



Iran (nuclear proliferation)

Council Regulation (EU) No 267/2012

This notice is issued in respect of the restrictive measures directed by the Council of the European Union against Iran.

This Notice draws attention to Council Regulation (EU) No 267/2012, [“the Regulation”] and covers in detail only those elements of the Regulation for which the Treasury has responsibility in term of enforcement, namely the asset freezing measures in Chapter IV, and other financial measures in Chapter V. It also refers to certain other measures and should be read alongside the Regulation.

Council Regulation (EU) No 961/2010 [“the 2010 Regulation”] is revoked with effect from 24 March 2012 and replaced by this Regulation.

Introduction

1. On 23 January 2012, the Council adopted Decision 2012/35/CFSP (“the Decision”) which provides for additional measures, including: a ban on the purchase, import or transport from Iran of crude oil and petroleum products; a ban on the sale, purchase, transportation or brokering of gold, precious metals and diamonds to, from or for the Government of Iran; as well as an extension of the asset freezing measures.
2. Council Decision 2012/152/CFSP of 15 March 2012 (“the Second Decision”) provides for a ban on the supply of specialised financial messaging services used to exchange financial data.
3. Council Implementing Regulation (EU) No 54/2012 and Council Regulation (EU) No 56/2012 of 23 January 2012 implemented certain of the asset freezing measures in the Decision, including the designation of further individuals and entities. The Treasury’s notice of 24 January 2012 refers:

http://www.hm-treasury.gov.uk/d/fin_sanc_public_notice_reg54_56_240112.pdf

4. With the publication of Council Regulation (EU) No 267/2012 of 23 March 2012 in the Official Journal of the European Union (O.J. L88, 24.3.2012, p.1) on 24 March 2012, the Council has introduced the remaining additional measures in the Decision and the Second Decision into EU law by replacing Council Regulation (EU) No 961/2010 [“the 2010 Regulation”] with effect from 24 March 2012.
5. There are no changes to the list of persons designated under the Regulation.
6. A copy of the Regulation can be obtained from the Official Journal of the European Union website at:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:088:0001:0112:EN:PDF>
7. The measures contained in the EU Regulation are in addition to the requirements placed upon UK financial and credit institutions by the Direction given by the Treasury in the Financial Restrictions (Iran) Order 2011 (the “2011 Order”, made under Schedule 7 to the Counter-Terrorism Act 2008 (CTA)).
8. This notice covers the asset freezing provisions and the additional financial measures in the Regulation, and should be read in conjunction with the Regulation. This notice consists of eight further parts:-
 - Section I: Freezing of funds and economic resources;
 - Section II: Restrictions on transfers of funds to and from an Iranian person, entity or body;
 - Section III: Vigilance over activities with Iranian banks;
 - Section IV: Dealing with the Iranian banking sector;
 - Section V: Restrictions on Iran’s access to the EU’s bonds markets;
 - Section VI: Restrictions on Iran’s access to the EU’s insurance and reinsurance markets;
 - Section VII: Restrictions on the provision of insurance and reinsurance related to the import, purchase or transport of oil, petroleum products or petrochemical products, and
 - Section VIII: Restrictions on financing certain Iranian enterprises.

SECTION I

Freezing of funds and economic resources (Chapter IV to the Regulation)

