

**2024 No. 1157**

**SANCTIONS**

**The Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2)  
Regulations 2024**

*Made* - - - - - *12th November 2024*

*Laid before Parliament* *14th November 2024*

*Coming into force in accordance with regulation 1(2)*

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The Secretary of State(a), considering that the condition in section 45(2) of the Sanctions and Anti-Money Laundering Act 2018(b) is met, makes the following Regulations in exercise of the powers conferred by sections 1, 3, 5, 15, 16, 17, 17A, 45(1)(b) and (2), 54(1) and (2)(a) and 62(4) of, and paragraphs 8, 9, 13(r) and (s) and 20 of Schedule 1 to, that Act.

### **Citation, commencement and extent**

1.—(1) These Regulations may be cited as the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2) Regulations 2024 and come into force in accordance with paragraph (2).

(2) These Regulations come into force on the 21st day after the day on which they are laid before Parliament, except the following provisions come into force six months after the day on which these Regulations are laid—

- (a) regulation 2(9);
- (b) regulation 3(14);
- (c) regulation 4(10);
- (d) regulation 5(10);
- (e) regulation 6(10);
- (f) regulation 7(7);
- (g) regulation 8(9);
- (h) regulation 9(9);
- (i) regulation 10(9);
- (j) regulation 11(9);
- (k) regulation 12(9);
- (l) regulation 13(9);
- (m) regulation 14(9);
- (n) regulation 15(12)(a), (c) and (d);
- (o) regulation 16(9);

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

(b) 2018 c. 13. Sections 1(5) and 15 are amended by the Economic Crime and Corporate Transparency Act 2023 (c. 56) (“the 2023 Act”), section 35(2) and (5). Section 16(1)(a) is amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10) (“the 2022 Act”), section 65. Section 17(5)(b)(i) is amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 443(1). Section 17(9)(a) is amended by the 2023 Act, section 214(3). Section 17A was inserted by the 2023 Act, section 214(4). Sections 1 and 45 are amended by the 2022 Act, sections 57 and 62.

- (p) regulation 17(9);
- (q) regulation 18(9);
- (r) regulation 19(9);
- (s) regulation 21(10);
- (t) regulation 22(7);
- (u) regulation 23(10);
- (v) regulation 24(9);
- (w) regulation 25(9);
- (x) regulation 26(7);
- (y) regulation 27(10);
- (z) regulation 28(7);
- (z1) regulation 29(10);
- (z2) regulation 30(9);
- (z3) regulation 31(11);
- (z4) regulation 32(9);
- (z5) regulation 33(9);
- (z6) regulation 34(7);
- (z7) regulation 35(9).

(3) These Regulations extend to England and Wales, Scotland and Northern Ireland.

#### **Amendment of the Venezuela (Sanctions) (EU Exit) Regulations 2019**

**2.—**(1) The Venezuela (Sanctions) (EU Exit) Regulations 2019<sup>(a)</sup> are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 33 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a

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<sup>(a)</sup> S.I. 2019/135, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 33 insert—

**“Finance: exception from prohibitions for required payments**

**33ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme)(a);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited(b).

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(a) 2000 c. 8; section 213 was amended by the Banking Act 2009 (c. 1), section 170(2); by the Financial Services Act 2012 (c. 21), Schedule 10, paragraph 3; by the Financial Services Act 2021 (c. 22), Schedule 8, paragraph 7; and by S.I. 2017/701, 2018/1149 and 2022/466.

(b) A company registered in England and Wales with number 02486368.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006 (entitlement to vote in ballot)(a);

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006 (arrangements with respect to business improvement districts);

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act (regulations: general)(b);

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 (listing particulars and other documents)(c) or supplementary listing particulars under section 81 of that Act (supplementary listing particulars)(d);
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than

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(a) 2006 asp 17.

(b) 2018 c. 13; section 54(6)(e) was amended by S.I. 2023/1424.

(c) Section 79 was amended by the Financial Services Act 2012, section 16(2) and (3)(a); and by S.I. 2005/1433 and 2024/105.

(d) Section 81 was amended by the Financial Services Act 2012, section 16(2) and (3)(a).

a payment under or by virtue of Part 3 of the Local Government Finance Act 1988 (non-domestic rating)(a);

- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977 (rating)(b);
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975 (finance)(c);
  - (ii) Part 3 of the Local Government Finance Act 1988(d);
  - (iii) Parts 1 (council tax: England and Wales) and 2 (council tax: Scotland) of the Local Government Finance Act 1992(e);
  - (iv) Part 4 of the Local Government Act 2003 (business improvement districts)(f);
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006 (business improvement districts);
  - (vi) the Business Rate Supplements Act 2009(g);
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013(h);

“firm” has the meaning given in section 1173(1) of the Companies Act 2006 (minor definitions)(i);

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000 (official listing);

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (constitution of councils)(j) or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;

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(a) 1988 c. 41.

(b) S.I. 1977/2157 (N.I. 28). Section 1(4) of the Departments Act (Northern Ireland) 2016 (c. 5) renamed the Department of Finance and Personnel (as referenced in the 1977 Order) the Department of Finance.

(c) 1975 c. 30.

(d) 1988 c. 41.

(e) 1992 c. 14.

(f) 2003 c. 26.

(g) 2009 c. 7.

(h) 2013 c. 5 (N.I.).

(i) 2006 c. 46.

(j) 1994 c. 39; section 2 was amended by paragraph 232(1) of Schedule 22 to the Environment Act 1995 (c. 25).

(d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000 (primary information providers)(a);

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC(b);

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000 (part 6 rules)(c);

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000 (the scheme manager)(d);

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000 (sponsors)(e).”.

(6) In regulation 37(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 41 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), funds or economic resources are to be treated as owned, held or controlled by a designated person if they are owned, held or

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(a) Section 89P was inserted by the Financial Services Act 2012, section 19(1).

(b) EUR 2017/1129. Regulation (EU) 2017/1129 is revoked by section 1(1) of the Financial Services and Markets Act 2023 (c. 29) (not yet fully in force).

(c) Section 73A was inserted by S.I. 2005/381; subsection (4) was added by S.I. 2005/1433 and is repealed by S.I. 2024/105 (not yet fully in force).

(d) Section 212 was amended by the Financial Services Act 2012, Schedule 10, paragraph 2, the Financial Services (Banking Reform) Act 2013 (c. 33), section 16, and the Financial Services and Markets Act 2023, section 62(2).

(e) Section 88 was amended by the Financial Services Act 2012, section 16(2) and (3)(f).

controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 41 insert—

**“Finance: reporting obligations for required payments**

**41A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 33ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 33ZA(8);

“required payment” has the meaning given in regulation 33ZA(2).”.

(9) In regulation 42 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (requirement to be registered)(a).

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(a) S.I. 2017/692; relevant amending instruments are S.I. 2019/1511 and 2020/991.



(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods)(a), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 (meaning of “act as insolvency practitioner”)(b) or Article 3 of the Insolvency (Northern Ireland) Order 1989 (“act as insolvency practitioner”)(c).

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

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(a) 1994 c. 23; section 21(6) was originally inserted by the Finance Act 1995 (c. 4); subsections (6) to (6B) were inserted by section 12(2) of the Finance Act 1999 (c. 16).

(b) 1986 c. 45; section 388 was amended by the Bankruptcy (Scotland) Act 1993 (c. 6), section 11(1); by the Insolvency Act 2000 (c. 39), section 4(2); by the Deregulation Act 2015 (c. 20), Schedule 6, paragraph 2(11)(f); by the Corporate Insolvency and Governance Act 2020 (c. 12), Schedule 3, paragraph 21; and by S.I. 1994/2421, 2002/1240, 2002/2708, 2009/1941, 2016/1034 and 2019/146.

(c) S.I. 1989/2405 (N.I. 19). Article 3 was amended by the Insolvency (Amendment) Act (Northern Ireland) 2016 (c. 2) (N.I.), Schedule 4; by the Corporate Insolvency and Governance Act 2020 (c. 12), Schedule 7, paragraph 4; by S.R. 1995/225, 2002/334 and 2003/550; by S.I. 2002/3152 (N.I. 6); and by S.I. 2009/1941 and 2019/146.

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 49A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations(a) contained in these Regulations”.

(11) In regulation 74 (transitional provisions: prior obligations), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 4 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
““frozen account” has the meaning given in regulation 33(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc) substitute—

#### **“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 9 (prior obligations) insert—

#### **“Insolvency**

**10.—**(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or

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(a) “Sanctions regulations” has the meaning given in section 1(5) of the Sanctions and Anti-Money Laundering Act 2018; section 1(5) was amended by the Economic Crime and Corporate Transparency Act 2023, section 35(2).

