

EXPLANATORY MEMORANDUM TO
THE IRAN (SANCTIONS) (OVERSEAS TERRITORIES) ORDER 2016

2016 No. 371

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Foreign and Commonwealth Office and is laid before Parliament by Command of Her Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

- 2.1 This Order revokes and replaces the Iran (Restrictive Measures) (Overseas Territories) Order 2012 (S.I 2012/1756). It gives effect in specified Overseas Territories to changes in the sanctions regime against Iran set out in United Nations Security Council resolution 2231 (2015) (“resolution 2231”) and the Joint Comprehensive Plan of Action (“JCPOA”) annexed to that resolution. It also reflects the implementation of these sanctions by the European Union in Council Decision (CFSP) 2015/1863 (“the 2015 Council Decision”), Council Regulation (EU) 2015/1862 and Council Implementing Regulation (EU) 2015/1861 (“the 2015 Council Regulations”), all of 18 October 2015.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 The Order comes into force on the day after the day on which it is laid in Parliament. The Order implements changes in the international sanctions regime against Iran set out in resolution 2231 and the 2015 Council Decision and 2015 Council Regulations, which took effect on “Implementation Day”, 16 January 2016. The changes include the relaxation of previous trade and financial restrictions. It is therefore consistent with the United Kingdom’s international obligations, and in the interests of those persons to whom this Order applies, that it comes into force as soon as possible.
- 3.2 It is not expected that any person will be disadvantaged by the departure from the 21 day convention on this occasion. Unfortunately it was not possible for this Order to be made and laid prior to Implementation Day because there was no knowledge in advance of the exact date of Implementation Day.

Other matters of interest to the House of Commons

- 3.3 As this instrument is not subject to any Parliamentary procedure, consideration as to whether there are other matters of interest to the House of Commons does not arise.

4. Legislative Context

- 4.1 This Order is made in exercise of statutory powers under the United Nations Act 1946, the Saint Helena Act 1833, the British Settlements Acts 1887 and 1945, and the legislative power of the Royal Prerogative.
- 4.2 The statutory and prerogative powers to legislate for the Overseas Territories, to implement sanctions measures, are applicable to the Overseas Territories as follows:
 - (i) the United Nations Act 1946 applies to all Overseas Territories;

- (ii) the Saint Helena Act 1833 applies to St Helena;
- (iii) the British Settlements Acts 1887 and 1945 are applicable to Ascension and Tristan da Cunha, British Antarctic Territory, the Falkland Islands, Pitcairn (including Henderson, Ducie and Oeno Islands), and South Georgia and the South Sandwich islands);
- (iv) the prerogative legislative power is applicable to Anguilla, British Indian Ocean Territory, Cayman Islands, Montserrat, the Sovereign Base Areas of Akrotiri and Dhekelia, Turks and Caicos Islands, and the Virgin Islands.

5. Extent and Territorial Application

- 5.1 This Order applies to the following territories: Anguilla, British Antarctic Territory, British Indian Ocean Territory, Cayman Islands, the Falkland Islands, Montserrat, Pitcairn (including Henderson, Ducie and Oeno Islands), St Helena, Ascension and Tristan da Cunha, South Georgia and the South Sandwich Islands, the Sovereign Base Areas of Akrotiri and Dhekelia, the Turks and Caicos Islands and the Virgin Islands. Bermuda legislates separately to apply the EU sanctions. The measures are implemented in Gibraltar by Council Regulation (EU) No. 267/2012 of 23 March 2012, as amended, and local legislation.

6. European Convention on Human Rights

- 6.1 As the instrument is not subject to parliamentary procedure, no statement is required.

7. Policy background

What is being done and why

- 7.1 On 14 July 2015, China, France, Germany, the Russian Federation, the United Kingdom and the United States, supported by the High Representative of the Union for Foreign Affairs and Security Policy, agreed the JCPOA with Iran. The JCPOA provided for staged sanctions relief for Iran in exchange for Iran verifiably limiting its nuclear programme. On 20 July 2015, the United Nations Security Council adopted resolution 2231 endorsing the JCPOA, providing for actions to take place in accordance with the timetable established in the JCPOA, and making provision for changes to United Nations sanctions against Iran.
- 7.2 The first stage of sanctions relief as provided for in resolution 2231 and the JCPOA includes the lifting of economic and financial sanctions, the lifting of certain trade restrictions, the introduction of an authorisation regime for certain nuclear-related transfers and transfers of certain metals and software, and the de-listing of certain persons, entities and bodies previously subject to an asset freeze and travel ban. These changes took effect on “Implementation Day”, 16 January 2016.
- 7.3 The first stage of sanctions relief was given effect in the European Union by the 2015 Decision, which amends Council Decision 2010/413/CFSP of 26 July 2010, and the 2015 Regulations, which amend Council Regulation (EU) No. 267/2012 of 23 March 2012. The 2015 Council Decision and the 2015 Council Regulations entered into force on 16 January 2016.
- 7.4 This Order gives effect to the revised package of sanctions in the Overseas Territories.

8. Consultation outcome

- 8.1 The Overseas Territories have been consulted on the Order in draft.

9. Guidance

9.1 No guidance will be issued.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies in the United Kingdom.

10.2 There is no impact on the public sector in the United Kingdom.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to activities that are undertaken by small businesses in the United Kingdom.

12. Monitoring & review

12.1 United Nations sanctions are monitored and reviewed by the United Nations Security Council, and European Union measures are monitored and reviewed by the Member States of the European Union. This Order will be reviewed and amended as appropriate following any further modifications to the sanctions regime by the United Nations and European Union.

13. Contact

13.1 Louise Moreland at the Foreign and Commonwealth Office can answer any queries regarding the instrument. Telephone: 020 7008 3124. Email: louise.moreland@fco.gov.uk