

Explanatory Memorandum for Tynwald Members

Issued by the Treasury

To the President of Tynwald and the Hon Council and Keys in Tynwald assembled

Tynwald – July 2022

1. TITLE OF MEASURE

Russia Sanctions (Application) (No. 7) Regulations 2022

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 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

Following the departure of the United Kingdom from the European Union, financial and trade sanctions are implemented in the United Kingdom by Regulations under the Sanctions and Anti-Money Laundering Act 2018. The Isle of Man Government policy in relation to sanctions is:

"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."

In relation to sanctions against Russia, the Russia (Sanctions) (EU Exit) Regulations 2019 (of UK Parliament) (the "Russia Regulations") were applied to the Island, and currently have effect in the Island, by the Russia Sanctions (Application) Regulations 2020¹.

¹ SD 2020/0504.

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The Russia Regulations were further amended in the United Kingdom on 29 April 2022, in response to Russian actions in Ukraine.

The Russia Sanctions (Application) (No. 7) Regulations 2022, amend Part 5 (Trade) of the Russia Regulations, which contains trade sanctions measures, and make related consequential amendments.

These Regulations insert a new regulation 54A of the Russia Regulations requiring providers of social media services, internet access services (i.e. internet service providers) and application stores to take reasonable steps to prevent their users in the Isle of Man from encountering or accessing online content generated by designated persons. Failure to comply with the new requirement is a criminal offence.

These Regulations are being made under section 19 of the European Union and Trade Act 2019 (EUTA2019), which permits the Council of Ministers to apply to the Island UK legislation which relates, directly or indirectly, to the withdrawal of the United Kingdom from the EU. The UK legislation being applied to the Island by these Regulations is an EU Exit instrument, and therefore relates to the withdrawal of the United Kingdom from the EU. These Regulations have been vetted by the Attorney General's Chambers who are content with the use of section 19 of EUTA2019 in this instance.

4. REASONS FOR THE MEASURES

The Isle of Man's policy in relation to sanctions is 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. These Regulations ensure that the sanctions measures imposed against Russia are aligned with the United Kingdom.

Although many of the larger providers of social media are not located in the Isle of Man, there will be some providers on the Island of such services who may need to be vigilant about who is uploading content on their platforms. Such providers must take reasonable steps to prevent content that is generated directly on the service, or uploaded to or shared on the service, by a designated person being encountered by a user of the service in the Isle of Man. Internet access services, including fixed and wireless broadband providers, must take reasonable steps to prevent users of the service in the Isle of Man from accessing websites provided by a designated person. This will likely take the form of URL blocking. Application stores, including those on smartphones, must take reasonable steps to prevent users of the application store in

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the Isle of Man from downloading or otherwise accessing an application provided by a designated person.

5. RESOURCE IMPLICATIONS

There are not considered to be any direct revenue implications for Government arising from these Regulations.

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. However, as these amendments are necessary to remain aligned with the United Kingdom and the Isle of Man Government policy, the Treasury requested that the Council of Ministers approve the use of the affirmative Tynwald procedure in this case to ensure that the exceptions being introduced could have effect in the Isle of Man as soon as possible after they had effect in the United Kingdom.

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