(c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),  
provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986(a), Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989(b) and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006 (arrangements and reconstructions: general);
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006 (arrangements and reconstructions: companies in financial difficulty)(c);
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016(d);

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000 (winding up, write-down orders, etc)(e);
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005(f);
  - (iii) Parts 1 to 3 of the Banking Act 2009(g) (including Parts 2 and 3 as applied to building societies(h) by section 90C of the Building

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(a) 1986 c. 45; Part A1 was inserted by the Corporate Insolvency and Governance Act 2020, section 1(1).

(b) S.I. 1989/2405 (N.I. 19); Part 1A was inserted by the Corporate Insolvency and Governance Act 2020, section 4(1).

(c) Part 26A was inserted by the Corporate Insolvency and Governance Act 2020, Schedule 9, paragraph 1.

(d) 2016 asp 21.

(e) 2000 c. 8; section 367 was amended by the Financial Services Act 2012, Schedule 14, paragraph 14; by the Financial Services and Markets Act 2023 (c. 29), section 1(1), Schedule 1, Part 4 (to be appointed); and by S.I. 2015/575. Sections 377A to 377J were inserted by the Financial Services and Markets Act 2023, Schedule 12, paragraph 1(4). Schedule 19C was inserted by the Financial Services and Markets Act 2023, Schedule 13, paragraph 1(3).

(f) S.I. 2005/1998.

(g) 2009 c. 1.

(h) A “building society” is defined in section 119(1) of the Building Societies Act 1986 (c. 53).

Societies Act 1986 (application of bank insolvency and administration legislation to building societies)(a);

- (iv) the Investment Bank Special Administration Regulations 2011(b);
- (v) Part 6 of the Financial Services (Banking Reform) Act 2013 (special administration for operators of certain infrastructure systems)(c);
- (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021(d);
- (vii) Schedule 11 to the Financial Services and Markets Act 2023 (central counterparties)(e);

(b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 (administration)(f) or Schedule B1 to the Insolvency (Northern Ireland) Order 1989 (administration)(g), and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

### **Amendment of the Democratic People’s Republic of Korea (Sanctions) (EU Exit) Regulations 2019**

3.—(1) The Democratic People’s Republic of Korea (Sanctions) (EU Exit) Regulations 2019(h) are amended as follows.

(2) In regulation 15 (making funds available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 17 (making economic resources available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) Omit regulation 27 (land).

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(a) 1986 c. 53. Section 90C was inserted by S.I. 2009/805.

(b) S.I. 2011/245.

(c) 2013 c. 33.

(d) S.I. 2021/716.

(e) 2023 c. 29.

(f) Schedule B1 was inserted by the Enterprise Act 2002 (c. 40), Schedule 16.

(g) Schedule B1 was inserted by S.I. 2005/1455 (N.I. 10).

(h) S.I. 2019/411, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2019/843, 2020/591, 2020/950, 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

(5) In the heading of Chapter 2 of Part 6 (Trade) for “and services” substitute “, services and land”.

(6) After regulation 57 (financial support for trade) insert—

**“Land**

**57A.**—(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.”.

(7) In regulation 81 (asset-freeze etc.: exceptions from prohibitions), after paragraph (12) insert—

“(13) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (11), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(14) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(8) After regulation 81 insert—

**“Asset-freeze etc.: exception from prohibitions for required payments**

**81ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

- (a) a non-UN designated person is required to make under or by virtue of any enactment to—
  - (i) the registrar of companies,
  - (ii) the Commissioners,
  - (iii) the Welsh Revenue Authority,
  - (iv) Revenue Scotland,
  - (v) the Financial Conduct Authority,
  - (vi) the Secretary of State,
  - (vii) the Welsh Ministers,
  - (viii) the Department of Finance in Northern Ireland, or

(ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 13 (asset-freeze in relation to designated persons) and 15 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 13 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

(a) does not include a UN designated person, and

(b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

(a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);

(b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

(a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,

(b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and

(c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

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

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

(a) the registrar of companies, a payment of fees for—

(i) the incorporation of a firm;

(ii) the restoration of a firm to a register which is administered by the registrar;

- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;

- (iv) the Common Council of the City of London in its capacity as a local authority;
- (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“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).”.

(9) In paragraphs (1) and (2) of regulation 82 (land: exceptions from prohibitions), for “27” substitute “57A”.

(10) In regulation 88 (Treasury licences)—

- (a) in paragraph (3), for “Schedule 3” substitute “Part 1 or 2 of Schedule 3”;
- (b) in paragraph (4), after “Part 1” insert “or 1A”;
- (c) after paragraph (7) insert—

“(8) The reference in paragraph (3) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.



(9) The reference in paragraph (4) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(11) In regulation 93(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(12) In regulation 99 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

- (c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(13) After regulation 99 insert—

**“Finance: reporting obligations for required payments**

**99A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“reimbursement payment” has the meaning given in regulation 81ZA(8) (finance: exception from prohibitions for required payments);

“required payment” has the meaning given in regulation 81ZA(2).”.

(14) In regulation 100 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

- “(j) a high value dealer;
- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;

- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
  - (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
  - (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;
- (c) after paragraph (5)(d) insert—
- “(da) in the case of a relevant firm within paragraph (1)(k)—
- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
  - (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.
- (15) In regulation 108A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.
- (16) In regulation 134 (transitional provisions: prior obligations etc.), in paragraph (3)(b), for “5(b)(i)” substitute “7A(b)(i)”.
- (17) In Schedule 3 (Treasury licences: purposes)—
- (a) in Part 1 (designated persons), omit paragraph 5 (pre-existing judicial decisions etc.);
  - (b) after Part 1 insert—

## “PART 1A

### Purposes relating only to UN designated persons

#### **Pre-existing judicial decisions etc.**

**7A.** 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.”;
- (c) in Part 2 (non-UN designated persons), after paragraph 9 (extraordinary situation) insert—

#### **“Insolvency**

**9A.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,

- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

**Judicial decisions etc.**

**9B.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 13;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;
- (d) in Part 3, in paragraph 10 (interpretation)—
  - (i) the existing text becomes sub-paragraph (1);
  - (ii) in sub-paragraph (1), after paragraph (b) insert—
 

“(ba) “frozen account” has the meaning given in regulation 81(11);”;
  - (iii) after sub-paragraph (1) insert—
 

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 7A or 8 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”.

**Amendment of the Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019**

**4.—**(1) The Democratic Republic of the Congo (Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 16 (making economic resources available for benefit of designated person), after paragraph (3) insert—

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(a) S.I. 2019/433, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/591, 2020/950, 2021/1041, 2022/500, 2022/819, 2022/1236, 2023/121, 2023/149, 2024/644.

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 31 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 31 insert—

**“Finance: exception from prohibitions for required payments**

**31ZZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a non-UN designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this

regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,
- (b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and
- (c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;

- (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“non-UN designated person” means a person—

- (a) who is designated under regulation 5 for the purposes of regulations 12 to 16 (asset-freeze etc.), and
- (b) whose designation, in the opinion of the Secretary of State, is not required by a provision mentioned in regulation 4(3);



“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 12 to 16 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 12 to 16 and whose designation is (in the opinion of the Secretary of State) required by a provision mentioned in regulation 4(3).”.

(6) In regulation 33 (Treasury licences)—

- (a) in paragraph (2), for “Schedule 2” substitute “Part 2 or 3 of Schedule 2”;
- (b) in paragraph (3), after “Part 2” insert “or 2A”;
- (c) after paragraph (4) insert—

“(5) The reference in paragraph (2) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(6) The reference in paragraph (3) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(7) In regulation 35(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(8) In regulation 39 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;

(b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(9) After regulation 39 insert—

**“Finance: reporting obligations for required payments**

**39A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“non-UN designated person” has the meaning given in regulation 31ZZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 31ZZA(8);

“required payment” has the meaning given in regulation 31ZZA(2).”.

(10) In regulation 40 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(11) In regulation 47A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(12) In regulation 72 (transitional provisions: prior obligations), in paragraph (3)(b), for “6(b)(i)” substitute “7A(b)(i)”.