9. Articles 23-26 and 29 of the Regulation broadly replicate the previous asset freezing measures contained in Regulation 961/2010.
10. Annex VIII to the Regulation lists persons designated by the United Nations Security Council or by the Sanctions Committee established pursuant to paragraph 18 of UNSCR 1737 (2006) in accordance with paragraph 12 of UNSCR 1737 (2006), paragraph 7 of UNSCR 1803 (2008) or paragraph 11, 12 or 19 of UNSCR 1929 (2010). Annex VIII replaces Annex VII to Regulation 961/2010.
11. Article 23(2) provides for the Council to identify persons, not designated by the United Nations Security Council or by the Sanctions Committee, as subject to the financial sanctions imposed by the Regulation. Such persons are listed in Annex IX to the Regulation. Annex IX replaces Annex VIII to Regulation 961/2010.
12. Article 23 states that all funds and economic resources belonging to, owned, held or controlled by persons in Annex VIII or Annex IX to the Regulation must be frozen. No funds or economic resources are to be made available, directly or indirectly, to or for the benefit of persons listed in Annex VIII or Annex IX unless authorised by the Treasury.
13. Article 23(3) prohibits the provision of specialised financial messaging services which are used to exchange financial data to the entities listed in Annex VIII and IX, unless the provision of those services is necessary for activity permitted under Articles 24-29.
14. Articles 24-29 of the EU Regulation enable activities that would otherwise breach the prohibitions to be authorised by the competent authorities of Member States, providing certain conditions are met.
15. Article 24 concerns obligations under prior judgments and liens. Article 25 concerns agreements, obligations and contracts concluded by designated persons prior to sanctions being imposed on them. Article 26 of the EU Regulation permits the making available of economic resources to a designated person to be authorised where the resources are necessary for the basic needs of the designated person, or where they are necessary for an extraordinary expense.

16. Article 27 enables the Treasury to authorise the payment of funds and economic resources into or from an account of a diplomatic or consular mission or an international organisation enjoying immunities in accordance with international law, insofar as such payments are intended to be used for official purposes of the diplomatic or consular mission or international organisation.
17. Article 28 provides a derogation with regards to the Central Bank of Iran which enables the Treasury to authorise certain payments to and from the Central Bank of Iran, provided that certain conditions are met.
18. Article 29 confirms that financial and credit institutions may credit frozen accounts where they receive funds transferred to the account of a listed person, provided that any additions to such accounts are also frozen. The Treasury must be informed of the credit without delay.

Licences

19. The 2010 Regulation had direct effect in the UK, but penalties for breach of its prohibitions, and provisions for the granting of licences, were contained in the Iran (European Union Financial Sanctions) Regulations 2010. Those Regulations have been replaced by the Iran (European Union Financial Sanctions) Regulations 2012, which provide penalties for breach of the new Regulation. Any existing licences issued in accordance with those Regulations under the authority of the 2010 Regulation are deemed to have been issued under the authority of the new Regulation. This means they remain valid and you do not need to apply for a new licence if HM Treasury has already granted one which remained in effect on 24 March 2012.

SECTION II

Restrictions on transfers of funds and on financial services (Chapter V to the Regulation – Article 30)

20. The requirements of Article 30 were previously set out in EU Regulation 961/2010, so are not new. They must continue to be complied with. In addition, the restrictions have been extended to cover non-electronic transfers.

21. The requirements of Article 30 are in addition to the requirements under the 2011 Order. The 2011 Order prohibits transactions with Iranian banks. Please refer to paragraph 79 of this notice for further guidance on the 2011 Order.

What are the requirements?

22. Article 30 of the Regulation sets out restrictions on the transfers of funds to and from an Iranian person, entity or body, and how transfers shall be processed.

Transfer value	Requirements
<u>€10,000 or less</u>	No requirements. These can be made as normal unless there are a series of transactions below €10,000 that appear to be linked. If this is the case, they should be notified to a competent authority.
<u>More than €10,000 but less than €40,000</u>	Must be <u>notified in advance</u> to a competent authority, whatever the transaction is for.
<u>€40,000 or above</u>	If they relate to foodstuffs, healthcare, medical equipment or humanitarian purposes, they must be <u>notified in advance</u> to a competent authority. They do not require prior authorisation from a competent authority. If they are for any other purpose, they must be <u>submitted to a competent authority in advance for authorisation</u> . They cannot be undertaken without prior authorisation.

What does 'transfers of funds to and from an Iranian person, entity or body' mean?

