
STATUTORY INSTRUMENTS

2019 No. 411

**EXITING THE EUROPEAN UNION
SANCTIONS**

**The Democratic People's Republic of Korea
(Sanctions) (EU Exit) Regulations 2019**

Made - - - - *5th March 2019*

Laid before Parliament *8th March 2019*

Coming into force in accordance with regulation 1(2)

The Secretary of State⁽¹⁾, in exercise of the powers conferred by sections 1(1)(a) and (c) and (3), 3(1)(a), (b)(ii) and (iii), (c)(ii) and (iii), (d) and (e)(ii) and (iii), 3(2)(a), (b) and (c), 4, 5 to 8, 9(2)(a), 10(2), (3) and (4), 11(2) to (9), 13, 14, 15(2), (3), (4)(b), (5) and (6), 16, 17(2) to (9), 19, 20, 21(1), 54(1) and (2)(a), 56(1) and 62(4) to (6) of, and paragraphs 2(a)(iii) and (b), 3(a), (b) and (c)(iii), 4(a)(iii), (b) and (c), 5(a)(ii) and (iii), (b), (c) and (d), 6(a)(ii) and (iii), (b) and (c), 7(a)(ii) and (iii) and (b), 8(c), 9(a)(iii), 11(a), 12(a)(ii), 13(a), (b), (d), (g), (h), (k), (l), (m), (n), (p), (r) and (w), 14(a), (f), (g), (i), (j) and (k), 17, 19, 20, 21, 22, 23 and 27 of Schedule 1 to, the Sanctions and Anti-Money Laundering Act 2018⁽²⁾, and having decided, upon consideration of the matters set out in section 2(2) and 56(1) of that Act, that it is appropriate to do so, makes the following Regulations:

PART 1

General

Citation and commencement

1.—(1) These Regulations may be cited as the Democratic People's Republic of Korea (Sanctions) (EU Exit) Regulations 2019.

(2) These Regulations come into force in accordance with regulations made by the Secretary of State under section 56 of the Act.

(1) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an "appropriate Minister" as including the Secretary of State.
(2) 2018 c.13.

Interpretation

2.—(1) In these Regulations—

“the Act” means the Sanctions and Anti-Money Laundering Act 2018;

“aircraft licence” means a licence under regulation 91;

“the armed forces of the DPRK” means the Korean People’s Army, also known as the Korean People’s Military, and includes each of its branches;

“arrangement” includes any agreement, understanding, scheme, transaction or series of transactions, whether or not legally enforceable (but see Schedule 1 for the meaning of that term in that Schedule);

a “banned programme” means any activity relating to banned weapons;

“banned weapons” means—

- (a) nuclear, biological or chemical weapons,
- (b) other weapons of mass destruction, or
- (c) ballistic missiles;

“brokering service” means any service to secure, or otherwise in relation to, an arrangement, including but not limited to—

- (a) the selection or introduction of persons as parties or potential parties to the arrangement,
- (b) the negotiation of the arrangement,
- (c) the facilitation of anything that enables the arrangement to be entered into, and
- (d) the provision of any assistance that in any way promotes or facilitates the arrangement;

“CEMA” means the Customs and Excise Management Act 1979⁽³⁾;

“the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;

“the Committee” means the Committee of the Security Council established by paragraph 12 of resolution 1718;

“conduct” includes acts and omissions;

“consular post” has the same meaning as in the Vienna Convention on Consular Relations done at Vienna on 24 April 1963⁽⁴⁾, and any reference to the functions of a consular post is to be read in accordance with that Convention;

“diplomatic mission”, and any reference to the functions of a diplomatic mission, is to be read in accordance with the Vienna Convention on Diplomatic Relations done at Vienna on 18 April 1961⁽⁵⁾;

“document” includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include producing a copy of the information in legible form;

“the DPRK” means the Democratic People’s Republic of Korea;

“the Dual-Use Regulation” means Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items;

⁽³⁾ 1979 c.2. Amendments have been made to this Act and are cited, where relevant, in respect of the applicable regulations.

⁽⁴⁾ United Nations Treaty Series, vol. 596, p.261.

⁽⁵⁾ United Nations Treaty Series, vol. 500, p.95.

“the EU DPRK Regulation” means Council Regulation (EU) No 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People’s Republic of Korea and repealing Regulation (EC) No 329/2007(6), as it has effect in EU law;

“the Government of the DPRK” includes its public bodies, corporations or agencies;

“humanitarian assistance activity” includes the work of international and non-governmental organisations carrying out relief activities in the DPRK for the benefit of the civilian population there;

“member of a diplomatic mission” is to be read in accordance with the meaning of “members of the mission” in the Vienna Convention on Diplomatic Relations done at Vienna on 18 April 1961;

“member of a consular post” is to be read in accordance with the meaning of “members of the consular post” in the Vienna Convention on Consular Relations done at Vienna on 24 April 1963;

a “non-UN designated person” means a person—

- (a) who is designated under regulation 5 for the purposes of regulations 13 to 17 (asset-freeze etc.), and
- (b) whose designation, in the opinion of the Secretary of State, is not required by paragraph 32 of resolution 2270 or a provision mentioned in regulation 4(4);

“resolution 1718” means resolution 1718 (2006) adopted by the Security Council on 14 October 2006;

“resolution 1874” means resolution 1874 (2009) adopted by the Security Council on 12 June 2009;

“resolution 2087” means resolution 2087 (2013) adopted by the Security Council on 22 January 2013;

“resolution 2094” means resolution 2094 (2013) adopted by the Security Council on 7 March 2013;

“resolution 2270” means resolution 2270 (2016) adopted by the Security Council on 2 March 2016;

“resolution 2321” means resolution 2321 (2016) adopted by the Security Council on 30 November 2016;

“resolution 2356” means resolution 2356 (2017) adopted by the Security Council on 2 June 2017;

“resolution 2371” means resolution 2371 (2017) adopted by the Security Council on 5 August 2017;

“resolution 2375” means resolution 2375 (2017) adopted by the Security Council on 11 September 2017;

“resolution 2397” means resolution 2397 (2017), adopted by the Security Council on 22 December 2017;

“ship licence” means a licence under regulation 92;

“trade licence” means a licence under regulation 90;

“transport licence” means a ship licence or an aircraft licence;

“Treasury direction” means a direction under regulation 89;

“Treasury licence” means a licence under regulation 88(1);

(6) OJ L 224, 31.8.2017, p. 1.

“United Kingdom person” has the same meaning as in section 21 of the Act.

(2) For the purposes of regulation 29 (ships: insurance services), Part 6 (Trade), Part 7 (Aircraft) and, subject to paragraph (4), Part 8 (Ships), a person is to be regarded as “connected with” the DPRK if the person is—

- (a) an individual who is, or an association or combination of individuals who are, ordinarily resident in the DPRK,
- (b) an individual who is, or an association or combination of individuals who are, located in the DPRK,
- (c) a person, other than an individual, which is incorporated or constituted under the law of the DPRK, or
- (d) a person, other than an individual, which is domiciled in the DPRK.

(3) For the purposes of regulations 58 (leasing or chartering of ships and aircraft) and 59(1) (provision of crew services for ships and aircraft), a person who does not fall within paragraph (2) (a) to (d) is also to be regarded as “connected with” the DPRK if that person—

- (a) is acting on behalf of or at the direction of the Government of the DPRK, the armed forces of the DPRK, or any other person falling within any of sub-paragraphs (a) to (d) of paragraph (2), or
- (b) is a person, other than an individual, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person falling within any of sub-paragraphs (a) to (d) of paragraph (2).

(4) For the purposes of regulation 71(5)(c) (reference to ship crewed by persons connected with the DPRK), a person is to be regarded as “connected with” the DPRK if the person is an individual who is—

- (a) a national of the DPRK, or
- (b) ordinarily resident in the DPRK.

Application of prohibitions and requirements outside the United Kingdom

3.—(1) A United Kingdom person may contravene a relevant prohibition by conduct wholly or partly outside the United Kingdom.

(2) Any person may contravene a relevant prohibition, or a prohibition under regulation 65(1) (a) (overflight of aircraft) or a prohibition imposed by a condition of an aircraft licence by conduct in the territorial sea.

(3) In this regulation a “relevant prohibition” means any prohibition imposed by—

- (a) regulation 9(2) (confidential information),
- (b) Part 4 (Finance),
- (c) Part 6 (Trade),
- (d) regulation 66(5) (non-disclosure),
- (e) Part 8 (Ships),
- (f) regulation 101(2) (proliferation financing), or
- (g) a condition of a Treasury licence, a Treasury direction, a trade licence or a ship licence.

(4) A United Kingdom person may comply, or fail to comply, with a relevant requirement by conduct wholly or partly outside the United Kingdom.

(5) Any person may comply, or fail to comply, with a relevant requirement, a requirement imposed by a direction under regulation 65(4) (direction by air traffic control to operator or pilot of

DPRK aircraft) or 73 (movement of ships) or a requirement imposed by a condition of an aircraft licence, by conduct in the territorial sea.

- (6) In this regulation a “relevant requirement” means any requirement imposed—
- (a) by Chapter 2 of Part 4 (Investment, financial services and financial markets),
 - (b) by or under Part 10 (Information and records), or by reason of a request made under a power conferred by that Part, or
 - (c) by a condition of a Treasury licence, a Treasury direction, a trade licence or a ship licence.

(7) Nothing in this regulation is to be taken to prevent a relevant prohibition or a relevant requirement from applying to conduct (by any person) in the United Kingdom.

Purposes

4.—(1) The regulations contained in this instrument that are made under section 1 of the Act have the following purposes—

- (a) compliance with the relevant UN obligations, and
- (b) the additional purposes mentioned in paragraph (2).

(2) Those additional purposes are—

- (a) restricting the ability of the DPRK to carry on banned programmes,
- (b) promoting the abandonment by the DPRK of banned programmes and the decommissioning of the DPRK’s banned weapons, and
- (c) otherwise promoting peace, security and stability on the Korean peninsula,

otherwise than by compliance with the relevant UN obligations.

(3) In this regulation, “the relevant UN obligations” means—

- (a) the obligation that the United Kingdom has by virtue of paragraph 8(d) of resolution 1718 (asset-freeze etc.) to take the measures required by that provision in respect of persons(7) for the time being named for the purposes of that provision by the Security Council or the Committee;
- (b) the obligations that the United Kingdom has by virtue of the provisions listed in paragraph (4) in respect of persons—
 - (i) acting on behalf of or at the direction of, or
 - (ii) owned or controlled by,the persons for the time being named by the Security Council or the Committee for the purposes of paragraph 8(d) of resolution 1718 who are referred to in those provisions;
- (c) the obligations that the United Kingdom has by virtue of paragraph 32 of resolution 2270 (application of requirements in paragraph 8(d) of resolution 1718 in certain cases);
- (d) the obligations that the United Kingdom has by virtue of the provisions listed in paragraph (5) to take the measures required by paragraph 8(d) of resolution 1718 in respect of ships for the time being designated by the Security Council or the Committee for the purposes of those provisions;
- (e) the obligations that the United Kingdom has by virtue of the following provisions (restrictions on investment and on financial services and markets)—
 - (i) paragraph 6 of resolution 2087;

(7) “Person” is defined by section 9(5) of the Sanctions and Anti-Money Laundering Act 2018 to include (in addition to an individual and a body of persons corporate or unincorporate) any organisation and any association or combination of persons.

- (ii) paragraphs 11 and 14 of resolution 2094 as read with paragraph 37 of resolution 2270 and paragraph 13 of resolution 2371 (cash transfers, gold and clearing of funds);
 - (iii) paragraphs 33 and 34 of resolutions 2270 (as read with paragraph 14 of 2371), and paragraphs 35 and 36 of resolution 2270;
 - (iv) paragraphs 31 and 32 of resolution 2321;
 - (v) paragraph 12 of resolution 2371 and paragraph 18 of resolution 2375 (joint ventures);
 - (f) the obligations that the United Kingdom has by virtue of paragraphs 16 and 18 of resolution 2321 (bank accounts for diplomatic missions and diplomats; real property);
 - (g) the obligations that the United Kingdom has by virtue of paragraph 8(a)(i) and (ii), (b) and (c) of resolution 1718 (export, supply, sale etc. of, and technical assistance relating to, arms and dual-use items);
 - (h) the obligations that the United Kingdom has by virtue of the following provisions (trade restrictions)—
 - (i) paragraph 8(a)(iii) of resolution 1718;
 - (ii) paragraph 17 of resolution 1874;
 - (iii) paragraph 11 of resolution 2094, as read with paragraph 14 of resolution 2371;
 - (iv) paragraphs 8, 30, 31 and 37 of resolution 2270;
 - (v) paragraphs 28, 29 and 30 of resolution 2321;
 - (vi) paragraphs 8 and 10 of resolution 2371, and paragraph 9 of resolution 2371 as read with paragraph 6 of resolution 2397;
 - (vii) paragraphs 13, 14, 15 and 16 of resolution 2375;
 - (viii) paragraphs 4, 5, 6, 7 and 14 of resolution 2397;
 - (i) the obligations that the United Kingdom has by virtue of paragraph 19 of resolution 2270 (ships and aircraft);
 - (j) the obligation that the United Kingdom has by virtue of paragraph 22 of resolution 2270 (ships: port entry);
 - (k) the obligations that the United Kingdom has by virtue of the following provisions to take the measures required by those provisions (prohibition on port entry etc.) in respect of ships for the time being designated by the Security Council or the Committee for the purposes of those provisions—
 - (i) paragraph 12(a), (b) and (c) of resolution 2321;
 - (ii) paragraph 6 of resolution 2371 as read with paragraph 6 of resolution 2375;
 - (iii) paragraph 8 of resolution 2375;
 - (l) the obligations that the United Kingdom has by virtue of paragraph 17 of resolution 2094, paragraph 20 of resolution 2270, paragraphs 8, 9, 22, 23 and 24 of resolution 2321, paragraph 7 of resolution 2371, paragraph 11 of resolution 2375 and paragraphs 9, 11 and 12 of resolution 2397 (ships and services relating to ships);
 - (m) the obligations that the United Kingdom has by virtue of paragraph 21 of resolution 2270 and paragraph 23 of resolution 2321 (aircraft and services relating to aircraft).
- (4) The provisions referred to in paragraph (3)(b) are—
- (a) paragraph 8(d) of resolution 1718;
 - (b) paragraph 8 of resolution 2094;
 - (c) paragraph 10 of resolution 2270;

- (d) paragraph 3 of resolution 2321;
 - (e) paragraph 3 of resolution 2356;
 - (f) paragraph 3 of resolution 2371;
 - (g) paragraph 3 of resolution 2375;
 - (h) paragraph 3 of resolution 2397.
- (5) The provisions referred to in paragraph (3)(d) are—
- (a) paragraph 12(d) of resolution 2321;
 - (b) paragraph 8 of resolution 2375.
- (6) In paragraph (3)—
- (a) any reference to paragraph 8(d) of resolution 1718 (asset-freeze) is to that provision as read with paragraph 9 of resolution 2087 and paragraphs 12 and 15 of resolution 2270;
 - (b) any reference to persons named by the Committee includes people named by virtue of—
 - (i) paragraph 12 of resolution 2087,
 - (ii) paragraph 27 of resolution 2094, or
 - (iii) paragraph 16 of resolution 2270;
 - (c) the reference to paragraph 8(a)(i) and (ii), (b) and (c) of resolution 1718 is to those provisions as read with—
 - (i) paragraphs 9, 10 and 23 of resolution 1874,
 - (ii) paragraphs 5(b) and 9 of resolution 2087,
 - (iii) paragraphs 7, 20 and 22 of resolution 2094,
 - (iv) paragraphs 6, 7, 8 and 27 of resolution 2270,
 - (v) paragraphs 4 and 7 of resolution 2321,
 - (vi) paragraphs 4 and 5 of resolution 2371, and
 - (vii) paragraphs 4 and 5 of resolution 2375;
 - (d) the reference to paragraph 8(a)(iii) of resolution 1718 (luxury goods) is to that provision as read with paragraph 9 of resolution 2087, paragraph 23 of resolution 2094, paragraph 39 of resolution 2270 and paragraph 5 of resolution 2321;
 - (e) “owned or controlled” includes owned or controlled through illicit means within the meaning of the provisions mentioned in paragraph (4).

PART 2

Designation of persons

Power to designate persons

5.—(1) The Secretary of State may designate persons, by name, for the purposes of any of the following—

- (a) regulations 13 to 17 (asset-freeze etc.) and regulations 23 (closure of representative offices) and 24 (business arrangements with designated persons);
- (b) regulation 34 (immigration);
- (c) regulations 58 (leasing or chartering of ships and aircraft) and 59 (crew services for ships and aircraft);

(d) regulations 71 (ships: prohibition on port entry) and 73 (movement of ships).

(2) The Secretary of State may designate different persons for the purposes of different provisions mentioned in paragraph (1).

Criteria for designating a person

6.—(1) The Secretary of State may not designate a person under regulation 5 unless the Secretary of State—

- (a) has reasonable grounds to suspect that that person is an involved person, and
- (b) considers that the designation of that person is appropriate, having regard to—
 - (i) the purposes stated in regulation 4, and
 - (ii) the likely significant effects of the designation on that person (as they appear to the Secretary of State to be on the basis of the information that the Secretary of State has).

(2) In this regulation an “involved person” means a person who—

- (a) is or has been involved in the facilitation of any of the DPRK’s military programmes,
- (b) is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person who is or has been so involved,
- (c) is acting on behalf of or at the direction of a person who is or has been so involved, or
- (d) is a member of, or associated with, a person who is or has been so involved.

(3) For the purposes of this regulation a person is “involved in the facilitation of any of the DPRK’s military programmes” if the person—

- (a) is responsible for, engages in, provides support for, or promotes, any of the DPRK’s banned programmes,
- (b) provides financial services(8), or makes available funds or economic resources(9), that could contribute to any of the DPRK’s banned programmes,
- (c) is involved in the supply to or from the DPRK of arms or of material related to arms, or in providing financial services relating to such supply,
- (d) is involved in the supply to the DPRK of items, materials, equipment, goods or technology which could contribute to any of the DPRK’s banned programmes, or in providing financial services relating to such supply, or
- (e) is involved in assisting the contravention or circumvention of any relevant DPRK-related provisions.

(4) In this regulation a “relevant DPRK-related provision” means—

- (a) any provision of Part 4 or Parts 6 to 8;
- (b) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of any provision of Part 4 or Parts 6 to 8;
- (c) any provision of resolution 1718, 1874, 2087, 2094, 2270, 2321, 2356, 2371, 2375 and 2397.

(5) Nothing in any sub-paragraph of paragraph (3) is to be taken to limit the meaning of any of the other sub-paragraphs of that paragraph.

(8) “Financial services” is defined in section 61 of the Act.

(9) “Funds” and “economic resources” are defined in section 60 of the Act.

(6) Any reference in this regulation to being involved in the facilitation of any of the DPRK's military programmes includes being so involved wherever any actions constituting the involvement take place.

Meaning of “owned or controlled directly or indirectly”

7.—(1) A person who is not an individual (“C”) is “owned or controlled directly or indirectly” by another person (“P”) if either of the following two conditions is met (or both are met).

(2) The first condition is that P—

- (a) holds directly or indirectly more than 50% of the shares in C,
- (b) holds directly or indirectly more than 50% of the voting rights in C, or
- (c) holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of C.

(3) Schedule 1 contains provision applying for the purpose of interpreting paragraph (2).

(4) The second condition is that it is reasonable, having regard to all the circumstances, to expect that P would (if P chose to) be able, in most cases or in significant respects, by whatever means and whether directly or indirectly, to achieve the result that affairs of C are conducted in accordance with P's wishes.

Notification and publicity where designation power used

8.—(1) Paragraph (2) applies where the Secretary of State—

- (a) has made a designation under regulation 5, or
- (b) has by virtue of section 22 of the Act varied or revoked a designation made under that regulation.

(2) The Secretary of State—

- (a) must without delay take such steps as are reasonably practicable to inform the designated person of the designation, variation or revocation, and
- (b) must take steps to publicise the designation, variation or revocation.

(3) The information given under paragraph (2)(a) where a designation is made must include a statement of reasons.

(4) In this regulation a “statement of reasons”, in relation to a designation, means a brief statement of the matters that the Secretary of State knows, or has reasonable grounds to suspect, in relation to the designated person which have led the Secretary of State to make the designation.

(5) Where the Secretary of State considers that a person's designation is required by paragraph 32 of resolution 2270 or by a provision mentioned in regulation 4(4), the statement of reasons must include a statement that in the Secretary of State's opinion the designation is required by that paragraph or provision.

(6) Matters that would otherwise be required by paragraph (4) or (5) to be included in a statement of reasons may be excluded from it where the Secretary of State considers that they should be excluded—

- (a) in the interests of national security or international relations,
- (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
- (c) in the interests of justice.

(7) The steps taken under paragraph (2)(b) must—

- (a) unless one or more of the restricted publicity conditions is met, be steps to publicise generally—
 - (i) the designation, variation or revocation, and
 - (ii) in the case of a designation, the statement of reasons;
 - (b) if one or more of those conditions is met, be steps to inform only such persons as the Secretary of State considers appropriate of the designation, variation or revocation and (in the case of a designation) of the contents of the statement of reasons.
- (8) The “restricted publicity conditions” are as follows—
- (a) the designation is of a person believed by the Secretary of State to be an individual under the age of 18;
 - (b) the Secretary of State considers that disclosure of the designation, variation or revocation should be restricted—
 - (i) in the interests of national security or international relations,
 - (ii) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
 - (iii) in the interests of justice.
- (9) Paragraph (10) applies if—
- (a) when a designation is made one or more of the restricted publicity conditions is met, but
 - (b) at any time when the designation has effect, it becomes the case that none of the restricted publicity conditions is met.
- (10) The Secretary of State must—
- (a) take such steps as are reasonably practicable to inform the designated person that none of the restricted publicity conditions is now met, and
 - (b) take steps to publicise generally the designation and the statement of reasons relating to it.

Confidential information in certain cases where designation power used

9.—(1) Where the Secretary of State in accordance with regulation 8(7)(b) informs only certain persons of a designation, variation or revocation and (in the case of a designation) of the contents of the statement of reasons, the Secretary of State may specify that any of that information is to be treated as confidential.

- (2) A person (“P”) who—
 - (a) is provided with information that is to be treated as confidential in accordance with paragraph (1), or
 - (b) obtains such information,

must not, subject to paragraph (3), disclose it if P knows, or has reasonable cause to suspect, that the information is to be treated as confidential.

(3) The prohibition in paragraph (2) does not apply to any disclosure made by P with lawful authority.

- (4) For this purpose information is disclosed with lawful authority only if and to the extent that—
 - (a) the disclosure is by, or is authorised by, the Secretary of State,
 - (b) the disclosure is by or with the consent of the person who is or was the subject of the designation,
 - (c) the disclosure is necessary to give effect to a requirement imposed under or by virtue of these Regulations or any other enactment, or

- (d) the disclosure is required, under rules of court, tribunal rules or a court or tribunal order, for the purposes of legal proceedings of any description.
- (5) This regulation does not prevent the disclosure of information that is already, or has previously been, available to the public from other sources.
- (6) A person who contravenes the prohibition in paragraph (2) commits an offence.
- (7) The High Court (in Scotland, the Court of Session) may, on the application of—
 - (a) the person who is the subject of the information, or
 - (b) the Secretary of State,grant an injunction (in Scotland, an interdict) to prevent a breach of the prohibition in paragraph (2).
- (8) In paragraph (4)(c), “enactment” has the meaning given by section 54(6) of the Act.

Designation of persons named by or under UN Security Council Resolutions

- 10.**—(1) Each person for the time being named for the purposes of paragraph 8(d) of resolution 1718 by the Security Council or the Committee is a designated person for the purposes of—
- (a) regulations 13 to 17 (asset-freeze etc.) (whose purposes include compliance with the UN obligation mentioned in regulation 4(3)(a)(10) and regulations 23 (closure of representative offices) and 24 (business arrangements with designated persons) (whose purposes include compliance with the UN obligations mentioned in regulation 4(3)(e)),
 - (b) regulations 58 and 59 (services relating to ships and aircraft) (whose purposes include compliance with the UN obligations mentioned in regulation 4(3)(i)), and
 - (c) regulation 71 (ships: prohibition on port entry) (whose purposes include compliance with the UN obligation mentioned in regulation 4(3)(j)).
- (2) Nothing in this regulation affects the power under regulation 5 to designate persons (in addition to those designated by this regulation) for the purposes of any of the regulations mentioned in paragraph (1).

PART 3

Specification of ships

Specification of ships

- 11.**—(1) The Secretary of State may specify ships within the meaning of section 7 of the Act for the purposes of—
- (a) regulation 29 (insurance and reinsurance services in relation to ships),
 - (b) regulation 60 (ship classification services),
 - (c) regulation 61 (ship supply services),
 - (d) regulation 72 (directions prohibiting port entry),
 - (e) regulation 73 (movement of ships),
 - (f) regulation 75 (detention of ships), and
 - (g) regulation 77 (registration of ships in the United Kingdom).

(10) Section 13 of the Sanctions and Anti-Money Laundering Act 2018 requires that where the purposes of a provision of regulations under section 1 include compliance with a UN obligation to take particular measures in relation to UN-named persons (which is the case with the regulations mentioned in regulation 10), the regulations must provide for those persons to be designated persons for the purposes of that provision.

(2) The Secretary of State may specify a ship which is a naval, military or air-force ship of any country for the purposes of any regulation mentioned in paragraph (1)(a), (b) or (c).

(3) The Secretary of State must specify a ship by its International Maritime Organization number or, where it is not reasonably practicable to identify it by that number, by any other means that the Secretary of State considers appropriate.

(4) The Secretary of State may not specify a ship unless the Secretary of State—

- (a) has reasonable grounds to suspect that the ship is, has been, or is likely to be, involved in a relevant activity, and
- (b) considers that it is appropriate for that ship to be specified, having regard to the purposes stated in regulation 4.