(13) In Schedule 2 (Treasury licences: purposes)—

(a) in Part 1, in paragraph 1 (interpretation)—

(i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 31(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 7A or 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) in Part 2 (purposes), omit paragraph 6 (pre-existing judicial decisions etc);

(c) after Part 2 insert—

## “PART 2A

### Purposes relating only to UN designated persons

#### **Pre-existing judicial decisions etc.**

**7A.** 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.”;

(d) in Part 3 (purposes relating only to non-UN designated persons), after paragraph 11 (diplomatic missions) insert—

## **“Insolvency**

**12.—**(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

#### **Judicial decisions etc.**

**13.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”.

#### **Amendment of the South Sudan (Sanctions) (EU Exit) Regulations 2019**

**5.—(1)** The South Sudan (Sanctions) (EU Exit) Regulations 2019<sup>(a)</sup> are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 16 (making economic resources available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 31 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the

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(a) S.I. 2019/438, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2019/1236, 2020/591, 2020/950, 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 31 insert—

**“Finance: exception from prohibitions for required payments**

**31ZZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a non-UN designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,

- (b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and
- (c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;



(e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—

- (i) Part 1 of the Local Government (Scotland) Act 1975;
- (ii) Part 3 of the Local Government Finance Act 1988;
- (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“non-UN designated person” means a person—

- (a) who is designated under regulation 5 for the purposes of regulations 12 to 16 (asset-freeze etc.), and
- (b) whose designation, in the opinion of the Secretary of State, is not required by a provision mentioned in regulation 4(3);

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 12 to 16 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 12 to 16 and whose designation is (in the opinion of the Secretary of State) required by a provision mentioned in regulation 4(3).”.

(6) In regulation 33 (Treasury licences), after paragraph (4) insert—

“(5) The reference in paragraph (2) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(6) The reference in paragraph (3) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(7) In regulation 35(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(8) In regulation 39 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(9) After regulation 39 insert—

**“Finance: reporting obligations for required payments**

**39A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“non-UN designated person” has the meaning given in regulation 31ZZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 31ZZA(8);

“required payment” has the meaning given in regulation 31ZZA(2).”.

(10) In regulation 40 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(11) In regulation 47A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(12) In regulation 72 (transitional provisions: prior obligations), in paragraph (3)(b), for “6(b)(i)” substitute “6B(b)(i)”.

(13) In Schedule 2 (Treasury licences: purposes)—

- (a) in Part 1, in paragraph 1 (interpretation)—
  - (i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 31(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraphs 6A, 6B or 7 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

- (b) in Part 2 (purposes), omit paragraph 6 (pre-existing judicial decisions etc);
- (c) in Part 2A (purposes relating only to UN designated persons), after paragraph 6A (prior obligations) insert—

**“Pre-existing judicial decisions etc.**

**6B.** 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.”;
- (d) in Part 3 (purposes relating only to non-UN designated persons), after paragraph 9 (extraordinary situation) insert—

**“Insolvency**

**10.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—

- (i) proceedings under Chapter 3 of Part 4 (members' voluntary winding up) of the Insolvency Act 1986, and
- (ii) proceedings under Chapter 3 of Part 5 (members' voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd's) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

### **Judicial decisions etc.**

**11.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;

- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”.

### **Amendment of the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019**

6.—(1) The Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019<sup>(a)</sup> are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated person), after paragraph

(3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 16 (making economic resources available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 37 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 37 insert—

#### **“Finance: exception from prohibitions for required payments**

**37ZZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

- (a) a non-UN designated person is required to make under or by virtue of any enactment to—
  - (i) the registrar of companies,
  - (ii) the Commissioners,
  - (iii) the Welsh Revenue Authority,
  - (iv) Revenue Scotland,

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<sup>(a)</sup> S.I. 2019/461, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2019/843, 2020/591, 2020/950, 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,
- (b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and
- (c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—



- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—

- (i) a district council;
- (ii) a county council for any area for which there is no district council;
- (iii) a London borough council;
- (iv) the Common Council of the City of London in its capacity as a local authority;
- (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means a person who is a designated person for the purposes of regulations 12 to 17 by reason of regulation 10 (designation of persons named by or under UN Security Council Resolutions).”.

(6) In regulation 40 (Treasury licences)—

- (a) in paragraph (2), for “Schedule 2” substitute “Part 1 or 2 of Schedule 2”;
- (b) in paragraph (3), after “Part 1” insert “or 1A”;
- (c) after paragraph (4) insert—

“(5) The reference in paragraph (2) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(6) The reference in paragraph (3) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(7) In regulation 42(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
  - (b) for “issues, varies, revokes or suspends” substitute “issues”;
  - (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
  - (d) for “that person” substitute “P”.
- (8) In regulation 46 (finance: reporting obligations)—
- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (9) After regulation 46 insert—

**“Finance: reporting obligations for required payments**

**46A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“reimbursement payment” has the meaning given in regulation 37ZZA(8) (finance: exception from prohibitions for required payments);

“required payment” has the meaning given in regulation 37ZZA(2).”.

(10) In regulation 47 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;

- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
  - (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;
- (c) after paragraph (5)(d) insert—
- “(da) in the case of a relevant firm within paragraph (1)(k)—
- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
  - (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.
- (11) In regulation 54A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.
- (12) In regulation 78 (transitional provisions: prior obligations), in paragraph (3)(b), for “5(b)(i)” substitute “7A(b)(i)”.
- (13) In Schedule 2 (Treasury licences: purposes)—
- (a) in Part 1 (designated persons), omit paragraph 5 (pre-existing judicial decisions etc);
  - (b) after Part 1 insert—

## “PART 1A

### Purposes relating only to UN designated persons

#### **Pre-existing judicial decisions etc.**

**7A.** 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.”;
- (c) in Part 2 (non-UN designated persons), after paragraph 10 (extraordinary situation) insert—

#### **“Insolvency**

**10A.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or

- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and

- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

**Judicial decisions etc.**

**10B.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;
- (d) in Part 3, in paragraph 11 (interpretation)—
  - (i) the existing text becomes sub-paragraph (1);
  - (ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 37(7);”;
  - (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 6 or 7A when C became a designated person, C is to be treated as having become a designated person at the same time as P.”.

**Amendment of the ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019**

7.—(1) The ISIL (Da’esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 10 (making funds available for the benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 12 (making economic resources available for the benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the

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(a) S.I. 2019/466, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2019/843, 2020/591, 2020/950, 2020/1289, 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

- (4) In regulation 27 (finance: exceptions from prohibitions), after paragraph (9) insert—

“(10) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (8), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(11) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

- (5) In regulation 29(5) (Treasury licences)—

- (a) after “Where the Treasury” insert “, on the application of a person (“P”),”;
- (b) for “issue, vary, revoke or suspend” substitute “issue”;
- (c) after “particular person” insert “, or vary, revoke or suspend that licence,”;
- (d) for “that person” substitute “P”.

- (6) In regulation 31 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

- (c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

- (7) In regulation 32 (“relevant firm”)—

- (a) after paragraph (1)(i) insert—

- “(j) a high value dealer;
- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;



(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(8) In regulation 37A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(9) In Schedule 2 (Treasury licences: purposes), in paragraph 1 (interpretation)—

(a) the existing text becomes sub-paragraph (1);

(b) in sub-paragraph (1), in the definition of “frozen funds or economic resources”, for “9” substitute “8”;

(c) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.”.

#### **Amendment of the Republic of Guinea-Bissau (Sanctions) (EU Exit) Regulations 2019**

**8.—(1)** The Republic of Guinea-Bissau (Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the

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(a) S.I. 2019/554, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 18A (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exception from prohibitions for required payments**

**18B.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 21(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 24 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 24 insert—

**“Finance: reporting obligations for required payments**

**24A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 18B(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 18B(8);

“required payment” has the meaning given in regulation 18B(2).”.

(9) In regulation 25 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash

of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 29A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 41 (transitional provisions: prior obligations etc), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
 ““frozen account” has the meaning given in regulation 18(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 9 (prior obligations) insert—

**“Insolvency**

**10.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—



“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

## **Amendment of the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019**

9.—(1) The Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 13 (making funds or financial services available for the benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds or financial services available to any person for the benefit of a designated person includes making funds or financial services available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for the benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 29 (finance: exceptions from prohibitions), after paragraph (9) insert—

“(10) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (8), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(11) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 29 insert—

### **“Finance: exception from prohibitions for required payments**

**29ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or

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(a) S.I. 2019/573, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2019/843, 2020/591, 2020/950, 2020/1289, 2022/500, 2022/819, 2023/149, 2024/644, 2024/946.

(ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds or financial services available for the benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

(a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);

(b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

(a) the registrar of companies, a payment of fees for—

(i) the incorporation of a firm;

(ii) the restoration of a firm to a register which is administered by the registrar;

(b) the Financial Conduct Authority, a payment of fees for—

(i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;

(ii) an application for a variation of such permission, authorisation, registration or recognition;

(iii) an application for listing or for eligibility for listing;

(iv) an application for review or approval of a document relating to listing;

- (v) an application for approval as a sponsor or primary information provider;
- (vi) an application for review or approval of—
  - (aa) a document under the prospectus rules or the prospectus regulation;
  - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 31B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 34 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

- (c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 34 insert—

## **“Finance: reporting obligations for required payments**

**34A.—**(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 29ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 29ZA(8);

“required payment” has the meaning given in regulation 29ZA(2).”.

(9) In regulation 35 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 40A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

### **Amendment of the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019**

**10.—(1)** The Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 13 (making funds or financial services available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds or financial services available to any person for the benefit of a designated person includes making funds or financial services

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(a) S.I. 2019/577, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/950, 2020/1289, 2022/500, 2022/819, 2023/149, 2024/644, 2024/946.

available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 17 (finance: exceptions from prohibitions), after paragraph (9) insert—

“(10) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (8), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(11) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 17 insert—

**“Finance: exception from prohibitions for required payments**

**17ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds or financial services available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.



(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than

a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;

- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 19B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 21 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

- (c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 21 insert—

**“Finance: reporting obligations for required payments**

**21A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 17ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 17ZA(8);

“required payment” has the meaning given in regulation 17ZA(2).”.

(9) In regulation 22 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

(i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

(i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or

(ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 26A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

### **Amendment of the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019**

**11.—(1)** The Republic of Belarus (Sanctions) (EU Exit) Regulations 2019<sup>(a)</sup> are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

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(a) S.I. 2019/600, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2021/1146, 2022/500, 2022/748, 2022/818, 2023/149, 2023/616, 2024/643.

(4) In regulation 30 (asset-freeze etc.: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 30 insert—

**“Asset-freeze etc.: exception from prohibitions for required payments**

**30ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;

- (ii) Part 3 of the Local Government Finance Act 1988;
- (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 34(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;



- (b) for “issues, varies, revokes or suspends” substitute “issues”;
  - (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
  - (d) for “that person” substitute “P”.
- (7) In regulation 38 (finance: reporting obligations)—
- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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.
    - (4D) Paragraphs (4A) and (4B) do not apply where P is a designated person who is required to report to the Treasury in accordance with regulation 38A(1) or (2) (designated persons: reporting obligations), except in so far as P is a designated person who holds funds or economic resources for another designated person.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (8) After regulation 38 insert—

**“Finance: reporting obligations for required payments**

**38ZA.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 30ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 30ZA(8);

“required payment” has the meaning given in regulation 30ZA(2).”.

(9) In regulation 39 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

- “(j) a high value dealer;
- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;

- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 46A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 71 (transitional provisions: prior obligations), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 3 (Treasury licences: purposes)—

(a) in Part 1 (asset-freeze etc.), in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
““frozen account” has the meaning given in regulation 30(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) in Part 1, for paragraph 6 (pre-existing judicial decisions etc) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) in Part 1, after paragraph 10B (food) insert—

**“Insolvency**

**10C.—**(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;

(vii) Schedule 11 to the Financial Services and Markets Act 2023;

(b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

(a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and

(b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”;

(d) in Part 2 (loans and credit), after paragraph 14B (food) insert—

#### **“Insolvency**

**14C.**—(1) To enable anything to be done in connection with—

(a) any insolvency and restructuring proceedings relating to an insolvent person,

(b) any other relevant proceedings relating to a person other than an individual, or

(c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) Expressions used in this paragraph have the same meaning as they have in paragraph 10C of this Schedule.”;

(e) in Part 4 (foreign exchange reserve and asset management services) after paragraph 24 (extraordinary situation) insert—

#### **“Insolvency**

**25.**—(1) To enable anything to be done in connection with—

(a) any insolvency and restructuring proceedings relating to an insolvent person,

(b) any other relevant proceedings relating to a person other than an individual, or

(c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) Expressions used in this paragraph have the same meaning as they have in paragraph 10C of this Schedule.”.

### **Amendment of the Zimbabwe (Sanctions) (EU Exit) Regulations 2019**

**12.**—(1) The Zimbabwe (Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated person), after paragraph (3) insert—

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(a) S.I. 2019/604, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 31 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 31 insert—

**“Finance: exceptions from prohibitions for required payments**

**31ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;

- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;



“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 35(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 39 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 39 insert—

#### **“Finance: reporting obligations for required payments**

**39A.—**(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 31ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 31ZA(8);

“required payment” has the meaning given in regulation 31ZA(2).”.

(9) In regulation 40 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

(i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

(i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or

(ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more.”.

(10) In regulation 47A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 72 (transitional provisions: prior obligations), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 3 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
““frozen account” has the meaning given in regulation 31(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

### **“Judicial decisions etc**

6. To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 9 (prior obligations) insert—

### **“Insolvency**

10.—(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—

- (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;
- “special administration regime” means provision made by an enactment for an insolvency procedure that—
- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
  - (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

#### **Amendment of the Chemical Weapons (Sanctions) (EU Exit) Regulations 2019**

**13.**—(1) The Chemical Weapons (Sanctions) (EU Exit) Regulations 2019<sup>(a)</sup> are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a

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<sup>(a)</sup> S.I. 2019/618, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 18A (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exceptions from prohibitions for required payments**

**18B.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

(a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);

(b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;

- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 21(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;



- (d) for “that person” substitute “P”.
- (7) In regulation 24 (finance: reporting obligations)—
  - (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (8) After regulation 24 insert—

**“Finance: reporting obligations for required payments**

**24A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 18B(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 18B(8);

“required payment” has the meaning given in regulation 18B(2).”.

(9) In regulation 25 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;

(d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 29A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 41 (transitional provisions: prior obligations etc), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

(i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 18(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc) substitute—

#### **“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

(a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;

(b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 9 (prior obligations) insert—

#### **“Insolvency**

**10.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

**Amendment of the Syria (Sanctions) (EU Exit) Regulations 2019**

14.—(1) The Syria (Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 55 (asset-freeze etc: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 55 insert—

**“Asset-freeze etc.: exception from prohibitions for required payments**

55A.—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

- (a) a designated person is required to make under or by virtue of any enactment to—
  - (i) the registrar of companies,
  - (ii) the Commissioners,
  - (iii) the Welsh Revenue Authority,
  - (iv) Revenue Scotland,

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(a) S.I. 2019/792, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2022/500, 2022/818, 2023/149, 2024/643, 2024/833.

- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Chapter 1 of Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;

- (ii) an application for a variation of such permission, authorisation, registration or recognition;
- (iii) an application for listing or for eligibility for listing;
- (iv) an application for review or approval of a document relating to listing;
- (v) an application for approval as a sponsor or primary information provider;
- (vi) an application for review or approval of—
  - (aa) a document under the prospectus rules or the prospectus regulation;
  - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;

(c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;

(d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 64(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 69 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;



(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 69 insert—

**“Finance: reporting obligations for required payments**

**69A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 55A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 55A(8);

“required payment” has the meaning given in regulation 55A(2).”.

(9) In regulation 70 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 77A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 103 (transitional provisions: prior obligations), omit paragraph (2)(b)(i).

(12) In Schedule 6 (Treasury licences: purposes)—

- (a) in Part 1, in paragraph 1 (interpretation)—
  - (i) the existing text becomes sub-paragraph (1);
  - (ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 55(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 15 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) in Part 2 (financial sanctions in Chapter 1 of Part 3), for paragraph 6 (pre-existing judicial decisions etc) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) in Part 2, after paragraph 16 insert—

**“Insolvency**

**16A.—**(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;

- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

### **Amendment of the Russia (Sanctions) (EU Exit) Regulations 2019**

**15.—**(1) The Russia (Sanctions) (EU Exit) Regulations 2019<sup>(a)</sup> are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

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(a) S.I. 2019/855, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2022/123, 2022/194, 2022/195, 2022/203, 2022/205, 2022/241, 2022/395, 2022/452, 2022/477, 2022/500, 2022/792, 2022/801, 2022/814, 2022/818, 2022/850, 2022/1110, 2022/1122, 2022/1331, 2023/149, 2023/440, 2023/665, 2023/713, 2023/1364, 2023/1367, 2024/218, 2024/643, 2024/834, 2024/900.