23. 'Transfer of funds' means

- any transaction carried out on behalf of a payer through a payment service provider by electronic means, with a view to making funds available to a payee at a payment service provider. This applies irrespective of whether the payer and the payee are the same person. The terms payer, payee and payment service provider have the same meaning as Regulation (EC) No 2007/64; or,
- any transaction by non-electronic means such as cash, cheques or accountancy orders, with a view to making funds available to a payee irrespective of whether the payer and the payee are the same person.

24. 'Iranian person, entity or body' is defined in Article 1(o) and means:

- (i) the State of Iran or any public authority thereof;
- (ii) any natural person in, or resident in, Iran;
- (iii) any legal person, entity or body having its registered office in Iran;
- (iv) any legal person, entity or body, inside or outside Iran, owned or controlled directly or indirectly by one or more of the above mentioned persons or bodies.

Which transfers are subject to the Regulation?

25. The restrictions apply to all transfers of funds to and from an Iranian person, entity or body. This means they are not limited to transfers of funds into and out of Iran. Persons falling within category (iv) of Article 1(o) could be outside Iran but be controlled directly or indirectly by a person in Iran. Transfers to or from these persons would be subject to the restrictions even if transfers take place entirely outside Iran. Similarly persons falling within category (iii) of Article 1(o) could be located outside Iran, for example, an overseas branch of an Iranian company.

Example 1: A transfer to or from an entity based outside Iran that is a subsidiary of an Iranian company is subject to the restrictions. This would be caught by category (iv) of Article 1(o).

Example 2: A transfer from an Iranian national resident outside Iran to a UK national (i.e. a person, entity or body not caught by (i)-(iv) above) is not subject to the restrictions in Article 30. This would not be caught by category (ii) of Article 1(o) because the individual is not in or resident in Iran.

26. Article 30(2) clarifies that the sums referred to in paragraph (1) and the associated obligations apply whether they are made as a single transfer or in several operations which appear to be linked. It also states that “operations which appear to be linked” include:

- a series of consecutive transfers from or to the same Iranian person, entity or body which are made in connection with a single obligation to a transfer of funds, where each individual transfer falls below the threshold set out in paragraph 1 but which, in the aggregate, meet the criteria for notification or authorization; or
- a chain of transfers involving different payment service providers or natural or legal persons which effects a single obligation to make a transfer of funds.

For example, multiple transfers of sums under €10,000 within a short space of time from the same person to a public authority in Iran are likely to trigger the requirement to notify in advance, or two or more transfers adding up to over €40,000 which relate to the same underlying transaction, may trigger the prior authorisation requirement. A transfer of funds which does not go directly to or from an Iranian person but passes via one or more intermediaries will also trigger the requirements of Article 30.

Are there any exemptions?

27. Where an exception exists or an authorisation has been granted, under Article 24, 25, 26, 27, or 28, Article 30 does not apply. If you are provided with evidence of an authorisation (from the Treasury or another Member State) under one of these Articles you may make the payment without further notification or authorisation. If you are unsure about the validity of an authorisation or licence, then you should contact the issuing competent authority to confirm its validity.

28. The requirement to seek prior authorisation for transactions of €40,000 or above does not apply if the transaction is for foodstuffs, healthcare, medical equipment or humanitarian purposes. These transactions will still be subject to the requirement to notify the competent authority in advance.

29. Any transaction that is declined by banks (the transfer is not therefore executed) does not need to be notified or authorised.

On what basis will transactions be authorised?

30. Transfers of funds of €40,000 or more which do not relate to foodstuffs, healthcare, medical equipment or humanitarian purposes must be authorised by a competent authority in advance. The authorisation must be given, subject to such terms and conditions as the competent authority deems appropriate, unless the authority has reasonable grounds to determine that the transfer of funds for which the authorisation is requested could be in breach of any of the prohibitions or obligations in this Regulation.
31. An authorisation shall be deemed granted, if the authority has received a request in writing for an authorisation and, within four weeks, has not objected in writing to the transfer of funds. If the objection is raised because an investigation is pending, the authority must state this in writing and communicate its decision as soon as possible.