(5) For the purposes of this regulation a ship is “involved in a relevant activity” if—

- (a) the ship carries prohibited goods;
- (b) the ship carries frozen funds or goods;
- (c) the ship is used to transfer any thing to a ship carrying prohibited goods or frozen funds or goods, or is used in contravention of regulation 74 (DPRK ships: transfers of goods);
- (d) funds or goods carried on the ship are made available to a person in contravention of—
 - (i) any provision of Chapter 1 of Part 4 (finance: asset-freeze etc.), or
 - (ii) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of a provision within that Chapter;
- (e) a person deals with the ship, or the ship is made available to a person, in contravention of, or where the dealing or making available enables or facilitates the contravention of—
 - (i) any provision of Part 4 (Finance),
 - (ii) any provision of Part 6 (Trade),
 - (iii) the prohibition in regulation 70 (dealing with UN-designated ships subject to asset-freeze), or
 - (iv) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of a provision within any of paragraphs (i) to (iii);
- (f) the ship moves at sea in contravention of—
 - (i) a prohibition in regulation 71 (prohibition on port entry),
 - (ii) a direction under regulation 72 (directions prohibiting port entry),
 - (iii) a direction under regulation 73 (movement of ships),
 - (iv) a direction under regulation 75 (detention of ships), or
 - (v) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of a provision within any of paragraphs (i) to (iv); or
- (g) the ship is otherwise used for any activity whose object or effect is to contravene or circumvent, or to enable or facilitate the contravention or circumvention of, any relevant DPRK-related provisions, in particular—
 - (i) by carrying any thing,
 - (ii) by transporting any individual, or
 - (iii) as the place where any thing is done.

(6) In paragraph (5) “prohibited goods” means goods dealt with in contravention of—

- (a) a prohibition—
 - (i) in any of regulations 35 to 38 (trade sanctions relating to restricted goods),
 - (ii) in any of regulations 43 to 52 (trade sanctions relating to goods other than restricted goods), or
 - (iii) imposed by a condition of a trade licence in relation to a prohibition mentioned in paragraph (i) or (ii);
 - (b) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of a prohibition within sub-paragraph (a).
- (7) In paragraph (5) “frozen funds or goods” means funds or goods whose carriage on the ship amounts to a contravention of, or enables or facilitates a contravention of—
- (a) the prohibition in regulation 13 (asset-freeze);
 - (b) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of that regulation.
- (8) The reference in paragraph (5)(e) to a person who “deals” with a ship is to be construed in accordance with regulation 70.
- (9) In paragraph (5) a “relevant DPRK-related provision” means—
- (a) any provision of Part 4 or Parts 6 to 8;
 - (b) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of any provision of Part 4 or Parts 6 to 8;
 - (c) any provision of resolution 1718, 1874, 2087, 2094, 2270, 2321, 2356, 2371, 2375 or 2397.

Notification and publicity where specification power used

- 12.—(1) Paragraph (2) applies where the Secretary of State—
- (a) has specified a ship under regulation 11(1) or (2), or
 - (b) has by virtue of section 26 of the Act revoked a specification made under that regulation.
- (2) The Secretary of State—
- (a) must without delay take such steps as are reasonably practicable to inform such persons as the Secretary of State considers appropriate of the specification or revocation, and
 - (b) except where one or more of the restricted publicity conditions is met, must take steps to publicise the specification or revocation generally.
- (3) The “restricted publicity conditions” are that the Secretary of State considers that disclosure of the specification or revocation should be restricted—
- (a) in the interests of national security or international relations,
 - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
 - (c) in the interests of justice.
- (4) Paragraph (5) applies if—
- (a) when a specification is made one or more of the restricted publicity conditions is met, but
 - (b) at any time when the specification has effect, it becomes the case that none of the restricted publicity conditions is met.
- (5) The Secretary of State must take steps to publicise the specification generally.

PART 4

Finance

CHAPTER 1

Asset-freeze etc.

Asset-freeze in relation to designated persons

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

(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1) a person “deals with” funds if the person—

- (a) uses, alters, moves, transfers or allows access to the funds,
- (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
- (c) makes any other change, including portfolio management, that would enable use of the funds.

(5) For the purposes of paragraph (1) a person “deals with” economic resources if the person—

- (a) exchanges the economic resources for funds, goods or services, or
- (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise).

(6) The reference in paragraph (1) to funds or economic resources that are “owned, held or controlled” by a person includes, in particular, a reference to—

- (a) funds or economic resources in which the person has any legal or equitable interest, regardless of whether the interest is held jointly with any other person and regardless of whether any other person holds an interest in the funds or economic resources;
- (b) any tangible property (other than real property), or bearer security, that is comprised in funds or economic resources and is in the possession of the person.

(7) For the purposes of paragraph (1) funds or economic resources are to be treated as owned, held or controlled by a designated person if they are owned, held or controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) For the avoidance of doubt, the reference in paragraph (1) to a designated person includes P if P is a designated person.

Making funds available to designated person

14.—(1) A person (“P”) must not make funds available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making funds available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Making funds available for benefit of designated person

15.—(1) A person (“P”) must not make funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of this regulation—
 - (a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
 - (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Making economic resources available to designated person

16.—(1) A person (“P”) must not make economic resources available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect—

- (a) that P is making the economic resources so available, and
 - (b) that the designated person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
 - (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
 - (4) The reference in paragraph (1) to making economic resources available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Making economic resources available for benefit of designated person

17.—(1) A person (“P”) must not make economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1)—
 - (a) economic resources are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
 - (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

CHAPTER 2

Investment, financial services and financial markets

UK credit or financial institutions: accounts and correspondent banking relationships etc.

- 18.—(1) A UK credit or financial institution must not—
- (a) open a bank account with,
 - (b) establish a correspondent banking relationship with,

- (c) establish a joint venture with, or
 - (d) take an ownership interest in,
- a person falling within paragraph (2), if the UK credit or financial institution knows, or has reasonable cause to suspect, that the bank account, correspondent banking relationship or joint venture is with, or the ownership interest is in, a person falling within paragraph (2).
- (2) The following persons fall within this paragraph—
 - (a) a credit or financial institution domiciled in the DPRK;
 - (b) a branch or subsidiary, wherever located, of a credit or financial institution domiciled in the DPRK;
 - (c) a credit or financial institution that is not domiciled in the DPRK but is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person domiciled in the DPRK.
 - (3) A UK credit or financial institution must not—
 - (a) open a representative office of that institution in the DPRK, or
 - (b) establish a branch or subsidiary of that institution in the DPRK.
 - (4) Paragraphs (1) and (3) are subject to Part 9 (Exceptions and licences).
 - (5) A person who contravenes a prohibition in paragraph (1) or (3) commits an offence.

UK credit or financial institutions: severance of existing financial relationships

- 19.**—(1) A UK credit or financial institution must—
- (a) close any bank account with,
 - (b) terminate any correspondent banking relationship with,
 - (c) terminate any joint venture with, and
 - (d) relinquish any ownership interest in,
- a person falling within regulation 18(2).
- (2) A UK credit or financial institution must—
 - (a) close any representative office of that institution in the DPRK; and
 - (b) close any branch or subsidiary of that institution in the DPRK.
 - (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
 - (4) A person who fails to comply with a requirement in paragraph (1) or (2) commits an offence.

Opening of or taking up of business by a representative office, branch or subsidiary of DPRK credit or financial institution

- 20.**—(1) A person (“P”) must not—
- (a) open a representative office or establish a branch or subsidiary in the United Kingdom of a person falling within regulation 18(2);
 - (b) enter into an arrangement for, or on behalf of, a person falling within regulation 18(2) which relates to the opening of a representative office or the establishment of a branch or subsidiary in the United Kingdom, if P knows, or has reasonable cause to suspect, that the arrangement is for, or on behalf of, such a person; or
 - (c) authorise the taking up and pursuit of business by a representative office, branch or subsidiary of a person falling within regulation 18(2), if the representative office, branch or subsidiary was not operational before 19 February 2013.

- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence.

DPRK credit or financial institutions: branches, subsidiaries, and representative offices

- 21.—(1) A person (“P”) must not operate or facilitate the operation of—
- (a) a branch,
 - (b) a subsidiary, or
 - (c) a representative office,

of a person falling within regulation 18(2) if P knows, or has reasonable cause to suspect, that the branch, subsidiary or representative office is a branch, subsidiary or representative office of such a person.

- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence.

Acquisition or extension of ownership interest by a DPRK credit or financial institution

22.—(1) A person falling within regulation 18(2) must not directly or indirectly acquire or extend a participation, or acquire any ownership interest, in a UK credit or financial institution.

- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.

Designated persons: closure of representative offices

23.—(1) This regulation applies to a designated person which is not an individual, and which has a representative office in the United Kingdom.

(2) If the person was a designated person immediately before the relevant date, the person must close the office immediately.

(3) If the person was not a designated person immediately before the relevant date, the person must close the office within the period of 90 days beginning with the date on which the person became a designated person.

- (4) Paragraphs (2) and (3) are subject to Part 9 (Exceptions and licences).
- (5) A person who fails to comply with a requirement in paragraph (2) and (3) commits an offence.
- (6) In this regulation, “the relevant date” means—
 - (a) where regulations under section 56 of the Act provide that this regulation comes into force at a specified time on a day, that time on that day;
 - (b) otherwise, the date on which this regulation comes into force.

Business arrangements with designated persons

24.—(1) A person (“P”) must not participate, directly or indirectly, in business arrangements, including joint ventures, with a person who P knows to be, or has reasonable cause to suspect is—

- (a) a designated person, or
- (b) acting on behalf of or at the direction of a designated person.

- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.

Bank accounts for diplomatic missions etc.

- 25.**—(1) A UK credit or financial institution must not open a bank account for—
- (a) a diplomatic mission or consular post of the DPRK, or
 - (b) a national of the DPRK who is a member of a diplomatic mission or consular post of the DPRK.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.

Investment and commercial activities

26.—(1) A person (“P”) must not accept or approve investment in a commercial activity which P knows, or has reasonable cause to suspect, is investment made by—

- (a) the Government of the DPRK or any member of that Government;
- (b) the Worker’s Party of Korea;
- (c) a national of the DPRK;
- (d) a person, other than an individual, which is incorporated or constituted under the law of the DPRK;
- (e) a person acting on behalf of or at the direction of a person falling within any of sub-paragraphs (a) to (d); or
- (f) a person, other than an individual, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person falling within any of sub-paragraphs (a) to (d).

(2) A person (“P”) must not directly or indirectly provide financial services to, or make funds available to, any person falling within paragraph (1)(a) to (f) if P knows, or has reasonable cause to suspect, that P is so providing the financial services or making the funds so available.

(3) A person (“P”) must not establish, maintain or operate a joint venture or a co-operative entity with—

- (a) a person falling within paragraph (1)(a) to (f), or
- (b) a person, other than an individual, which is domiciled in the DPRK,

if P knows or has reasonable cause to suspect that P is so doing.

(4) A person (“P”) must not take, acquire or extend any ownership interest in—

- (a) a person falling within paragraph (1)(a) to (f), or
- (b) a person domiciled in the DPRK,

if P knows or has reasonable cause to suspect that P is so doing.

(5) A person (“P”) must not take, acquire, maintain or extend any ownership interest in activities or assets in the DPRK if P knows, or has reasonable cause, to suspect that P is so doing.

(6) A person (“P”) must not provide financial services directly or indirectly related to any activity that is prohibited by paragraphs (2) to (5) if P knows, or has reasonable cause to suspect, that P is so doing.

(7) Subject to paragraph (8), a person must close any joint ventures or co-operative entities with a person falling within paragraph (1)(a) to (f) or with a person, other than an individual, which is domiciled in the DPRK.

(8) Where a person has directly or indirectly requested approval for a joint venture or co-operative entity from the Committee, that person is not obliged to close that joint venture or co-operative entity

—

- (a) while no decision has yet been taken by the Committee, or
- (b) if the Committee has denied the request for approval, until the end of the period of 120 days beginning with the date on which the Committee denied the request.
- (9) Paragraphs (1) to (7) are subject to Part 9 (Exceptions and licences).
- (10) A person who contravenes a prohibition in paragraphs (1) to (6) commits an offence.
- (11) A person who fails to comply with the requirement in paragraph (7) commits an offence.

Land

- 27.**—(1) A person (“P”) must not—
- (a) lease, or otherwise make available, land, directly or indirectly, to the Government of the DPRK, any member of that Government or any person who P knows, or has reasonable cause to suspect, to be acting on its behalf;
 - (b) lease land, directly or indirectly, from the Government of the DPRK, any member of that Government or any person who P knows, or has reasonable cause to suspect, to be acting on its behalf;
 - (c) engage in any activity linked to the use of land that the Government of the DPRK, any member of that Government or any person who P knows, or has reasonable cause to suspect, to be acting on its behalf owns, leases or is otherwise entitled to use.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence.

Transfers of funds etc.

- 28.**—(1) A person must not make or receive a transfer of funds which that person knows or has reasonable cause to suspect is a transfer of funds to or from the DPRK.
- (2) A UK credit or financial institution must not enter into, or continue to participate in, any transaction with a person who the institution knows or has reasonable cause to suspect to be a person falling within regulation 18(2).
- (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence.
- (5) In this regulation the reference to a transfer of funds includes the clearing of funds.

Insurance and reinsurance services in relation to ships

- 29.**—(1) A person (“P”) must not provide insurance or reinsurance services in relation to a ship if P knows, or has reasonable cause to suspect, that P is providing such services in relation to a ship that is—
- (a) owned, controlled or operated by a person connected with the DPRK;
 - (b) a specified ship;
 - (c) a ship registered in the DPRK, or
 - (d) a ship flying the flag of the DPRK.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1), the reference to a ship being “owned” or “controlled” by a person is to be interpreted in accordance with regulation 80.

(5) In this regulation—

“ship” includes every description of vessel (including a hovercraft) used in navigation;

“specified ship” means a ship specified by the Secretary of State under regulation 11(1) or (2).

Sale or purchase of bonds

30.—(1) A person (“P”) must not directly or indirectly—

(a) sell to a person falling within paragraph (4), or

(b) purchase from such a person,

public bonds or public-guaranteed bonds issued after 19 February 2013 if P knows, or has reasonable cause to suspect, that the sale or purchase of such bonds is directly or indirectly to or from such a person.

(2) A person (“P”) must not provide brokering services to a person falling within paragraph (4) in respect of public bonds or public-guaranteed bonds issued after 19 February 2013, if P knows, or has reasonable cause to suspect, that the person falls within paragraph (4).

(3) A person (“P”) must not provide—

(a) brokering services,

(b) advertising services, or

(c) any other services,

if P knows, or has reasonable cause to suspect, that the provision of the services assists a person falling within paragraph (4) to issue public bonds or public-guaranteed bonds.

(4) The following persons fall within this paragraph—

(a) the Government of the DPRK;

(b) the Central Bank of the DPRK;

(c) a person falling within regulation 18(2) (DPRK credit or financial institutions etc.);

(d) a person acting on behalf of or at the direction of a person falling within sub-paragraph (a) or (b);

(e) a person, other than an individual, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person falling within any of sub-paragraphs (a) to (c).

(5) Paragraphs (1) to (3) are subject to Part 9 (Exceptions and licences).

(6) A person who contravenes a prohibition in paragraph (1), (2) or (3) commits an offence.

CHAPTER 3

Interpretation and further provision

Circumventing etc. prohibitions

31.—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—

(a) to circumvent any of the prohibitions in Chapter 1 or 2 of this Part, or

(b) to enable or facilitate the contravention of any such prohibition.

(2) A person who contravenes a prohibition in paragraph (1) commits an offence.

Meaning of “designated person” in Part 4

32. In this Part a “designated person” means—

- (a) a person who is designated under regulation 5 for the purposes of—
 - (i) regulations 13 to 17 (asset-freeze etc.), and
 - (ii) regulations 23 (closure of representative offices) and 24 (business arrangements with designated persons), or
- (b) a person who is a designated person for the purposes of those regulations by reason of regulation 10.

Interpretation of Part 4

33.—(1) In this Part—

“branch” means—

- (a) in relation to a UK credit or financial institution, a place of business which forms a legally dependent part of that institution and which carries out all or some of the transactions inherent in the business of that institution, or
- (b) in relation to a credit or financial institution domiciled in the DPRK, a place of business which forms a legally dependent part of that institution and which carries out all or some of the transactions inherent in the business of that institution;

“credit or financial institution domiciled in the DPRK” means—

- (a) a person, other than an individual, which is domiciled in the DPRK and which would satisfy the threshold conditions for permission under Part 4A of the Financial Services and Markets Act 2000 if it had its registered office (or if it does not have one, its head office) in the United Kingdom; or
- (b) an undertaking domiciled in the DPRK which by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers;

“subsidiary” has the meaning given by section 1159 of the Companies Act 2006⁽¹¹⁾;

“UK credit or financial institution” means—

- (a) a person that has permission under Part 4A of the Financial Services and Markets Act 2000⁽¹²⁾ (permission to carry on regulated activity); or
- (b) an undertaking which by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers.

(2) In paragraph (1), the definitions of—

- (a) “credit or financial institution domiciled in the DPRK”, and
- (b) “UK credit or financial institution”,

⁽¹¹⁾ 2006 c.46.

⁽¹²⁾ 2000 c.8. Part 4A was inserted by the Financial Services Act 2012 (c.21), section 11(2) and amended most recently by S.I. 2015/910.

are to be read with section 22 of the Financial Services and Markets Act 2000(13), any relevant order under that section(14) and Schedule 2 to that Act.

PART 5

Immigration

Immigration

34. A person who is designated under regulation 5 for the purposes of this regulation is an excluded person for the purposes of section 8B of the Immigration Act 1971(15).

PART 6

Trade

CHAPTER 1

Military, dual-use and other arms- and WMD-related goods and
military, dual-use and other arms- and WMD-related technology

Exports of restricted goods

- 35.**—(1) The export of restricted goods to, or for use in, the DPRK is prohibited.
(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

Imports of restricted goods

- 36.**—(1) The import of goods to which this paragraph applies which are consigned from the DPRK is prohibited.
(2) The import of goods to which this paragraph applies which originate in the DPRK is prohibited.
(3) Paragraphs (1) and (2) apply to—
(a) arms and related materiel,
(b) dual-use goods, and
(c) other arms- and WMD-related goods.
(4) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
(5) In this regulation, “arms and related materiel” means—
(a) military goods, and
(b) any thing which falls within Chapter 93 of the Harmonized Commodity Description and Coding System, other than military goods.
(6) In the definition of “arms and related materiel”, “the Harmonized Commodity Description and Coding System” means the harmonized commodity description and coding system provided

(13) Section 22 has been amended by the Financial Guidance and Claims Act 2018 (c.10), s.27(4); the Financial Services Act 2012 (c.21), s.7, and S.I. 2018/135.

(14) S.I. 2001/544 as amended, most recently by S.I. 2017/500.

(15) 1979 c. 77, as amended by the Immigration Act 2016 (c.19), Part 6, s.76 and the Immigration and Asylum Act 1999 (c.33), Part 1, s.8.

for under the International Convention on the Harmonized System as done in Brussels on 14 June 1983(16).

Supply and delivery of restricted goods

37.—(1) A person must not—

- (a) directly or indirectly supply or deliver restricted goods from a third country to a place in the DPRK;
- (b) directly or indirectly supply or deliver restricted goods from a place in the DPRK to a third country.

(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the goods were destined (or ultimately destined) for the DPRK;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the supply or delivery was from a place in the DPRK, whether directly or indirectly.

(4) In this regulation “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Sale and purchase etc. of restricted goods and restricted technology

38.—(1) A person must not—

- (a) directly or indirectly make restricted goods or restricted technology available to a person connected with the DPRK;
- (b) directly or indirectly make restricted goods or restricted technology available for use in the DPRK;
- (c) directly or indirectly acquire restricted goods or restricted technology from a person connected with the DPRK;
- (d) directly or indirectly acquire restricted goods or restricted technology which originates in the DPRK;
- (e) directly or indirectly acquire restricted goods or restricted technology located in the DPRK.

(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a) or (c) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in the DPRK;
- (c) it is a defence for a person charged with the offence of contravening paragraph (1)(d) to show that the person did not know and had no reasonable cause to suspect that the goods or technology originated in the DPRK;

- (d) it is a defence for a person charged with the offence of contravening paragraph (1)(e) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were located in the DPRK.

Transfer of restricted technology

- 39.**—(1) A person must not—
- (a) transfer restricted technology to a place in the DPRK;
 - (b) transfer restricted technology to a person connected with the DPRK;
 - (c) transfer restricted technology to persons outside the United Kingdom or to a place outside the United Kingdom, where the transfer is from a place in the DPRK.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—
- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the transfer was to a place in the DPRK;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
 - (c) it is a defence for a person charged with the offence of contravening paragraph (1)(c) to show that the person did not know and had no reasonable cause to suspect that the transfer was from a place in the DPRK.

Technical assistance relating to restricted goods and restricted technology

- 40.**—(1) A person must not—
- (a) directly or indirectly provide technical assistance relating to restricted goods or restricted technology—
 - (i) to a person connected with the DPRK, or
 - (ii) for use in the DPRK;
 - (b) directly or indirectly procure technical assistance relating to restricted goods or restricted technology—
 - (i) from a person connected with the DPRK, or
 - (ii) for use in the DPRK.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—
- (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a)(i) or (b)(i) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
 - (b) it is a defence for a person charged with an offence of contravening paragraph (1)(a)(ii) or (b)(ii) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were for use in the DPRK.

Financial services and funds relating to restricted goods and restricted technology

- 41.**—(1) A person must not directly or indirectly provide financial services to a person connected with the DPRK in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of restricted goods,
 - (b) the direct or indirect supply or delivery of restricted goods,
 - (c) directly or indirectly making restricted goods or restricted technology available to a person,
 - (d) the transfer of restricted technology, or
 - (e) the direct or indirect provision of technical assistance relating to restricted goods or restricted technology.
- (2) A person must not directly or indirectly make funds available to a person connected with the DPRK in pursuance of or in connection with an arrangement mentioned in paragraph (1).
- (3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—
- (a) the export of restricted goods to, or for use in, the DPRK;
 - (b) the direct or indirect supply or delivery of restricted goods to a place in the DPRK;
 - (c) directly or indirectly making restricted goods or restricted technology available—
 - (i) to a person connected with the DPRK, or
 - (ii) for use in the DPRK;
 - (d) the transfer of restricted technology—
 - (i) to a person connected with the DPRK, or
 - (ii) to a place in the DPRK; or
 - (e) the direct or indirect provision of technical assistance relating to restricted goods or restricted technology—
 - (i) to a person connected with the DPRK, or
 - (ii) for use in the DPRK.
- (4) A person must not directly or indirectly procure financial services from a person connected with the DPRK in pursuance of or in connection with an arrangement mentioned in paragraph (1).
- (5) A person must not directly or indirectly procure financial services in pursuance of or in connection with an arrangement mentioned in paragraph (3).
- (6) Paragraphs (1) to (5) are subject to Part 9 (Exceptions and licences).
- (7) A person who contravenes a prohibition in any of paragraphs (1) to (5) commits an offence, but—
- (a) it is a defence for a person charged with an offence of contravening paragraph (1), (2) or (4) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (3) to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph;
 - (c) it is a defence for a person charged with the offence of contravening paragraph (5) to show that the person did not know and had no reasonable cause to suspect that the financial services were procured in pursuance of or in connection with an arrangement mentioned in paragraph (3).

Brokering services: non-UK activity relating to restricted goods and restricted technology

42.—(1) A person must not directly or indirectly provide brokering services to a person connected with the DPRK in relation to an arrangement (“arrangement A”) whose object or effect is—

- (a) the direct or indirect supply or delivery of restricted goods from a non-UK country to a different non-UK country,
 - (b) directly or indirectly making restricted goods available in a non-UK country for supply or delivery to a different non-UK country,
 - (c) directly or indirectly making restricted technology available in a non-UK country for transfer to a place in a different non-UK country,
 - (d) the direct or indirect acquisition, in a non-UK country, of restricted goods, for supply or delivery to a different non-UK country,
 - (e) the direct or indirect acquisition, in a non-UK country, of restricted technology, for transfer to a place in a different non-UK country,
 - (f) the transfer of restricted technology from a place in a non-UK country to a place in a different non-UK country,
 - (g) the direct or indirect provision, in a non-UK country, of technical assistance relating to restricted goods or restricted technology,
 - (h) the direct or indirect procurement from a non-UK country of technical assistance relating to restricted goods or restricted technology,
 - (i) the direct or indirect provision of financial services in a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 41(1),
 - (j) the direct or indirect procurement of financial services from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 41(1), or
 - (k) the direct or indirect provision of funds from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 41(1).
- (2) A person must not directly or indirectly provide brokering services in relation to an arrangement (“arrangement A”) whose object or effect is—
- (a) the direct or indirect supply or delivery of restricted goods from a third country to a place in the DPRK;
 - (b) directly or indirectly making restricted goods available in a third country for direct or indirect supply or delivery—
 - (i) to a person connected with the DPRK, or
 - (ii) to a place in the DPRK;
 - (c) directly or indirectly making restricted technology available in a third country for transfer—
 - (i) to a person connected with the DPRK, or
 - (ii) to a place in the DPRK;
 - (d) the transfer of restricted technology from a place in a third country—
 - (i) to a person connected with the DPRK, or
 - (ii) to a place in the DPRK;
 - (e) the direct or indirect provision, in a non-UK country, of technical assistance relating to restricted goods or restricted technology—
 - (i) to a person connected with the DPRK, or
 - (ii) for use in the DPRK;

- (f) the direct or indirect provision, in a non-UK country, of financial services—
 - (i) to a person connected with the DPRK, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 41(1), or
 - (ii) where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 41(3);
 - (g) directly or indirectly making funds available, in a non-UK country, to a person connected with the DPRK, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 41(1); or
 - (h) the direct or indirect provision of funds from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 41(3).
- (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK.
- (5) A person who contravenes a prohibition in paragraph (2) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.
- (6) In this regulation—
- “non-UK country” means—
- (a) for the purposes of paragraph (1)(a), (b) and (d), a country that is not the United Kingdom or the Isle of Man,
 - (b) for the purposes of any other provision of this regulation, a country that is not the United Kingdom;
- “third country” means—
- (a) for the purposes of paragraph (2)(a) and (b), a country that is not the United Kingdom, the Isle of Man or the DPRK,
 - (b) for the purposes of any other provision of this regulation, a country that is not the United Kingdom or the DPRK.