(3) In regulation 15 (making economic resources available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18C (trust services)—

(a) in paragraph (7), in the definition of trust services—

- (i) after paragraph (c) omit “or”;
- (ii) at the end of paragraph (d) insert “, or”;
- (iii) after paragraph (d) insert—

“(e) acting as a nominee shareholder.”;

(b) after paragraph (7) insert—

“(8) For the purposes of this regulation “acting as a nominee shareholder” means undertaking the following activities as the legal owner of the shares—

- (a) exercising the voting rights of those shares in accordance with the wishes of the beneficial owner of those shares (“O”), or
- (b) receiving dividends in respect of those shares held on behalf of O,

where the activities are undertaken in accordance with an arrangement with O that involves a trust or similar arrangement.”.

(5) In regulation 58 (asset-freeze etc.: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(6) After regulation 58 insert—

**“Asset-freeze etc.: exception from prohibitions for required payments**

**58A.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

- (a) a designated person is required to make under or by virtue of any enactment to—
  - (i) the registrar of companies,
  - (ii) the Commissioners,
  - (iii) the Welsh Revenue Authority,
  - (iv) Revenue Scotland,
  - (v) the Financial Conduct Authority,

- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Chapter 1 of Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;

- (ii) an application for a variation of such permission, authorisation, registration or recognition;
- (iii) an application for listing or for eligibility for listing;
- (iv) an application for review or approval of a document relating to listing;
- (v) an application for approval as a sponsor or primary information provider;
- (vi) an application for review or approval of—
  - (aa) a document under the prospectus rules or the prospectus regulation;
  - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;

(c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;

(d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(7) In regulation 59A (exceptions relating to processing payments), after paragraph (2) insert—

“(3) The prohibition in regulation 17A(2) (processing payments) is not contravened by—

(a) a person making a required payment, or

(b) a designated person making a reimbursement payment,

to, from or via a respondent (within the meaning of regulation 17A(1)).

(4) The reference in paragraph (3)(b) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In paragraph (3)—

“designated person” has the meaning given in regulation 58A(8);

“person” is to be construed in accordance with regulation 58A(5);

“reimbursement payment” has the meaning given in regulation 58A(8);

“required payment” has the meaning given in regulation 58A(2).”.

(8) In regulation 64(2)(aza) (Treasury licences) for “Part 1ZA” substitute “Part 1ZA or Part 1ZB”.

(9) In regulation 66(6) (licences: general provisions)—

(a) after “A person who” insert “, on the application of a person (“P”),”;

(b) for “issues, varies, revokes or suspends” substitute “issues”;

(c) after “particular person” insert “, or varies, revokes or suspends that licence,”;

(d) for “that person” substitute “P”.



- (10) In regulation 70 (finance: reporting obligations)—
- (a) in paragraph (1)(a)(ii) and (1A)(a), for “committed an offence”, in both places, substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) in paragraph (1ZB) after “the relevant firm”—
    - (i) omit “knows, or has reasonable cause to suspect, that it holds funds or economic resources for a prohibited person,”;
    - (ii) insert—
      - “(a) has informed the Treasury under paragraph (1ZA), and
      - (b) continues to hold the funds or economic resources referred to in paragraph (1ZA),”;
    - (iii) in the closing words, for “31st October” substitute “30th November”;
  - (c) in paragraph (1A)(a)(ii), for “offence” substitute “breach or failure”;
  - (d) after paragraph (4) insert—
 

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.

(4D) Paragraphs (4A) and (4B) do not apply where P is a designated person who is required to report to the Treasury in accordance with regulation 70A(1) or (2) (designated persons: reporting obligations), except in so far as P is a designated person who holds funds or economic resources for another designated person.”;
  - (e) after paragraph (6) insert—
 

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(11) After regulation 70 insert—

**“Finance: reporting obligations for required payments**

**70ZA.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 58A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 58A(8);

“required payment” has the meaning given in regulation 58A(2).”.

(12) In regulation 71 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) in paragraph (2)(d)(ii), after “a person” insert “(other than acting as a nominee shareholder within the meaning of regulation 18C(8) (trust services))”;

(c) after paragraph (3C), insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

(i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(d) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(13) In regulation 78 (disclosure of information), in paragraph (2)(d)(v), for “or (3)” substitute “, (1A), (1B), (3) or (3A)”.

(14) In regulation 78A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(15) In regulation 88C (Treasury: power to impose monetary penalties)—

(a) after paragraph (1A) insert—

“(1B) The Treasury may impose a monetary penalty on a person if they are satisfied, on the balance of probabilities, that the person has committed an offence under regulation 18 (investments in relation to non-government controlled Ukrainian territory) or 18B (investments in relation to Russia) by carrying on an activity mentioned in regulation 18(2)(a) or 18B(2)(a) or (b).”;

(b) after paragraph (2A) insert—

“(2B) For the purposes of paragraph (1B), any requirement imposed by the provisions mentioned there for the person to have known or suspected any matter is to be ignored.”;

(c) after paragraph (3) insert—

“(3A) The Treasury may impose a monetary penalty on a person if they are satisfied, on the balance of probabilities, that the person has committed an offence under—

- (a) regulation 19 (circumventing etc. prohibitions),
- (b) regulation 67 (licensing offences),
- (c) regulation 70(6) (reporting obligations), or
- (d) regulation 74 (information offences),

in so far as the relevant activity relates to an offence referred to in paragraph (1B).

(3B) For the purposes of paragraph (3A), any requirement imposed by or by virtue of the provisions mentioned in sub-paragraphs (a) - (d) for the person to have acted without reasonable excuse, or with knowledge or recklessness, is to be ignored.”;

(d) in paragraph (4), for “paragraph (3)” substitute “paragraphs (3) and (3A)”;

(e) in paragraphs (5), (6) and (10)(b) for “or (3)” substitute “, (1B), (3) or (3A)”.

(16) In regulation 103 (transitional provision: prior obligations), omit paragraph (2)(b).

(17) In Schedule 5 (Treasury licences: purposes)—

(a) in Part A1, in paragraph A1 (interpretation of Schedule 5), at the appropriate places insert—

““frozen account” has the meaning given in regulation 58(7);

“relevant institution” has the meaning given in regulation 58(7);”;

(b) in Part 1 (asset-freeze etc.), in paragraph 1 (interpretation of Part 1)—

(i) the existing text becomes sub-paragraph (1);

(ii) after sub-paragraph (1) insert—

“(2) For the purposes of this Part of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 8 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(c) in Part 1, for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

(a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;

(b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(d) in Part 1ZA (divestment etc.), in paragraph 9DA (interpretation of Part 1ZA)—

(i) for the definitions of ““designated person”, “frozen account” and “relevant institution”” substitute—

““designated person” has the same meaning as it has in Chapter 1 of Part 3 (Finance);”;

- (ii) in the definition of “person concerned”, after “designated person” insert “or a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person”;

(e) after Part 1ZA insert—

## “PART 1ZB

### Insolvency

#### **Insolvency**

**9DD.**—(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person, or to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person, are credited to a frozen account.

(2) In this paragraph—

“designated person” has the same meaning as it has in Chapter 1 of Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“frozen account” has the meaning given in regulation 58(7);

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

#### **Amendment of the Guinea (Sanctions) (EU Exit) Regulations 2019**

**16.—**(1) The Guinea (Sanctions) (EU Exit) Regulations 2019(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a

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(a) S.I. 2019/1145, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/590, 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 18A (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exception from prohibitions for required payments**

**18B.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

(a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);

(b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;



- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 20B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;

- (d) for “that person” substitute “P”.
- (7) In regulation 23 (finance: reporting obligations)—
  - (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (8) After regulation 23 insert—

**“Finance: reporting obligations for required payments**

**23A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 18B(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 18B(8);

“required payment” has the meaning given in regulation 18B(2).”.

(9) In regulation 24 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;

(d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 28A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 41 (transitional provisions: prior obligations), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

(i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 18(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc) substitute—

#### **“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

(a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;

(b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 9 (prior obligations) insert—

#### **“Insolvency**

**10.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

**Amendment of the Cyber (Sanctions) (EU Exit) Regulations 2020**

17.—(1) The Cyber (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 18A (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exception from prohibitions for required payments**

18B.—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

- (a) a designated person is required to make under or by virtue of any enactment to—
  - (i) the registrar of companies,
  - (ii) the Commissioners for His Majesty's Revenue and Customs,
  - (iii) the Welsh Revenue Authority,

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(a) S.I. 2020/597, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to

the carrying on of any activity falling within any function of the Financial Conduct Authority;

- (ii) an application for a variation of such permission, authorisation, registration or recognition;
- (iii) an application for listing or for eligibility for listing;
- (iv) an application for review or approval of a document relating to listing;
- (v) an application for approval as a sponsor or primary information provider;
- (vi) an application for review or approval of—
  - (aa) a document under the prospectus rules or the prospectus regulation;
  - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;



- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 20B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 23 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 23 insert—

**“Finance: reporting obligations for required payments**

**23A.—**(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 18B(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 18B(8);

“required payment” has the meaning given in regulation 18B(2).”.