Who should notify who in the case of electronic transfers of funds?

32. In respect of electronic transfers of funds, the terms 'payment service provider', 'payer' and 'payee' have the same meanings as under the Wire Transfer Regulation.

'Payment service provider' means a natural or legal person whose business includes the provision of transfer of funds services.

'Payer' means either a natural or legal person who holds an account and allows a transfer of funds from that account, or, where there is no account, a natural or legal person who places an order for a transfer of funds.

'Payee' means a natural or legal person who is the intended final recipient of transferred funds.

33. The Regulation requires that notifications and requests for authorisation relating to the transfer of funds to an Iranian person, entity or body shall be addressed by or on behalf of the payment service provider of the payer to the competent authorities of the Member State where the initial order to execute the transfer is given. For example, where the initial order to execute the transfer is given in the UK, the payment service provider must notify, or seek authorisation as appropriate from the Treasury.
34. Notifications and requests for authorisation relating to the transfer of funds from an Iranian person, entity or body must be addressed by or on behalf of the payment service provider of the payee to the competent authorities of the Member State in which the payee is resident or the payment service provider is established. For example, where a payee in the UK is to

receive a transfer of funds to an account with a bank in the UK, the bank must notify or seek authorisation as appropriate from the Treasury.

35. In cases where the payee is resident in a different Member State to that where the payment service provider is established, the payment service provider will be able to choose whether to notify or seek authorisation as appropriate from the competent authority of its home jurisdiction or the competent authority where its customer is resident. For example, if a French resident payee is to receive a transfer of funds into a UK bank account, the notification or request for authorisation could be made either to the French competent authority or to the Treasury.

36. Where the payment service provider of the payee or payer is not within EU jurisdiction, the Regulation provides that notifications and requests for authorisation should be addressed by the payer or payee to the competent authority of the Member State in which the payer or payee is resident. For example a UK payee who is to receive a transfer of funds from an Iranian person, entity or body into, say, a Canadian bank account, should himself notify or seek authorisation from the Treasury.

Who should notify who in the case of non-electronic transfers of funds?

37. In the case of transfers of funds which are effected by non-electronic means:

- notifications and requests for authorisation relating to transfers to an Iranian person, entity or body must be addressed by the payer to the competent authorities of the Member State where the payer is resident;
- Notifications and requests for authorisation relating to the transfers from an Iranian person, entity or body must be addressed by the payee to the competent authorities of the Member State in which the payee is resident.

38. If you enter into a contract, obligation or agreement under which you may need to make or receive a series of payments to or from an Iranian person, entity or body over a period of time, it is possible to seek a single authorisation to cover all payments under the contract. A copy of the underlying contract (e.g. loan facility, letter of credit) together with details of the schedule of payments and any other relevant information should be supplied with each notification or prior authorisation request. You should make clear on the application that you are seeking authorisation for all payments under the contract. If authorisation is

granted, no further prior authorisation would then be required, except in circumstances where actual payments differ from those scheduled under the contract.

39. The competent authority in the UK is the Treasury. Details of competent authorities for each Member State can be found in Annex X to the Regulation.

40. Notifications of transfers of funds and requests for the authorisation of transfers of funds made in accordance with Article 30 of the Regulation should be:

- made using the forms provided on the HM Treasury website http://www.hm-treasury.gov.uk/fin_sanctions_iran.htm#Prior_notificationauthorisation_forms and
- addressed to assetfreezingunit@hmtreasury.gsi.gov.uk
- with the title "NOTIFY" only in the subject line for notifications and "AUTHORISE" in the subject line for prior authorisation requests. By giving your email this subject line, you will generate a confirmation receipt for your notification or prior authorisation. For prior authorisations this will allow you to track when the four week notice period has elapsed.

