides for the freezing of funds and economic

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resources of certain persons, entities or bodies responsible for or involved in, including by planning, preparing, for example by means of seismic surveys, participating in, directing, or assisting, drilling activities in relation to hydrocarbon exploration and production, or hydrocarbon extraction resulting from such activities, or providing financial, technical or material support for such activities, which have not been authorised by the Republic of Cyprus, within its territorial sea or in its exclusive economic zone or on its continental shelf, as well as of persons associated with them.

So far, no individuals or entities have been listed.

### **4. REASONS FOR THE MEASURES**

Due to international reputational reasons, this matter is considered nationally important. It is established practice that the Isle of Man keeps its sanctions regime in line with that of the United Kingdom and the European Union.

If the Island did not keep its sanctions regimes in line with the UK, there may be a reputational risk to the Island which could potentially be used to circumnavigate such measures.

### **5. RESOURCE IMPLICATIONS**

It is not considered that there any resource implications.

### **6. TYNWALD PROCEDURE**

These application Orders are made under section 2A of the European Communities (Isle of Man) Act 1973 which provides that the Council of Ministers can make Orders in relation to EU sanctions measures that come into operation with immediate effect, but for which the approval of Tynwald must be sought as soon as practically possible after such Orders have been made.

The implementing Regulations were made under section 2B of the 1973 Act which provides that they may come into operation with immediate effect but they must then be laid before Tynwald at the earliest opportunity, where they are subject to the negative resolution procedure.