

Statutory Document No. 2018/0139



Terrorism and Other Crime (Financial Restrictions) Act 2014

TERRORISM AND OTHER CRIME (FINANCIAL RESTRICTIONS) ACT 2014 (AMENDMENT) ORDER 2018

Draft laid before Tynwald: 20 March 2018
Draft Approved by Tynwald: 17 April 2018
Coming into Operation: 1 May 2018

The Council of Ministers, having consulted such persons and bodies as it considers appropriate, makes the following Order under section 69A(1) of the Terrorism and Other Crime (Financial Restrictions) Act 2014.

1 Title

This Order is the Terrorism and Other Crime (Financial Restrictions) Act 2014 (Amendment) Order 2018.

2 Commencement

If approved by Tynwald, this Order comes into operation on 1 May 2018¹.

3 Interpretation

In this Order, “**the Act**” means the Terrorism and Other Crime (Financial Restrictions) Act 2014.

4 Amendment of Schedule 2 to the Act

(1) In paragraph 3 (licences) of Schedule 2 (requirements of freezing orders) to the Act, for paragraph (ea) substitute —


▣(ea) that, in order to comply with United Nations Security Council resolutions 1737 (2006)² and 2231 (2015)³, a licence granted must

¹ Section 69A(5)(b) provides that an order may only be made under section 69A(1) if a draft of the proposed order has been laid before a sitting of Tynwald and that draft has been approved at a subsequent sitting of Tynwald.

² <https://www.un.org/sc/suborg/en/s/res/1737-%282006%29>

³ [http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2231\(2015\)](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2231(2015))

provide that the freezing order does not prevent a person subject to that freezing order from making any payment due under a contract entered into prior to the freezing order being made, provided that –

- (i) the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment brokering or services referred to in a relevant United Nations Security Council resolution;
- (ii) the payment is not directly or indirectly to be received by any designated person, or a person or entity designated pursuant to paragraph 6 of Annex B to United Nations Security Council resolution 2231 (2015); and
- (iii) notification is provided to Her Majesty's Treasury of the intention to make or receive such payments or to authorise, where appropriate, the unfreezing of funds, other financial assets or economic resources for this purpose, twenty working days prior to such authorisation, for the purpose of notification being provided to the relevant United Nations Sanctions Committee. 

5 Revocation

The Terrorism and Other Crime (Financial Restrictions) Act 2014 (Amendment) (No. 2) Order 2017⁴ is revoked.

MADE 24 APRIL 2018

W GREENHOW
Chief Secretary

⁴ SD 2017/0381.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends Schedule 2 to the Terrorism and Other Crime (Financial Restrictions) Act 2014 (“the Act”) to update references to United Nations Security Council resolution (“UNSCR”) 1737 (2006) to include UNSCR 2231 (2015) which endorsed the Joint Comprehensive Plan of Action of 14 July 2015 on the Iran nuclear issue.

Section 69A(1) of the Act provides that the Council of Ministers may by order amend the Act in connection with the implementation of —

- a) relevant international obligations or standards; or
- b) the recommendations (however described) of international bodies that are involved with the adoption, monitoring or promotion of such obligations or standards.

The Financial Action Task Force (“FATF”) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF has developed a series of recommendations that are recognised as the international standards on combating money laundering and the financing of terrorism and the proliferation of weapons of mass destruction, and these were recently updated.

As a result, paragraph 3 of Schedule 2 to the Act is amended to refer to UNSCR 2231 (2015). Schedule 2 to the Act is concerned with the requirements for freezing orders that may be made under Part 2 of the Act, and paragraph 3 of that Schedule is concerned with licences that may be granted by the Treasury to permit things that would otherwise be prohibited under the freezing order. One provision regarding any such licence is that it must provide that the freezing order should not prevent any payment due under a contract entered into prior to the freezing order being made by the Treasury, subject to the conditions contained in the substituted paragraph 3(ea).