
STATUTORY INSTRUMENTS

2011 No. 2989

**The Iran (Restrictive Measures)
(Overseas Territories) Order 2011**

FUNDS AND ECONOMIC RESOURCES

Freezing funds and economic resources

4.—(1) A person (“P”) (including a listed person) must not deal with funds or economic resources belonging to, or owned, held or controlled by, a listed person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

(2) A person who contravenes the prohibition in paragraph (1) shall be guilty of an offence under this Order.

(3) In this article, “to deal with” means—

(a) in respect of funds—

(i) to use, alter, move, allow access to or transfer;

(ii) to deal with in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination; or

(iii) to make any other change that would enable use, including portfolio management; and

(b) in respect of economic resources, to exchange or use in exchange for funds, goods or services.

(4) Paragraph (1) is subject to articles 6 and 9.

Making funds and economic resources available

5.—(1) A person (“P”) (including a listed person) must not make funds or economic resources available, directly or indirectly, to or for the benefit of a listed person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) A person who contravenes the prohibition in paragraph (1) shall be guilty of an offence under this Order.

(3) Paragraph (1) is subject to articles 6 and 9.

Exceptions

6.—(1) A person (“P”) (including a listed person) is not guilty of an offence under article 4 or 5 if P credits a frozen account with—

(a) interest or other earnings due on the account; or

(b) payments due under contracts, agreements or obligations that were concluded or arose prior to the date on which the account holder became a listed person.

(2) It is not an offence under article 5 for a relevant institution to credit a frozen account where it receives funds transferred by a third party to a frozen account under this Order.

(3) Article 4 applies to any funds credited to a frozen account in accordance with this article.

(4) In this article “third party” means a person other than the account holder or the person with which the account is maintained.

Circumventing prohibitions etc

7. A person shall be guilty of an offence under this Order if they participate in, knowingly and intentionally, activities the object or effect of which is, directly or indirectly, to-

- (a) circumvent a prohibition in articles 4(1) or 5(1); or
- (b) enable or facilitate the commission of an offence under articles 4(2) or 5(2).

Governor’s powers to give directions

8.—(1) Where the Governor has reasonable grounds for suspecting that a person is a listed person, the Governor may give a direction that such person is a listed person for the purposes of this Order.

(2) The Governor may vary or revoke such a direction at any time.

(3) A direction under paragraph (1) has effect—

- (a) for such a period as the Governor may specify in the direction, or
- (b) until the direction is revoked or set aside.

(4) Where the Governor gives a direction the Governor shall—

- (a) take such steps as he considers appropriate to publicise the direction;
- (b) give written notice to the person identified in the direction; and
- (c) if the direction is varied or revoked—

- (i) give written notice of the variation or revocation to the person identified in the direction; and
- (ii) take such further steps as the Governor considers appropriate to publicise the variation or revocation.

(5) The Supreme Court may set aside a direction on the application of—

- (a) the person identified in the direction, or
- (b) any other person affected by the direction.

(6) A person who makes an application under paragraph (5) shall give a copy of the application and any witness statement or affidavit in support to the Governor not later than seven days before the date fixed for the hearing by the Supreme Court of the application.

Licences

9.—(1) The Governor may grant a licence to disapply the prohibition in articles 4(1) or 5(1) in relation to the acts specified in the licence.

(2) A licence may relate to—

- (a) basic expenses of listed persons and their dependent family members, including payments for foodstuffs, rent or mortgage, medicines, medical treatment, taxes, insurance premiums and public utility charges;
- (b) payments of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services;
- (c) payment of fees or service charges for the routine holding or maintenance of frozen funds in a frozen account or economic resources;

- (d) payment of necessary extraordinary expenses as determined by the Governor provided that the other Member States and the Commission of the European Union have been notified of the grounds for the Governor's determination at least two weeks before the Governor's authorisation of payment;
 - (e) satisfaction of a judicial, administrative or arbitral lien or judgment provided that the lien or judgment was entered into prior to 14th April 2011⁽¹⁾ and is not for the benefit of a listed person.
- (3) Any licence granted under this Order shall be in writing.
- (4) A licence may be—
- (a) general or granted to a category of persons or to a particular person;
 - (b) subject to conditions;
 - (c) of indefinite duration or subject to an expiry date.
- (5) The Governor may vary or revoke a licence at any time.
- (6) Where a licence is granted, varied or revoked by the Governor, the Governor shall—
- (a) in the case of a licence granted to a particular person, give written notice of the licence, variation or revocation to that person, and
 - (b) in the case of a general licence, or of a licence granted to a category of persons, take such steps as the Governor considers appropriate to publicise the licence, variation or revocation.

⁽¹⁾ This is the date on which the Regulation came into force.