CHAPTER 2

Other goods, technology and services

Goods and technology for armed forces of the DPRK

- 43.**—(1) The export of goods to or for the benefit of the armed forces of the DPRK is prohibited.
- (2) A person must not—
- (a) directly or indirectly supply or deliver goods from a third country to or for the benefit of the armed forces of the DPRK;
 - (b) directly or indirectly make goods or technology available to or for the benefit of the armed forces of the DPRK;
 - (c) transfer technology to or for the benefit of the armed forces of the DPRK.
- (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (2) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (2)(a) to show that the person did not know and had no reasonable cause to suspect that it was the armed forces of the DPRK to which, or for the benefit of which, the goods were supplied or delivered;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (2)(b) to show that the person did not know and had no reasonable cause to suspect that it was the armed forces of the DPRK to which, or for the benefit of which, the goods or technology were made available;
 - (c) it is a defence for a person charged with the offence of contravening paragraph (2)(c) to show that the person did not know and had no reasonable cause to suspect that it was the armed forces of the DPRK to which, or for the benefit of which, the technology was transferred.
- (5) In this regulation—
- “goods” do not include food or medicine;
 - “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Armed forces goods and technology

- 44.**—(1) The export of armed forces goods to the DPRK is prohibited.
- (2) The import of armed forces goods which are consigned from the DPRK is prohibited.
 - (3) The import of armed forces goods which originate in the DPRK is prohibited.
 - (4) A person must not—
 - (a) directly or indirectly supply or deliver armed forces goods—
 - (i) from a third country to a place in the DPRK, or
 - (ii) from a place in the DPRK to a third country;
 - (b) directly or indirectly—
 - (i) acquire armed forces goods or armed forces technology from a person connected with the DPRK, or
 - (ii) make armed forces goods or armed forces technology available to a person connected with the DPRK;
 - (c) directly or indirectly acquire armed forces goods or armed forces technology located in the DPRK;
 - (d) transfer armed forces technology to persons outside the United Kingdom or to a place outside the United Kingdom, where the transfer is from a place in the DPRK; or
 - (e) transfer armed forces technology to a place in the DPRK or to a person connected with the DPRK.
 - (5) Paragraphs (1) to (4) are subject to Part 9 (Exceptions and licences).
 - (6) A person who contravenes a prohibition in paragraph (4) commits an offence, but—
 - (a) it is a defence for a person charged with an offence of contravening a prohibition in any provision of paragraph (4) to show that the person did not know and had no reasonable cause to suspect that the goods were armed forces goods or (as the case may be) the technology was armed forces technology;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (4)(a) to show that the person did not know and had no reasonable cause to suspect that the supply or delivery was to or from a place in the DPRK, whether directly or indirectly;

- (c) it is a defence for a person charged with the offence of contravening paragraph (4)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
 - (d) it is a defence for a person charged with the offence of contravening paragraph (4)(c) to show that the person did not know and had no reasonable cause to suspect that the goods or technology were located in the DPRK;
 - (e) it is a defence for a person charged with the offence of contravening paragraph (4)(d) to show that the person did not know and had no reasonable cause to suspect that the transfer was from a place in the DPRK;
 - (f) it is a defence for a person charged with the offence of contravening paragraph (4)(e) (“P”) to show that P did not know and had no reasonable cause to suspect either that the transfer was to a place in the DPRK or (as the case may be) that the person was connected with the DPRK.
- (7) In this regulation—
- “armed forces goods” means goods, except food or medicine, which could support or enhance the operational capability of the armed forces of any country other than the DPRK;
 - “armed forces technology” means technology which could support or enhance the operational capability of the armed forces of any country other than the DPRK;
 - “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Exports of certain goods

- 45.**—(1) The export of the following goods to, or for use in, the DPRK is prohibited—
- (a) aviation fuel;
 - (b) condensates and natural gas liquids;
 - (c) crude oil;
 - (d) helicopters and vessels;
 - (e) industrial machinery, vehicles, iron, steel and other metals;
 - (f) luxury goods;
 - (g) refined petroleum products.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

Supply and delivery of certain goods to the DPRK

- 46.**—(1) A person must not directly or indirectly supply or deliver goods to which this paragraph applies from a third country to a place in the DPRK.
- (2) Paragraph (1) applies to—
- (a) aviation fuel;
 - (b) condensates and natural gas liquids;
 - (c) crude oil;
 - (d) helicopters and vessels;
 - (e) industrial machinery, vehicles, iron, steel and other metals;
 - (f) luxury goods;
 - (g) refined petroleum products.
- (3) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(4) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the goods were destined (or ultimately destined) for the DPRK.

(5) In this regulation “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Sale etc. of certain goods

47.—(1) A person must not—

- (a) directly or indirectly make goods to which this paragraph applies available to a person connected with the DPRK;
- (b) directly or indirectly make goods to which this paragraph applies available for use in the DPRK.

(2) Paragraph (1) applies to—

- (a) aviation fuel;
- (b) condensates and natural gas liquids;
- (c) crude oil;
- (d) helicopters and vessels;
- (e) industrial machinery, vehicles, iron, steel and other metals;
- (f) luxury goods;
- (g) refined petroleum products.

(3) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(4) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods were for use in the DPRK.

Imports of certain goods

48.—(1) The import of goods to which this paragraph applies which are consigned from the DPRK is prohibited.

(2) The import of goods to which this paragraph applies which originate in the DPRK is prohibited.

(3) Paragraphs (1) and (2) apply to—

- (a) coal, iron and iron ore;
- (b) copper, nickel, silver and zinc;
- (c) earth and stone;
- (d) food and agricultural products;
- (e) gold ores and concentrates, titanium ore, vanadium ore and rare-earth minerals;
- (f) lead and lead ore;
- (g) luxury goods;
- (h) machinery and electrical equipment;

- (i) petroleum products;
- (j) seafood;
- (k) statues;
- (l) textiles;
- (m) vessels;
- (n) wood.

(4) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).

Supply and delivery of certain goods from the DPRK

49.—(1) A person must not directly or indirectly supply or deliver goods to which this paragraph applies from a place in the DPRK to a third country.

(2) Paragraph (1) applies to—

- (a) coal, iron and iron ore;
- (b) copper, nickel, silver and zinc;
- (c) earth and stone;
- (d) food and agricultural products;
- (e) gold ores and concentrates, titanium ore, vanadium ore and rare-earth minerals;
- (f) lead and lead ore;
- (g) luxury goods;
- (h) machinery and electrical equipment;
- (i) petroleum products;
- (j) seafood;
- (k) statues;
- (l) textiles;
- (m) vessels;
- (n) wood.

(3) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(4) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the supply or delivery was from a place in the DPRK, whether directly or indirectly.

(5) In this regulation “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Purchase etc. of certain goods and rights

50.—(1) A person must not—

- (a) directly or indirectly acquire goods to which this paragraph applies from a person connected with the DPRK;
- (b) directly or indirectly acquire goods to which this paragraph applies which originate in the DPRK;
- (c) directly or indirectly acquire goods to which this paragraph applies which are located in the DPRK.

- (2) Paragraph (1) applies to—
- (a) coal, iron and iron ore;
 - (b) copper, nickel, silver and zinc;
 - (c) earth and stone;
 - (d) food and agricultural products;
 - (e) gold ores and concentrates, titanium ore, vanadium ore and rare-earth minerals;
 - (f) lead and lead ore;
 - (g) luxury goods;
 - (h) machinery and electrical equipment;
 - (i) petroleum products;
 - (j) seafood;
 - (k) statues;
 - (l) textiles;
 - (m) vessels;
 - (n) wood.
- (3) A person must not—
- (a) directly or indirectly acquire or transfer fishing rights from a person connected with the DPRK; or
 - (b) directly or indirectly acquire or transfer fishing rights which are exercisable in DPRK waters.
- (4) Paragraphs (1) and (3) are subject to Part 9 (Exceptions and licences).
- (5) A person who contravenes a prohibition in paragraph (1) commits an offence, but—
- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods originated in the DPRK;
 - (c) it is a defence for a person charged with the offence of contravening paragraph (1)(c) to show that the person did not know and had no reasonable cause to suspect that the goods were located in the DPRK.
- (6) A person who contravenes a prohibition in paragraph (3) commits an offence, but—
- (a) it is a defence for a person charged with the offence of contravening paragraph (3)(a) to show that the person did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (3)(b) to show that the person did not know and had no reasonable cause to suspect that the fishing rights were exercisable in DPRK waters.
- (7) In this regulation—
- “DPRK waters” means the territorial sea and inland waters of the DPRK;
- “fishing rights” includes any right to—
- (a) catch fish; or
 - (b) harvest molluscs, crustaceans or other aquatic invertebrates.

Bank notes and coinage

51.—(1) The export of bank notes or coinage to or for the benefit of the Central Bank of the DPRK is prohibited.

- (2) A person must not directly or indirectly—
 - (a) supply or deliver bank notes or coinage from a third country to or for the benefit of the Central Bank of the DPRK;
 - (b) make bank notes or coinage available to or for the benefit of the Central Bank of the DPRK.
- (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (2) commits an offence, but—
 - (a) it is a defence for a person charged with the offence of contravening paragraph (2)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person to whom, or for whose benefit, the bank notes or coinage were supplied or delivered was the Central Bank of the DPRK;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (2)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person to whom or for whose benefit the bank notes or coinage were made available was the Central Bank of the DPRK.
- (5) In this regulation “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Gold, precious metals or diamonds

52.—(1) The export of gold, precious metals or diamonds to a DPRK Government person is prohibited.

- (2) The import of gold, precious metals or diamonds consigned from a DPRK Government person is prohibited.
- (3) A person must not directly or indirectly—
 - (a) supply or deliver gold, precious metals or diamonds from a third country to a DPRK Government person;
 - (b) make gold, precious metals or diamonds available to a DPRK Government person;
 - (c) supply or deliver gold, precious metals or diamonds from a DPRK Government person to a place in a non-UK country;
 - (d) acquire gold, precious metals or diamonds from a DPRK Government person.
- (4) Paragraphs (1) to (3) are subject to Part 9 (Exceptions and licences).
- (5) A person who contravenes a prohibition in paragraph (3) commits an offence, but it is a defence for a person charged with that offence (“P”) to show that P did not know and had no reasonable cause to suspect that the person was a DPRK Government person.
- (6) In this regulation—
 - “non-UK country” means a country that is not the United Kingdom or the Isle of Man;
 - “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Technical assistance relating to gold, precious metals or diamonds

53.—(1) A person must not directly or indirectly provide technical assistance relating to gold, precious metals or diamonds to a DPRK Government person.

- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence (“P”) to show that P did not know and had no reasonable cause to suspect that the person was a DPRK Government person.

Financial services and funds relating to gold, precious metals or diamonds

54.—(1) A person must not directly or indirectly provide financial services to a DPRK Government person in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of gold, precious metals or diamonds,
- (b) the import of gold, precious metals or diamonds,
- (c) the direct or indirect supply or delivery of gold, precious metals or diamonds, or
- (d) directly or indirectly making gold, precious metals or diamonds available to a person.

(2) A person must not directly or indirectly make funds available to a DPRK Government person in pursuance of or in connection with an arrangement mentioned in paragraph (1).

(3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of gold, precious metals or diamonds to a DPRK Government person,
- (b) the import of gold, precious metals or diamonds consigned from a DPRK Government person,
- (c) the direct or indirect supply or delivery of gold, precious metals or diamonds to a DPRK Government person or from a DPRK Government person,
- (d) directly or indirectly making gold, precious metals or diamonds available to a DPRK Government person, or
- (e) the direct or indirect acquisition of gold, precious metals or diamonds from a DPRK Government person.

(4) Paragraphs (1), (2) and (3) are subject to Part 9 (Exceptions and licences).

(5) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence, but it is a defence for a person charged with an offence of contravening either of those paragraphs (“P”) to show that P did not know and had no reasonable cause to suspect that the person was a DPRK Government person.

(6) A person who contravenes the prohibition in paragraph (3) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services: non-UK activity relating to gold, precious metals or diamonds

55.—(1) A person must not directly or indirectly provide brokering services to a DPRK Government person in relation to an arrangement (“arrangement A”) whose object or effect is—

- (a) the direct or indirect supply or delivery of gold, precious metals or diamonds from a non-UK country to a different non-UK country,
- (b) directly or indirectly making gold, precious metals or diamonds available in a non-UK country for supply or delivery to a different non-UK country,
- (c) the direct or indirect acquisition, in a non-UK country, of gold, precious metals or diamonds, for supply or delivery to a different non-UK country,
- (d) the direct or indirect procurement from a non-UK country of technical assistance relating to gold, precious metals or diamonds,

- (e) the direct or indirect procurement of financial services from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 54(1), or
 - (f) the direct or indirect provision of funds from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 54(1).
- (2) A person must not directly or indirectly provide brokering services in relation to an arrangement (“arrangement A”) whose object or effect is—
- (a) the direct or indirect supply or delivery of gold, precious metals or diamonds from a third country to a DPRK Government person,
 - (b) the direct or indirect supply or delivery of gold, precious metals or diamonds from a DPRK Government person to a place in a third country,
 - (c) directly or indirectly making gold, precious metals or diamonds available in a third country for direct or indirect supply or delivery to a DPRK Government person, or
 - (d) the direct or indirect acquisition in a third country of gold, precious metals or diamonds from a DPRK Government person.
- (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence (“P”) to show that P did not know and had no reasonable cause to suspect that the person was a DPRK Government person.
- (5) A person who contravenes a prohibition in paragraph (2) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.
- (6) In this regulation—
- “non-UK country” means—
- (a) for the purposes of paragraph (1)(a), (b) and (c), a country that is not the United Kingdom or the Isle of Man,
 - (b) for the purposes of any other provision of this regulation, a country that is not the United Kingdom;
- “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Mining, manufacturing and computer services

- 56.**—(1) A person must not directly or indirectly provide—
- (a) services incidental to mining to a person connected with the DPRK;
 - (b) services incidental to mining where the mining is carried on in the DPRK;
 - (c) services incidental to manufacturing in the chemical, mining and refining industry to a person connected with the DPRK;
 - (d) services incidental to manufacturing in the chemical, mining and refining industry where the manufacturing is carried on in the DPRK;
 - (e) computer and related services to or for the benefit of a person connected with the DPRK.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a), (c) or (e) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK;
- (b) it is a defence for a person charged with an offence of contravening paragraph (1)(b) or (d) to show that the person did not know and had no reasonable cause to suspect that the mining or manufacturing (as the case may be) was carried on in the DPRK.

(4) In this regulation, the following terms are to be read in accordance with Annex XII of Council Regulation (EU) No 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People’s Republic of Korea and repealing Regulation (EC) No 329/2007, as it has effect immediately before exit day—

“services incidental to mining”;

“services incidental to manufacturing in the chemical, mining and refining industry”;

“computer and related services”.

Financial support for trade

57.—(1) A person must not provide financial services or funds for the purpose of trade with the DPRK.

(2) The prohibition in paragraph (1) does not apply to any provision of financial services or funds prohibited by Chapter 1 of this Part or in any other regulation in this Chapter.

(3) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(4) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the financial services or funds provided (as the case may be) were for the purpose of trade with the DPRK.

CHAPTER 3

Services relating to ships and aircraft

Leasing or chartering of ships and aircraft

58.—(1) A person must not lease or charter a ship or an aircraft to—

- (a) a designated person,
- (b) a person acting on behalf of or at the direction of a designated person,
- (c) a person, other than an individual, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by a designated person, or
- (d) a person connected with the DPRK.

(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a), (“P”) to show that P did not know and had no reasonable cause to suspect that the person was a designated person;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was acting on behalf of or at the direction of a designated person;

- (c) it is a defence for a person charged with the offence of contravening paragraph (1)(c) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was owned or controlled by a designated person;
 - (d) it is a defence for a person charged with the offence of contravening paragraph (1)(d) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK.
- (4) In this regulation a “designated person” means—
- (a) a person who is designated under regulation 5 for the purposes of this regulation and regulation 59 (crew services), or
 - (b) a person who is a designated person for the purposes of this regulation and regulation 59 by reason of regulation 10.

Crew services for ships and aircraft

- 59.**—(1) A person must not provide crew services to—
- (a) a designated person,
 - (b) a person acting on behalf of or at the direction of a designated person,
 - (c) a person, other than an individual, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by a designated person, or
 - (d) a person connected with the DPRK.
- (2) A person must not procure crew services from a person connected with the DPRK.
- (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence, but—
- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was a designated person;
 - (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was acting on behalf of or at the direction of a designated person;
 - (c) it is a defence for a person charged with the offence of contravening paragraph (1)(c) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was owned or controlled by a designated person;
 - (d) it is a defence for a person charged with the offence of contravening paragraph (1)(b) or (2) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with the DPRK.
- (5) In this regulation “crew services” means services associated with the manning of a ship or aircraft or the provision of a crew or members of a crew for a ship or aircraft.
- (6) In this regulation a “designated person” means—
- (a) a person who is designated under regulation 5 for the purposes of regulation 58 (leasing or chartering of ships and aircraft) and this regulation, or
 - (b) a person who is a designated person for the purposes of regulation 58 and this regulation by reason of regulation 10.

Ship classification services

- 60.**—(1) A person must not provide classification services relating to —

- (a) a specified ship,
 - (b) a ship registered in the DPRK, or
 - (c) a ship flying the flag of the DPRK.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know, and had no reasonable cause to suspect, that the ship was a specified ship, a ship registered in the DPRK or (as the case may be) a ship flying the flag of the DPRK.
- (4) In this regulation—
- “classification services” means any services supplied for or in connection with the classification or certification of a ship, including—
- (a) the production and application of classification rules or technical specification concerning the design, construction, equipment or maintenance of ships and shipboard management systems;
 - (b) surveys and inspections in accordance with classification rules and procedures;
 - (c) the assignment of a class notation;
 - (d) the delivery, endorsement or renewal of certificates of compliance with classification rules or specifications;
- “specified ship” means a ship specified by the Secretary of State under regulation 11(1) or (2).

Ship supply services

- 61.**—(1) A person must not provide bunkering or ship supply services relating to a specified ship.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence but it is a defence for a person charged with that offence to show that the person did not know, and had no reasonable cause to suspect, that the ship was a specified ship.
- (4) In this regulation—
- “bunkering or ship supply services” includes—
- (a) the supply of goods for use in a ship including fuel and spare parts, whether or not for immediate use; and
 - (b) any other servicing of a ship;
- “specified ship” means a ship specified by the Secretary of State under regulation 11(1) or (2).

CHAPTER 4

Interpretation and further provision

Circumventing etc. prohibitions

- 62.**—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—
- (a) to circumvent any of the prohibitions in Chapter 1, 2 or 3 of this Part, or
 - (b) to enable or facilitate the contravention of any such prohibition.
- (2) A person who contravenes a prohibition in paragraph (1) commits an offence.

Defences

63.—(1) Paragraph (2) applies where a person relies on a defence under Chapter 1, 2 or 3 of this Part.

(2) If evidence is adduced which is sufficient to raise an issue with respect to the defence, the court must assume that the defence is satisfied unless the prosecution proves beyond reasonable doubt that it is not.

Interpretation of Part 6

64.—(1) In this Part—

“aircraft” includes unmanned aircraft and aircraft capable of spaceflight activities.

“aviation fuel” means any thing listed in Annex III of Regulation 2017/1509;

“bank notes or coinage” means newly printed or unissued DPRK-denominated bank notes or minted coinage;

“coal, iron and iron ore” means any thing listed in Annex V of Regulation 2017/1509;

“condensates and natural gas liquids” means any thing listed in Annex XIc of Regulation 2017/1509;

“copper, nickel, silver and zinc” means any thing listed in Annex VII of Regulation 2017/1509;

“crude oil” means any thing listed in Annex XIe of Regulation 2017/1509;

“DPRK Government person” means—

- (a) the Government of the DPRK or any member of that Government,
- (b) the Central Bank of the DPRK,
- (c) a person acting on behalf of or at the direction of a person falling within paragraph (a) or (b), or
- (d) a person, other than an individual, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person falling within paragraph (a) or (b);

“dual-use goods” means—

- (a) any thing for the time being specified in Annex I of the Dual-Use Regulation, other than any thing which is dual-use technology, and
- (b) any tangible storage medium on which dual-use technology is recorded or from which it can be derived;

“dual-use technology” means any thing for the time being specified in Annex I of the Dual-Use Regulation which is described as software or technology;

“earth and stone” means any thing listed in Annex XIIi of Regulation 2017/1509;

“food and agricultural products” means any thing listed in Annex XIg of Regulation 2017/1509;

“gold ores and concentrates, titanium ore, vanadium ore and rare-earth minerals” means any thing listed in Annex IV of Regulation 2017/1509;

“gold, precious metals or diamonds” means any thing listed in Annex IX of Regulation 2017/1509;

“helicopters and vessels” means any thing listed in Annex XI of Regulation 2017/1509;

“industrial machinery, vehicles, iron, steel and other metals” means any thing listed in Part A of Annex XII of Regulation 2017/1509;

“lead and lead ore” means any thing listed in Annex XIb of Regulation 2017/1509;

“luxury goods” means any thing listed in Annex VIII of Regulation 2017/1509;

“machinery and electrical equipment” means any thing listed in Annex XIIh of Regulation 2017/1509;

“military goods” means—

- (a) any thing for the time being specified in Schedule 2 to the Export Control Order 2008⁽¹⁷⁾, other than any thing which is military technology, and
- (b) any tangible storage medium on which military technology is recorded or from which it can be derived;

“military technology” means any thing for the time being specified in Schedule 2 to the Export Control Order 2008 which is described as software or technology;

“other arms- and WMD-related goods” means—

- (a) any thing specified in an other arms- and WMD-related list, other than any thing which is other arms- and WMD-related technology, and
- (b) any tangible storage medium on which other arms- and WMD-related technology is recorded or from which it can be derived;

“other arms- and WMD-related list” means—

- (a) Schedule 2 to these Regulations,
- (b) any of the following, as amended from time to time—
 - (i) Annex III of resolution 2321,
 - (ii) the Annex of S/2016/308 (list approved by the Committee pursuant to paragraph 25 of resolution 2270),
 - (iii) the Annex of S/2017/728 (list approved by the Committee pursuant to paragraph 4 of resolution 2371),
 - (iv) the Annex of S/2017/760 (list approved by the Committee pursuant to paragraph 5 of resolution 2371),
 - (v) the Annex of S/2017/822 (list approved by the Committee pursuant to paragraph 4 of resolution 2375),
 - (vi) the Annex of S/2017/829 (list approved by the Committee pursuant to paragraph 5 of resolution 2375), and
- (c) any other list approved by the Committee from time to time pursuant to a paragraph of a UN Security Council Resolution mentioned in any of sub-paragraphs (ii) to (vi) of paragraph (b);

“other arms- and WMD-related technology” means any thing specified in an other arms- and WMD-related list which is described as software or technology (but see paragraph (2));

“petroleum products” means any thing listed in Annex VI of Regulation 2017/1509;

“refined petroleum products” means any thing listed in Annex XIId of Regulation 2017/1509;

“Regulation 2017/1509” means Council Regulation (EU) No 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People’s Republic of Korea and repealing Regulation (EC) No 329/2007, as it has effect immediately before exit day;

“restricted goods” means—

- (a) military goods,
- (b) dual-use goods, and

(17) S.I. 2008/3231. Schedule 2 was substituted by S.I. 2017/85 and subsequently amended by S.I. 2017/697 and S.I. 2018/165. There are other instruments which amend other parts of the Order.

- (c) other arms- and WMD-related goods;
- “restricted technology” means—
- (a) military technology,
 - (b) dual-use technology, and
 - (c) other arms- and WMD-related technology;
- “seafood” means any thing listed in Annex XIa of Regulation 2017/1509;
- “ship” includes every description of vessel (including a hovercraft) used in navigation;
- “statues” means any thing listed in Annex X of Regulation 2017/1509;
- “technical assistance”, in relation to goods or technology, means—
- (a) technical support relating to the repair, development, production, assembly, testing, use or maintenance of the goods or technology, or
 - (b) any other technical service relating to the goods or technology;
- “technology” has the meaning given in paragraph 37 of Schedule 1 to the Act;
- “textiles” means any thing listed in Annex XIc of Regulation 2017/1509;
- “transfer” has the meaning given in paragraph 37 of Schedule 1 to the Act;
- “vessels” means any thing listed in Annex XIk of Regulation 2017/1509;
- “wood” means any thing listed in Annex XIj of Regulation 2017/1509.
- (2) The definition of “other arms- and WMD-related technology” does not include technology which is—
- (a) in the public domain;
 - (b) basic scientific research;
 - (c) the minimum necessary information for patent applications;
 - (d) the minimum necessary for the installation, operation, maintenance and repair of any goods which are not prohibited goods.
- (3) In paragraph (2)—
- (a) “prohibited goods” means goods dealt with in contravention of a prohibition—
 - (i) in any of regulations 35 to 38 (trade sanctions relating to restricted goods),
 - (ii) in any of regulations 43 to 52 (trade sanctions relating to goods other than restricted goods), or
 - (iii) imposed by a condition of a trade licence in relation to a prohibition mentioned in paragraph (i) or (ii).
 - (b) the following terms have the meaning given to them in the Dual-Use Regulation—
 - “basic scientific research”;
 - “in the public domain”.
- (4) For the purposes of regulations 42 and 55 (brokering services: non-UK activity relating to restricted goods, restricted technology, gold, precious metals or diamonds), the definition of “country” in section 62(1) of the Act does not apply.
- (5) Paragraphs 32 to 36 of Schedule 1 to the Act (trade sanctions) apply for the purpose of interpreting expressions in this Part.
- (6) In this Part any reference to the United Kingdom includes a reference to the territorial sea.

PART 7

Aircraft

Movement of aircraft

65.—(1) A DPRK aircraft must not, otherwise than for the purposes of operations in respect of which a permission is required under article 250 or 252 of the ANO—

- (a) overfly the United Kingdom, or
- (b) land in the United Kingdom.

(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) The Secretary of State may direct the CAA to—

- (a) refuse permission under article 250 of the ANO in respect of a DPRK aircraft;
- (b) refuse permission under article 252 of the ANO in respect of a DPRK aircraft;
- (c) revoke any permission granted under article 250 of the ANO in respect of a DPRK aircraft;
- (d) revoke any permission granted under article 252 of the ANO in respect of a DPRK aircraft.

