

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

On Friday 29 January 2021, the Minister for External Relations (the “Minister”) made the Sanctions and Asset-Freezing (Implementation of External Sanctions) (Jersey) Order 2021 (the “Order”), under the Sanctions and Asset-Freezing (Jersey) Law 2019 (the “Law”). It will come into force on Friday 12 February.

This financial sanctions notice explains:

- What you need to know
- What will change and what will not
- What you need to do

Background and effect of the Order

Following the end of the UK-EU Withdrawal Agreement at the end of 2020, the UK ceased implementing EU sanctions, and its own UK sanctions regulations came into force. To remain aligned with the UK on sanctions, it is necessary for Jersey to implement the new UK sanctions regulations.

Jersey will no longer give effect to UN Security Council (UNSC) or autonomous EU sanctions regimes (i.e. non UNSC) by implementing the relevant EU regulations.* We will instead give effect to UNSC and autonomous UK sanctions regimes by implementing the relevant UK sanctions regulations made under the Sanctions and Money Laundering Act 2018 (SAMLA). This includes all relevant sanctions designations, including all asset-freeze designations. Jersey will continue to implement all UNSC, UK, and EU terrorist asset-freeze designations.

The UK sanctions regulations that will be implemented by the Order have been drafted to have substantially the same effect as the EU sanctions regulations they are replacing. However, though the regimes are largely the same, there are some differences now and there may be increased divergence over time.

Guidance and outreach

These differences include changes to those persons and entities subject to an asset-freeze. OFSI published a [Financial Sanctions Notice](#) on 31 December that listed changes to the [Consolidated List](#): some asset-freeze designations have been removed and are no longer in force (IMPORTANT: these changes will not take effect in Jersey until 12 February), and others have moved to different regimes. However, to date, there are no additional asset-freeze designations that are not already in force in Jersey. The consolidated list records all asset-freeze designations in force in the UK.

The UK also publishes the [UK sanctions list](#) that lists individuals, entities and ships that are designated or specified for an asset-freeze or other restriction (such as travel bans) under SAMLA. These designations will have effect in Jersey. (IMPORTANT: the UK sanctions list does not include asset-freeze designations that were not made under SAMLA regulations).

Schedule 1 to the Order sets out the UK sanctions regulations that will be implemented in Jersey. You can view the UK-specific guidance on individual UK sanctions regimes that have been published by the Office of Financial Sanctions Implementation (OFSI) on [gov.uk](#). This guidance includes an overview of the categories of prohibitions (e.g. asset-freezes, investment and financial services restrictions, trade restrictions etc.) in force under different regimes.

Jersey's own sanctions guidance is being updated and will be published on [gov.je](#) and the JFSC website on 12 February. A webinar is planned for Wednesday 3 March, with further details to follow. It is recommended that you review this guidance and attend the webinar.

Compliance and reporting obligations

The reporting obligations that apply are set out at Article 32 of the Law. These obligations include requirements for a relevant financial institution to inform the Minister if:

- It holds an account of a person, has entered into dealings or an agreement with a person or has been approached by or on behalf of a designated person, and
- It knows, or has reasonable cause to suspect, that the person is a designated person or has committed an offence, and
- The information or other matter on which the knowledge or reasonable cause for suspicion is based came to it in the course of carrying on its business.

You should continue to use the [suspected breach form](#) available from the JFSC website to report any suspected breach of financial sanctions and return the completed form to [sanctions@gov.je](#)

Column 5 of Schedule 1 to the Order sets out the regime-specific (e.g. Syria) non asset-freeze prohibitions in the UK regulations to which an offence will apply in Jersey. Other offences are set out in the Law and the Order.

There is no change to the maximum penalties for breaches of financial sanctions. The maximum custodial sentence for a breach of financial sanctions is a term of 7 years imprisonment.

Licences and exceptions

- Asset-freeze prohibitions: You should continue to use the [asset freeze licence form](#) to apply for a licence in respect of an asset-freeze and return the completed form to [sanctions@gov.je](#). The provisions on exceptions and licences for asset-freezes are set out in Part 3 of the Law. A licence may only be granted by the Minister if there is scope in the relevant UK regulations for an equivalent licence to be granted by the UK

Treasury. Exceptions to an asset-freeze that are set out in UK sanctions regulations do not apply in Jersey; however, they may be considered as a basis for an asset-freeze licence application.

- Non asset-freeze prohibitions: For licence applications that relate to non asset-freeze prohibitions you should apply in writing to the Minister at sanctions@gov.je. The provisions on exceptions and licences are set out in Part 3 of the Law. A licence may only be granted by the Minister if there is scope in the relevant UK regulations for an equivalent licence to be granted by the UK Treasury. Exceptions to a non asset-freeze prohibition that are set out in UK sanctions regulations apply in Jersey.
- UK General Licences will not apply to Jersey persons or institutions operating in Jersey; however, they may be considered as the basis for a licence application.

Merging, separation, and renaming of certain regimes

Some former EU regimes have been merged, separated or renamed by the UK to help reflect their purpose and policy intention. For example, persons designated under the Ukraine (Sovereignty and Territorial Integrity) and those businesses subject to restrictive measures under the current EU Regulations have moved to a new Russia sanctions regime.

Repeal of existing Jersey sanctions Orders

- The Sanctions and Asset-Freezing (Implementation of EU Regulations) (Jersey) Order 2020 (the “2020 Order”) will be repealed.
- The Sanctions and Asset-Freezing (UK Human Rights Designations) (Jersey) Order 2020 will be repealed and its effects incorporated.
- The Sanctions and Asset-Freezing (Designation of Lugovoy and Kovtun) (Jersey) Order 2020 will be repealed and its effects incorporated.

***UNSC regimes retained by implementation of EU Regulations**

The Order continues to implement 4 EU regulations (listed in Article 8 of the Order) in respect of Haiti, Iraq, Libya, and the former Federal Republic of Yugoslavia (Serbia and Montenegro), respectively, which are currently implemented under the 2020 Order, for which there are no corresponding UK regulations made under SAMLA.

These EU regulations implement 4 UNSC regimes from 1990-1994 that concern prohibitions against the satisfying of certain claims with regard to contracts and transactions whose performance is affected by the relevant UNSC resolutions.

Enquiries

Non-media enquiries, reports and licence applications should be addressed to:

Head of International Compliance
External Relations
Office of the Chief Executive
sanctions@gov.je