(9) In regulation 24 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 28A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 39 (transitional provision: prior obligations etc.), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

(i) the existing text becomes sub-paragraph (1)—

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 18(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

6. To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

(a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;

(b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 9 (prior obligations) insert—

**“Insolvency**

10.—(1) To enable anything to be done in connection with—

(a) any insolvency and restructuring proceedings relating to an insolvent person,

(b) any other relevant proceedings relating to a person other than an individual, or

(c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

(a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—

(i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and

- (ii) proceedings under Chapter 3 of Part 5 (members' voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd's) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

### **Amendment of the Bosnia and Herzegovina (Sanctions) (EU Exit) Regulations 2020**

**18.—**(1) Bosnia and Herzegovina (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person

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(a) S.I. 2020/608, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 18A (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exception from prohibitions for required payments**

**18B.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;

- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;



“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 20B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 24 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

- (c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 24 insert—

**“Finance: reporting obligations for required payments**

**24A.—**(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 18B(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 18B(8);

“required payment” has the meaning given in regulation 18B(2).”.

(9) In regulation 25 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

(i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

(i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or

(ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more.”.

(10) In regulation 29A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 18(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

6. To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 9 (prior obligations) insert—

**“Insolvency**

10.—(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—

- (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;
- “special administration regime” means provision made by an enactment for an insolvency procedure that—
- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
  - (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

#### **Amendment of the Nicaragua (Sanctions) (EU Exit) Regulations 2020**

19.—(1) The Nicaragua (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

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(a) S.I. 2020/610, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/951, 2022/500, 2022/818, 2023/149, 2024/643.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 18A (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exception from prohibitions for required payments**

**18B.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;

(v) Part 9 of the Planning etc. (Scotland) Act 2006;

(vi) the Business Rate Supplements Act 2009;

(vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

(a) in relation to England—

(i) a district council;

(ii) a county council for any area for which there is no district council;

(iii) a London borough council;

(iv) the Common Council of the City of London in its capacity as a local authority;

(v) the Council of the Isles of Scilly;

(b) in relation to Wales, a county council or a county borough council;

(c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;

(d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 20B(6) (licences: general provisions)—

(a) after “A person who” insert “, on the application of a person (“P”),”;

(b) for “issues, varies, revokes or suspends” substitute “issues”;

(c) after “particular person” insert “, or varies, revokes or suspends that licence,”;

(d) for “that person” substitute “P”.



- (7) In regulation 23 (finance: reporting obligations)—
- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (8) After regulation 23 insert—

**“Finance: reporting obligations for required payments**

**23A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 18B(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 18B(8);

“required payment” has the meaning given in regulation 18B(2).”.

- (9) In regulation 24 (“relevant firm”)—

- (a) after paragraph (1)(i) insert—
  - “(j) a high value dealer;
  - (k) an art market participant;
  - (l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C), insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;

(d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 28A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 39 (transitional provision: prior obligations etc.), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

(i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 18(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 10 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

#### **“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

(a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;

(b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 10 (prior obligations) insert—

#### **“Insolvency**

**11.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

#### **Amendment of the Lebanon (Sanctions) (EU Exit) Regulations 2020**

**20.**—(1) The Lebanon (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 17(4) (trade licences)—

- (a) after “Where the Secretary of State” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person,” insert “or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

#### **Amendment of the Central African Republic (Sanctions) (EU Exit) Regulations 2020**

**21.**—(1) The Central African Republic (Sanctions) (EU Exit) Regulations 2020(b) are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 16 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 31 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 31 insert—

- 
- (a) S.I. 2020/612, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/950, 2022/500, 2023/149.
  - (b) S.I. 2020/616, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/950, 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

**“Finance: exception from prohibitions for required payments**

**31ZZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

- (a) a non-UN designated person is required to make under or by virtue of any enactment to—
  - (i) the registrar of companies,
  - (ii) the Commissioners,
  - (iii) the Welsh Revenue Authority,
  - (iv) Revenue Scotland,
  - (v) the Financial Conduct Authority,
  - (vi) the Secretary of State,
  - (vii) the Welsh Ministers,
  - (viii) the Department of Finance in Northern Ireland, or
  - (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,
- (b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and

- (c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;

- (ii) Part 3 of the Local Government Finance Act 1988;
- (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“non-UN designated person” means a person—

- (a) who is designated under regulation 5 for the purposes of regulations 12 to 16 (asset-freeze etc.), and
- (b) whose designation, in the opinion of the Secretary of State, is not required by a provision mentioned in regulation 4(3);

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;



“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 12 to 16 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 12 to 16 and whose designation is (in the opinion of the Secretary of State) required by a provision mentioned in regulation 4(3).”.

(6) In regulation 33 (Treasury licences), after paragraph (4) insert—

“(5) The reference in paragraph (2) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(6) The reference in paragraph (3) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(7) In regulation 35(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(8) In regulation 39 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;

(b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(9) After regulation 39 insert—

**“Finance: reporting obligations for required payments**

**39A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“non-UN designated person” has the meaning given in regulation 31ZZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 31ZZA(8);

“required payment” has the meaning given in regulation 31ZZA(2).”.

(10) In regulation 40 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C), insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(11) In regulation 47A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(12) In regulation 72 (transitional provision: prior obligations), in paragraph (3)(b), for “6(b)(i)” substitute “6B(b)(i)”.

(13) In Schedule 2 (Treasury licences: purposes)—

(a) in Part 1, in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 31(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 6A, 6B or 7 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

- (b) in Part 2 (purposes), omit paragraph 6 (pre-existing judicial decisions etc.);
- (c) in Part 2A (purposes relating only to UN designated persons), after paragraph 6A (prior obligations) insert—

**“Pre-existing judicial decisions etc.**

**6B.** 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.”;
- (d) in Part 3 (purposes relating only to non-UN designated persons), after paragraph 10 (extraordinary situation) insert—

**“Insolvency**

**11.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;

- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

**Judicial decisions etc.**

**12.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12; and
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”.

## **Amendment of the Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020**

22.—(1) The Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 10 (making funds available for the benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 12 (making economic resources available for the benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 14 (finance: exceptions from prohibitions), after paragraph (7) insert—

“(8) For the purposes of paragraphs (1)(b) and (5) and the definition of “frozen account” in paragraph (6), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.”.

(5) In regulation 16(5) (Treasury licences)—

- (a) after “Where the Treasury” insert “, on the application of a person (“P”),”;
- (b) for “issue, vary, revoke or suspend” substitute “issue”;
- (c) after “particular person,” insert “or vary, revoke or suspend that licence,”;
- (d) for “that person” substitute “P”.

(6) In regulation 18 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

- (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

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(a) S.I. 2020/617, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/950, 2022/819, 2023/121.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(7) In regulation 19 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

(i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

(i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or

(ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more.”.

(8) In regulation 23A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(9) In Schedule 2 (Treasury licences: purposes), in paragraph 1 (interpretation)—

- (a) the existing text becomes sub-paragraph (1);
- (b) after sub-paragraph (1) insert—

“(2) In paragraph 2(1) of this Schedule, the reference to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.”.

### **Amendment of the Somalia (Sanctions) (EU Exit) Regulations 2020**

**23.—**(1) The Somalia (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

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(a) S.I. 2020/642, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2020/950, 2021/823, 2022/500, 2022/819, 2023/121, 2023/149, 2024/609, 2024/644.



(3) In regulation 16 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 43 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 43 insert—

**“Finance: exception from prohibitions for required payments**

**43A.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a non-UN designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,
- (b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and
- (c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—

- (aa) a document under the prospectus rules or the prospectus regulation;
- (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“non-UN designated person” means a person—

- (a) who is designated under regulation 5 for the purposes of regulations 12 to 16 (asset-freeze etc.), and

- (b) whose designation, in the opinion of the Secretary of State, is not required by a provision mentioned in regulation 4(3);

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 12 to 16 by reason of regulation 10(1) (designation of persons named by or under UN Security Council resolutions), or
- (b) a person who is designated under regulation 5(1)(a) (power to designate persons) for the purposes of regulations 12 to 16 and whose designation is (in the opinion of the Secretary of State) required by a provision mentioned in regulation 4(3).”.

