



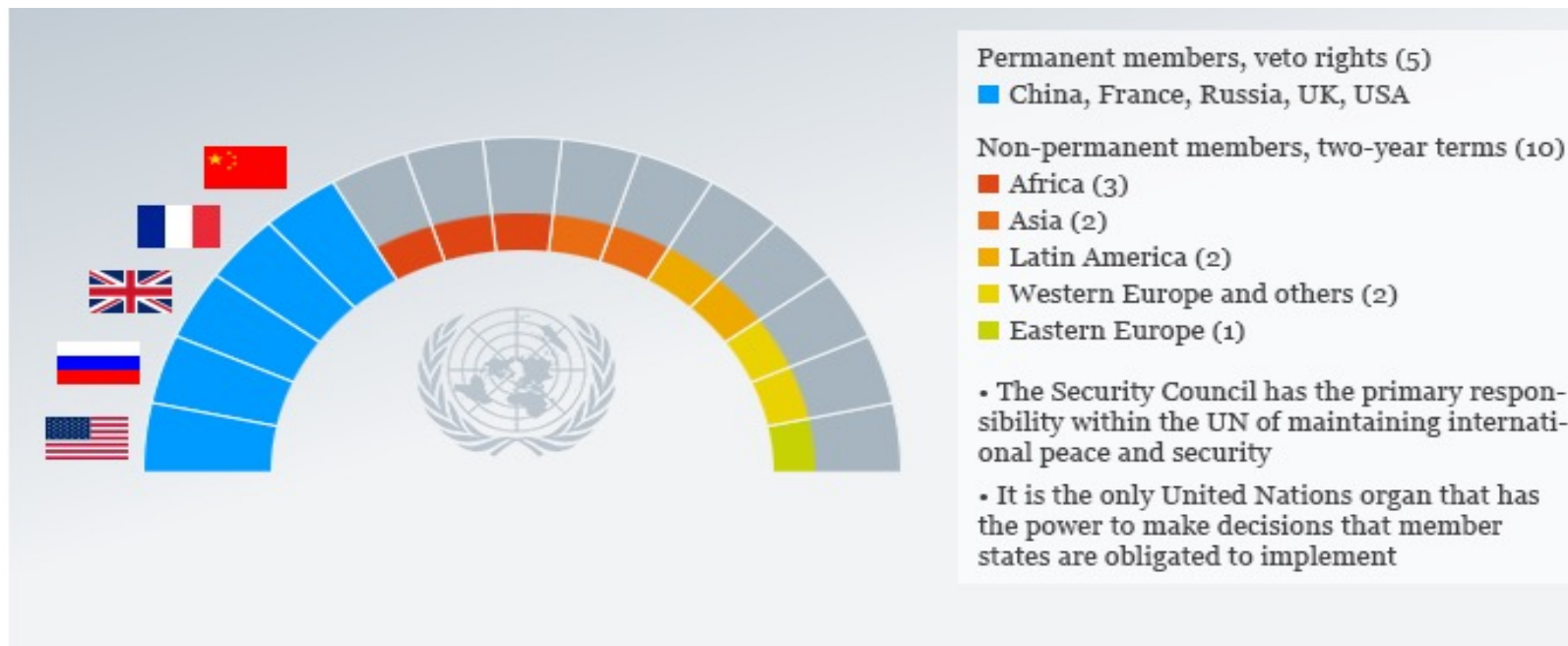
# International Sanctions: Webinar

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# United Nations Security Council

- › Tasked with maintaining international peace and security
- › Five permanent members with veto powers, 10 non-permanent members
- › Legal obligation under international law for all UN members to implement UN Security Council Resolutions



# What are international sanctions?

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- › Used as an enforcement tool to maintain or restore international peace and security: UN Security Council sanctions Resolutions
  
- › Used as a foreign policy tool that is used when other diplomatic methods have failed: autonomous sanctions (e.g. UK, EU or US sanctions)
  
- › Sanctions are used:
  - to prevent and suppress the financing of terrorism and terrorist act
  - to encourage a change in the behaviour of the target country or regime
  - to apply pressure on a target country or regime to comply with set objectives



# Why are sanctions introduced?

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- › Breaches of international law and to maintain or restore international peace and security
- › Combat proliferation of weapons of mass destruction
- › Invasion or destabilisation of another country
- › Human rights abuses
- › Electoral misconduct or dictatorship
- › Financial crime and corruption



# Sanctions and international affairs

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- › UK Global Human Rights sanctions regime
- › Burma (Myanmar): Military coup
- › Belarus: Government action against human rights and media organisations
- › Iran (Nuclear): Decision to suspend additional protocol to JCPoA



# Importance of sanctions for Jersey

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- › Obligation to implement UNSC sanctions and commitment to implement autonomous UK sanctions
- › Reputation for meeting international standards – held to a higher standard
- › FATF Recommendations: MONEYVAL evaluation
- › Increased scrutiny of effective sanctions implementation
- › Effective implementation essential part of international efforts against terrorism, nuclear proliferation, aggressive actions, human rights abuses
- › International Finance Centre – large flows of funds and a global client base
- › Financial and reputational implications
- › Legal obligation and penalties for non-compliance