(4) Air traffic control may direct the operator or pilot in command of a DPRK aircraft—

- (a) not to enter the airspace over the United Kingdom;
- (b) to leave the airspace over the United Kingdom by a specified route.

(5) The Secretary of State may direct air traffic control to give a direction under paragraph (4).

(6) An airport operator may direct the operator or pilot in command of a DPRK aircraft—

- (a) not to take off, or not to permit the aircraft to take off, from an airport;
- (b) to take off, or to require the aircraft to take off, from an airport;
- (c) not to land, or not to permit the aircraft to land, at an airport.

(7) The Secretary of State may direct an airport operator to give a direction under paragraph (6).

(8) An airport operator giving a direction under paragraph (6)(a) must take such steps as are reasonably practicable to detain the aircraft.

(9) The Secretary of State may direct an airport operator to secure the detention of a DPRK aircraft at an airport.

(10) The Secretary of State may direct an airport operator to secure the movement of a DPRK aircraft to a specified airport.

Directions under regulation 65: supplementary

66.—(1) Where a direction is given under regulation 65(3)(c) or (d)—

- (a) to the extent that the direction conflicts with the requirements of article 255 of the ANO (revocation etc. of permissions), those requirements are to be disregarded, and
- (b) article 255(4) of the ANO does not apply in relation to the revocation which is the subject of the direction.

(2) Where a direction is given under regulation 65 which conflicts with a permission under article 250 or 252 of the ANO, the permission is to be disregarded.

(3) In so far as a direction under regulation 65 conflicts with the requirements of section 93 of the Transport Act 2000(18) or of an order under section 94 of that Act, the direction is to be disregarded.

(4) In so far as a direction under regulation 65 conflicts with the requirements of an enactment other than section 93 of the Transport Act 2000 or an order under section 94 of that Act, the requirements are to be disregarded.

(5) The Secretary of State may notify a person that the existence, any part of the content of a direction under regulation 65, or anything done under the direction, is to be treated as confidential.

(6) A person must not disclose any information if the Secretary of State notifies that person under paragraph (5) that the information is to be treated as confidential.

Offences

67.—(1) If a prohibition in regulation 65(1) is contravened by the flight or landing of a DPRK aircraft, the operator and pilot in command of the aircraft commit an offence.

(2) It is an offence for an airport operator to fail, without reasonable excuse, to comply with a direction given by the Secretary of State under regulation 65(7), (9) or (10).

(3) It is an offence for a person to whom a direction is given under regulation 65(4) (direction by air traffic control to operator or pilot of DPRK aircraft) to fail to comply with the direction.

(4) It is an offence for a person to whom a direction is given under regulation 65(6) (direction by airport operator to operator or pilot of DPRK aircraft) to fail to comply with the direction.

(5) A person who contravenes the prohibition in regulation 66(6) (disclosure of direction) commits an offence.

Interpretation of Part 7

68.—(1) In this Part—

“air traffic control” means a person who holds a licence under Chapter 1 of Part 1 of the Transport Act 2000 (air traffic services);

“the ANO” means the Air Navigation Order 2016(19);

“beneficial interest” means any beneficial interest, however arising (whether held by trustee or nominee or arising under a contract or otherwise), other than an interest held by any person as mortgagee;

“DPRK aircraft” means an aircraft—

- (a) owned, chartered or operated by a person connected with the DPRK,
- (b) registered in the DPRK, or
- (c) originating from the DPRK;

“specified” means specified in a direction under regulation 65.

(2) For the purposes of paragraph (a) of the definition of “DPRK aircraft”, an aircraft is “owned” by a person if—

- (a) the legal title to the aircraft, or to any share in the aircraft, is vested in the person, or
- (b) the person has a beneficial interest in the aircraft or in any share in the aircraft,

and the reference to a legal title or other interest includes one held jointly with any other person or persons.

(3) Any expression used in this Part and in section 6 of the Act (aircraft sanctions) has the same meaning in this Part as it has in that section.

PART 8

Ships

Ownership etc. of DPRK ships

- 69.**—(1) A person must not own, control, charter or operate a DPRK ship.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that—
- (a) the ship was not a DPRK ship at the time that the person first owned, controlled, chartered or operated it, and
 - (b) as soon as possible after the ship became a DPRK ship, the person took all reasonably practicable steps to relinquish their interest in, or cease their use of, the ship.
- (4) In this regulation, a “DPRK ship” means—
- (a) a ship registered in the DPRK, or
 - (b) a ship flying the flag of the DPRK.

Dealing with UN-designated ships subject to asset-freeze

- 70.**—(1) A person must not deal with a UN-designated ship subject to an asset-freeze if the person knows, or has reasonable cause to suspect, that the person is dealing with such a ship.
- (2) Paragraph (1) is subject to Part 9 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence.
- (4) For the purposes of paragraph (1) a person “deals” with a ship if the person is a party to any arrangement the object or effect of which is—
- (a) the sale, leasing or exchange of the ship or any interest in the ship, or
 - (b) the use of the ship, or any interest in the ship, in exchange for funds, goods or services (whether by the pledge of the ship, or any interest in the ship, as security or otherwise).
- (5) In this regulation a “UN-designated ship subject to an asset-freeze” means a ship designated by the Security Council or the Committee for the purposes of the provisions listed in paragraph (6) as a ship in respect of which the measures required by paragraph 8(d) of resolution 1718 (asset-freeze etc.) are to be taken.
- (6) The provisions referred to in paragraph (5) are—
- (a) paragraph 12(d) of resolution 2321;
 - (b) paragraph 8 of resolution 2375.

Prohibition on port entry

- 71.**—(1) A person must not provide a ship to which this paragraph applies with access to a port, if the person knows, or has reasonable cause to suspect, that the ship is a ship to which this paragraph applies.
- (2) The master or pilot of a ship to which this paragraph applies must not cause or permit the ship to enter any port if the master or pilot knows, or has reasonable cause to suspect, that the ship is a ship to which this paragraph applies.
- (3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences) (see, in particular, regulation 86).

- (4) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence.
- (5) Paragraphs (1) and (2) apply to—
 - (a) a ship owned, controlled, chartered or operated by designated persons,
 - (b) a ship owned, controlled, chartered or operated by persons connected with the DPRK,
 - (c) a ship crewed by persons connected with the DPRK,
 - (d) a ship registered in the DPRK,
 - (e) a ship flying the flag of the DPRK, or
 - (f) a ship for the time being designated by the Security Council or the Committee as a ship in respect of which a UN Security Council Resolution provides for port entry to be prohibited.
- (6) In paragraph (5) a “designated person” means—
 - (a) a person who is designated under regulation 5 for the purposes of this regulation and regulation 73 (movement of ships), or
 - (b) a person who is a designated person for the purposes of this regulation by reason of regulation 10.

Directions prohibiting port entry

- 72.**—(1) A port barring direction may be given to the master or pilot of—
 - (a) a ship originating from the DPRK, or
 - (b) a specified ship.
- (2) A port barring direction may be given by—
 - (a) the Secretary of State, or
 - (b) a harbour authority.
- (3) The Secretary of State may direct a harbour authority to take such steps as are reasonably practicable to secure that a ship mentioned in paragraph (1) does not enter a port or ports specified in the direction, or any port.
- (4) It is an offence for a person to whom a direction is given under this regulation to fail to comply with the direction.
- (5) The Secretary of State may notify a person that the existence of a port barring direction, any part of the content of the direction, or anything done under the direction, is to be treated as confidential.
- (6) It is an offence for a person to disclose information if the Secretary of State has notified that person under paragraph (5) that the information is to be treated as confidential.
- (7) In this regulation, a “port barring direction” means a direction prohibiting a ship from entering a port or ports specified in the direction, or any port.

Movement of ships

- 73.**—(1) A port entry direction or a movement direction may be given to the master or pilot of—
 - (a) a ship owned, controlled, chartered or operated by designated persons,
 - (b) a ship owned, controlled, chartered or operated by persons connected with the DPRK,
 - (c) a ship registered in the DPRK,
 - (d) a ship flying the flag of the DPRK,
 - (e) a ship originating from the DPRK, or

- (f) a specified ship.
- (2) A port entry direction or a movement direction under paragraph (1) may be given by—
 - (a) the Secretary of State, or
 - (b) a harbour authority.
- (3) The Secretary of State may direct a harbour authority to take such steps as are reasonably practicable to secure that a ship mentioned in paragraph (1)—
 - (a) proceeds to or enters a port specified in the direction,
 - (b) leaves a port specified in the direction,
 - (c) proceeds to a place specified in the direction, or
 - (d) remains where it is.
- (4) A port entry direction may be given to the master or pilot of—
 - (a) a UN-designated ship required to enter port, or
 - (b) a UN-designated ship barred from port entry.
- (5) A direction under paragraph (4) may be given by—
 - (a) the Secretary of State, or
 - (b) a harbour authority.
- (6) The Secretary of State may direct a harbour authority to take such steps as are reasonably practicable to secure that a ship mentioned in paragraph (4) proceeds to or enters a port specified in the direction.
- (7) It is an offence for a person to whom a direction is given under this regulation to fail to comply with the direction.
- (8) The Secretary of State may notify a person that the existence of a port entry direction or a movement direction, any part of the content of the direction, or anything done under the direction, is to be treated as confidential.
- (9) It is an offence for a person to disclose information if the Secretary of State has notified that person under paragraph (8) that the information is to be treated as confidential.
- (10) In this regulation—
 - a “designated person” means a person who is designated under regulation 5 for the purposes of regulation 71 (prohibition on port entry) and this regulation;
 - a “movement direction” means a direction requiring a ship—
 - (a) to leave a port specified in the direction,
 - (b) to proceed to a place specified in the direction, or
 - (c) to remain where it is;
 - a “port entry direction” means a direction requiring a ship to proceed to or enter a port specified in the direction;
 - a “UN-designated ship barred from port entry” means a ship for the time being designated by the Security Council or the Committee as a ship in respect of which a UN Security Council Resolution provides for port entry to be prohibited;
 - a “UN-designated ship required to enter port” means a ship for the time being designated by the Security Council or the Committee as a ship in respect of which a UN Security Council Resolution provides for direction to a port.

DPRK ships: transfers of goods

74.—(1) A person must not transfer any goods—

- (a) from a ship to a DPRK ship, or
- (b) from a DPRK ship to another ship,

if the goods originated in, or are destined for, the DPRK.

(2) Paragraph (1) is subject to Part 9 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that—

- (a) the goods originated in, or were destined for, the DPRK, or
- (b) the ship was a DPRK ship.

(4) In this regulation, a “DPRK ship” means—

- (a) a ship registered in the DPRK, or
- (b) a ship flying the flag of the DPRK.

(5) For the purposes of this regulation—

- (a) a reference to goods which “originate” in the DPRK includes a reference to goods which are manufactured or produced in the DPRK, and
- (b) a reference to goods which are “destined” for the DPRK includes a reference to goods which are ultimately destined for the DPRK.

Detention of ships

75.—(1) A detention direction may be given to the master of a ship to which this paragraph applies by—

- (a) the Secretary of State, or
- (b) a harbour authority.

(2) The Secretary of State may direct a harbour authority to give a detention direction to the master of a ship to which this paragraph applies.

(3) A “detention direction” means a direction requiring the detention of a ship at a port or anchorage.

(4) A detention direction given in relation to a ship—

- (a) must be in writing,
- (b) must be delivered to the master of the ship by the person who detains the ship,
- (c) must state the grounds on which the ship is detained, and
- (d) must state that—
 - (i) it is given under this regulation, and
 - (ii) any requirements imposed by the direction must be complied with.

(5) Paragraph (6) applies if—

- (a) the ship is not a British ship, and
- (b) there is in the United Kingdom a consular officer for the country to which the ship belongs.

(6) A copy of the detention direction must be sent as soon as practicable to the nearest consular officer for the country to which the ship belongs.

(7) Section 284(1), (2), (2A), (2B), (3) and (8) of the Merchant Shipping Act 1995⁽²⁰⁾ (enforcement of detention of ships) applies in the case of detention under a detention direction as it applies in the case of detention authorised or ordered by that Act, but as if—

- (a) any reference in that section to a notice of detention were to the detention direction, and
- (b) the reference in subsection (2A) of that section to a direction given under subsection (1A) (a) of that section were to any requirement imposed by the detention direction.

(8) Paragraphs (1) and (2) apply to the following when at a port or anchorage—

- (a) a specified ship;
- (b) a ship for the time being designated by the Security Council or the Committee as a ship in respect of which the measures required by paragraph 8(d) of resolution 1718 (asset-freeze etc.) are to be taken.

(9) In this regulation, “consular officer”, in relation to a foreign country, means the officer recognised by Her Majesty as a consular officer of that foreign country.

Registration etc. of ships in the DPRK

76.—(1) A person must not register a ship in the DPRK.

(2) A person must not obtain authorisation for a ship to fly the flag of the DPRK.

(3) Paragraphs (1) and (2) are subject to Part 9 (Exceptions and licences).

(4) A person who contravenes the prohibition in paragraph (1) or (2) commits an offence.

Registration of ships in the United Kingdom

77.—(1) The Registrar must refuse to register a ship if, on the basis of the information given to the Registrar by the Secretary of State or accompanying the application for registration, the ship appears to the Registrar to be a DPRK ship.

(2) The Registrar must refuse to register—

- (a) a specified ship;
- (b) a ship de-registered by a country other than the United Kingdom.

(3) The Secretary of State may direct the Registrar to terminate the registration of—

- (a) a DPRK ship,
- (b) a specified ship,
- (c) a ship for the time being designated by the Security Council or the Committee as a ship in respect of which a UN Security Council Resolution provides for de-registration or de-flagging, or
- (d) a ship de-registered by a country other than the United Kingdom.

(4) For the purposes of this regulation, a ship is a “DPRK ship” if—

- (a) the legal title to the ship, or to any share in the ship, is vested in a person connected with the DPRK;
- (b) a person connected with the DPRK has a beneficial interest in the ship or in any share in the ship; or
- (c) a person connected with the DPRK is a charterer of the ship on bareboat charter terms.

(5) In this regulation, “bareboat charter terms” has the meaning given by section 17(11) of the Merchant Shipping Act 1995.

(20) 1995 c.21.

(6) For the purposes of this regulation—

- (a) any reference to registering a ship is to registering the ship in the register of British ships maintained by the Registrar;
- (b) a ship is “de-registered by a country other than the United Kingdom” if, in compliance with paragraph 12 of resolution 2397 (de-registration of ships involved in breaches of sanctions), the entry relating to the ship has been removed from a register of ships maintained in a country other than the United Kingdom.

Circumventing etc. prohibitions

78.—(1) A person must not intentionally participate in activities knowing that the object or effect of them is, whether directly or indirectly—

- (a) to circumvent—
 - (i) the prohibition in regulation 70 (dealing with UN-designated ships subject to asset-freeze), or
 - (ii) the prohibition in regulation 74 (DPRK ships: transfers of goods), or
- (b) to enable or facilitate the contravention of any such prohibition.

(2) A person who contravenes a prohibition in paragraph (1) commits an offence.

Defences

79.—(1) Paragraph (2) applies where a person relies on a defence under this Part.

(2) If evidence is adduced which is sufficient to raise an issue with respect to the defence, the court must assume that the defence is satisfied unless the prosecution proves beyond reasonable doubt that it is not.

Interpretation of Part 8

80.—(1) For the purposes of this Part—

- (a) a ship is “owned” by a person if—
 - (i) the legal title to the ship, or to any share in the ship, is vested in the person, or
 - (ii) the person has a beneficial interest in the ship or in any share in the ship;
- (b) a ship is “controlled” by a person who is able to take decisions about its operation, including (but not limited to) decisions about the route the ship may take and the appointment of master or crew;
- (c) a ship is “crewed by persons connected with the DPRK” if any member of the ship’s crew is a person connected with the DPRK.

(2) For the purposes of paragraph (1)(c)—

- (a) a person is a member of a ship’s crew if the person is employed or engaged in the working or service of the ship (whether paid or not), and
- (b) the master of the ship, but not the pilot, is a member of the crew.

(3) Any reference in this Part to a legal title or other interest includes one held jointly with any other person or persons.

(4) In this Part—

“beneficial interest” means any beneficial interest, however arising (whether held by trustee or nominee or arising under a contract or otherwise), other than an interest held by any person as mortgagee;

“specified ship” means a ship specified by the Secretary of State under regulation 11(1).

(5) Any expression used in this Part and in section 7 of the Act (shipping sanctions) has the same meaning in this Part as it has in that section.

PART 9

Exceptions and licences

Asset-freeze etc.: exceptions from prohibitions

81.—(1) The prohibition in regulation 13 (asset-freeze in relation to designated persons) is not contravened by an independent person (“P”) transferring to another person a legal or equitable interest in funds or economic resources where, immediately before the transfer, the interest—

- (a) is held by P, and
- (b) is not held jointly with the designated person.

(2) In paragraph (1) “independent person” means a person who—

- (a) is not the designated person, and
- (b) is not owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(3) The prohibitions in regulations 13 to 15 (asset-freeze in relation to, and making funds available to, or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account with interest or other earnings due on the account.

(4) The prohibitions in regulations 14 and 15 (making funds available to, or for the benefit of, designated persons) are not contravened by a relevant institution crediting a frozen account where it receives funds transferred to that institution for crediting to that account.

(5) The prohibitions in regulations 14 and 15 are not contravened by the transfer of funds to a relevant institution for crediting to an account held or controlled (directly or indirectly) by a designated person, where those funds are transferred in discharge (or partial discharge) of an obligation which arose before the date on which the person became a designated person.

(6) The prohibitions in regulations 13 to 15 are not contravened in relation to a designated person (“P”) by a transfer of funds from account A to account B, where—

- (a) account A is with a relevant institution which carries on an excluded activity within the meaning of section 142D of the Financial Services and Markets Act 2000(21),
- (b) account B is with a ring-fenced body within the meaning of section 142A of the Financial Services and Markets Act 2000(22), and
- (c) accounts A and B are held or controlled (directly or indirectly) by P.

(7) The prohibitions in regulations 13 to 17 (asset-freeze etc.) do not apply to—

- (a) a transaction with the Foreign Trade Bank of the Democratic People’s Republic of Korea at any time when that bank is a designated person, or
- (b) a transaction with the Korean National Insurance Company at any time when that company is a designated person,

if the transaction is solely for an exempt purpose.

(21) 2000 c.8. Section 142D was inserted by section 4(1) of the Financial Services (Banking Reform) Act 2013 (c.33).

(22) Section 142A was inserted by section 4(1) of the Financial Services (Banking Reform) Act 2013 (c.33).

(8) For the purposes of paragraph (7), a transaction is for an exempt purpose if it is solely for the purposes of—

- (a) the operation of a diplomatic mission or consular post in the DPRK, or
- (b) any humanitarian assistance activities that are undertaken by, or in co-ordination with, the United Nations.

(9) Where a person—

- (a) is designated under regulation 5 for the purposes of regulations 13 to 17, and
- (b) is a person whose designation is required by paragraph 32 of resolution 2270 (certain entities etc. of the Government of the DPRK or the Worker's Party of Korea),

the prohibitions in regulations 13 to 17 do not apply to anything done in relation to that person which is necessary for the operation of any of the DPRK's missions.

(10) In paragraph (9) "the DPRK's missions" means—

- (a) missions of the DPRK to the United Nations and its specialised agencies and related organisations, and
- (b) other diplomatic missions and consular posts of the DPRK.

(11) In this regulation—

"designated person" has the same meaning as it has in Part 4 (Finance);

"frozen account" means an account with a relevant institution which is held or controlled (directly or indirectly) by a designated person;

"relevant institution" means a person that has permission under Part 4A of the Financial Services and Markets Act 2000(23) (permission to carry on regulated activity).

(12) The definition of "relevant institution" in paragraph (11) is to be read with section 22 of the Financial Services and Markets Act 2000(24), any relevant order under that section(25) and Schedule 2 to that Act.

Land: exceptions from prohibitions

82.—(1) The prohibition in regulation 27(1)(a) (leasing or making available of land) is not contravened by the leasing or otherwise making available of land for the operation of a diplomatic mission or consular post.

(2) The prohibition in regulation 27(1)(c) (activities linked to the use of land) does not apply to the provision of goods or services which—

- (a) are necessary for the operation of a diplomatic mission or consular post, and
- (b) cannot be used to generate income or profit directly or indirectly for the Government of the DPRK.

Transfers of funds: exceptions from prohibitions

83.—(1) The prohibitions in regulation 28 (transfers of funds etc.) are not contravened by a person making or receiving a transfer of funds which—

(23) Part 4A was inserted by the Financial Services Act 2012 (c.21), section 11(2) and amended most recently by S.I. 2015/910. Section 22 was amended by the Financial Services Act 2012 (c.21), section 7(1). Schedule 2 was amended by: the Dormant Bank and Building Society Accounts Act 2008 (c.31), section 15, Schedule 2, paragraph 1; the Regulation of Financial Services (Land Transactions) Act 2005 (c.24), section 1; the Financial Services Act 2012, section 7(2) to (5) and section 8; and by S.I. 2013/1881.

(24) Section 22 has been amended by; the Financial Guidance and Claims Act 2018 (c.10), Part 2, s.27(4); the Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), Part 5, reg.38; and the Financial Services Act 2012 (c.21) Part 2, s.7.

(25) S.I. 2001/544, as amended by S.I. 2017/500.

- (a) relates to a transaction mentioned in paragraph (2), and
 - (b) is of a value of £13,000 or less.
- (2) The transactions are—
- (a) a transaction relating to foodstuffs, healthcare or medical equipment;
 - (b) a transaction for agricultural or humanitarian purposes;
 - (c) a transaction which by virtue of this Part of a licence under this Part, does not contravene a prohibition in these Regulations;
 - (d) a transaction which relates to an activity which is mentioned in Part 6, and which is neither prohibited by that Part nor relates to anything prohibited by that Part;
 - (e) a transaction which is for the official purposes of a diplomatic or consular mission of the DPRK;
 - (f) transactions required exclusively for the implementation of projects which are funded by any part of the Government of the United Kingdom which are for—
 - (i) development purposes directly addressing the needs of the civilian population of the DPRK, or
 - (ii) the promotion of denuclearisation of the DPRK.
- (3) The prohibitions in regulation 28 are not contravened by a person making or receiving a transfer of funds which—
- (a) relates to a transaction regarding a personal remittance, and
 - (b) is of a value of £4,000 or less.
- (4) The prohibitions in regulations 28 are not contravened by a person making or receiving a transfer of funds or by a UK credit or financial institution carrying out any other transaction which is necessary for the official purposes of a diplomatic mission or consular post in the DPRK or an international organisation enjoying immunities in the DPRK in accordance with international law.
- (5) In this regulation—
- (a) a reference to an amount in pounds sterling includes a reference to the equivalent amount in another currency;
 - (b) a reference to a transfer of funds of a particular amount includes a transfer executed in several linked operations which appear to be linked, as well as a transfer executed in a single operation; and
 - (c) a reference to a transfer of funds includes the clearing of funds.

Trade: exceptions from prohibitions

84.—(1) The prohibitions in regulations 45(1)(a), 46(1) and 47(1) are not contravened by the export, supply, delivery or making available of aviation fuel—

- (a) in a third country, and
- (b) exclusively for use—
 - (i) in a civilian passenger aircraft, and
 - (ii) for consumption by that aircraft in a flight to the DPRK from a place outside the DPRK, or the return flight from the DPRK to its airport of origin.

(2) The prohibition in regulation 45(1)(f) and the prohibitions in regulations 46(1), 47(1), 48(1) and (2), 49(1) and 50(1) in respect of luxury goods are not contravened by the import, export, supply, delivery, making available or acquisition of—

- (a) the personal effects of a person travelling to or from the DPRK;

- (b) goods of a non-commercial nature for the personal use of a person travelling to or from the DPRK and contained in that person's luggage;
 - (c) goods which are necessary for the official purposes of a diplomatic mission or consular post in the DPRK, or of an international organisation enjoying immunities in the DPRK in accordance with international law;
 - (d) the personal effects of a member of a diplomatic mission or consular post in the DPRK.
- (3) The prohibition in regulation 56(1)(e) (provision of computer and related services) is not contravened by the provision of computer and related services —
- (a) exclusively for the official purposes of a diplomatic mission or consular post in the DPRK, or of an international organisation enjoying immunities in the DPRK in accordance with international law;
 - (b) provided by persons that receive funding from any part of the Government of the United Kingdom to provide those services for—
 - (i) development purposes directly addressing the needs of the civilian population of the DPRK, or
 - (ii) the promotion of denuclearisation of the DPRK.
- (4) The prohibition in regulation 61(1) is not contravened by the provision of bunkering or ship supply services where a failure to do so would endanger the lives of persons on board a ship.
- (5) In this regulation—
- (a) the following terms have the same meaning as they have in Part 6—
 - “aviation fuel”;
 - “bunkering or ship supply services”;
 - “luxury goods”;
 - “computer and related services”;
 - (b) “third country” means a country that is not the United Kingdom, the Isle of Man or the DPRK.

Aircraft: exceptions from prohibition

85.—(1) The prohibition in regulation 65(1)(b) is not contravened by the landing of a DPRK aircraft in the United Kingdom if failing to land would endanger the lives of persons on board or the safety of the aircraft.

(2) The prohibition in regulation 65(1)(a) is not contravened by the flight of a DPRK aircraft in the airspace over the United Kingdom preparatory to a landing as mentioned in paragraph (1).

(3) In this regulation, “DPRK aircraft” has the same meaning as it has in Part 7 (Aircraft).

Ships: exceptions from prohibitions on port entry

86.—(1) The prohibition in regulation 71(1) is not contravened by providing a ship with access to a port if—

- (a) a port entry direction has been given in relation to the ship under regulation 73 (movement of ships), or
- (b) the access is needed by the ship in a case of emergency.

(2) The prohibition in regulation 71(2) is not contravened by the entry into port of a ship if—

- (a) a port entry direction has been given in relation to the ship under regulation 73, or
- (b) the entry is needed by the ship in a case of emergency.

