

EXPLANATORY MEMORANDUM TO
THE EXPORT CONTROL (IRAN SANCTIONS) ORDER 2012

2012 No. 1243

1. This explanatory memorandum has been prepared by the Department for Business, Innovation and Skills and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

2.1 The Export Control (Iran Sanctions) Order 2012 (“the Iran Order”) makes provision relating to the enforcement of certain restrictive measures against Iran set out in Council Regulation (EU) No 264/2012 and Council Regulation (EU) No 267/12 both of 23 March 2012, the former amending Regulation (EU) 359/2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran, the latter concerning restrictive measures against Iran and repealing Regulation (EU) 961/2010 (“the Iran Regulations”).

2.2 The enforcement of prohibitions in the Iran Regulations in relation to the import or export of goods is covered by the Customs and Excise Management Act 1979.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 None.

4. **Legislative Context**

4.1 The United Nations Security Council Resolution 1929 (2010) (“UNSCR 1929 (2010)”) on sanctions against Iran was adopted on 9 June 2010. The response to this Resolution was co-ordinated at European level by means of the adoption of Council Decision 2010/413/CFSP on 26 July 2010 and Council Regulation (EU) 961/2010 of 27 October 2010 concerning restrictive measures against Iran. The European Council has now adopted additional restrictive measures against Iran by means of the Iran Regulations, which revoke and replace the sanctions regime created in 2010 by means of the Decision and Regulation specified above.

4.2 Thus the Iran Regulations maintain all the restrictive measures specified under Council Regulation (EU) 961/2010, to which they replace and provide new additional restrictions in relation to Iran. The measures include

prohibitions on trade of certain goods (including restrictions on export, import, technical and financial assistance and brokering services) and prohibition on the participation of certain infrastructure projects and investment in such projects.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As this instrument is subject to negative instrument resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

• What is being done and why

7.1 The government's policy is to support the EU legislation concerning restrictive measures against Iran, in the same way as we support the United Nations Security Council Resolution from which it derives.

7.2 The Iran Order provides for national offences, penalties and licensing provisions that are required to supplement Articles 2 to 22 and Articles 1a to 1c of the Iran Regulations. These provisions are concerned with prohibiting:-

- Trade with Iran in equipment which may be used for internal repression;
- Technical and financial assistance or brokering regarding such internal repression equipment;
- Technical and financial assistance related to the goods and technology specified the Common Military list of the European Union;
- Trade in telecommunications monitoring equipment for use by the Iranian regime and key equipment and technology for the Iranian oil and gas industry;
- Trade on newly printed or unissued Iranian denominated banknotes and minted coinage;
- Trade in gold, precious metals and diamonds with the Government of Iran;
- Import, purchase, transport and financial assistance of Iranian crude oil or petrochemical products; and
- The participation in certain infrastructure projects in Iran and investments in such projects

7.3 The Iran Order revokes the Export Control (Iran) Order 2011 (S.I. 2011/1297), which made provisions for offences and penalties for contravention of Council Regulation (EU) 961/2010 to which the Iran Regulations replace.

7.4 The Iran Order is also in line with the general policy to implement EU Legislation in a timely and appropriate manner.

8. Consultation outcome

8.1 This is purely a technical implementation of a directly applicable EU Regulation, so no consultation was necessary.

9. Guidance

9.1 An updated notice to exporters has been published on <http://www.bis.gov.uk/policies/export-control-organisation/eco-notices-exporters> explaining the purpose and effect of the Iran Regulations.

10. Impact

10.1 The Iran Order provides for the offences and penalties in relation to the restrictive measures in the Iran Regulations, which came into force on 24 March 2012 and are directly applicable in the United Kingdom. Accordingly a regulatory impact assessment has not been prepared for this instrument as it has no or minimal impact on business, charities or voluntary bodies.

10.2 There is no or minimal impact on the public sector.

11. Regulating small business

11.1 This legislation applies to small business.

12. Monitoring & review

12.1 The Department will monitor the developments in Iran, the actions taken by the United Nations and the EU and the impact of the Iran Order and give effect to any necessary changes if the sanctions are reviewed.

13. Contact

13.1 Christopher Chew at the Department for Business, Innovation and Skills, Tel: 020 7215 8088 or email: chris.chew@bis.gsi.gov.uk can answer any queries regarding the instrument.

Department for Business, Innovation and Skills
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