41. Although it is our preference to handle notifications and prior authorisations by email, you may also contact us using the following details:

Sanctions and Illicit Finance Team (Asset Freezing Unit), HM Treasury
1 Horse Guards Road, London SW1A 2HQ
Telephone: 020 7270 5454, Fax: 020 7451 7677

SECTION III

VIGILANCE OVER ACTIVITIES WITH IRANIAN BANKS (Chapter V – Article 32)

42. Article 32 of the Regulation sets out requirements for credit and financial institutions within EU jurisdiction to exercise enhanced vigilance towards the credit and financial institutions set out at Article 32(2). These requirements were previously set out in EU Regulations 110/2008, and 961/2010. These requirements are not new. They must continue to be complied with.

What are the requirements?

43. The requirements apply to credit and financial institutions within EU jurisdiction, in their activities with:

- (a) Bureaux de change, credit and financial institutions domiciled in Iran, including the Central Bank of Iran;
- (b) branches and subsidiaries, within the EU, of credit and financial institutions and bureaux de change domiciled in Iran;
- (c) branches and subsidiaries, outside the EU, of credit and financial institutions and bureaux de change domiciled in Iran;
- (d) bureaux de change, credit and financial institutions that are not domiciled in Iran but are controlled by persons and entities domiciled in Iran.

44. The purpose of the requirements is to prevent such activities from contributing to proliferation-sensitive nuclear activities or to the development of nuclear weapon delivery systems.

45. Credit and financial institutions must:

- (a) exercise continuous vigilance over account activity, particularly through their programmes on customer due diligence and under their obligations relating to money laundering and financing of terrorism;
- (b) require that in payment instructions all information fields which relate to the originator and beneficiary of the transaction in question are completed and if that information is not supplied, refuse the transaction;
- (c) maintain all records of transactions for a period of five years and make them available to national authorities on request;
- (d) if they suspect or have reasonable grounds to suspect that funds are related to proliferation financing, promptly report their suspicions to the financial intelligence unit (FIU) or to another competent authority designated by the Member State concerned, as indicated on the websites listed in Annex X of the Regulation. .

46. These requirements for credit and financial institutions are complementary to existing obligations deriving from the Wire Transfer Regulation and from the Third Money Laundering Directive, implemented in the UK by the Money Laundering Regulations 2007.

SECTION IV

DEALINGS WITH THE IRANIAN BANKING SECTOR (Chapter V – Article 33)

47. The requirements of Article 33 were previously set out in EU Regulation 961/2010. These requirements are not new. They must continue to be complied with.

48. Under Article 33 (1) of the Regulation, it is prohibited for credit and financial institutions within EU jurisdiction to carry out certain activities in relation to:

- (a) credit and financial institutions domiciled in Iran, including the Central Bank of Iran;
- (b) branches and subsidiaries, within the EU, of credit and financial institutions domiciled in Iran;
- (c) branches and subsidiaries, outside the EU, of credit and financial institutions domiciled in Iran;
- (d) credit and financial institutions that are not domiciled in Iran but are controlled by persons and entities domiciled in Iran.

49. It is prohibited

- (a) to open a new bank account with such a credit or financial institution;
- (b) to establish a new correspondent banking relationship with such a credit or financial institution;
- (c) to open a new representative office in Iran or to establish a branch or subsidiary in Iran;
- (d) to establish a new joint venture with such a credit or financial institution.

50. The Financial Services Authority (FSA) is the regulator of the financial services industry in the UK.

51. Under Article 33(2) of the Regulation, it is prohibited:

- (a) to authorise the opening of a representative office or the establishment of a branch or subsidiary in the EU of a credit or financial institution referred to in Article 32(2);
- (b) to conclude agreements for, or on behalf of, a credit or financial institution referred to in Article 32(2) pertaining to the creation of a representative office, branch or subsidiary in the EU;
- (c) to grant an authorisation for taking up and pursuing the business of credit institution or for any other business requiring prior authorisation, by a representative office,

branch or subsidiary of a credit or financial institution referred to in Article 32(2), if the representative office, branch or subsidiary was not operational before 26 July 2010;

- (d) to acquire or extend a participation, or to acquire any other ownership interest in an EU credit or financial institution by any credit or financial institution referred to in Article 32(2).
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SECTION V

RESTRICTIONS ON IRAN'S ACCESS TO THE EU'S BOND MARKETS (Chapter V – Article 34)

52. The requirements of Article 34 were previously set out in EU Regulation 961/2010. These requirements are not new. They must continue to be complied with.