Exception for acts done for purposes of national security or prevention of serious crime

87.—(1) Where an act would, in the absence of this paragraph, be prohibited by regulation 9(2) (confidentiality) or 101(2) (proliferation financing) or any prohibition in Part 4 (Finance), 6 (Trade), 7 (Aircraft) or 8 (Ships), that prohibition does not apply to the act if the act is one which a responsible officer has determined would be in the interests of—

- (a) national security, or
- (b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(2) Where, in the absence of this paragraph, a thing would be required to be done under or by virtue of a provision of Chapter 2 of Part 4 (Investment, financial services and financial markets), Part 7 (Aircraft), 8 (Ships), 10 (Information) or 12 (Maritime enforcement), that requirement does not apply if a responsible officer has determined that not doing the thing in question would be in the interests of—

- (a) national security, or
- (b) the prevention or detection of serious crime in the United Kingdom or elsewhere.

(3) In this regulation “responsible officer” means a person in the service of the Crown or holding office under the Crown, acting in the course of that person’s duty.

(4) Nothing in this regulation affects the application of a prohibition or requirement in a case where it would be incompatible with a UN obligation for the prohibition or requirement not to apply.

Treasury licences

88.—(1) The prohibitions in regulations 13 to 17 (asset-freeze etc.), regulation 70 (dealing with UN-designated ships subject to asset-freeze) and in the financial services provisions do not apply to anything done under the authority of a licence issued by the Treasury under this paragraph.

(2) Paragraphs (3) and (4) apply to the issuing of a licence which authorises acts which would otherwise be prohibited by regulations 13 to 17.

(3) The Treasury may issue a licence which authorises acts by a particular person in relation to a non-UN designated person only where the Treasury consider that it is appropriate to issue the licence for a purpose set out in Schedule 3.

(4) The Treasury may issue a licence which authorises acts in relation to a UN designated person only where the Treasury consider that it is appropriate to issue the licence for a purpose set out in Part 1 of Schedule 3.

(5) The Treasury may issue a licence which authorises acts which would otherwise be prohibited by regulation 28 only where it considers it appropriate in the following circumstances—

- (a) for a transfer of funds of a value over £13,000, which relates to a transaction mentioned in regulation 83(2),
- (b) for a transfer of funds of a value over £4,000, which relates to a transaction regarding a personal remittance, or
- (c) to enable anything to be done in connection with the performance of—
 - (i) any humanitarian assistance activity, or
 - (ii) any activity whose purpose is consistent with the objectives of resolution 1718, 1874, 2087, 2094, 2270, 2321, 2356, 2371, 2375 or 2397.

(6) In paragraph (1) “the financial services provisions” means regulations 18, 20 to 22 and 24 to 30, excluding regulation 26(7).

(7) In paragraph (4) “UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 13 to 17 by reason of regulation 10 (designation of persons named by or under UN Security Council Resolutions), or
- (b) a person who is designated under regulation 5 (power to designate persons) for the purposes of regulations 13 to 17 and whose designation is (in the opinion of the Secretary of State) required by paragraph 32 of resolution 2270 or a provision mentioned in regulation 4(4).

Treasury directions

89. The requirements in regulations 19 (severance of existing financial relationships), 23 (closure of representative offices) and 26(7) (closure of joint venture or co-operative entity) have effect subject to any exceptions specified in a direction issued by the Treasury under this regulation.

Trade licences

90. The prohibitions in Chapters 1, 2 and 3 of Part 6 (Trade) do not apply to anything done under the authority of a licence issued by the Secretary of State under this regulation.

Aircraft licences

91. The prohibition in regulation 65(1) does not apply to anything done under the authority of a licence issued by the Secretary of State under this regulation.

Ship licences

92.—(1) The prohibitions in the regulations mentioned in paragraph (2) do not apply to anything done under the authority of a licence issued by the Secretary of State under this regulation.

(2) The regulations are—

- (a) regulation 69 (ownership etc. of DPRK ships),
- (b) regulation 74 (DPRK ships: transfers of goods), and
- (c) regulation 76 (registration etc. of ships in the DPRK).

Licences: general provisions

93.—(1) This regulation applies in relation to Treasury licences, trade licences and transport licences.

(2) A licence must specify the acts authorised by it.

(3) A licence may be general or may authorise acts by a particular person or persons of a particular description.

(4) A licence may—

- (a) contain conditions;
- (b) be of indefinite duration or a defined duration.

(5) A person who issues a licence may vary, revoke or suspend it at any time.

(6) A person who issues, varies, revokes or suspends a licence which authorises acts by a particular person must give written notice to that person of the issue, variation, revocation or suspension of the licence.

(7) A person who issues, varies, revokes or suspends a general licence or a licence which authorises acts by persons of a particular description must take such steps as that person considers appropriate to publicise the issue, variation, revocation or suspension of the licence.

Treasury directions: general provisions

94.—(1) This regulation applies in relation to Treasury directions.

(2) A direction may be general or may except conduct by a particular person or persons of a particular description.

(3) A direction may—

- (a) contain conditions;
- (b) be of indefinite duration or a defined duration.

(4) The Treasury may vary, revoke or suspend a direction at any time.

(5) On the issue, variation, revocation or suspension of a direction, the Treasury must—

- (a) in the case of a direction which excepts conduct by a particular person, give written notice to that person of the issue, variation, revocation or suspension of the direction;
- (b) in the case of a general direction or a direction which excepts conduct by persons of a particular description, take such steps as the Treasury consider appropriate to publicise the issue, variation, revocation or suspension of the direction.

Finance: licensing offences

95.—(1) A person (“P”) commits an offence if P knowingly or recklessly—

- (a) provides information that is false in a material respect, or
- (b) provides or produces a document that is not what it purports to be,

for the purpose of obtaining a Treasury licence or Treasury direction (whether for P or anyone else).

(2) A person who purports to act under the authority of a Treasury licence, or who is excepted from a requirement by a Treasury direction, but who fails to comply with any condition of the licence or direction commits an offence.

Trade: licensing offences

96.—(1) A person (“P”) commits an offence if P knowingly or recklessly—

- (a) provides information that is false in a material respect, or
- (b) provides or produces a document that is not what it purports to be,

for the purpose of obtaining a trade licence (whether for P or anyone else).

(2) A person who purports to act under the authority of a trade licence but who fails to comply with any condition of the licence commits an offence.

(3) A licence in respect of which an offence under paragraph (1) has been committed is to be treated as void from the time at which it was issued.

Ships and aircraft: licensing offences

97.—(1) A person (“P”) commits an offence if P knowingly or recklessly—

- (a) provides information that is false in a material respect, or
- (b) provides or produces a document that is not what it purports to be,

for the purpose of obtaining a transport licence (whether for P or anyone else).

(2) A person who purports to act under the authority of a transport licence but who fails to comply with any condition of the licence commits an offence.

(3) A licence in respect of which an offence under paragraph (1) has been committed is to be treated as void from the time at which it was issued.

Section 8B(1) to (3) of Immigration Act 1971: directions

98.—(1) The Secretary of State may direct that, in relation to any person within regulation 34 whose name is specified, or who is of a specified description, section 8B(1) and (2) of the Immigration Act 1971, or section 8B(3) of that Act, have effect subject to specified exceptions.

(2) A direction under this regulation—

- (a) may contain conditions;
- (b) must be of a defined duration (and that duration may be expressed in any way, including, for example, being expressed in a way such that the direction ceases to have effect on, or within a specified period after, the occurrence of a specified event).

(3) The Secretary of State may vary, revoke or suspend a direction under this regulation at any time.

(4) On the issue, variation, revocation or suspension of a direction under this regulation, the Secretary of State may take such steps as the Secretary of State considers appropriate to publicise the issue, variation, revocation or suspension of the direction.

(5) In this regulation “specified” means specified in a direction under this regulation.

PART 10

Information and records

Finance: reporting obligations

99.—(1) A relevant firm must inform the Treasury as soon as practicable if—

- (a) it knows, or has reasonable cause to suspect, that a person—
 - (i) is a designated person, or
 - (ii) has committed an offence under any provision of Part 4 (Finance), regulation 70 (dealing with UN-designated ships subject to asset-freeze) or 95 (finance: licensing offences), and
- (b) the information or other matter on which the knowledge or cause for suspicion is based came to it in the course of carrying on its business.

(2) Where a relevant firm informs the Treasury under paragraph (1), it must state—

- (a) the information or other matter on which the knowledge or suspicion is based, and
- (b) any information it holds about the person by which the person can be identified.

(3) Paragraph (4) applies if—

- (a) a relevant firm informs the Treasury under paragraph (1) that it knows, or has reasonable cause to suspect, that a person is a designated person, and
- (b) that person is a customer of the relevant firm.

(4) The relevant firm must also state the nature and amount or quantity of any funds or economic resources held by it for the customer at the time when it first had the knowledge or suspicion.

(5) A relevant institution must inform the Treasury without delay if that institution—

- (a) credits a frozen account in accordance with regulation 81(4) (asset-freeze etc.: exceptions from prohibitions), or
 - (b) transfers funds from a frozen account in accordance with regulation 81(6).
- (6) A person who fails to comply with a requirement in paragraph (1), (2) or (4) commits an offence.
- (7) In this regulation—
- “designated person” has the same meaning as it has in Part 4;
 - “frozen account” has the same meaning as it has in regulation 81;
 - “relevant firm” is to be read in accordance with regulation 100;
 - “relevant institution” has the same meaning as it has in regulation 81.

“Relevant firm”

- 100.**—(1) The following are relevant firms for the purposes of regulations 99 and 101—
- (a) a person that has permission under Part 4A of the Financial Services and Markets Act 2000 (permission to carry on regulated activity);
 - (b) an undertaking that by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers;
 - (c) a firm or sole practitioner that is—
 - (i) a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (statutory auditors), or
 - (ii) a local auditor within the meaning of section 4(1) of the Local Audit and Accountability Act 2014 (general requirements for audit)(26);
 - (d) a firm or sole practitioner that provides to other persons, by way of business—
 - (i) accountancy services,
 - (ii) legal or notarial services,
 - (iii) advice about tax affairs, or
 - (iv) trust or company services within the meaning of paragraph (2);
 - (e) a firm or sole practitioner that carries out, or whose employees carry out, estate agency work;
 - (f) the holder of a casino operating licence within the meaning given by section 65(2)(a) of the Gambling Act 2005 (nature of a licence)(27);
 - (g) a person engaged in the business of making, supplying, selling (including selling by auction) or exchanging—
 - (i) articles made from gold, silver, platinum or palladium, or
 - (ii) precious stones or pearls.
- (2) In paragraph (1) “trust or company services” means any of the following services—
- (a) forming companies or other legal persons;
 - (b) acting, or arranging for another person to act—

(26) 2014 c.2.
 (27) 2005 c.19.

- (i) as a director or secretary of a company,
- (ii) as a partner of a partnership, or
- (iii) in a similar capacity in relation to other legal persons;
- (c) providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or arrangement;
- (d) acting, or arranging for another person to act, as—
 - (i) a trustee of an express trust or similar legal arrangement, or
 - (ii) a nominee shareholder for a person.
- (3) In paragraph (1)—

“estate agency work” is to be read in accordance with section 1 of the Estate Agents Act 1979(28), but as if references in that section to disposing of or acquiring an interest in land included (despite anything in section 2 of that Act) references to disposing of or acquiring an estate or interest in land outside the United Kingdom where that estate or interest is capable of being owned or held as a separate interest;

“firm” means any entity that, whether or not a legal person, is not an individual, and includes a body corporate and a partnership or other unincorporated body.
- (4) Paragraph (1)(a) and (b) is to be read with section 22 of the Financial Services and Markets Act 2000, any relevant order under that section and Schedule 2 to that Act.
- (5) For the purposes of regulation 99(1), information or another matter comes to a relevant firm “in the course of carrying on its business” if the information or other matter comes to the firm—
 - (a) in the case of a relevant firm within paragraph (1)(a), in the course of carrying on an activity in respect of which the permission mentioned in that provision is required;
 - (b) in the case of a relevant firm within paragraph (1)(c)(i), in the course of carrying out statutory audit work within the meaning of section 1210 of the Companies Act 2006 (meaning of “statutory auditor”)(29);
 - (c) in the case of a relevant firm within paragraph (1)(c)(ii), in the course of carrying out an audit required by the Local Audit and Accountability Act 2014;
 - (d) in the case of a relevant firm within paragraph (1)(f), in the course of carrying on an activity in respect of which the licence mentioned in that provision is required;
 - (e) in the case of a relevant firm within any other provision of paragraph (1), in the course of carrying on an activity mentioned in that provision.

Proliferation financing

- 101.**—(1) A relevant firm must inform the National Crime Agency without delay if—
- (a) it knows or has reasonable cause to suspect, that a person is providing proliferation financing, and

(28) 1979 c.38, amended by paragraph 40 of Schedule 1 to the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (c.73); paragraph 42 of Schedule 2 to the Planning (Consequential Provisions) Act 1990 (c.11); paragraph 28 of Schedule 2 to the Planning (Consequential Provisions) (Scotland) Act 1997 (c.11); section 70 of the Enterprise and Regulatory Reform Act 2013 (c.24); S.I. 2001/1283; S.I. 2000/121; and S.I. 1991/2684.

(29) Section 1210 has been amended by; the Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), Part 4, reg. 13(2); the Statutory Auditors Regulations 2017 (S.I. 2017/1164), Schedule 4, para. 1; the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008 (S.I. 2008/565), Part 4, regulation 15(1); and the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 (S.I. 2008/1950), Part 5, reg. 31(1).

(b) the information or other matter on which the knowledge or cause for suspicion is based came to it in the course of carrying on its business with a person falling within regulation 18(2).

(2) Where paragraph (1) applies, the relevant firm must not carry out any activity related to the proliferation financing or suspected proliferation financing (including, in particular, any transfer of funds or clearing of funds) until it has complied with the requirement in paragraph (1) and instructions provided by the Treasury or the Commissioners.

(3) A reference in this regulation to information or any other matter which comes to a person in the course of carrying on its business is to be read in accordance with regulation 100(5).

(4) A person who fails to comply with the requirement in paragraph (1) or who contravenes the prohibition in paragraph (2) commits an offence.

(5) In this regulation—

“proliferation financing” means making available funds that could contribute to any of the DPRK’s banned programmes;

“relevant firm” is to be read in accordance with regulation 100.

Finance: powers to request information

102.—(1) The Treasury may request a designated person to provide information about—

(a) funds or economic resources owned, held or controlled by or on behalf of the designated person, or

(b) any disposal of such funds or economic resources.

(2) The Treasury may request a designated person to provide such information as the Treasury may reasonably require about expenditure—

(a) by the designated person, or

(b) for the benefit of the designated person.

(3) For the purposes of paragraph (2), expenditure for the benefit of a designated person includes expenditure on the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

(4) The power in paragraph (1) or (2) is exercisable only where the Treasury believe that it is necessary for the purpose of monitoring compliance with or detecting evasion of any provision of Part 4 (Finance).

(5) The Treasury may request—

(a) a person acting under a Treasury licence to provide information about—

(i) funds or economic resources dealt with under the licence,

(ii) funds, economic resources or financial services made available under the licence, or

(iii) any matter to which a licence relates, where that licence authorises an act that would otherwise be prohibited under Chapter 2 of Part 4, including but not limited to a transfer of funds made or received under the licence, or a transaction entered into or participated in under the licence;

(b) a person excepted from a requirement by a Treasury direction to provide information about—

(i) the person’s conduct in relation to the matters to which the direction relates, or

(ii) bank accounts, correspondent banking relationships, joint ventures or co-operative entities or representative offices to which that direction relates.

(6) The Treasury may request a person to provide information within paragraph (7) if the Treasury believe that the person may be able to provide the information.

(7) Information within this paragraph is such information as the Treasury may reasonably require for the purpose of—

- (a) establishing for the purposes of any provision of Chapter 1 of Part 4—
 - (i) the nature and amount or quantity of any funds or economic resources owned, held or controlled by or on behalf of a designated person,
 - (ii) the nature and amount or quantity of any funds or economic resources or financial services made available directly or indirectly to, or for the benefit of, a designated person, or
 - (iii) the nature of any financial transactions entered into by a designated person;
- (b) establishing for the purposes of regulation 101 whether any proliferation financing has taken place and the nature and amount or quantity of any proliferation financing;
- (c) monitoring compliance with or detecting evasion of—
 - (i) any provision of Part 4,
 - (ii) regulation 70 (dealing with UN-designated ships subject to asset-freeze),
 - (iii) regulation 99 (finance: reporting obligations),
 - (iv) regulation 101 (proliferation financing), or
 - (v) any condition of a Treasury licence or Treasury direction; or
- (d) detecting or obtaining evidence of the commission of an offence under Part 4, regulation 70(3), regulation 95 (finance: licensing offences) or 99(6).

(8) The Treasury may specify the way in which, and the period within which, information is to be provided.

(9) If no such period is specified, the information which has been requested must be provided within a reasonable time.

(10) A request may include a continuing obligation to keep the Treasury informed as circumstances change, or on such regular basis as the Treasury may specify.

(11) Information requested under this regulation may relate to any period of time during which a person is, or was, a designated person.

(12) Information requested by virtue of paragraph (1)(b), (2) or (7)(a)(iii) may relate to any period before a person became a designated person (as well as, or instead of, any subsequent period).

(13) Expressions used in this regulation have the same meaning as they have in Part 4.

(14) In this regulation, “proliferation financing” has the same meaning as it has in regulation 101.

Finance: production of documents

103.—(1) A request under regulation 102 may include a request to produce specified documents or documents of a specified description.

- (2) Where the Treasury request that documents be produced, the Treasury may—
 - (a) take copies of or extracts from any document so produced,
 - (b) request any person producing a document to give an explanation of it, and
 - (c) where that person is a body corporate, partnership or unincorporated body other than a partnership, request any person who is—
 - (i) in the case of a partnership, a present or past partner or employee of the partnership,or

(ii) in any other case, a present or past officer or employee of the body concerned, to give such an explanation.

(3) Where a designated person, a person acting under a Treasury licence or a person excepted from a requirement by a Treasury direction is requested to produce documents, that person must—

- (a) take reasonable steps to obtain the documents (if they are not already in the person’s possession or control);
 - (b) keep the documents under the person’s possession or control (except for the purpose of providing them to the Treasury or as the Treasury may otherwise permit).
- (4) In this regulation “designated person” has the same meaning as it has in Part 4 (Finance).

Finance: information offences

104.—(1) A person commits an offence if that person—

- (a) without reasonable excuse, refuses or fails within the time and in the manner specified (or, if no time has been specified, within a reasonable time) to comply with any request under regulation 102 (finance: powers to request information);
- (b) knowingly or recklessly gives any information, or produces any document, which is false in a material particular in response to such a request;
- (c) with intent to evade any provision of regulation 102 or 103 (finance: production of documents), destroys, mutilates, defaces, conceals or removes any document;
- (d) otherwise intentionally obstructs the Treasury in the exercise of their powers under regulation 102 or 103.

(2) Where a person is convicted of an offence under this regulation, the court may make an order requiring that person, within such period as may be specified in the order, to comply with the request.

Trade: application of information powers in CEMA

105.—(1) Section 77A(30) of CEMA applies in relation to a person carrying on a relevant activity as it applies in relation to a person concerned in the importation or exportation of goods but as if—

- (a) in subsection (1), the reference to a person concerned in the importation or exportation of goods for which for that purpose an entry is required by regulation 5 of the Customs Controls on Importation of Goods Regulations 1991(31) or an entry or specification is required by or under CEMA were to a person carrying on a relevant activity;
 - (b) any other reference to importation or exportation were to a relevant activity;
 - (c) any reference to goods were to the goods, technology, services or funds to which the relevant activity relates.
- (2) For the purposes of paragraph (1), a “relevant activity” means an activity—
- (a) which would, unless done under the authority of a trade licence, constitute a contravention of any prohibition in Chapter 1, 2 or 3 of Part 6 (Trade) except any prohibition on imports or exports, or
 - (b) which would constitute a contravention of a prohibition in regulation 62 (circumventing etc. prohibitions).

(30) Section 77A was inserted by the Finance Act 1987 (c.16), section 10 and amended by S.I. 1992/3095.

(31) S.I. 1991/2724 is amended by S.I. 1992/3095; S.I. 1993/3014; and S.I. 2011/1043 and is prospectively revoked by S.I. 2018/1247.

General trade licences: records

106.—(1) This regulation applies in relation to a person (“P”) who does any act authorised by a general licence issued under regulation 90 (trade licences) (“the licence”).

(2) P must keep a register or record containing such details as may be necessary to allow the following information to be identified in relation to each act done under the authority of the licence—

- (a) a description of the act;
- (b) a description of any goods, technology, services or funds to which the act relates;
- (c) the date of the act or the dates between which the act took place;
- (d) the quantity of any goods or funds to which the act relates;
- (e) P’s name and address;
- (f) the name and address of any consignee of goods to which the act relates or any recipient of technology, services or funds to which the act relates;
- (g) in so far as it is known to P, the name and address of the end-user of the goods, technology, services or funds to which the act relates;
- (h) if different from P, the name and address of the supplier of any goods to which the act relates;
- (i) any further information required by the licence.

(3) The register or record relating to an act must be kept until the end of the calendar year in which the register or record is created and for a further period of 4 years from the end of that calendar year.

(4) P must notify the Secretary of State in writing of P’s name and the address at which the register or record may be inspected, and must make a further such notification if those details change.

(5) A notification under paragraph (4) must be given no later than 30 days after—

- (a) P first does any act authorised by the licence, or
- (b) there is any change to the details previously notified.

(6) A person who fails to comply with a requirement in paragraph (2), (3) or (4) commits an offence.

General trade licences: inspection of records

107.—(1) A person authorised by the Secretary of State or the Commissioners (an “official”) may at any reasonable hour enter premises notified under regulation 106(4) for the purposes of monitoring compliance with or detecting evasion of regulation 106(2) or (3).

(2) An official may require any person on the premises to produce any register or record required to be kept under regulation 106, or any document included in such a register or record, that is in the person’s possession or control.

(3) An official may inspect and copy any such register, record or document.

(4) An official must, if requested to do so, produce documentary evidence that he or she is authorised to exercise a power conferred by this regulation.

(5) A person commits an offence if, without reasonable excuse, the person—

- (a) intentionally obstructs an official in the performance of any of the official’s functions under this regulation, or
- (b) fails to produce a register, record or document when reasonably required to do so by an official under this regulation.

Disclosure of information

108.—(1) The Secretary of State, the Treasury, the National Crime Agency or the Commissioners may, in accordance with this regulation, disclose—

- (a) any information obtained under or by virtue of Part 9 (Exceptions and licences), this Part or Part 12 (Maritime enforcement), or
- (b) any information held in connection with—
 - (i) anything done under or by virtue of Part 2 (Designation of persons), 3 (Specification of ships), 4 (Finance), 6 (Trade), 7 (Aircraft) or 8 (Ships), or
 - (ii) any exception, licence or direction under Part 9 or anything done in accordance with such an exception or under the authority of such a licence or direction.

(2) Information referred to in paragraph (1) may be disclosed for, or in connection with, any of the following purposes—

- (a) any purpose stated in regulation 4;
 - (b) the exercise of functions under these Regulations;
 - (c) facilitating, monitoring or ensuring compliance with these Regulations;
 - (d) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in the United Kingdom—
 - (i) for an offence under any provision of these Regulations,
 - (ii) for an offence under CEMA in connection with any prohibition in Chapter 1 or 2 of Part 6 on imports or exports, or
 - (iii) in relation to a monetary penalty under section 146 of the Policing and Crime Act 2017 (breach of financial sanctions legislation);
 - (e) taking any action with a view to instituting, or otherwise for the purposes of, any proceedings in any of the Channel Islands, the Isle of Man or any British overseas territory for an offence—
 - (i) under a provision in any such jurisdiction that is similar to a provision of these Regulations, or
 - (ii) in connection with a prohibition in any such jurisdiction that is similar to a prohibition referred to in sub-paragraph (d)(ii);
 - (f) compliance with an international obligation⁽³²⁾;
 - (g) facilitating the exercise by an authority outside the United Kingdom or by an international organisation of functions which correspond to functions under these Regulations.
- (3) Information referred to in paragraph (1) may be disclosed to the following persons—
- (a) a police officer;
 - (b) any person holding or acting in any office under or in the service of—
 - (i) the Crown in right of the Government of the United Kingdom,
 - (ii) the Crown in right of the Scottish Government, the Northern Ireland Executive or the Welsh Government,
 - (iii) the States of Jersey, Guernsey or Alderney or the Chief Pleas of Sark,
 - (iv) the Government of the Isle of Man, or
 - (v) the Government of any British overseas territory;

⁽³²⁾ Section 1(8) of the Act defines an “international obligation” as an obligation of the United Kingdom created or arising by or under any international agreement.

- (c) any law officer of the Crown for Jersey, Guernsey or the Isle of Man;
- (d) the Scottish Legal Aid Board;
- (e) the Financial Conduct Authority, the Prudential Regulation Authority, the Bank of England, the Jersey Financial Services Commission, the Guernsey Financial Services Commission or the Isle of Man Financial Services Authority;
- (f) any other regulatory body (whether or not in the United Kingdom);
- (g) any organ of the United Nations;
- (h) the Council of the European Union, the European Commission or the European External Action Service;
- (i) the Government of any country;
- (j) any other person, where the Secretary of State, the Treasury or the Commissioners (as the case may be) considers that it is appropriate to disclose the information.

(4) Information referred to in paragraph (1) may be disclosed to any person with the consent of a person who, in their own right, is entitled to the information.

(5) In paragraph (4) “in their own right” means not merely in the capacity as a servant or agent of another person.

(6) In paragraph (1)(b)—

- (a) the reference to information includes information obtained at a time when any provision of these Regulations is not in force, and
- (b) references to a licence or direction under Part 9 include—
 - (i) a licence or authorisation which has effect or is treated as if it were a licence or direction which had been issued under that Part, and
 - (ii) a licence which is deemed to have been issued under that Part.

Part 10: supplementary

109.—(1) A disclosure of information under regulation 108 does not breach any restriction on such disclosure imposed by statute or otherwise.

(2) But nothing in that regulation authorises a disclosure that—

- (a) contravenes the data protection legislation, or
- (b) is prohibited by any of Parts 1 to 7 or Chapter 1 of Part 9 of the Investigatory Powers Act 2016(33).

