

Explanatory Memorandum for Tynwald Members

Issued by the Treasury

To The Hon Laurence Skelly MLC, President of Tynwald and the Hon Council and Keys in Tynwald assembled

Tynwald – October 2021

1. TITLE OF MEASURE

Burma and Misappropriation Sanctions (Revocation) (No. 2) Regulations 2021

2. CHANGES IN POLICY

The Isle of Man Government's policy in relation to sanctions:

"It is the policy of the Isle of Man Government to maintain the implementation of international sanctions measures in the Isle of Man in line with such measures as have effect in the United Kingdom from time to time."

The policy was most recently revised in July 2019 in part to align more closely with United Kingdom policy on sanctions, as a consequence of the United Kingdom's departure from the European Union.

3. EFFECTS OF THE MEASURES

In line with the Isle of Man Government's policy in relation to sanctions matters, and the introduction in the United Kingdom of new sanctions legislation from 1 January 2021, amongst other legislation, the following United Kingdom Regulations were applied to the Island using powers contained in the European Union and Trade Act 2019 —

- the Burma Sanctions (EU Exit) Regulations 2020; and
- the Misappropriation (Sanctions) (EU Exit) Regulations 2020 (collectively "the UK Regulations").

The Burma and Misappropriation Sanctions (Revocation) (No. 2) Regulations 2021 revoke the Burma Sanctions (Application) Regulations 2020 and the Misappropriation Sanctions (Application) Regulations 2020, which applied the UK Regulations to the Island.

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These Regulations also revoke the Burma and Misappropriation Sanctions (Revocation) Regulations 2021, which contained a legislative error. Although those Regulations were approved by Council on 29 April, unfortunately they were not made until 12 May 2021, which was later than the commencement date contained in the Regulations, and therefore they have been made incorrectly. Therefore these new Regulations correct that error.

4. REASONS FOR THE MEASURES

The revocations made by these Regulations follow the revocation of the UK Regulations in the United Kingdom.

The sanctions regime that was established in relation to Burma (Myanmar) by the Burma Sanctions (EU Exit) Regulations 2020 has been replaced by the one established by the Myanmar (Sanctions) Regulations 2021. Those 2021 Regulations have been extended to the Island by the Myanmar (Sanctions) (Isle of Man) Order 2021¹.

The sanctions regime that was established by the Misappropriation (Sanctions) (EU Exit) Regulations 2020 has been replaced by the one established by the Global Anti-Corruption Sanctions Regulations 2021. Those 2021 Regulations have been extended to the Island by the Global Anti-Corruption Sanctions (Isle of Man) Order 2021².

5. RESOURCE IMPLICATIONS

There are thought to be no resource implications arising directly from these Regulations. New guidance has been published in relation to the Myanmar and Global Anti-Corruption Sanctions and is available on the Customs and Excise website.

6. TYNWALD PROCEDURE

The power to make these Regulations is contained in section 19 of the European Union and Trade Act 2019. In the normal course of events, regulations made under section 19 of that Act are made by the Council of Ministers and cannot come into operation until Tynwald have approved the Regulations. The Treasury requested that the affirmative Tynwald procedure was used on this occasion to properly revoke the UK Regulations (as they have effect in the Island) as soon as possible following identification of the legislative error.

¹ SI 2021/529.

² SI 2021/526.

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These Regulations have been vetted by the Attorney General's Chambers following the normal process.