Public or Public Guaranteed Bonds issued after 26 July 2010

53. Under Article 34(1) of the Regulation, it is prohibited to sell or purchase public or public-guaranteed bonds issued after 26 July 2010, directly or indirectly, to or from any of the following:

- (i) Iran or its Government, and its public bodies, corporations and agencies;
- (ii) a credit or financial institution domiciled in Iran, including the Central Bank of Iran, or any credit or financial institution referred to in Article 32(2);
- (iii) a natural or legal person, entity or body acting on behalf or at the direction of a legal person entity or body referred to under (i) or (ii);
- (iv) a legal person, entity or body owned or controlled by a person, entity or body referred to under (i), (ii) or (iii).

54. It is also prohibited to provide brokering services to any such persons with respect to public or public-guaranteed bonds issued after 26 July 2010, or to assist any such person to issue public or public-guaranteed bonds, by providing brokering services, advertising or any other service with respect to such bonds.

SECTION VI

RESTRICTIONS ON IRAN'S ACCESS TO THE EU'S INSURANCE AND REINSURANCE MARKETS (Chapter V – Article 35)

55. Many of the requirements of Article 35 were previously set out in EU Regulation 961/2010. These requirements are not new. They must continue to be complied with. In addition, the restrictions have been extended to cover the provision of brokering services in relation to insurance and reinsurance.

56. Under Article 35(1) of the Regulation it is prohibited:

(a) to provide insurance or reinsurance or to broker the provision of insurance or reinsurance to:

- (i) Iran and its Government, and its public bodies, corporations and agencies;
- (ii) an Iranian person, entity or body other than a natural person; or
- (iii) a natural person or a legal person, entity or body when acting on behalf or at the direction of a legal person, entity or body referred to in (a) or (b).

57. The prohibition does not apply to the provision or brokering of compulsory or third party liability insurance or reinsurance to Iranian persons, entities or bodies based in the EU, nor to the provision of insurance for Iranian diplomatic or consular missions in the Union.

58. Nor does the prohibition apply to the provision of insurance or brokering of insurance, including health and travel insurance or reinsurance, to individuals acting in their private capacity, except for persons listed in Annex VIII and IX to the Regulation (i.e. persons to whom the asset freezing provisions apply).

59. It is not prohibited to provide insurance or reinsurance or brokering to the owner of a vessel, aircraft or vehicle chartered by Iran and its Government, and its public bodies, corporations and agencies; or an Iranian person, entity or body other than a natural person.

60. A person, entity or body is not considered to act at the direction of a person, entity or body referred to in sub-paragraphs (i) and (ii) where that direction is for the purposes of docking, loading or safe transit of a vessel or aircraft temporarily in Iranian waters or airspace.

61. Article 35 prohibits the extension or renewal of insurance and reinsurance agreements concluded before 27 October 2010 but, without prejudice to the prohibition on making available funds and economic resources to persons subject to the asset freezing provisions in Article 23(3), it does not prohibit compliance with agreements made before that date.

What does this mean?

62. Article 35 bans the provision of new insurance, reinsurance or the brokering of the provision of insurance or reinsurance to:

- (i) Iran and its Government, and its public bodies, corporations and agencies;
- (ii) an Iranian person, entity or body other than a natural person; or
- (iii) a person acting on behalf or at the direction of a person referred to under (i) and (ii);

It also bans the extension or renewal of insurance and reinsurance agreements concluded before 27 October 2010.