(3) Nothing in this Part is to be read as requiring a person who has acted or is acting as counsel or solicitor for any person to disclose any privileged information in their possession in that capacity.

(4) Regulation 108 does not limit the circumstances in which information may be disclosed apart from that regulation.

(5) Nothing in this Part limits any conditions which may be contained in a licence or direction under Part 9.

(6) In this regulation—

“the data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

“privileged information” means information with respect to which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.

PART 11

Enforcement

Penalties for offences

110.—(1) A person who commits an offence under any provision of Part 4 (Finance), regulation 67(1) to (4) (aircraft: offences), regulations 69 to 71, 72(4), 73(7), 74, 76 or 77 (ships: offences) or regulation 95 (finance: licensing offences) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 12 months or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding 7 years or a fine (or both).

(2) A person who commits an offence under any provision of Part 6 (Trade) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 12 months or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding 10 years or a fine (or both).

(3) A person who commits an offence under regulation 9(6) (confidentiality), 96 (trade: licensing offences), 97 (ships and aircraft: licensing offences), 106(6) or 107(5) (information offences in connection with general trade licences) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 12 months or a fine (or both);
- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).

(4) A person who commits an offence under regulation 67(5), 72(6) or 73(9) (confidentiality), 99(6) (finance: reporting obligations), 101 (proliferation financing) or 104 (information offences in connection with Part 4) is liable—

- (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding 6 months or a fine (or both);

- (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both);
- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding level 5 on the standard scale (or both).

(5) In relation to an offence committed before section 154(1) of the Criminal Justice Act 2003⁽³⁴⁾ comes into force, the reference in each of paragraphs (1)(a), (2)(a) and (3)(a) to 12 months is to be read as a reference to 6 months.

Liability of officers of bodies corporate etc.

111.—(1) Where an offence under these Regulations committed by a body corporate—

- (a) is committed with the consent or connivance of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, or
- (b) is attributable to any neglect on the part of any such person,

that person as well as the body corporate is guilty of the offence and is liable to be proceeded against and punished accordingly.

(2) In paragraph (1) “director”, in relation to a body corporate whose affairs are managed by its members, means a member of the body corporate.

(3) Paragraph (1) also applies in relation to a body that is not a body corporate, with the substitution for the reference to a director of the body of a reference—

- (a) in the case of a partnership, to a partner;
- (b) in the case of an unincorporated body other than a partnership—
 - (i) where the body’s affairs are managed by its members, to a member of the body;
 - (ii) in any other case, to a member of the governing body.

(4) Section 171(4) of CEMA (which is a provision similar to this regulation) does not apply to any offence under these Regulations to which that provision would, in the absence of this paragraph, apply.

Jurisdiction to try offences

112.—(1) Where an offence under Part 4 (Finance), Part 7 (Aircraft), Part 8 (Ships), regulation 9(6) (confidentiality), 95 (finance: licensing offences), 97 (ships and aircraft: licensing offences), 99(6) (finance: reporting obligations), 101 (proliferation financing) or 104 (information offences in connection with Part 4) is committed in the United Kingdom—

- (a) proceedings for the offence may be taken at any place in the United Kingdom, and
- (b) the offence may for all incidental purposes be treated as having been committed at any such place.

(2) Where an offence under these Regulations is committed outside the United Kingdom—

- (a) proceedings for the offence may be taken at any place in the United Kingdom, and
- (b) the offence may for all incidental purposes be treated as having been committed at any such place.

(3) In the application of paragraph (2) to Scotland, any such proceedings against a person may be taken—

- (a) in any sheriff court district in which the person is apprehended or is in custody, or

⁽³⁴⁾ 2003 c.44. Amendments have been made to sections 154(1), but none are relevant to these Regulations.

(b) in such sheriff court district as the Lord Advocate may determine.

(4) In paragraph (3) “sheriff court district” is to be read in accordance with the Criminal Procedure (Scotland) Act 1995 (see section 307(1) of that Act)(35).

Procedure for offences by unincorporated bodies

113.—(1) Paragraphs (2) and (3) apply if it is alleged that an offence under these Regulations has been committed by an unincorporated body (as opposed to by a member of the body).

(2) Proceedings in England and Wales or Northern Ireland for such an offence must be brought against the body in its own name.

(3) For the purposes of proceedings for such an offence brought against an unincorporated body—

(a) rules of court relating to the service of documents have effect as if the body were a body corporate;

(b) the following provisions apply as they apply in relation to a body corporate—

(i) section 33 of the Criminal Justice Act 1925(36) and Schedule 3 to the Magistrates’ Courts Act 1980(37);

(ii) section 18 of the Criminal Justice Act (Northern Ireland) 1945(38) and Article 166 of, and Schedule 4 to, the Magistrates’ Courts (Northern Ireland) Order 1981(39).

(4) A fine imposed on an unincorporated body on its conviction of an offence under these Regulations is to be paid out of the funds of the body.

Time limit for proceedings for summary offences

114.—(1) Proceedings for an offence under these Regulations which is triable only summarily may be brought within the period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to justify the proceedings comes to the prosecutor’s knowledge.

(2) But such proceedings may not be brought by virtue of paragraph (1) more than 3 years after the commission of the offence.

(3) A certificate signed by the prosecutor as to the date on which the evidence in question came to the prosecutor’s knowledge is conclusive evidence of the date on which it did so; and a certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.

(4) In relation to proceedings in Scotland—

(a) section 136(3) of the Criminal Procedure (Scotland) Act 1995 (date of commencement of summary proceedings)(40) applies for the purposes of this regulation as it applies for the purposes of that section, and

(b) references in this regulation to the prosecutor are to be treated as references to the Lord Advocate.

(35) 1995 c.46.

(36) 1925 c.8, as amended by Statute Law (Repeals) Act 2004 (c.14), section 1(1) and (3) and Schedule 1(17)(11), para. 1. Other amendments have been made to section 33 that are not relevant to these Regulations.

(37) 1980 c.43. Amendments have been made to Schedule 3 that are not relevant to these Regulations.

(38) 1945 c.15 (N.I.).

(39) S.I. 1981/1675 (N.I. 26).

(40) There have been no amendments to section 136(3).

Trade enforcement: application of CEMA

115.—(1) Where the Commissioners investigate or propose to investigate any matter with a view to determining—

- (a) whether there are grounds for believing that a relevant offence has been committed, or
- (b) whether a person should be prosecuted for such an offence,

the matter is to be treated as an assigned matter.

(2) In paragraph (1) “assigned matter” has the meaning given by section 1(1) of CEMA(41).

(3) In this regulation a “relevant offence” means an offence under—

- (a) Part 6 (Trade),
- (b) regulation 96 (trade: licensing offences),
- (c) regulation 106(6) (general trade licences: records), or
- (d) regulation 107(5) (general trade licences: inspection of records).

(4) Section 138 of CEMA(42) (arrest of persons) applies to a person who has committed, or whom there are reasonable grounds to suspect of having committed, a relevant offence as it applies to a person who has committed, or whom there are reasonable grounds to suspect of having committed, an offence for which the person is liable to be arrested under the customs and excise Acts, but as if—

- (a) any reference to an offence under, or for which a person is liable to be arrested under, the customs and excise Acts were to a relevant offence;
- (b) in subsection (2), the reference to any person so liable were to a person who has committed, or whom there are reasonable grounds to suspect of having committed, a relevant offence.

(5) The provisions of CEMA mentioned in paragraph (6) apply in relation to proceedings for a relevant offence as they apply in relation to proceedings for an offence under the customs and excise Acts, but as if—

- (a) any reference to the customs and excise Acts were to any of the provisions mentioned in paragraph (3)(a) to (d);
- (b) in section 145(6), the reference to an offence for which a person is liable to be arrested under the customs and excise Acts were to a relevant offence;
- (c) in section 151, the reference to any penalty imposed under the customs and excise Acts were to any penalty imposed under these Regulations in relation to a relevant offence;
- (d) in section 154(2)—
 - (i) the reference to proceedings relating to customs or excise were to proceedings under any of the provisions mentioned in paragraph (3)(a) to (d), and
 - (ii) the reference to the place from which any goods have been brought included a reference to the place to which goods have been exported, supplied or delivered or the place to or from which technology has been transferred.

(6) The provisions of CEMA are sections 145, 146, 147, 148(1), 150, 151, 152, 154 and 155(43) (legal proceedings).

(41) The definition of “assigned matter” in section 1(1) of CEMA was amended by the Commissioners for Revenue and Customs Act 2005 (c.11), Schedule 4, paragraph 22(a), the Scotland Act 2012 (c. 11), section 24(7), the Wales Act 2014 (c.29), section 7(1).

(42) Section 138 of CEMA was amended by the Police and Criminal Evidence Act 1984 (c. 60), section 114(1), Schedule 6, paragraph 37, and Part 1 of Schedule 7 the Finance Act 1988 (c. 39), section 11, the Serious Organised Crime Act 2005 (c. 15), Part 4 of Schedule 7, paragraph 54, S.I 1989/1341 and S.I. 2007/288.

(43) Section 145 of CEMA was amended by the Police and Criminal Evidence Act 1984, section 114(1), the Commissioners for Revenue and Customs Act 2005, Schedule 4, paragraph 23(a), and S.I. 2014/834. Section 147 was amended by the Criminal Justice Act 1982 (c. 48), Schedule 14, paragraph 42, the Finance Act 1989, section 16(2), and the Criminal Justice Act 2003, Part 2 of Schedule 3, paragraph 50. Section 152 was amended by the Commissioners for Revenue and Customs Act 2005,

Trade offences in CEMA: modification of penalty

116.—(1) Paragraph (2) applies where a person is guilty of an offence under section 50(2) of CEMA in connection with a prohibition mentioned in regulation 36, 44(2) or (3), 48 or 52(2) (imports).

(2) Where this paragraph applies, the reference to 7 years in section 50(4)(b) of CEMA(44) is to be read as a reference to 10 years.

(3) Paragraph (4) applies where a person is guilty of an offence under section 68(2) of CEMA in connection with a prohibition mentioned in regulation 35, 43(1), 44(1), 45, 51(1) or 52(1) (exports).

(4) Where this paragraph applies, the reference to 7 years in section 68(3)(b) of CEMA(45) is to be read as a reference to 10 years.

(5) Paragraph (6) applies where a person is guilty of an offence under section 170(2) of CEMA in connection with a prohibition mentioned in regulation 35, 36, 43(1), 44(1), (2) or (3), 45, 48, 51(1), or 52(1) or (2) (exports and imports).

(6) Where this paragraph applies, the reference to 7 years in section 170(3)(b) of CEMA(46) is to be read as a reference to 10 years.

Application of Chapter 1 of Part 2 of Serious Organised Crime and Police Act 2005

117. Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005 (investigatory powers)(47) applies to an offence under—

- (a) Part 4 (Finance),
- (b) regulation 70 (dealing with UN-designated ships subject to asset-freeze), or
- (c) regulation 95 (finance: licensing offences).

Monetary penalties

118. Each prohibition in Part 6 (Trade) which contains a prohibition imposed for a purpose mentioned in section 3(1) or (2) of the Act is to be regarded as not being financial sanctions legislation for the purposes of Part 8 of the Policing and Crime Act 2017(48) (monetary penalties).

PART 12

Maritime enforcement

Exercise of maritime enforcement powers

119.—(1) A maritime enforcement officer may, for a purpose mentioned in paragraph (2) or (3), exercise any of the maritime enforcement powers in relation to—

- (a) a British ship in foreign waters or international waters,
- (b) a ship without nationality in international waters, or
- (c) a foreign ship in international waters,

Schedule 4, paragraph 26, and Schedule 5. Section 155 was amended by the Commissioners for Revenue and Customs Act 2005, Schedule, 4, paragraph 27, and Schedule 5.

(44) The words “7 years” were inserted in section 50(4)(b) of CEMA by the Finance Act 1988, section 12.

(45) The words “7 years” were inserted in section 68(3)(b) of CEMA by the Finance Act 1988, section 12.

(46) The words “7 years” were inserted in section 170(3)(b) of CEMA by the Finance Act 1988, section 12.

(47) 2005 c.15.

(48) 2017 c.3; see section 143(4)(f) and (4A).

and a ship within sub-paragraph (a), (b) or (c) is referred to in this Part as “a relevant ship”.

(2) The maritime enforcement powers may be exercised for the purpose of enforcing any of the following—

- (a) a prohibition in any of regulations 35 to 39 (trade sanctions relating to restricted goods and restricted technology), except for the prohibitions in regulation 50(3) (acquisition or transfer of fishing rights);
- (b) a prohibition in any of regulations 43 to 52 (trade sanctions relating to goods and technology other than restricted goods and technology);
- (c) a prohibition imposed by a condition of a trade licence in relation to a prohibition mentioned in sub-paragraph (a) or (b).

(3) The maritime enforcement powers may also be exercised in relation to a relevant ship for the purpose of—

- (a) investigating the suspected carriage of relevant goods on the ship, or
- (b) preventing the continued carriage on the ship of goods suspected to be relevant goods.

(4) In this Part, “the maritime enforcement powers” are the powers conferred by regulations 121 and 122.

(5) This regulation is subject to regulation 123 (restrictions on exercise of maritime enforcement powers).

Maritime enforcement officers

120.—(1) The following persons are “maritime enforcement officers” for the purposes of this Part—

- (a) a commissioned officer of any of Her Majesty’s ships;
- (b) a member of the Ministry of Defence Police (within the meaning of section 1 of the Ministry of Defence Police Act 1987(49));
- (c) a constable—
 - (i) who is a member of a police force in England and Wales,
 - (ii) within the meaning of section 99 of the Police and Fire Reform (Scotland) Act 2012(50), or
 - (iii) who is a member of the Police Service of Northern Ireland or the Police Service of Northern Ireland Reserve;
- (d) a special constable—
 - (i) appointed under section 27 of the Police Act 1996(51),
 - (ii) appointed under section 9 of the Police and Fire Reform (Scotland) Act 2012, or
 - (iii) in Northern Ireland, appointed by virtue of provision incorporating section 79 of the Harbours, Docks, and Piers Clauses Act 1847(52);
- (e) a constable who is a member of the British Transport Police Force;

(49) c.4. Section 1 was amended by; paragraph 41 of Schedule 7 to the Police Act 1996 (c.16); paragraph 16 of Schedule 4 to the Police (Northern Ireland) Act 1998 (c.32); section 78(2) of the Police (Northern Ireland) Act 2000 (c.32); section 79(3) of the Police Reform Act 2002 (c.30); and by S.I. 2013/602.

(50) asp. 8 (Scottish Act).

(51) c.16. Section 27 was amended by paragraphs 22 and 26 of Schedule 16(1) to the Police Reform and Social Responsibility Act 2011 (c.13).

(52) 1874 c.27. Section 79 was amended by S.I. 2006/2167.

- (f) a port constable, within the meaning of section 7 of the Marine Navigation Act 2013⁽⁵³⁾, or a person appointed to act as a constable under provision made by virtue of section 16 of the Harbours Act 1964⁽⁵⁴⁾;
 - (g) a designated customs official within the meaning of Part 1 of the Borders, Citizenship and Immigration Act 2009 (see section 14(6) of that Act)⁽⁵⁵⁾;
 - (h) a designated NCA officer who is authorised by the Director General of the National Crime Agency (whether generally or specifically) to exercise the powers of a maritime enforcement officer under this Part.
- (2) In this regulation, “a designated NCA officer” means a National Crime Agency officer who is either or both of the following—
- (a) an officer designated under section 10 of the Crime and Courts Act 2013⁽⁵⁶⁾ as having the powers and privileges of a constable;
 - (b) an officer designated under that section as having the powers of a general customs official.

Power to stop, board, search etc.

121.—(1) This regulation applies if a maritime enforcement officer has reasonable grounds to suspect that a relevant ship is carrying prohibited goods or relevant goods.

- (2) The officer may—
 - (a) stop the ship;
 - (b) board the ship;
 - (c) for the purpose of exercising a power conferred by paragraph (3) or regulation 122, require the ship to be taken to, and remain in, a port or anchorage in the United Kingdom or any other country willing to receive it.
- (3) Where the officer boards a ship by virtue of this regulation, the officer may—
 - (a) stop any person found on the ship and search that person for—
 - (i) prohibited goods or relevant goods, or
 - (ii) any thing that might be used to cause physical injury or damage to property or to endanger the safety of any ship;
 - (b) search the ship, or any thing found on the ship (including cargo) for prohibited goods or relevant goods.
- (4) The officer may—
 - (a) require a person found on a ship boarded by virtue of this regulation to provide information or produce documents;
 - (b) inspect and copy such information or documents.
- (5) The officer may exercise a power conferred by paragraph (3)(a)(i) or (b) only to the extent reasonably required for the purpose of discovering prohibited goods or relevant goods.
- (6) The officer may exercise the power conferred by paragraph (3)(a)(ii) in relation to a person only where the officer has reasonable grounds to believe that the person might use a thing to cause physical injury or damage to property or to endanger the safety of any ship.

⁽⁵³⁾ 2013 c.23.

⁽⁵⁴⁾ 1964 c.40. Section 16 was amended by; section 29(2) of the Wales Act 2017 (c.4); S.I. 1999/672; and S.I. 1970/1681.

⁽⁵⁵⁾ 2009 c.11. Designated customs officials are designated, as either a general customs official or a customs revenue official, under sections 8 and 11 of this Act respectively.

⁽⁵⁶⁾ 2013 c.22.

(7) The officer may use reasonable force, if necessary, in the exercise of any power conferred by this regulation.

Seizure power

122.—(1) This regulation applies if a maritime enforcement officer is lawfully on a relevant ship (whether in exercise of the powers conferred by regulation 121 (power to stop, board, search etc.) or otherwise).

(2) The officer may seize any of the following which are found on the ship, in any thing found on the ship, or on any person found on the ship—

- (a) goods which the officer has reasonable grounds to suspect are prohibited goods or relevant goods, or
- (b) things within regulation 121(3)(a)(ii).

(3) The officer may use reasonable force, if necessary, in the exercise of any power conferred by this regulation.

Restrictions on exercise of maritime enforcement powers

123.—(1) The authority of the Secretary of State is required before any maritime enforcement power is exercised in reliance on regulation 119 in relation to—

- (a) a British ship in foreign waters, or
- (b) a foreign ship in international waters.

(2) In relation to a British ship in foreign waters other than the sea and other waters within the seaward limits of the territorial sea adjacent to any relevant British possession, the Secretary of State may give authority under paragraph (1)(a) only if the State in whose waters the power would be exercised consents to the exercise of the power.

(3) The Secretary of State may give authority under paragraph (1)(b) only if—

- (a) the home state has requested the assistance of the United Kingdom for a purpose mentioned in regulation 119(2) or (3),
- (b) the home state has authorised the United Kingdom to act for such a purpose, or
- (c) the United Nations Convention on the Law of the Sea 1982(57) or a UN Security Council Resolution otherwise permits the exercise of the power in relation to the ship.

Interpretation of Part 12

124.—(1) Subject to paragraph (2), any expression used in this Part and in section 19 or 20 of the Act has the same meaning in this Part as it has in section 19 or (as the case may be) section 20 of the Act.

(2) For the purpose of interpreting any reference to “prohibited goods” or “relevant goods” in this Part, any reference in section 19 or 20 of the Act to a “relevant prohibition or requirement” is to be read as a reference to any prohibition specified in regulation 119(2)(a) to (c).

PART 13

Supplementary and final provision

Directions under Parts 7 and 8

125.—(1) Paragraphs (4) to (6) apply in relation to a direction given under Part 7 (Aircraft) or Part 8 (Ships).

(2) A direction under regulation 65(7) or (9) may be given to any airport operator or to airport operators generally.

(3) A direction under regulation 72(3) may be given to any harbour authority or to harbour authorities generally.

(4) A person to whom a direction is given has a duty to comply with it.

(5) A direction may be of indefinite duration or a defined duration.

(6) A person who gives a direction may vary, revoke or suspend it at any time.

Notices

126.—(1) This regulation applies in relation to a notice required by regulation 93 (licences: general provisions) or regulation 94 (Treasury directions: general provisions) to be given to a person.

(2) The notice may be given to an individual—

(a) by delivering it to the individual,

(b) by sending it to the individual by post addressed to the individual at his or her usual or last-known place of residence or business, or

(c) by leaving it for the individual at that place.

(3) The notice may be given to a person other than an individual—

(a) by sending it by post to the proper officer of the body at its principal office, or

(b) by addressing it to the proper officer of the body and leaving it at that office.

(4) The notice may be given to the person by other means, including by electronic means, with the person's consent.

(5) In this regulation, the reference in paragraph (3) to a “principal office”—

(a) in relation to a registered company, is to be read as a reference to the company's registered office;

(b) in relation to a body incorporated or constituted under the law of a country other than the United Kingdom, includes a reference to the body's principal office in the United Kingdom (if any).

(6) In this regulation—

“proper officer”—

(a) in relation to a body other than a partnership, means the secretary or other executive officer charged with the conduct of the body's general affairs, and

(b) in relation to a partnership, means a partner or a person who has the control or management of the partnership business;

“registered company” means a company registered under the enactments relating to companies for the time being in force in the United Kingdom.

Article 20 of the Export Control Order 2008

127. Article 20 of the Export Control Order 2008 (embargoed destinations) is not to be taken to prohibit anything prohibited by Part 6 (Trade).

Trade: overlapping offences

128. A person is not to be taken to commit an offence under the Export Control Order 2008 if the person would, in the absence of this regulation, commit an offence under both—

- (a) article 34, 35, 37 or 38 of that Order(58), and
- (b) any provision of Part 6 (Trade) or regulation 96 (trade: licensing offences), 106(6) or 107(5) (information offences in connection with general trade licences).

Amendment of the United Nations and European Union Financial Sanctions (Linking) Regulations 2017

129. In the Schedule to the United Nations and European Union Financial Sanctions (Linking) Regulations 2017(59), omit the following row from the table—

“United Nations Security Council Resolution 1718 (2006)	Council Regulation (EU) 2017/1509 of 30 th August 2017 concerning restrictive measures against the Democratic People’s Republic of Korea and repealing Regulation (EC) No 329/2007”
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Revocations

130.—(1) Council Regulation (EU) No 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People’s Republic of Korea and repealing Regulation (EC) No 329/2007 is revoked.

(2) The North Korea (United Nations Sanctions) Order 2009(60) is revoked.

(3) The Democratic People’s Republic of Korea (European Union Financial Sanctions) Regulations 2017(61) are revoked.

(4) The Export Control (North Korea Sanctions) Order 2018(62) is revoked.

Transitional provision: Treasury licences

131.—(1) Paragraphs (2) to (5) apply to a licence or authorisation which—

- (a) was granted, or deemed to be granted, by the Treasury under regulation 19 or 23 of the 2017 Regulations,
- (b) was in effect immediately before the relevant date, and

(58) Article 35 of the Order has been amended by the Export Control (Amendment) (No. 3) Order 2009 (S.I. 2009/2151), article 2 and Schedule 1, para 8. Articles 37 and 38 have been amended by the Export Control (Amendment) (No. 2) Order 2012 (S.I. 2012/910), Schedule 1, para 11 and article 38 has also been amended by the Export Control (Amendment) Order 2017 (S.I. 2017/85), article 2(7).

(59) S.I. 2017/478, as amended by SI 2017/896, regulation 2, and SI 2017/1071, regulation 2.

(60) S.I. 2009/1749, as amended by S.I. 2009/3213, S.I. 2012/362, S.I. 2015/2014, S.I. 2016/1119, S.I. 2017/319, S.I., 2017/1110, S.I. 2017/1278, S.I. 2018/523, and S.I. 2018/1060.

(61) S.I. 2017/218, as amended by S.I. 2017/556, S.I. 2017/560, S.I. 2017/754, S.I. 2017/883, S.I. 2017/928, S.I. 2017/986, S.I. 2017/999, S.I. 2018/682 and S.I. 2018/1149.

(62) S.I. 2018/200.

(c) authorises conduct which would (on and after the relevant date, and in the absence of paragraphs (2) to (5)) be prohibited by Part 4 (Finance), and such a licence or authorisation is referred to in this regulation as “an existing financial sanctions licence”.

(2) An existing financial sanctions licence which authorises an act which would otherwise be prohibited has effect on and after the relevant date as if it had been a licence issued by the Treasury under regulation 88(1) (Treasury licences).

(3) An existing financial sanctions licence which excepts a person from a requirement which would otherwise apply has effect on and after the relevant date as if it had been a direction issued by the Treasury under regulation 89 (Treasury directions).

(4) Any reference in an existing financial sanctions licence to the 2017 Regulations or the EU DPRK Regulation is to be treated on and after the relevant date as a reference to these Regulations.

(5) Any reference in an existing financial sanctions licence to a prohibition or requirement in—

- (a) the 2017 Regulations,
- (b) the EU DPRK Regulation, or
- (c) Council Regulation (EC) No 329/2007 of 27 March 2007⁽⁶³⁾,

is to be treated on and after the relevant date as a reference to the corresponding prohibition or requirement in Part 4.

(6) Paragraph (7) or (8) applies where—

- (a) an application for a licence or authorisation, or for the variation of a licence or authorisation, under the 2017 Regulations was made before the relevant date,
- (b) the application is for authorisation of conduct which would (on and after the relevant date) be prohibited by Part 4, and
- (c) a decision to grant or refuse the application has not been made before the relevant date.

(7) If the application is for, or for the variation of, a licence or authorisation to authorise an act which would otherwise be prohibited, the application is to be treated on and after the relevant date as an application for a licence, or for the variation of a licence (as the case may be), under regulation 88(1).

(8) If the application is for, or for the variation of, a licence to except a person from a requirement which would otherwise apply, the application is to be treated on and after the relevant date as an application for a direction, or for the variation of a direction (as the case may be), under regulation 89.

(9) In this regulation—

“the 2017 Regulations” means the Democratic People’s Republic of Korea (European Union Financial Sanctions) Regulations 2017;

“the relevant date” means—

- (a) where regulations under section 56 of the Act provide that Part 4 comes into force at a specified time on a day, that time on that day;
- (b) otherwise, the date on which Part 4 comes into force.