(6) In regulation 47 (Treasury licences)—

- (a) in paragraph (2), for “Schedule 3” substitute “Part 2 or 3 of Schedule 3”;
- (b) in paragraph (3), after “Part 2” insert “or 2A”;
- (c) after paragraph (4) insert—

“(5) The reference in paragraph (2) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(6) The reference in paragraph (3) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(7) In regulation 49(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(8) In regulation 53 (finance: reporting obligations)—

(a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;

(b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(9) After regulation 53 insert—

**“Finance: reporting obligations for required payments**

**53A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“non-UN designated person” has the meaning given in regulation 43A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 43A(8);

“required payment” has the meaning given in regulation 43A(2).”.

(10) In regulation 54 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(11) In regulation 61A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(12) In regulation 86 (transitional provision: prior obligations), in paragraph (3)(b), for “6(b)(i)” substitute “6A(b)(i)”.

(13) In Schedule 3 (Treasury licences: purposes)—

(a) in Part 1, in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
““frozen account” has the meaning given in regulation 43(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 6A or 8 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) in Part 2 (purposes), omit paragraph 6 (pre-existing judicial decisions etc.);

(c) after Part 2 insert—

## “PART 2A

### Purposes relating only to UN designated persons

#### **Pre-existing judicial decisions etc.**

**6A.** 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.”;
- (d) in Part 3 (purposes relating only to non-UN designated persons), after paragraph 9 (extraordinary situation) insert—

## “Insolvency

10.—(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;



“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

#### **Judicial decisions etc.**

**11.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”.

#### **Amendment of the Global Human Rights Sanctions Regulations 2020**

**24.—**(1) The Global Human Rights Sanctions Regulations 2020(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated person), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the

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(a) S.I. 2020/680, amended by the Sentencing Act 2020, Schedule 24, paragraph 446(1); and by S.I. 2022/500, 2022/818, 2023/149, 2024/643.

designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 18 insert—

**“Finance: exception from prohibitions for required payments**

**18A.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated person) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 20B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 25 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 25 insert—

**“Finance: reporting obligations for required payments**

**25A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 18A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 18A(8);

“required payment” has the meaning given in regulation 18A(2).”.

(9) In regulation 26 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C), insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash

of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 30A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
““frozen account” has the meaning given in regulation 18(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 8 when a person became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 10 (humanitarian assistance activity) insert—

**“Insolvency**

**11.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.



## **Amendment of the Mali (Sanctions) (EU Exit) Regulations 2020**

**25.**—(1) The Mali (Sanctions) (EU Exit) Regulations 2020<sup>(a)</sup> are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 16 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 19 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 19 insert—

### **“Finance: exception from prohibitions for required payments**

**19ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

- (a) a designated person is required to make under or by virtue of any enactment to—
- (i) the registrar of companies,
  - (ii) the Commissioners for His Majesty's Revenue and Customs,
  - (iii) the Welsh Revenue Authority,
  - (iv) Revenue Scotland,
  - (v) the Financial Conduct Authority,
  - (vi) the Secretary of State,
  - (vii) the Welsh Ministers,
  - (viii) the Department of Finance in Northern Ireland, or
  - (ix) a local authority, and

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<sup>(a)</sup> S.I. 2020/705, amended by S.I. 2020/1397, 2022/500, 2022/819, 2023/121, 2023/149, 2024/644, 2024/946.

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 12 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

(a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);

(b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

(a) the registrar of companies, a payment of fees for—

(i) the incorporation of a firm;

(ii) the restoration of a firm to a register which is administered by the registrar;

(b) the Financial Conduct Authority, a payment of fees for—

(i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;

(ii) an application for a variation of such permission, authorisation, registration or recognition;

(iii) an application for listing or for eligibility for listing;

(iv) an application for review or approval of a document relating to listing;

(v) an application for approval as a sponsor or primary information provider;

- (vi) an application for review or approval of—
  - (aa) a document under the prospectus rules or the prospectus regulation;
  - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 22B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 25 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

- (c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 25 insert—

**“Finance: reporting obligations for required payments**

**25A.—**(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 19ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 19ZA(8);

“required payment” has the meaning given in regulation 19ZA(2).”.

(9) In regulation 26 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 30A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 41 (transitional provision: prior obligations), in paragraph (2)(b), for “paragraphs 6(b)(i), 8(a) and” substitute “paragraph”.

(12) In Schedule 2 (Treasury licences: purposes)—

(a) in Part 1, in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 19(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) in Part 2 (purposes), for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) in Part 4 (purposes relating only to designated persons), after paragraph 12 (extraordinary situation) insert—

**“Insolvency**

**13.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;

(d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

### **Amendment of the Iraq (Sanctions) (EU Exit) Regulations 2020**

**26.—**(1) The Iraq (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 11 (making funds available for benefit of persons connected with the former Iraqi regime), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 13 (making economic resources available for benefit of persons connected with the former Iraqi regime), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available

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(a) S.I. 2020/707, amended by S.I. 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.



for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 30 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) In regulation 37(6) (licences: general provisions)—

(a) after “A person who” insert “, on the application of a person (“P”),”;

(b) for “issues, varies, revokes or suspends” substitute “issues”;

(c) after “particular person” insert “, or varies, revokes or suspends that licence,”;

(d) for “that person” substitute “P”.

(6) In regulation 40 (finance: reporting obligations)—

(a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;

(b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(7) In regulation 41 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(8) In regulation 48A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(9) In Schedule 2 (Treasury licences: purposes), in Part 1, in paragraph (1) (interpretation)—

(a) the existing text becomes sub-paragraph (1);

(b) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person, in so far as they relate to a person designated for the purposes of regulations 9 to 13 under regulation 5(2), are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.”.

#### **Amendment of the Sudan (Sanctions) (EU Exit) Regulations 2020**

27.—(1) The Sudan (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 16 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 31 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

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(a) S.I. 2020/753, amended by S.I. 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

(5) After regulation 31 insert—

**“Finance: exception from prohibitions for required payments**

**31ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a non-UN designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,
- (b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and

- (c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;

- (ii) Part 3 of the Local Government Finance Act 1988;
- (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“non-UN designated person” means a person—

- (a) who is designated under regulation 5 for the purposes of regulations 12 to 16 (asset-freeze etc.), and
- (b) whose designation, in the opinion of the Secretary of State, is not required by a provision mentioned in regulation 4(3);

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 12 to 16 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 12 to 16 and whose designation is (in the opinion of the Secretary of State) required by a provision mentioned in regulation 4(3).”.

(6) In regulation 34 (Treasury licences)—

- (a) in paragraph (2), for “Schedule 2” substitute “Part 2 or 3 of Schedule 2”;
- (b) in paragraph (3), after “Part 2” insert “or 2A”;
- (c) after paragraph (4) insert—

“(5) The reference in paragraph (2) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(6) The reference in paragraph (3) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(7) In regulation 36(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(8) In regulation 40 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

- (c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(9) After regulation 40 insert—

**“Finance: reporting obligations for required payments**

**40A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“non-UN designated person” has the meaning given in regulation 31ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 31ZA(8);

“required payment” has the meaning given in regulation 31ZA(2).”.

(10) In regulation 41 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.



(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d), insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(11) In regulation 48A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(12) In regulation 73 (transitional provisions: prior obligations), in paragraph (3)(b), for “6(b)(i)” substitute “6A(b)(i)”.

(13) In Schedule 2 (Treasury licences: purposes)—

- (a) in Part 1, in paragraph 1 (interpretation)—
  - (i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 31(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 6A or 8 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) in Part 2 (purposes), omit paragraph 6 (pre-existing judicial decisions etc.);

(c) after Part 2 insert—

## “PART 2A

### Purposes relating only to UN designated persons

#### **Pre-existing judicial decisions etc.**

**6A.** 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.”;

(d) in Part 3 (purposes relating only to non-UN designated persons), after paragraph 10 (extraordinary situation) insert—

#### **“Insolvency**

**11.—**(1) To enable anything to be done in connection with—

(a) any insolvency and restructuring proceedings relating to an insolvent person,

(b) any other relevant proceedings relating to a person other than an individual, or

(c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

(a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and

so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—

- (i) proceedings under Chapter 3 of Part 4 (members' voluntary winding up) of the Insolvency Act 1986, and
- (ii) proceedings under Chapter 3 of Part 5 (members' voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd's) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

### **Judicial decisions etc.**

**12.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”.

**Amendment of the Afghanistan (Sanctions) (EU Exit) Regulations 2020**

**28.—**(1) The Afghanistan (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 10 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 12 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 25 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) In regulation 28(5) (Treasury licences)—

- (a) after “Where the Treasury” insert “, on the application of a person (“P”),”;
- (b) for “issue, vary, revoke or suspend” substitute “issue”;
- (c) after “particular person,” insert “or vary, revoke or suspend that licence,”;
- (d) for “that person” substitute “P”.