63. Compliance with agreements made prior to 27 October 2010 is not prohibited. This means existing contracts of insurance and reinsurance may run their course. However, they may not be extended or renewed. Activity pursuant to existing contracts, including the payment of claims, may continue, subject to compliance with any other relevant provision of the Regulation.

Who am I prohibited from insuring/reinsuring?

64. The ban applies to the provision of insurance or reinsurance to:

- (i) Iran and its Government, and its public bodies, corporations and agencies;
- (ii) an Iranian person, entity or body other than a natural person; or
- (iii) a person acting on behalf or at the direction of a person referred to under (i) and (ii).

'Iranian person, entity or body' is defined in Article 1(o) [see paragraph 4 of this Notice]. This definition applies here, but not in relation to anyone who is a natural person.

65. This means the insurance ban will apply to Iranian companies, and to a company owned or controlled by an Iranian company. For example, the prohibition applies to the provision of insurance to subsidiaries of Iranian companies outside Iran. The prohibition also applies to the provision of insurance or reinsurance to any person, including a natural person, when acting on behalf of such companies or entities. For example, insurance must not be provided to an official of an Iranian company when he is acting on behalf of the company. But, it does not apply to the provision of insurance to an Iranian resident in his or her private capacity.

How does this apply to reinsurance?

66. The ban applies to contracts of reinsurance provided by a reinsurer within the EU to any person or entity caught by Article 35 and also to contracts of reinsurance where the reinsurer is aware that the underlying insured is a person or entity caught by Article 35. For example, the prohibition will apply to reinsurance provided by a UK reinsurer to an Iranian insurer, regardless of who the underlying insured is. It will also apply to reinsurance provided by a UK reinsurer where the underlying insured is an Iranian company, regardless of where the insurer is based. Reasonable steps should be taken to ensure that contracts of this nature are identified and the prohibition applied. However, we recognise that the nature of some contracts of reinsurance means it will not be possible for the reinsurer to identify the underlying insured. This is reflected in Article 42(2) of the Regulation which sets out that –

the measures set out in the present Regulation shall not give rise to liability of any kind on the part of the natural or legal persons, entities or bodies concerned, if they did not know, and had no reasonable cause to suspect, that their actions would infringe these prohibitions.

Is anything exempt from the ban?

67. Yes. The ban does not apply to the provision of –

- (i) Any compulsory or third party insurance to Iranian persons, entities or bodies based in the EU;
- (ii) Insurance or reinsurance to Iranian individuals acting in their private capacity (except where those individuals are also designated persons for the purposes of the asset freeze under Article 23);
- (iii) Insurance or reinsurance to the owner of a vessel, aircraft or vehicle chartered by Iran and its Government, and its public bodies, corporations and agencies; or an Iranian person, entity or body other than a natural person.

68. Compulsory insurance will include any insurance that the Iranian person, entity or body is required to have in order to operate in the EU Member State in which they are based. Compulsory insurance will include, for example, employer's liability insurance covering injury or disease to their employees arising out of their employment. If you are not sure whether the insurance you provide falls into this category, please refer the details to the Treasury for consideration.

69. Determining whether an individual is acting in their private capacity for the purposes of implementing this prohibition will depend on the circumstances. For example, home insurance for an Iranian individual is very likely to be insurance for an individual acting in their private capacity.

Do all insurers, reinsurers and brokers have to apply the ban?

70. Any insurer, reinsurer or broker who has its registered office in an EU Member State or who operates there has to comply with the ban.

SECTION VII

Restrictions on the provision of insurance and reinsurance related to the import, purchase or transport of oil, petroleum products or petrochemical products

71. The Department of Business, Innovation and Skills are the competent authority in the UK for the purposes of this Chapter of the Regulation. However queries related to Articles 11(1)(d) and Articles 13(1)(d) and their associated exemptions/derogations can be addressed to the Treasury in the first instance.

72. Article 11(1)(d) prohibits the provision of financing or financial assistance, including financial derivatives and insurance and reinsurance, related to the import, purchase or transport of crude oil, petroleum products from Iran.