(10) In paragraphs (4) and (5), a reference to the 2017 Regulations includes a reference to the Democratic People’s Republic of Korea (European Union Financial Sanctions) Regulations 2013⁽⁶⁴⁾.

⁽⁶³⁾ OJ L 88, 29.3.2007, p. 1–11.

⁽⁶⁴⁾ S.I. 2013/1877, as amended by S.I. 2016/578, S.I. 2016/634 and S.I. 2016/1214. The Regulations were revoked by S.I. 2017/218.

Transitional provision: trade licences

132.—(1) Paragraph (2) applies in relation to each licence or authorisation granted by the Secretary of State which—

- (a) was in effect immediately before the relevant date, and
- (b) authorises an act—
 - (i) which would otherwise be prohibited by any provision of the Export Control Order 2008 except article 20 of that Order (embargoed destinations), or which requires an authorisation under or pursuant to the Dual-Use Regulation, and
 - (ii) which would (on and after the relevant date, and in the absence of paragraph (2)) be prohibited by Part 6 (Trade),

and such a licence or authorisation is referred to in this regulation as an “existing trade licence”.

(2) A licence is deemed to have been issued by the Secretary of State at the beginning of the relevant date under regulation 90 (trade licences)—

- (a) disapplying every provision of Part 6 which would, in the absence of this paragraph, prohibit any act authorised by the existing trade licence, and
- (b) otherwise in the same terms as the existing trade licence.

(3) Paragraphs (4) to (6) apply to a licence or authorisation granted by the Secretary of State which—

- (a) was in effect immediately before the relevant date,
- (b) is not an existing trade licence, and
- (c) authorises an act—
 - (i) which would otherwise be prohibited by the EU DPRK Regulation, and
 - (ii) which would (on and after the relevant date, and in the absence of paragraphs (4) to (6)) be prohibited by Part 6,

and such a licence or authorisation is referred to in this regulation as “an existing trade sanctions licence”.

(4) An existing trade sanctions licence has effect on and after the relevant date as if it were a licence which had been issued by the Secretary of State under regulation 90.

(5) Any reference in an existing trade sanctions licence to a provision of the Export Control Order 2008 is to be treated on and after the relevant date as a reference to the corresponding provision of these Regulations (if any).

(6) Any reference in an existing trade sanctions licence to a prohibition in the EU DPRK Regulation is to be treated on and after the relevant date as a reference to the corresponding prohibition in Part 6.

(7) In this regulation, “the relevant date” means—

- (a) where regulations under section 56 of the Act provide that Part 6 comes into force at a specified time on a day, that time on that day;
- (b) otherwise, the date on which Part 6 comes into force.

Transitional provision: pending applications for trade licences

133.—(1) Paragraph (2) applies where—

- (a) an application was made before the relevant date for a licence or authorisation under or pursuant to the Export Control Order 2008 or the Dual-Use Regulation,
- (b) the application is for authorisation of an act prohibited by Part 6 (Trade), and

- (c) a decision to grant or refuse the application has not been made before the relevant date.
- (2) The application is to be treated on and after the relevant date as including an application for a licence under regulation 90 (trade licences).
- (3) Paragraph (4) applies where—
 - (a) an application was made before the relevant date for a licence or authorisation under the Export Control (North Korea Sanctions) Order 2018 or the EU DPRK Regulation,
 - (b) the application is for authorisation of an act prohibited by Part 6, and
 - (c) a decision to grant or refuse the application has not been made before the relevant date.
- (4) The application is to be treated on and after the relevant date as an application for a licence under regulation 90.
- (5) In this regulation “the relevant date” means—
 - (a) where regulations under section 56 of the Act provide that regulation 90 comes into force at a specified time on a day, that time on that day;
 - (b) otherwise, the date on which regulation 90 comes into force.

Transitional provision: prior obligations etc.

134.—(1) Where—

- (a) a person was named in Annex XV, XVI or XVII of the EU DPRK Regulation immediately before the relevant date, and
- (b) the person is a designated person immediately before that date,

any reference in a provision mentioned in paragraph (3) to the date on which a person became a designated person or a non-UN designated person is to be read as a reference to the original listing date.

(2) Where, immediately before the relevant date, a person was named for the purposes of paragraph 8(d) of resolution 1718 by the Security Council or the Committee, the reference in each of the provisions mentioned in paragraph (3)(a) and (b) to the date on which a person became a designated person is to be read as a reference to the date on which the person was so named.

(3) The provisions referred to in paragraphs (1) and (2) are—

- (a) regulation 81(5) (asset-freeze etc.: exceptions from prohibitions),
- (b) paragraph 5(b)(i) of Schedule 3 (pre-existing judicial decisions etc.), and
- (c) paragraph 8(a)(i) of Schedule 3 (prior obligations).

(4) In this regulation—

“designated person” has the same meaning as it has in Part 4 (Finance);

“original listing date” means the earlier of—

- (a) the date on which the person was named in Annex XV, XVI or XVII of the EU DPRK Regulation; and
- (b) if the person was also named in Annex V or Va of Council Regulation (EU) No 329/2007 of 27 August 2007 concerning restrictive measures against the Democratic People’s Republic of Korea(65), the date on which the person was named in one of those Annexes;

“the relevant date” means—

- (a) where regulations under section 56 of the Act provide that Part 4 comes into force at a specified time on a day, that time on that day;

(65) OJ L 088, 29.3.2007, p. 1.

(b) otherwise, the date on which Part 4 comes into force.

5th March 2019

Alan Duncan
Minister of State
Foreign and Commonwealth Office

SCHEDULES

SCHEDULE 1

Regulation 7

Rules for interpretation of regulation 7(2)

Application of Schedule

1.—(1) The rules set out in the following paragraphs of this Schedule apply for the purpose of interpreting regulation 7(2).

(2) They also apply for the purpose of interpreting this Schedule.

Joint interests

2. If two or more persons each hold a share or right jointly, each of them is treated as holding that share or right.

Joint arrangements

3.—(1) If shares or rights held by a person and shares or rights held by another person are the subject of a joint arrangement between those persons, each of them is treated as holding the combined shares or rights of both of them.

(2) A “joint arrangement” is an arrangement between the holders of shares or rights that they will exercise all or substantially all the rights conferred by their respective shares or rights jointly in a way that is pre-determined by the arrangement.

(3) “Arrangement” has the meaning given by paragraph 12.

Calculating shareholdings

4.—(1) In relation to a person who has a share capital, a reference to holding “more than 50% of the shares” in that person is to holding shares comprised in the issued share capital of that person of a nominal value exceeding (in aggregate) 50% of that share capital.

(2) In relation to a person who does not have a share capital—

(a) a reference to holding shares in that person is to holding a right or rights to share in the capital or, as the case may be, profits of that person;

(b) a reference to holding “more than 50% of the shares” in that person is to holding a right or rights to share in more than 50% of the capital or, as the case may be, profits of that person.

Voting rights

5.—(1) A reference to the voting rights in a person is to the rights conferred on shareholders in respect of their shares (or, in the case of a person not having a share capital, on members) to vote at general meetings of the person on all or substantially all matters.

(2) In relation to a person that does not have general meetings at which matters are decided by the exercise of voting rights—

- (a) a reference to holding voting rights in the person is to be read as a reference to holding rights in relation to the person that are equivalent to those of a person entitled to exercise voting rights in a company;
- (b) a reference to holding “more than 50% of the voting rights” in the person is to be read as a reference to holding the right under the constitution of the person to block changes to the overall policy of the person or to the terms of its constitution.

6. In applying regulation 7(2) and this Schedule, the voting rights in a person are to be reduced by any rights held by the person itself.

Rights to appoint or remove members of the board

7. A reference to the right to appoint or remove a majority of the board of directors of a person is to the right to appoint or remove directors holding a majority of the voting rights at meetings of the board on all or substantially all matters.

8. A reference to a board of directors, in the case of a person who does not have such a board, is to be read as a reference to the equivalent management body of that person.

Shares or rights held “indirectly”

9.—(1) A person holds a share “indirectly” if the person has a majority stake in another person and that other person—

- (a) holds the share in question, or
- (b) is part of a chain of persons—
 - (i) each of whom (other than the last) has a majority stake in the person immediately below it in the chain, and
 - (ii) the last of whom holds the share.

(2) A person holds a right “indirectly” if the person has a majority stake in another person and that other person—

- (a) holds that right, or
- (b) is part of a chain of persons—
 - (i) each of whom (other than the last) has a majority stake in the person immediately below it in the chain, and
 - (ii) the last of whom holds that right.

(3) For these purposes, a person (“A”) has a “majority stake” in another person (“B”) if—

- (a) A holds a majority of the voting rights in B,
- (b) A is a member of B and has the right to appoint or remove a majority of the board of directors of B,
- (c) A is a member of B and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in B, or
- (d) A has the right to exercise, or actually exercises, dominant influence or control over B.

(4) In the application of this paragraph to the right to appoint or remove a majority of the board of directors, a person (“A”) is to be treated as having the right to appoint a director if—

- (a) any person’s appointment as director follows necessarily from that person’s appointment as director of A, or
- (b) the directorship is held by A itself.

Shares held by nominees

10. A share held by a person as nominee for another is to be treated as held by the other (and not by the nominee).

Rights treated as held by person who controls their exercise

11.—(1) Where a person controls a right, the right is to be treated as held by that person (and not by the person who in fact holds the right, unless that person also controls it).

(2) A person “controls” a right if, by virtue of any arrangement between that person and others, the right is exercisable only—

- (a) by that person,
- (b) in accordance with that person’s directions or instructions, or
- (c) with that person’s consent or concurrence.

12. “Arrangement” includes—

- (a) any scheme, agreement or understanding, whether or not it is legally enforceable, and
- (b) any convention, custom or practice of any kind.

Rights exercisable only in certain circumstances etc.

13.—(1) Rights that are exercisable only in certain circumstances are to be taken into account only—

- (a) when the circumstances have arisen, and for so long as they continue to obtain, or
- (b) when the circumstances are within the control of the person having the rights.

(2) But rights that are exercisable by an administrator or by creditors while a person is subject to relevant insolvency proceedings are not to be taken into account while the person is subject to those proceedings.

(3) “Relevant insolvency proceedings” means—

- (a) administration within the meaning of the Insolvency Act 1986⁽⁶⁶⁾,
- (b) administration within the meaning of the Insolvency (Northern Ireland) Order 1989⁽⁶⁷⁾, or
- (c) proceedings under the insolvency law of another country during which a person’s assets and affairs are subject to the control or supervision of a third party or creditor.

(4) Rights that are normally exercisable but are temporarily incapable of exercise are to continue to be taken into account.

Rights attached to shares held by way of security

14. Rights attached to shares held by way of security provided by a person are to be treated for the purposes of this Schedule as held by that person—

- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in accordance with that person’s instructions, and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving

⁽⁶⁶⁾ 1986 c.45

⁽⁶⁷⁾ S.I. 1989/2405 (N.I. 19).

the value of the security, or of realising it, the rights are exercisable only in that person's interests.

SCHEDULE 2

Regulation 64

Other arms- and WMD-related goods and technology

Interpretation

1. For the purposes of this Schedule—
 - (a) a reference to any item includes that item whether it is new or used;
 - (b) a thing is specified in or by a Dual-Use code if it would be specified in or by that code in accordance with the Dual-Use Regulation;
 - (c) a reference to a chemical abstract number is to be interpreted in accordance with general note 4 to annex I of the Dual-Use Regulation;
 - (d) a “Dual-Use code” means an alphanumeric code as it is used in Annex I to the Dual-Use Regulation; and
 - (e) “software” has the meaning given to it in the Dual-Use Regulation.

Principal element

- 2.—(1) Any item (“A”) not listed in any of paragraphs 3 to 79 is included in this Schedule if—
 - (a) an item listed in any of paragraphs 3 to 79 is a principal element of A, and
 - (b) that principal element can be removed and used separately.
- (2) Whether an item is a principal element of any other item shall be determined having regard to quantity, value, technological know-how involved and any other relevant factors.

Nuclear materials, facilities, and equipment

3. Hollow cathode lamps as follows—
 - (a) iodine hollow cathode lamps with windows in pure silicon or quartz;
 - (b) uranium hollow cathode lamps.
4. Faraday isolators in the wavelength range 500 nm-650 nm.
5. Optical gratings in the wavelength range 500 nm-650 nm.
6. Optical fibres in the wavelength range 500 nm-650 nm coated with anti-reflecting layers in the wavelength range 500 nm-650 nm and having a core diameter greater than 0.4 mm but not exceeding 2 mm.
7. Nuclear reactor vessel components and testing equipment, other than those specified in Dual-Use code 0A001, as follows—
 - (a) seals;
 - (b) internal components;
 - (c) sealing, testing and measurement equipment.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

8.—(1) Nuclear detection systems, other than those specified in Dual-Use codes 0A001.j. or 1A004.c., for detection, identification or quantification of radioactive materials or radiation of nuclear origin and specially designed components thereof.

(2) Sub-paragraph (1) does not include personal equipment.

9. Bellows-sealed valves other than those specified in Dual-Use codes 0B001.c.6., 2A226 or 2B350, made of aluminium alloy or stainless steel type 304, 304L or 316L.

10.—(1) Laser mirrors, other than those specified in Dual-Use code 6A005.e., consisting of substrates having a thermal expansion coefficient of 10-6 K-1 or less at 20 # (e.g. fused silica or sapphire).

(2) Sub-paragraph (1) does not include optical systems specially designed for astronomical applications, except if the mirrors contain fused silica.

11. Laser lenses, other than those specified in Dual-Use code 6A005.e.2, consisting of substrates having a thermal expansion coefficient of 10- 6 K- 1 or less at 20 °C (e.g. fused silica).

12. Pipes, piping, flanges, fittings made of, or lined with nickel, or nickel alloy containing more than 40 % nickel by weight, other than those specified in Dual-Use code 2B350.h.1.

13. Vacuum pumps other than those specified in Dual-Use code 0B002.f.2. or 2B231, as follows

- (a) turbo-molecular pumps having a flow-rate equal to or greater than 400 l/s;
- (b) roots type vacuum roughing pumps having a volumetric aspiration flow-rate greater than 200 m³/h;
- (c) bellows-sealed, scroll, dry compressor, and bellows-sealed, scroll, dry vacuum pumps.

14. Shielded enclosures for the manipulation, storage and handling of radioactive substances (also known as hot cells).

15.—(1) Natural uranium, depleted uranium or thorium in the form of metal, alloy, chemical compound or concentrate and any other material containing one or more of the foregoing, other than those specified in Dual-Use code 0C001.

(2) In this paragraph “natural uranium” and “depleted uranium” each have the meaning given to them in the Dual-Use Regulation.

16. Detonation chambers having a capacity of explosion absorption of more than 2.5 kg TNT equivalent.

Special materials and related equipment

17. Bis(2-ethylhexyl) phosphoric acid (HDEHP or D2HPA) Chemical Abstract Number (CAS): [CAS 298-07-7] solvent in any quantity, with a purity greater than 90 %.

18. Fluorine gas CAS: [7782-41-4], with a purity of at least 95 %.

19. Ring-shaped seals and gaskets, having an inner diameter of 400 mm or less, made of any of the following materials—

- (a) copolymers of vinylidene fluoride having 75 % or more beta crystalline structure without stretching;
- (b) fluorinated polyimides containing 10 % by weight or more of combined fluorine;
- (c) fluorinated phosphazene elastomers containing 30 % by weight or more of combined fluorine;
- (d) polychlorotrifluoroethylene (PCTFE, e.g. Kel-F ®);

- (e) fluoro-elastomers (e.g. Viton ®, Tecnoflon ®);
- (f) polytetrafluoroethylene (PTFE).

20. Personal equipment for detecting radiation of nuclear origin, other than that specified in Dual-Use code 1A004.c., including personal dosimeters.

21. Electrolytic cells for fluorine production, other than those specified in Dual-Use code 1B225, with an output capacity greater than 100 g of fluorine per hour.

22. Catalysts, other than those specified in Dual-Use codes 1A225 or 1B231, containing platinum, palladium or rhodium, usable for promoting the hydrogen isotope exchange reaction between hydrogen and water for the recovery of tritium from heavy water or for the production of heavy water.

23.—(1) Aluminium and its alloys, other than those specified in Dual-Use codes 1C002.b.4. or 1C202.a., in crude or semi-fabricated form having either of the following characteristics—

- (a) capable of an ultimate tensile strength of 460 MPa or more at 293 K (20 °C); or
- (b) having a tensile strength of 415 MPa or more at 298 K (25 °C).

(2) In this paragraph, a reference to an alloy “capable of” something encompasses alloys before or after heat treatment.

24.—(1) Magnetic metals, of all types and of whatever form, other than those specified in Dual-Use code 1C003.a. having an initial relative permeability of 120,000 or more and a thickness between 0.05 mm and 0.1 mm.

(2) For the purposes of sub-paragraph (1), the measurement of initial relative permeability means that measurement performed on fully annealed materials.

25.—(1) Fibrous or filamentary materials or preregs, other than those specified in Dual-Use codes 1C010.a., 1C010.b., 1C210.a. or 1C210.b., as follows—

- (a) aramid fibrous or filamentary materials having either of the following characteristics—
 - (i) specific modulus exceeding 10×10^6 m; or
 - (ii) specific tensile strength exceeding 17×10^4 m;
- (b) glass fibrous or filamentary materials having either of the following characteristics:
 - (i) specific modulus exceeding $3,18 \times 10^6$ m; or
 - (ii) specific tensile strength exceeding 76.2×10^3 m;
- (c) thermoset resin-impregnated continuous yarns, rovings, tows or tapes with a width of 15 mm or less (once preregs), made from glass fibrous or filamentary materials other than those specified in 26(1)(a)below;
- (d) carbon fibrous or filamentary materials;
- (e) thermoset resin-impregnated continuous yarns, rovings, tows, or tapes, made from carbon fibrous or filamentary materials;
- (f) polyacrylonitrile (PAN) continuous yarns, rovings, tows or tapes;
- (g) para-aramid fibrous or filamentary materials (Kevlar® and other Kevlar®-like fibres).

(2) In this paragraph the following terms have the meaning given to them in the Dual-Use Regulation—

- “fibrous or filamentary materials”
- “specific modulus”
- “specific tensile strength”

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“yarns”
 “rovings”
 “tows”
 “tapes”.

26.—(1) Resin-impregnated or pitch-impregnated fibres (prepregs), metal or carbon-coated fibres (preforms) or carbon fibre preforms, as follows—

- (a) made from fibrous or filamentary materials specified in paragraph 25;
- (b) epoxy resin matrix impregnated carbon fibrous or filamentary materials (prepregs), specified in Dual-Use codes 1C010.a., 1C010.b. or 1C010.c., for the repair of aircraft structures or laminates, of which the size of individual sheets does not exceed 50 cm × 90 cm;
- (c) prepregs specified in Dual-Use codes 1C010.a., 1C010.b. or 1C010.c., when impregnated with phenolic or epoxy resins having a glass transition temperature (T_g) less than 433 K (160 °C) and a cure temperature lower than the glass transition temperature.

(2) In this paragraph the following terms have the meaning given to them in the Dual-Use Regulation—

“carbon fibre preforms”;
 “fibrous or filamentary materials”;
 “matrix”.

27.—(1) Reinforced silicon carbide ceramic composites usable for nose tips, re-entry vehicles, nozzle flaps, usable in missiles, other than those specified in Dual-Use code 1C107.

(2) In this paragraph, “missiles” has the meaning given to it in the Dual-Use Regulation.

28. Tantalum, tantalum carbide, tungsten, tungsten carbide and alloys thereof, other than those specified in Dual-Use code 1C226, having both of the following characteristics—

- (a) in forms having a hollow cylindrical or spherical symmetry (including cylinder segments) with an inside diameter between 50 mm and 300 mm; and
- (b) a mass greater than 5 kg.

29.—(1) Elemental powders of cobalt, neodymium or samarium or alloys or mixtures thereof containing at least 20 % by weight of cobalt, neodymium or samarium, with a particle size less than 200 µm.

(2) In this paragraph “elemental powder” means a high purity powder of one element.

30. Pure tributyl phosphate (TBP) [CAS No 126-73-8] or any mixture having a TBP content of more than 5 % by weight.

31.—(1) Maraging steel, other than those specified by Dual-Use codes 1C116 or 1C216.

(2) In this paragraph, “maraging steels” means iron alloys generally characterised by high nickel, very low carbon content and the use of substitutional elements or precipitates to produce strengthening and age-hardening of the alloy.

32. Metals, metal powders and material as follows—

- (a) tungsten and tungsten alloys, other than those specified in Dual-Use code 1C117, in the form of uniform spherical or atomized particles of 500 µm (micrometre) diameter or less with a tungsten content of 97 % by weight or more;

- (b) molybdenum and molybdenum alloys, other than those specified in Dual-Use code 1C117, in the form of uniform spherical or atomized particles of 500 µm diameter or less with a molybdenum content of 97 % by weight or more;
 - (c) tungsten materials in the solid form, other than those specified in Dual-Use code 1C226 having material compositions as follows—
 - (i) tungsten and alloys containing 97 % by weight or more of tungsten;
 - (ii) copper infiltrated tungsten containing 80 % by weight or more of tungsten; or
 - (iii) silver infiltrated tungsten containing 80 % by weight or more of tungsten.
- 33.** Soft magnetic alloys, other than those specified in Dual-Use code 1C003, having a chemical composition as follows—
- (a) iron content between 30 % and 60 %; and
 - (b) cobalt content between 40 % and 60 %.
- 34.** Graphite, other than that specified in Dual-Use code 0C004 or 1C107.a., designed or specified for use in Electrical Discharge Machining (EDM) machines.
- 35.**—(1) Steel alloys in sheet or plate form, having any of the following characteristics—
- (a) steel alloys capable of ultimate tensile strength of 1 200 MPa or more, at 293 K (20 °C); or
 - (b) nitrogen-stabilised duplex stainless steel.
- (2) In this paragraph—
- (a) “nitrogen-stabilised duplex stainless steel” means steel with a two-phase microstructure consisting of grains of ferritic and austenitic steel with the addition of nitrogen to stabilise the microstructure;
 - (b) a reference to an alloy “capable of” something encompasses alloys before or after heat treatment.
- 36.** Carbon-Carbon Composite material.
- 37.** Nickel alloys in crude or semi-fabricated form, containing 60 % by weight or more nickel.
- 38.**—(1) Titanium alloys in sheet or plate form capable of an ultimate tensile strength of 900 MPa or more at 293 K (20 °C).
- (2) In this regulation, a reference to an alloy “capable of” something encompasses alloys before or after heat treatment
- 39.** Titanium alloys, other than those specified in Dual-Use codes 1C002 and 1C202.
- 40.** Zirconium and zirconium alloys, other than those specified in Dual-Use codes 1C011, 1C111 and 1C234.
- 41.** Explosive materials other than those specified in Dual-Use code 1C239, or materials or mixtures containing more than 2 % by weight of such explosive materials, with a crystalline density higher than 1.5 g/cm³ and with a detonation speed higher than 5,000 m/s

Materials processing

- 42.**—(1) Vibration test systems, equipment and components thereof, other than those specified in Dual-Use code 2B116—
- (a) vibration test systems employing feedback or closed loop techniques and incorporating a digital controller, capable of vibrating a system at an acceleration equal to or greater than

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0,1 g rms between 0,1 Hz and 2 kHz and imparting forces equal to or greater than 50 kN, measured “bare table”;

- (b) digital controllers, combined with specially designed vibration test software, with a real-time control bandwidth greater than 5 kHz designed for use with vibration test systems specified in paragraph (a);
- (c) vibration thrusters (shaker units), with or without associated amplifiers, capable of imparting a force equal to or greater than 50 kN, measured “bare table”, and usable in vibration test systems specified in paragraph (a);
- (d) rest piece support structures and electronic units designed to combine multiple shaker units in a system capable of providing an effective combined force equal to or greater than 50 kN, measured “bare table”, and usable in vibration systems specified in paragraph (a).

(2) In this paragraph—

“bare table” means a flat table, or surface, with no fixture or fittings.

“real-time control bandwidth” means the maximum rate at which a controller can execute complete cycles of sampling, processing data and transmitting control signals.

43. Machine tools, other than those specified in Dual-Use codes 2B001 or 2B201 and any combination thereof, for removing (or cutting) metals, ceramics, or composites that, according to the manufacturer’s technical specification, can be equipped with electronic devices for numerical control, having positioning accuracies of equal to or less (better) than 30 30 µm according to ISO 230/2 (1988) (or national equivalents) along any linear axis.

44. Components and numerical controls, specially designed for machine tools specified in Dual-Use codes 2B001, 2B201 or paragraph 43.

45. Balancing machines and related equipment as follows—

- (a) balancing machines, designed or modified for dental or other medical equipment, having all the following characteristics—
 - (i) not capable of balancing rotors/assemblies having a mass greater than 3 kg;
 - (ii) capable of balancing rotors/assemblies at speeds greater than 12 500 rpm;
 - (iii) capable of correcting unbalance in two planes or more; and
 - (iv) capable of balancing to a residual specific unbalance of 0,2 g × mm per kg of rotor mass;
- (b) indicator heads (sometimes known as balancing instrumentation) designed or modified for use with machines specified in paragraph (a).

46.—(1) Remote manipulators that can be used to provide remote actions in radiochemical separation operations or hot cells, other than those specified in Dual-Use codes 2B225, having either of the following characteristics—

- (a) a capability of penetrating a hot cell wall of 0.3 m or more (through the wall operation); or
- (b) a capability of bridging over the top of a hot cell wall with a thickness of 0.3 m or more (over the wall operation).

(2) For the purposes of this paragraph, remote manipulators provide translation of human operator actions to a remote operating arm and terminal fixture. They may be of master/slave type or operated by joystick or keypad.

47. Controlled atmosphere heat treatment furnaces or oxidation furnaces capable of operation at temperatures above 400 °C, excluding tunnel kilns with roller or car conveyance, tunnel kilns with conveyor belt, pusher type kilns or shuttle kilns, specially designed for the production of glass, tableware ceramics or structural ceramics.