# Recent legislative changes

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- › Sanctions and Asset-Freezing (Implementation of EU Regulations) (Jersey) Order 2020
  - Repealed and incorporated 30 Jersey sanctions Orders implementing EU sanctions regulations
  - Repealed and incorporated the EU Legislation (Sanctions) (General Provisions Order) (Jersey) Order 2014
- › United Nations Sanctions (Revocations) Order 2020
  - Entered into force in Jersey in January and repealed 27 UNSC Orders in Council
- › Sanctions and Asset-Freezing (Implementation of External Sanctions) (Jersey) Order 2021
  - Implements all UK sanctions Regulations made under the Sanctions and Anti-Money Laundering 2018
  - Repealed the Sanctions and Asset-Freezing (Implementation of EU Regulations) (Jersey) Order 2020
  - Repealed and incorporated the Sanctions and Asset-Freezing (UK Human Rights Designations) (Jersey) Order 2020
  - Repealed and incorporated the Sanctions and Asset-Freezing (Designation of Lugovoy and Kovtun) (Jersey) Order 2020



# Sanctions and Asset-Freezing (Implementation of External Sanctions) (Jersey) Order 2021

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- › Gives effect to UNSC and autonomous UK sanctions by implementing relevant UK sanctions Regulations
  - Implements over 30 UK Regulations made under Sanctions & Anti-Money Laundering Act 2018
  - Implements the Andrey Lugovoy and Dmitri Kovtun UK Freezing Order 2020
  - Implements 4 EU restrictive measures Regulations relating historical UNSC Resolutions
- › Implements UNSC, UK, and EU terrorist asset-freeze designations and UNSC and UK non-terrorist asset-freeze designations 'without delay'
- › More specific about which provisions of implemented Regulations apply in Jersey
- › Allows for uniform application of asset-freezing, reporting obligations, licences and exceptions provisions



# Sanctions Regimes in force in Jersey

United Nations Security Council Sanctions		Autonomous UK Sanctions		Autonomous EU Sanctions (no longer in force in Jersey)	
Afghanistan	Libya**	Belarus	Iran (Human Rights)	Belarus	Iran (Nuclear)
Central African Republic	Mali	Bosnia and Herzegovina	Iran (Nuclear)*	Bosnia and Herzegovina	Nicaragua
Counter-terrorism*	Republic of Guinea Bissau	Burma (Myanmar)	Misappropriation of State Funds	Burma (Myanmar)	Russia
Democratic People's Republic of Korea (North Korea)	Former Yugoslav Republic (Serbia & Montenegro)**	Burundi	Nicaragua	Burundi	Syria
Democratic Republic of Congo	Somalia	Chemical Weapons	Russia	Chemical Weapons	Tunisia*
Haiti**	South Sudan	Counter-terrorism International	Syria	Cyber-attacks	Turkey*
Iraq**	Sudan	Cyber Activity	UK Freezing Orders	Egypt*	Ukraine*
ISIL (Da'esh) & Al-Qaida*	Syria (Cultural Property)	Eastern Mediterranean (Unauthorised Drilling activities)	Venezuela	Guinea	Venezuela
Lebanon	Yemen	Global Human Rights	Zimbabwe	Iran (Human Rights)	Zimbabwe
		Guinea			



# Sanctions Regimes not in force

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- › OFAC or other autonomous US sanctions
- › Autonomous EU sanctions
- › Other 3rd country sanctions regimes
- › Not in force in Jersey but may have implications for your business



# Wide range of prohibitions

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- › Example of prohibitions – Syria regime
- › 283 individuals and 70 entities listed (i.e. asset-freeze designations)
- › Prohibitions relating to investments, funds, financial services and financial markets; Prohibitions relating to insurance and reinsurance, and the sale and purchase of bonds; Travel restrictions; Prohibitions against the import, export, supply and delivery, making available of, transfer, or purchase of certain goods and technology; Prohibitions relating to import, export, purchase and transportation of banknotes, coins, gold, precious metals, diamonds, and luxury goods; Prohibition against providing interception and monitoring services.
- › OFSI fine of Telia UK for indirectly facilitating phone calls to SyriaTel
- › Knowingly and intentionally participating in activities to circumvent prohibitions



# Asset freeze designations

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- › Designated persons (individuals and entities)
- › Freezing: must not deal with funds or economic resources owned, held or controlled by a designated person
  - › in relation to funds "deal with" means: use, alter, move, allow access to, or transfer, the funds, or deal with the funds in any other way that would result in any change in their volume, amount, location, ownership, possession, character or destination, or make any other change that would enable use of the funds, including by way of, or in the course of, portfolio management.
  - › in relation to economic resources "deal with" means: exchange, or use in exchange, for funds, goods or services.
- › Must not make funds or financial services available to, or for benefit of, designated persons
- › Must not make economic resources available to, or for benefit of, designated persons