73. Article 12(1)(a) allows the provision of insurance, until 1 July 2012, where that insurance is necessary for the execution of a trade contract for the import, purchase or transport of crude oil, petroleum products from Iran which was concluded before 23 January 2012.

74. Article 12(2) allows the provision, until 1 July 2012, directly or indirectly, of third party liability insurance and environmental liability insurance and reinsurance.

75. Article 13(1)(d) prohibits the provision of financing or financial assistance, including financial derivatives and insurance and reinsurance, related to the import, purchase or transport of petrochemical products from Iran.

76. Article 14(1)(a) allows the provision of insurance, until 1 May 2012, where that insurance is necessary for the execution of a trade contract for the import, purchase or transport of petrochemical products from Iran which was concluded before 23 January 2012.

77. The measures affecting insurance (third party liability, environmental liability and reinsurance) will be reviewed before the end of the exemption period, taking account of the availability and price of crude oil and petroleum products produced in countries other than Iran and the impact on global oil markets, as well as the impact on third countries.

SECTION VIII

RESTRICTIONS ON FINANCING CERTAIN IRANIAN ENTERPRISES (Chapter III – Articles 17-22)

78. The Department of Business, Innovation and Skills are the competent authority in the UK for the purposes of this Chapter of the Regulation.

Relationship of these measures to other UK measures

79. The measures contained in the EU Regulation are in addition to the requirements placed upon UK financial and credit institutions by the Direction given by the Treasury in the 2011 Order, made under Schedule 7 to the Counter-Terrorism Act 2008 (CTA)). The 2011 Order directs that all UK financial and credit institutions cease business relationships and transactions with all banks incorporated in Iran, including all subsidiaries and branches of such banks, wherever located, and the Central Bank of Iran. The Order prohibits some activities that are permitted (in some cases, subject to certain requirements) under the EU Regulation. UK financial and credit institutions are required to comply with the 2011 Order and the EU Regulation.

80. Information related to the restrictions in place under the 2011 Order can be found here

http://www.hm-treasury.gov.uk/fin_restrictions_under_cta2008.htm

OTHER INFORMATION

81. Copies of relevant Releases, UN Security Council Resolutions, EU Regulations and UK legislation can be obtained from the Iran (nuclear proliferation) regime page on the financial sanctions pages of the Treasury website:

http://www.hm-treasury.gov.uk/fin_sanctions_iran_nuclear.htm.

Enquiries on Chapter IV and V of the Regulation

82. Non-media enquiries, reports and licence applications concerning the freezing of funds and economic resources (Chapter IV) should be addressed to:

Sanctions and Illicit Finance
Asset Freezing Unit
HM Treasury
1 Horse Guards Road
London SW1A 2HQ
E-mail: AFU@hmtreasury.gsi.gov.uk

83. Media enquiries should be addressed to the Treasury Press Office on 020 7270 5238.

Enquiries on Chapters II, III and VI of the Regulation

84. Non-media enquiries concerning:

- Export restrictions (Chapter II);
- Restrictions on financing certain enterprises (Chapter III);
- Restrictions on transport (Chapter VI).

should be addressed to:

Export Control Organisation
Department for Business Innovation and Skills
3rd Floor, 1 Victoria Street
London SW1H 0ET
E-mail: eco.help@bis.gsi.gov.uk
Telephone: 020 7215 4594 / Fax: 020 7215 2635
<http://www.bis.gov.uk/exportcontrol>

85. Non-media enquiries concerning:

- Import restrictions (Chapter II);

should be addressed to:

Import Policy
Department for Business Innovation and Skills
3rd Floor, 1 Victoria Street
London SW1H 0ET
E-mail: enquiries.ilb@bis.gsi.gov.uk
Telephone: 020 7215 4594 / Fax: 020 7215 2635
<http://www.bis.gov.uk/importlicensing>

HM Treasury
26/03/2012