

Counter Terrorism Sanctions Guidance

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Isle of Man
Government

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1. Prohibitions and requirements imposed by the Regulations

This guidance is provided in relation to the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (the “Regulations”). These Regulations have effect in the Island by the Sanctions (Implementation of UK Sanctions) Regulations 2024, made under the Sanctions Act 2024.

These Regulations impose financial sanctions for the purpose of furthering the prevention of terrorism in the Isle of Man (IOM), the United Kingdom or elsewhere and protecting national security interests.

In order to achieve the stated purposes, the Regulations impose a number of prohibitions and requirements. In order to enforce these, the Regulations establish penalties and offences. These are set out in detail in the Annex.

The sanctions imposed by these Regulations apply within the territory of the Isle of Man (IOM) and in relation to the conducts of all Island persons wherever they are in the world. Island person includes –

- (a) a British citizen, a British overseas territories citizen, a British National (Overseas) or a British overseas citizen who is resident in the Isle of Man;
- (b) a person who under the British Nationality Act 1981 (of Parliament)¹ is a British subject who is resident in the Isle of Man;
- (c) a British protected person within the meaning of that Act who is resident in the Isle of Man; or
- (d) a body incorporated under the law of the Isle of Man.

It is prohibited to intentionally participate in any activities if you know that the object or effect of them is to directly or indirectly circumvent the prohibitions imposed by these Regulations or to enable or facilitate the contravention of those prohibitions.

If you are unclear about any aspects of the Regulations, in particular about whether action you are considering taking could contravene these Regulations, you are advised to seek independent legal advice.

Prohibitions and requirements for the financial and immigration sanctions contained in these Regulations are set out below.

1.1 Designation of persons

Where the UK Secretary of State has designated a person, that designation also has effect in the IOM from the same time, and any variation or revocation of the designation will also have effect in the IOM. The criteria for designation are if persons are or have been involved in terrorist activity.

The [UK Sanctions List](#) lists the people designated under the Regulations, and details of the sanctions in respect of which they have been designated.

¹ 1981 Chapter 61.

1.2 Financial sanctions

Asset freeze

The Regulations impose financial sanctions through a targeted asset freeze on designated persons. This involves the freezing of funds and economic resources (non-monetary assets, such as property or vehicles) of designated persons and ensuring that funds and economic resources are not made available to or for the benefit of designated persons or entities, either directly or indirectly.

2. Information and record keeping

Part 5 of the Regulations places obligations on relevant firms to report information to the Treasury about known or suspected designated persons or about persons who may have committed an offence under specified provisions of these Regulations.

Reports must be made to the Financial Intelligence Unit (FIU), via THEMIS.

It also grants powers to the Treasury to request information from, amongst others, a designated person, including powers to request the production of documents. It also establishes offences for failing to comply with these requests (including providing false information in respect of Treasury licences).

If you have obligations or responsibilities under Part 5 of these Regulations, it is important that you familiarise yourself with them. If you are unclear of your obligations or responsibilities, you are advised to seek independent legal advice.

3. How will these sanctions measures be enforced?

The Regulations make it a criminal offence to contravene the financial sanctions, as well as to enable or facilitate a contravention of, or to circumvent, any of the prohibitions in these Regulations. They also prescribe the mode of trial and penalties that apply to such offences.

In addition to the below, further details on offences and penalties can be found in the Annex.

3.1 Financial Sanctions

Breaches of financial sanctions are a serious criminal offence. Any breach of the main financial prohibitions in the Regulations is an offence that is triable either way and carries a maximum sentence of 7 years' custody or a fine (or both).

Committing an offence under regulations 21(6) or 25 (information offences in connection with financial sanctions under the Regulations) is summary only and carries a maximum sentence of 6 months' custody or a fine or both.

The Treasury is responsible for monitoring compliance with financial sanctions and investigating suspected breaches.

The Treasury works with other parts of government, supervisory bodies and regulators to consider all cases reported to it, sharing relevant information accordingly.

If you find out that a person or organisation you are dealing with is subject to the financial sanctions detailed in the Regulations –

1. you must freeze the assets **immediately** upon identification
2. you must review the information you hold for that person against the UK Sanctions List to ensure you do not have a false positive identification
3. do not deal with those assets or make them available to, or for the benefit of the designated person unless –
 - o you have a legal exemption
 - o you have a licence
4. you must report the frozen assets to the Financial Intelligence Unit ("FIU").

4. Are there any circumstances where I can get an authorisation or licence for a sanctioned activity?

Licensing and exception are contained in Part 4 of the Regulations.

4.1 Exceptions

The Regulations set out the exceptions to some of the sanctions prohibitions which apply within certain defined circumstances. An exception applies automatically, and does not require you to obtain a licence.

The Regulations establish exceptions relating to financial sanctions including for the crediting of a frozen account, providing that any such interest or other earnings are frozen in accordance with the relevant legislation underpinning the asset freeze. An exception also exists for when funds are transferred to a relevant institution for crediting to an account held or controlled by a designated person in discharge (or partial discharge) of an obligation which arose before the recipient became a designated person.