# Reporting obligations

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- › Requirements for relevant financial institutions to report to the Minister for External Relations and Financial Services include:
  - › it holds an account of a person, has entered into dealings or an agreement with a person or has been approached by or on behalf of a designated person, and
  - › it knows, or has reasonable cause to suspect, that the person is a designated person or has committed an offence, and
  - › the information or other matter on which the knowledge or reasonable cause for suspicion is based came to it in the course of carrying on its business.
- › A suspected breach form is available from the JFSC website and completed forms sent to [sanctions@gov.je](mailto:sanctions@gov.je)
- › This is a legal obligation and failure to report could lead to criminal prosecution
- › Submission of a SAR or informing the JFSC of a suspected breach does not remove requirement to report to the Minister
- › What happens with information received



# Sanctions licences

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- › Exceptions and licences for otherwise prohibited transactions
- › Asset-freeze vs non asset-freeze licence applications
- › UK General Licences
- › Applicant must demonstrate that there are grounds for the Minister to grant a licence
- › Asset freeze licence application form
- › May also require licence from other jurisdictions



# Financial Sanctions Notices

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- › Changes to sanctions now published on Jersey Gazette on gov.je with email alert subscription available
- › Over 70 Financial Sanctions Notices published since launch in May 2020
- › Changes to asset-freeze designations: new listings, de-listings, and amendments to existing listings
- › Other legislative changes and important sanctions news



# Information Resources

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## • Jersey

- Sanctions: [gov.je/government/departments/jerseyworld/pages/sanctionsfaq.aspx](http://gov.je/government/departments/jerseyworld/pages/sanctionsfaq.aspx)
- Counter-terrorism: [gov.je/government/departments/jerseyworld/pages/measuresagainstterrorism](http://gov.je/government/departments/jerseyworld/pages/measuresagainstterrorism)
- JFSC: [jerseyfsc.org/industry/international-co-operation/sanctions/](http://jerseyfsc.org/industry/international-co-operation/sanctions/)
- Legislation on Jersey Legal Information Board: [jerseylaw.je](http://jerseylaw.je)
- Jersey Gazette: [gov.je/gazette/Pages/default.aspx](http://gov.je/gazette/Pages/default.aspx)

## • United Kingdom

- UK sanctions regimes guidance: [gov.uk/government/collections/uk-sanctions-regimes-under-the-sanctions-act](http://gov.uk/government/collections/uk-sanctions-regimes-under-the-sanctions-act)
- UK Sanctions List: [gov.uk/government/publications/the-uk-sanctions-list](http://gov.uk/government/publications/the-uk-sanctions-list)
- OFSI consolidated list: [gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets](http://gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets)

## • United Nations Security Council

- <https://www.un.org/sc/suborg/en/sanctions/information>



# Sanctions – JFSC website

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# Which authorities are involved?

- Ministry for External Relations
- States of Jersey Police (SARs)
- JFSC
- States of Jersey Customs and Immigration Service



# JFSC role

- Is not to
  - Administer sanctions legislation
  - Receive suspected breach notifications
  - Grant licences



# JFSC role

- Provide guidance
- Monitor for compliance MLO requirement to have appropriate and consistent policies and procedures in relation to the financing of terrorism



# JFSC website

- Sanctions section, accessible from
  - Home page (quick links box)
  - Financial Crime landing page
  - International co-operation landing page



# Sanctions webpages

- About sanctions
- Case studies
- Directions issued to financial services businesses
- Financial sanctions practical guidance
- Sanctions and asset-freezing law
- **Sanctions by country and category**
- Sanctions by person
- Sanctions forms for licences and suspected breach notifications
- Sanctions glossary
- Terrorist asset-freezing sanctions



# Sanctions by country and category

## Sanctions by country and category

Print 

Jersey currently implements and enforces restrictive measures relating to financial sanctions. Each page provides an overview of the sanction, legal acts, latest news and Jersey regime.

Country / category	Latest news
Afghanistan	12 February 2021
Belarus	18 February 2021
Bosnia and Herzegovina	12 February 2021
Burundi	12 February 2021
Central African Republic	25 February 2021
Chemical Weapons	12 February 2021
Cyber-attacks	12 February 2021
Democratic Republic of the Congo	18 February 2021

- Provides access to information for each regime
- Currently shows where regime information is located if no longer separately identified, e.g.
  - Tunisia - *Please refer to Misappropriation of State Funds*
  - Turkey - *Please refer to Unauthorised drilling in the Eastern Mediterranean*





# Country regime page

- Purpose of the Sanctions Regime
- Overview of current sanctions measures
- Latest news
- Jersey regime
- Legal acts
  - Hyperlinks for Jersey and UNSCR
- Further information
  - Hyperlinks to HMT guidance



# Questions?



# Government of Jersey

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# JFSC

Policy & Risk

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# Thank you

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Jersey Financial  
Services Commission

JFSC Official