48.—(1) Pressure transducers, other than those defined in Dual-Use codes 2B230, capable of measuring absolute pressures at any point in the range 0 to 200 kPa and having both of the following characteristics—

- (a) pressure sensing elements made of or protected by materials resistant to corrosion by uranium hexafluoride (UF₆); and
- (b) having either of the following characteristics:
 - (i) a full scale of less than 200 kPa and an accuracy of better than ± 1 % of full scale; or
 - (ii) a full scale of 200 kPa or greater and an accuracy of better than 2 kPa.

(2) In this paragraph, the following terms have the meaning given to them in the Dual-Use Regulation—

- “accuracy”;
- “pressure transducer”;
- “materials resistant to corrosion by uranium hexafluoride (UF₆)”.

49.—(1) Liquid-liquid contacting equipment (mixer-settlers, pulsed columns, plate columns, centrifugal contactors); and liquid distributors, vapour distributors or liquid collectors designed for such equipment, where all surfaces that come in direct contact with the chemical(s) being processed are made from any of the following materials—

- (a) alloys with more than 25 % nickel and 20 % chromium by weight;
- (b) fluoropolymers;
- (c) glass (including vitrified or enamelled coating or glass lining);
- (d) graphite or carbon graphite;
- (e) nickel or alloys with more than 40 % nickel by weight;
- (f) tantalum or tantalum alloys;
- (g) titanium or titanium alloys;
- (h) zirconium or zirconium alloys; or
- (i) stainless steel.

(2) In this paragraph, “carbon graphite” is a composition consisting of amorphous carbon and graphite, in which the graphite content is 8 % or more by weight.

50.—(1) Industrial equipment and components, other than those specified in Dual-Use code 2B350.d., consisting of heat exchangers or condensers with a heat transfer surface area greater than 0.05 m², and less than 30 m²; and tubes, plates, coils or blocks (cores) designed for such heat exchangers or condensers, where all surfaces that come in direct contact with the fluid(s) are made from any of the following materials—

- (a) alloys with more than 25 % nickel and 20 % chromium by weight;
- (b) fluoropolymers;
- (c) glass (including vitrified or enamelled coating or glass lining);
- (d) graphite or carbon graphite;
- (e) nickel or alloys with more than 40 % nickel by weight;
- (f) tantalum or tantalum alloys;
- (g) titanium or titanium alloys;
- (h) zirconium or zirconium alloys;
- (i) silicon carbide;

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- (j) titanium carbide; or
 - (k) stainless steel.
- (2) Sub-paragraph (1) does not include vehicle radiators.
- (3) For the purposes of this paragraph—
- (a) the materials used for gaskets and seals and other implementation of sealing functions do not determine the status of control of the heat exchanger;
 - (b) “carbon graphite” has the meaning given to it in the Dual-Use Regulation.

51.—(1) Multiple-seal, and seal-less pumps, other than those specified in Dual-Use code 2B350.i, suitable for corrosive fluids, or vacuum pumps and casings (pump bodies), preformed casing liners, impellers, rotors or jet pump nozzles designed for such pumps, in which all surfaces that come in direct contact with the chemical(s) being processed are made from any of the following materials—

- (a) alloys with more than 25 % nickel and 20 % chromium by weight;
 - (b) ceramics;
 - (c) ferrosilicon;
 - (d) fluoropolymers;
 - (e) glass (including vitrified or enamelled coatings or glass lining);
 - (f) graphite or carbon graphite;
 - (g) nickel or alloys with more than 40 % nickel by weight;
 - (h) tantalum or tantalum alloys;
 - (i) titanium or titanium alloys;
 - (j) zirconium or zirconium alloys;
 - (k) niobium (columbium) or niobium alloys;
 - (l) stainless steel;
 - (m) aluminium alloys; or
 - (n) rubber, including all kinds of natural and synthetic rubbers.
- (2) For the purposes of this paragraph—
- (a) the materials used for gaskets and seals and other implementations of sealing functions do not determine the status of control of the pump;
 - (b) “carbon graphite” has the meaning given to it in the Dual-Use Regulation.

52.—(1) Centrifugal separators, other than those specified in Dual-Use code 2B352.c., capable of continuous separation without the propagation of aerosols and manufactured from—

- (a) alloys with more than 25 % nickel and 20 % chromium by weight;
 - (b) fluoropolymers;
 - (c) glass (including vitrified or enamelled coating or glass lining);
 - (d) nickel or alloys with more than 40 % nickel by weight;
 - (e) tantalum or tantalum alloys;
 - (f) titanium or titanium alloys; or
 - (g) zirconium or zirconium alloys.
- (2) In this paragraph, centrifugal separators include decanters.

53. Sintered metal filters, other than those specified in Dual-Use code 2B352.d., made of nickel or nickel alloy with more than 40 % nickel by weight.

54.—(1) Spin-forming machines and flow-forming machines, other than those specified by Dual-Use code 2B009, 2B109 or 2B209 and specially designed components therefor.

(2) For the purpose of sub-paragraph (1), machines combining the functions of spin-forming and flow-forming are regarded as flow-forming machines.

55.—(1) Equipment and reagents, other than those specified in Dual-Use codes 2B350 or 2B352, as follows—

- (a) fermenters capable of cultivation of pathogenic microorganisms or viruses, or capable of toxin production, without the propagation of aerosols, and having a total capacity of 10 l or more;
- (b) agitators for fermenters as mentioned in (a);
- (c) laboratory equipment as follows—
 - (i) polymerase chain reaction (PCR)-equipment;
 - (ii) genetic sequencing equipment;
 - (iii) genetic synthesizers;
 - (iv) electroporation equipment;
 - (v) specific reagents associated with the equipment in (c)(i) to (iv);
- (d) filters, micro-filters, nano-filters or ultra-filters usable in industrial or laboratory biology for continuous filtering, except filters specially designed or modified for medical or clear water production purposes and to be used in the framework of EU or UN officially supported projects;
- (e) ultracentrifuges, rotors and adaptors for ultracentrifuges;
- (f) freeze drying equipment.

(2) In this paragraph—

“fermenters” include bioreactors, chemostats and continuous-flow systems;

“Microorganisms” has the meaning given to it in the Dual-Use Regulation

56. Equipment, other than that specified in Dual-Use code 2B005, 2B105 or 3B001.d., for the deposition of metallic overlays as follows, and specially designed components and accessories therefor—

- (a) chemical vapour deposition (CVD) production equipment;
- (b) physical vapour deposition (PVD) production equipment;
- (c) production equipment for deposition by means of inductive or resistance heating.

57. Open tanks or containers, with or without agitators, with a total internal (geometric) volume greater than 0.5 m³ (500 litres), where all surfaces that come in direct contact with the chemical being processed or contained are made from any of the following materials—

- (a) alloys with more than 25 % nickel and 20 % chromium by weight;
- (b) fluoropolymers;
- (c) glass (including vitrified or enamelled coatings or glass lining);
- (d) nickel or alloys with more than 40 % nickel by weight;
- (e) tantalum or tantalum alloys;
- (f) titanium or titanium alloys;

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- (g) zirconium or zirconium alloys;
- (h) niobium (columbium) or niobium alloys;
- (i) stainless steel;
- (j) wood; or
- (k) rubber, including all kinds of natural and synthetic rubbers.

Electronics

58. High voltage direct current power supplies, other than those specified in Dual-Use code 0B001.j.5. or 3A227, having both of the following characteristics—

- (a) capable of continuously producing, over a time period of eight hours, 10 kV or more, with output power of 5 kW or more with or without sweeping; and
- (b) Current or voltage stability better than 0,1 % over a time period of four hours.

59.—(1) Mass spectrometers, other than those specified in Dual-Use code 0B002.g. or 3A233, capable of measuring ions of 200 atomic mass units or more and having a resolution of better than 2 parts in 200, as follows, and ion sources therefor—

- (a) inductively coupled plasma mass spectrometers (ICP/MS);
- (b) glow discharge mass spectrometers (GDMS);
- (c) thermal ionisation mass spectrometers (TIMS);
- (d) electron bombardment mass spectrometers which have a source chamber constructed from, lined with or plated with materials resistant to corrosion by uranium hexafluoride (UF₆);
- (e) molecular beam mass spectrometers having either of the following characteristics:
 - (i) a source chamber constructed from, lined with or plated with stainless steel or molybdenum and equipped with a cold trap capable of cooling to 193 K (– 80 °C) or less; or
 - (ii) a source chamber constructed from, lined with or plated with materials resistant to uranium hexafluoride (UF₆);
- (f) mass spectrometers equipped with a micro-fluorination ion source designed for actinides or actinide fluorides.

(2) In this paragraph “materials resistant to corrosion by UF₆” has the meaning given to it in the Dual-Use Regulation.

60.—(1) Frequency changers or generators, other than those specified by Dual-Use code 0B001.b.13. or 3A225, having all of the following characteristics, and specially designed components and software therefor—

- (a) multiphase output capable of providing a power of 40 W or greater;
- (b) capable of operating in the frequency range between 600 and 2 000 Hz; and
- (c) frequency control better (less) than 0.1 %.

(2) In this paragraph, “frequency changers” includes converters, inverters, generators, electronic test equipment, AC power supplies, variable speed motor drives or variable frequency drives.

(3) The functionality specified in this paragraph may be met by certain equipment marketed as electronic test equipment, AC power supplies, variable speed motor drives or variable frequency drives.

61. Spectrometers and diffractometers, designed for the indicative test or quantitative analysis of the elemental composition of metals or alloys without chemical decomposition of the material.

Sensors and lasers

62. For the purposes of paragraphs 66 to 70 and 74, “lasers” has the meaning given to it in the Dual-Use Regulation.

63. Yttrium aluminium garnet (YAG) rods.

64. Optical equipment and components, other than those specified in Dual-Use code 6A002 or 6A004.b consisting of infrared optics in the wavelength range 9µm-17µm and components thereof, including cadmium telluride (CdTe) components.

65.—(1) Wave front corrector systems, other than mirrors specified in Dual-Use code 6A004.a., 6A005.e. or 6A005.f., for use with a laser beam having a diameter exceeding 4 mm, and specially designed components thereof, including control systems, phase front sensors and deformable mirrors including bimorph mirrors.

(2) In this paragraph, “deformable mirrors” has the meaning given to it in the Dual-Use Regulation.

66. Argon ion lasers, other than those specified in Dual-Use codes 0B001.g.5., 6A005.a.6. and/or 6A205.a., having an average output power equal to or greater than 5 W.

67.—(1) Subject to sub-paragraph (2), semiconductor lasers, other than those specified in Dual-Use code 0B001.g.5., 0B001.h.6. or 6A005.b., and components thereof, as follows—

- (a) Individual semiconductor lasers with an output power greater than 200 mW each, in quantities larger than 100;
- (b) Semiconductor laser arrays having an output power greater than 20 W

(2) Sub-paragraph (1) does not include laser diodes with a wavelength in the range 1,2 µm-2,0 µm.

(3) In this paragraph “semiconductor lasers” includes items commonly called laser diodes.

68. Tunable semiconductor lasers and tunable semiconductor laser arrays, other than those specified in Dual-Use codes 0B001.h.6. or 6A005.b., of a wavelength between 9 µm and 17 µm, as well as array stacks of semiconductor lasers containing at least one tunable semiconductor laser array of such wavelength.

69.—(1) Solid state tunable lasers, other than those specified in Dual-Use code 0B001.g.5., 0B001.h.6. or 6A005.c.1., and specially designed components thereof, as follows:

- (a) titanium-sapphire lasers;
- (b) alexandrite lasers.

(2) In this paragraph, “tunable” has the meaning given to it in the Dual-Use Regulation.

70. Neodymium-doped (other than glass) lasers, other than those specified in Dual-Use code 6A005.c.2.b., having an output wavelength greater than 1,0 µm but not exceeding 1,1 µm and output energy exceeding 10 J per pulse.

71. Components of acousto-optics, as follows—

- (a) framing tubes and solid-state imaging devices having a recurrence frequency equal to or exceeding 1 kHz;
- (b) recurrence frequency supplies;
- (c) pockels cells.

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72.—(1) Radiation-hardened cameras, or lenses thereof, other than those specified in Dual-Use code 6A203.c., specially designed, or rated as radiation-hardened, to withstand a total radiation dose greater than 50×10^3 Gy (silicon) (5×10^6 rad (silicon)) without operational degradation.

(2) In this paragraph, the term Gy (silicon) refers to the energy in Joules per kilogram absorbed by an unshielded silicon sample when exposed to ionising radiation.

73. Tunable pulsed dye laser amplifiers and oscillators, other than those specified in Dual-Use codes 0B001.g.5., 6A005 and or 6A205.c., having all of the following characteristics—

- (a) operating at wavelengths between 300 nm and 800 nm;
- (b) an average output power greater than 10 W but not exceeding 30 W;
- (c) a repetition rate greater than 1 kHz; and
- (d) pulse width less than 100 ns.
- (e) But excluding single mode oscillators.

74. Pulsed carbon dioxide lasers, other than those specified in, Dual-Use code 0B001.h.6., 6A005.d. or 6A205.d., having all of the following characteristics—

- (a) operating at wavelengths between 9 μm and 11 μm ;
- (b) a repetition rate greater than 250 Hz;
- (c) an average output power greater than 100 W but not exceeding 500 W; and
- (d) pulse width less than 200 ns.

75. Lasers, other than those specified in Dual-Use code 6A005 or 6A205.

Navigation and avionics

76.—(1) Inertial navigation systems and specially designed components thereof, as follows—

- (a) inertial navigation systems which are certified for use on civil aircraft by civil authorities of a State participating in the Wassenaar Arrangement, and specially designed components thereof, as follows—
 - (i) inertial navigation systems (INS) (gimballed or strapdown) and inertial equipment designed for aircraft, land vehicle, vessels (surface or underwater) or spacecraft for attitude, guidance or control, having any of the following characteristics, and specially designed components thereof—
 - (aa) navigation error (free inertial) subsequent to normal alignment of 0.8 nautical mile per hour (nm/hr) Circular Error Probable (CEP) or less (better); or
 - (bb) specified to function at linear acceleration levels exceeding 10 g;
 - (ii) hybrid Inertial Navigation Systems embedded with Global Navigation Satellite Systems(s) (GNSS) or with Data-Based Referenced Navigation (DBRN) System(s) for attitude, guidance or control, subsequent to normal alignment, having an INS navigation position accuracy, after loss of GNSS or DBRN for a period of up to four minutes, of less (better) than 10 metres Circular Error Probable (CEP);
 - (iii) inertial Equipment for Azimuth, Heading, or North Pointing having any of the following characteristics, and specially designed components thereof:
 - (aa) designed to have an Azimuth, Heading, or North Pointing accuracy equal to, or less (better) than 6 arc minutes RMS at 45 degrees latitude; or
 - (bb) designed to have a non-operating shock level of at least 900 g at a duration of at least 1 msec.

- (b) theodolite systems incorporating inertial equipment specially designed for civil surveying purposes and designed to have an Azimuth, Heading, or North Pointing accuracy equal to, or less (better) than 6 arc minutes RMS at 45 degrees latitude, and specially designed components thereof;
 - (c) inertial or other equipment using accelerometers specified in Dual-Use code 7A001 or 7A101, where such accelerometers are specially designed and developed as MWD (Measurement While Drilling) sensors for use in down-hole well services operations.
- (2) The parameters set out in sub-paragraph (1)(a)(i) and (ii) are applicable with any of the following environmental conditions—
- (a) input random vibration with an overall magnitude of 7.7 g rms in the first half hour and a total test duration of one and a half hours per axis in each of the three perpendicular axes, when the random vibration meets the following—
 - (i) a constant power spectral density (PSD) value of 0,04 g²/Hz over a frequency interval of 15 to 1 000 Hz; and
 - (ii) the PSD attenuates with a frequency from 0,04 g²/Hz to 0,01 g²/Hz over a frequency interval from 1 000 to 2 000 Hz;
 - (b) a roll and yaw rate equal to or greater than + 2,62 radian/s (150 deg/s); or
 - (c) according to national standards equivalent to (i) or (ii) above.
- (3) Sub-paragraph (1)(a)(ii) refers to systems in which an Inertial Navigation System and other independent navigation aids are built into a single unit (embedded) in order to achieve improved performance.
- (4) In this paragraph—
- (a) the following terms have the meaning given to them in the Dual-Use Regulation—
 - “aircraft”;
 - “circular error probable”;
 - “civil aircraft”;
 - “Data-Based Referenced Navigation” ;
 - “spacecraft”.

Aerospace and propulsion

77. Explosive bolts.

78.—(1) Internal combustion engines), designed or modified for propelling aircraft or lighter-than-air-vehicles; and

(2) specially designed components for such engines.

(3) For the purposes of this paragraph—

(a) “internal combustion engines” includes engines of axial piston and rotary piston type;

(b) The following terms have the meaning given to them in the Dual-Use Regulation—

“aircraft”;

“airship”;

“lighter-than-air vehicle”.

79. Trucks, other than those specified in Dual-Use code 9A115, having more than one motorised axle and a payload exceeding 5 tonnes, including flatbed trailers, semi trailers and other trailers.

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Software and Technology

80.—(1) Software required for the development, production or use of goods listed in paragraphs 3 to 79 of this Schedule.

(2) Subject to sub-paragraph (2) technology required for the development, production or use of goods listed in paragraphs 3 to 79 of this Schedule.

(3) In this paragraph, the following terms have the meaning given to them in the Dual-Use Regulation—

“development”

“required”;

“production”

“technology”

“use”.

Certain key components for the ballistic-missile sector.

81. Any goods listed in Part III of Annex II of Council Regulation (EU) No 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People’s Republic of Korea and repealing Regulation (EC) No 329/2007, as it has effect immediately before exit day.

SCHEDULE 3

Regulation 88

Treasury licences: purposes

PART 1

Designated Persons

Basic needs

1.—(1) To enable the basic needs of a designated person, or (in the case of an individual) any dependent family member of such a person, to be met.

(2) In the case of an individual, in sub-paragraph (1) “basic needs” includes—

(a) medical needs;

(b) needs for—

(i) food;

(ii) payments of insurance premiums;

(iii) payments of tax;

(iv) rent or mortgage payments;

(v) utility payments.

(3) In the case of a person other than an individual, in sub-paragraph (1) “basic needs” includes needs for—

(a) payment of insurance premiums;

(b) payment of reasonable fees for the provision of property management services;

- (c) payment of remuneration, allowances or pensions of employees;
 - (d) payment of tax;
 - (e) rent or mortgage payments;
 - (f) utility payments.
- (4) In sub-paragraph (1)—
- “dependent” means financially dependent;
 - “family member” includes—
- (a) the wife or husband of the designated person;
 - (b) the civil partner of the designated person;
 - (c) any parent or other ascendant of the designated person;
 - (d) any child or other descendant of the designated person;
 - (e) any person who is a brother or sister of the designated person, or a child or other descendant of such a person.

Legal services

2. To enable the payment of—
- (a) reasonable professional fees for the provision of legal services, or
 - (b) reasonable expenses associated with the provision of legal services.

Maintenance of frozen funds and economic resources

3. To enable the payment of—
- (a) reasonable fees, or
 - (b) reasonable service charges,

arising from the routine holding or maintenance of frozen funds or economic resources.

Extraordinary expenses

4. To enable an extraordinary expense of a designated person to be met.

Pre-existing judicial decisions etc.

5. To enable, by the use of a designated person’s frozen funds or economic resources, the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien, provided that—

- (a) the funds or economic resources so used are the subject of the decision or lien,
- (b) the decision or lien—
 - (i) was made or established before the date on which the person became a designated person, and
 - (ii) is enforceable in the United Kingdom, and
- (c) the use of the frozen funds or economic resources does not directly or indirectly benefit any other designated person.

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Humanitarian assistance activities etc.

6. To enable anything to be done in connection with the performance of—
- (a) any humanitarian assistance activity, or
 - (b) any activity whose purpose is consistent with the objectives of resolution 1718, 1874, 2087, 2094, 2270, 2321, 2356, 2371, 2375 or 2397.

Diplomatic missions etc.

7. To enable anything to be done in order that the functions of a diplomatic mission or consular post in the DPRK, or of an international organisation enjoying immunities in accordance with international law, may be carried out.

PART 2

Non-UN designated persons

Prior obligations

8. To enable, by the use of a non-UN designated person’s frozen funds or economic resources, the satisfaction of an obligation of that person (whether arising under a contract, other agreement or otherwise), provided that—

- (a) the obligation—
 - (i) arose before the date on which the person became a non-UN designated person, and
 - (ii) does not relate to—
 - (aa) restricted goods or restricted technology,
 - (bb) armed forces goods or armed forces technology,
 - (cc) goods or technology for use by the armed forces of the DPRK, or
 - (dd) technical assistance, financial services, funds or brokering services related to restricted goods or restricted technology;
- (b) no payments are made to another designated person, whether directly or indirectly.

Extraordinary situation

9. To enable anything to be done to deal with an extraordinary situation.

PART 3

Interpretation

10. In this Schedule—

- (a) “armed forces goods” and “armed forces technology” have the same meaning as they have in Part 6;
- (b) “designated person” has the same meaning as it has in Part 4 (Finance);
- (c) “frozen funds or economic resources” means funds or economic resources frozen by virtue of regulation 13, and any reference to a person’s frozen funds or economic resources is to funds or economic resources frozen as a consequence of the designation of that person for the purposes of that regulation;

- (d) “restricted goods”, “restricted technology and “technical assistance” have the same meaning as they have in Part 6.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c.13) to establish a sanctions regime in relation to the Democratic People’s Republic of Korea (DPRK) for the purposes of implementing many of the obligations that the United Kingdom has under UN Security Council Resolution 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371(2017), 2375(2017), and 2397 (2017). They also have the purposes of restricting the ability of the DPRK to carry on its nuclear, biological or chemical weapons programmes, other weapons of mass destruction programmes and ballistic missile programmes, to promote the abandonment of those programmes and the decommissioning of the weapons, and to promote peace, security and stability on the Korean peninsula.

Following the UK’s withdrawal from the European Union, these Regulations replace the sanctions measures in relation to DPRK which are currently implemented through and under an EU Council Decision and Regulation.

Part 2 of the Regulations confers a power on the Secretary of State to designate persons who are, or have been, involved in certain activities, and makes provision for notification and publicity of such designations. It also provides for persons who are named by the UN to be designated persons. Designated persons are subject to various sanctions measures set out in subsequent Parts of the Regulations.

Part 3 of the regulations confers a power on the Secretary of State to specify ships for the purposes of various sanctions measures. It also makes provision in respect of notification and publicity where the power to specify a ship is used.

Chapter 1 of Part 4 provides for designated persons to be made subject to financial sanctions, including having their funds and/or economic resources frozen. Chapter 2 of Part 4 imposes further restrictions on the activities of designated persons and also on financial services, commercial activities and investment.

Part 5 provides for persons designated by the Secretary of State to be “excluded persons” under section 8B of the Immigration Act 1971, meaning generally that they must be refused leave to enter the United Kingdom and leave to remain in the United Kingdom, and any leave that has been granted is invalid.

Part 6 deals with trade restrictions on specified goods and technology. Related controls are also imposed on the provision of financial services and funds, technical assistance and brokering services. Chapter 1 deals with the restrictions on military and dual-use goods and technology, and other goods and technology related to arms and weapons of mass destruction (all as defined in the Regulations, including Schedule 2). Chapter 2 deals with restrictions on other goods. Chapter 3 deals with restrictions on certain services related to ships and aircraft.

Part 7 deals with restrictions on aviation and Part 8 with restrictions on shipping.

Part 9 provides for certain exceptions to this sanctions regime. Regulations 90, 91 and 92 also confer powers on the Secretary of State to issue licences in respect of activities that would otherwise be

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prohibited under the sanctions measures imposed by Parts 6, 7 and 8. Regulations 88 and 89 confer powers on the Treasury to issue licences or directions to authorise activities which would otherwise be prohibited by Part 4, or to issue directions that certain requirements in Part 4 have effect subject to exceptions. Schedule 3 to these Regulations sets out further provision about the purposes for which the Treasury will issue licences in some cases. Regulation 93 makes additional provision in relation to licences, and regulation 94 makes additional provision in relation to directions. Regulation 98 makes provision about directions in relation to the Immigration Act 1971. This Part also provides for related offences.

Part 10 of the Regulations confers powers for obtaining and disclosing information to enable the effective implementation and enforcement of the sanctions regime, and impose obligations on various persons to report relevant information to the appropriate (specified) authorities. In Part 11, the Regulations prescribe the mode of trial and penalties that apply to offences under the Regulations. They also provide for the application of similar types of provision in the Customs and Excise Management Act 1979 to certain offences related to trade.

In Part 12 the Regulations also confer powers on specified maritime enforcement officers to stop and search ships in international and foreign waters for the purpose of enforcing specified trade sanctions and to seize goods found on board ships which are being, or have been, dealt with in contravention, or deemed contravention, of those prohibitions.

Part 13 contains supplemental and transitional provision and revocations. Regulations 127 and 128 make provision in relation to the interaction of these Regulations with the Export Control Order. Regulations 129 and 130 amend or revoke a number of instruments which currently implement sanctions measures against the DPRK: Council Regulation (EU) No 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People's Republic of Korea and repealing Regulation (EC) No 329/2007, the North Korea (United Nations Sanctions) Order 2009, the Democratic People's Republic of Korea (European Union Financial Sanctions) Regulations 2017 and the Export Control (North Korea Sanctions) Order 2018.

The UN Security Council resolutions can be obtained from <https://www.un.org/securitycouncil/content/resolutions>. The lists approved by the Committee of the Security Council established by paragraph 12 of resolution 1718 (2016) which are referred to in regulation 64 are available from <https://www.un.org/securitycouncil/sanctions/1718/prohibited-items>.

The Harmonized Commodity Description and Coding System under the International Convention on the Harmonized System as done in Brussels on 14 June 1983 is available at <http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition/hs-nomenclature-2017-edition.aspx>. A copy may be inspected free of charge by arrangement with HM Revenue and Customs at 100 Parliament Street, London SW1A 2BQ.

An Impact Assessment has not been produced for these Regulations, as the instrument is intended to ensure existing sanctions remain in place following EU exit. This instrument is intended to substantially deliver the same policy effects as the existing EU sanctions. An impact assessment was, however, produced for the primary legislation and can be found at <https://publications.parliament.uk/pa/bills/lbill/20172019/0069/sanctions-and-anti-money-laundering-IA.pdf>.