Regulation 17A establishes an exception to regulations 11 to 15 which provides that prohibitions are not contravened if conduct is authorised by a licence which is issued under the law of the United Kingdom, the Channel Islands, or any British Overseas Territory for the purpose of disapplying a prohibition in that jurisdiction which corresponds to the relevant prohibition.

The Regulations also include an exception in relation to any prohibition or requirement imposed by these Regulations for acts done for the purposes of national security or prevention or detection of serious crime.

These exceptions do not apply to all prohibitions. If you are unsure whether an exception applies in your circumstances, you are advised to seek independent legal advice.

4.2 Licensing for financial sanctions

Where a person is designated for the purposes of the financial sanctions (asset freeze and making available provisions) contained in the Regulations, the designated person or a representative (on their behalf) may apply for a licence from the Treasury to use their funds or economic resources (including non-monetary assets, such as property or vehicles).

Regulation 19 provides that the prohibitions in regulations 11 to 15 (asset-freeze etc) do not apply to anything done under the authority of a licence issued by the Treasury under paragraph 1 of that regulation. This regime does not contain specific licensing grounds and instead contains a general power to issue licences. The Treasury will exercise these powers according to the enabling legislation, taking into account any relevant law and the purpose of the regime.

You may also be interested in the UK [Counter-Terrorism Licensing Policy](#).

5. Further Information

Sign up to receive [Notices to Exporters](#) for updates on trade sanctions.

To receive an email alerting you to any changes to the UK Sanctions List, you can subscribe to the Sanctions and Export Control news feed. Visit the Sanctions and Export Control website for more information on how to do this.

5.1 Contact details for enquiries

Enquiries concerning this Notice may be made by –

- Email sanctions@gov.im
- Telephone 01624 648109

5.2 Privacy Notice

The Treasury collects information about you in order to administer taxation and carry out other functions for which it is responsible (e.g. National Insurance, customs and excise duties, property rates, social security benefits, state pensions and legal aid etc.), and for the detection and prevention of crime.

Whilst that information will primarily be provided by you, where the law allows we may also get information about you from other organisations, or give information about you to them. This may be to check the accuracy of the information provided, prevent or detect crime or protect public funds in other ways. These organisations may include other government departments, the police and other agencies.

To find out more about how we collect and use personal information, contact any of our offices or visit our website at:

<https://www.gov.im/about-the-government/departments/the-treasury/privacy-notice/>

Annex

Table of financial sanctions offences

Type of Sanctions offences	Specific offence	Relevant prohibition or requirement	Maximum penalty
Breach of sanctions	<ol style="list-style-type: none"> 1. Dealing with funds or economic resources owned, held or controlled by a designated person 2. Making funds available directly or indirectly to a designated person 3. Making funds available for the benefit of a designated person 4. Making economic resources available directly or indirectly to a designated person 5. Making economic resources available for benefit of a designated person 	<ol style="list-style-type: none"> 1. reg. 11 2. reg. 12 3. reg. 13 4. reg. 14 5. reg. 15 	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 12 months, or to a fine not exceeding level 5 on the standard scale, or to both. <p>Liable on conviction on information -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 7 years or to a fine, or to both.
Circumvention etc. of prohibitions	Circumventing directly or indirectly the prohibitions of regs. 11-15 (Part 3 Finance) or enabling the contravention of prohibitions.	reg. 16	
Breach of requirements under Treasury licences	<ol style="list-style-type: none"> 1. Knowingly or recklessly providing false information or providing a document that is not what it purports to be for the purpose of obtaining a Treasury licence 2. Failing to comply with the conditions of a Treasury licence 	<ol style="list-style-type: none"> 1. reg. 20 2. reg. 20 	
Breach of reporting obligations	<ol style="list-style-type: none"> 1. Failure to inform the Treasury about knowledge or reasonable cause to suspect that a person is a designated person or has committed an offence under Part 3 of the Regulations. 2. Failure to provide the Treasury with information on which the knowledge or suspicion is based or information by which the person can be identified. 3. Failure to provide the Treasury with information about any funds or 	<ol style="list-style-type: none"> 1. reg. 21 2. reg.21 3. reg.21 	<p>Liable on summary conviction -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 6 months, or to a fine not exceeding level 5 on the standard scale, or to both.

	economic resources it holds for a designated person at the time when it first had knowledge or suspicion.		
Failure to comply with requests for information	<ol style="list-style-type: none"> 1. Failure to provide information in the time and manner requested under reg. 23. 2. Knowingly and recklessly providing false information in respect of information requested under reg. 23. 3. Evasion of requests made under reg. 23 or reg. 24. 4. Obstruction of Treasury requests for information made under reg. 23 or reg. 24. 	<ol style="list-style-type: none"> 1. reg.25 2. reg.25 3. reg.25 4. reg.25 	
Breach of confidential information provision	Disclosure of information specified by the Secretary of State as confidential, where knowledge or reasonable cause to suspect that the information is to be treated as confidential	reg. 9	<p> LIABLE ON SUMMARY CONVICTION -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 12 months, or to a fine not exceeding level 5 on the standard scale, or to both. <p> LIABLE ON CONVICTION ON INFORMATION -</p> <ul style="list-style-type: none"> • to custody for a term not exceeding 2 years or to a fine, or to both.