(6) In regulation 30 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

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(a) S.I. 2020/948, amended by S.I. 2020/1397, 2022/500, 2022/819, 2023/149, 2024/644.

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(7) In regulation 31 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

- “(j) a high value dealer;
- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

(i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or

(ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

(a) publishing advertisements or disseminating information;

(b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;

(c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;

(d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(8) In regulation 36A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(9) In Schedule 2, in paragraph 1 (interpretation)—

(a) the existing text becomes sub-paragraph (1);

(b) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 6 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”.

## **Amendment of the Yemen (Sanctions) (EU Exit) (No. 2) Regulations 2020**

**29.**—(1) The Yemen (Sanctions) (EU Exit) (No. 2) Regulations 2020<sup>(a)</sup> are amended as follows.

(2) In regulation 14 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 16 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 30 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 30 insert—

### **“Finance: exception from prohibitions for required payments**

**30ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a non-UN designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

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<sup>(a)</sup> S.I. 2020/1278, amended by S.I. 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

(b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,
- (b) the reference in paragraph (5) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and
- (c) the reference in paragraph (6) to a designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—



- (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
- (ii) an application for a variation of such permission, authorisation, registration or recognition;
- (iii) an application for listing or for eligibility for listing;
- (iv) an application for review or approval of a document relating to listing;
- (v) an application for approval as a sponsor or primary information provider;
- (vi) an application for review or approval of—
  - (aa) a document under the prospectus rules or the prospectus regulation;
  - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;

- (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“non-UN designated person” means a person—

- (a) who is designated under regulation 5 for the purposes of regulations 12 to 16 (asset-freeze etc.), and
- (b) whose designation, in the opinion of the Secretary of State, is not required by a provision mentioned in regulation 4(3);

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 12 to 16 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 12 to 16 and whose designation is (in the opinion of the Secretary of State) required by a provision mentioned in regulation 4(3).”.

(6) In regulation 33 (Treasury licences), after paragraph (4) insert—

“(5) The reference in paragraph (2) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(6) The reference in paragraph (3) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

- (7) In regulation 35(6) (licences: general provisions)—
- (a) after “A person who” insert “, on the application of a person (“P”),”;
  - (b) for “issues, varies, revokes or suspends” substitute “issues”;
  - (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
  - (d) for “that person” substitute “P”.
- (8) In regulation 39 (finance: reporting obligations)—
- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (9) After regulation 39 insert—

**“Finance: reporting obligations for required payments**

**39A.—**(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“non-UN designated person” has the meaning given in regulation 30ZA(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 30ZA(8);

“required payment” has the meaning given in regulation 30ZA(2).”.

- (10) In regulation 40 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

- “(j) a high value dealer;
- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;

- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(11) In regulation 47A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(12) In regulation 71 (transitional provision: prior obligations), in paragraph (3)(b), for “6(b)(i), 8(a)” substitute “8(a), 8A(b)(i)”.

(13) In Schedule 2 (Treasury licences: purposes)—

(a) in Part 1, in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
““frozen account” has the meaning given in regulation 30(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 8, 8A or 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) in Part 2 (purposes), omit paragraph 6 (pre-existing judicial decisions etc.);

(c) in Part 3 (purposes relating only to UN designated persons), after paragraph 8 (prior obligations) insert—

**“Pre-existing judicial decisions etc.**

**8A.** 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.”;
- (d) in Part 4 (purposes relating only to non-UN designated persons), after paragraph 11 (extraordinary situation) insert—

**“Insolvency**

**12.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);

- (iv) the Investment Bank Special Administration Regulations 2011;
- (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
- (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
- (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

#### **Judicial decisions etc.**

**13.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”.

#### **Amendment of the Unauthorised Drilling Activities in the Eastern Mediterranean (Sanctions) (EU Exit) Regulations 2020**

**30.—**(1) The Unauthorised Drilling Activities in the Eastern Mediterranean (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

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(a) S.I. 2020/1474, amended by S.I. 2022/500, 2022/818, 2023/149, 2024/643.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 19 (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exception from prohibitions for required payments**

**19A.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

(a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);

(b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.



(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;

- (ii) Part 3 of the Local Government Finance Act 1988;
- (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 21B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;

- (b) for “issues, varies, revokes or suspends” substitute “issues”;
  - (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
  - (d) for “that person” substitute “P”.
- (7) In regulation 24 (finance: reporting obligations)—
- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (8) After regulation 24 insert—

**“Finance: reporting obligations for required payments**

**24A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 19A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 19A(8);

“required payment” has the meaning given in regulation 19A(2).”.

(9) In regulation 25 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;

- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 29A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 40 (transitional provision: prior obligations etc.), in paragraph (2)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—  
““frozen account” has the meaning given in regulation 18(7);”;
- (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 10 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 10 (prior obligations) insert—

## “Insolvency

11.—(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

### **Amendment of the Libya (Sanctions) (EU Exit) Regulations 2020**

**31.**—(1) The Libya (Sanctions) (EU Exit) Regulations 2020(a) are amended as follows.

(2) In regulation 2 (interpretation), in the definition of “non-UN designated person”, in paragraph (b), after “1970” insert “(read in accordance with regulation 4(4))”.

(3) In regulation 14 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 16 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(5) In regulation 43 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person, in so far as they relate to a designated person within the meaning of regulation 11, are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(6) After regulation 43 insert—

#### **“Finance: exception from prohibitions for required payments**

**43ZA.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

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(a) S.I. 2020/1665, amended by S.I. 2022/500, 2022/819, 2023/121, 2023/149, 2024/644.

- (a) a non-UN designated person is required to make under or by virtue of any enactment to—
  - (i) the registrar of companies,
  - (ii) the Commissioners,
  - (iii) the Welsh Revenue Authority,
  - (iv) Revenue Scotland,
  - (v) the Financial Conduct Authority,
  - (vi) the Secretary of State,
  - (vii) the Welsh Ministers,
  - (viii) the Department of Finance in Northern Ireland, or
  - (ix) a local authority, and
- (b) is not an excluded payment.

(3) The prohibitions in regulations 12 (asset-freeze in relation to designated persons) and 14 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a non-UN designated person, the prohibition in regulation 12 is not contravened by the non-UN designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment—

- (a) does not include a UN designated person, and
- (b) only includes a non-UN designated person where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a non-UN designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a non-UN designated person on their own behalf or by a person, other than a designated person, on behalf of a non-UN designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation—

- (a) references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person,
- (b) the reference in paragraph (5) to a UN designated person, in so far as it relates to a designated person within the meaning of regulation 11, is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person, and
- (c) the reference in paragraph (6) to a designated person, in so far as it relates to a designated person within the meaning of regulation 11, is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—



“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” means a designated person within the meaning of regulation 11 (meaning of “designated person” in Chapter 1) or 17 (meaning of “designated person” in Chapter 2);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a non-UN designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;

- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the non-UN designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000;

“UN designated person” means—

- (a) a person who is a designated person for the purposes of regulations 12 to 16 or regulations 18 to 20 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 12 to 16 and whose designation is (in the opinion of the Secretary of State) required by paragraph 17 of resolution 1970 (read in accordance with regulation 4(4)).”.

(7) In regulation 48 (Treasury licences), after paragraph (8) insert—

“(9) The reference in paragraph (3) to a non-UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(10) The reference in paragraph (4) to a UN designated person is to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the UN designated person.”.

(8) In regulation 51(6) (licences: general provisions)—

(a) after “A person who” insert “, on the application of a person (“P”),”;

(b) for “issues, varies, revokes or suspends” substitute “issues”;

(c) after “particular person” insert “, or varies, revokes or suspends that licence,”;

(d) for “that person” substitute “P”.

(9) In regulation 56 (finance: reporting obligations)—

(a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;

(b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(10) After regulation 56 insert—

**“Finance: reporting obligations for required payments**

**56A.**—(1) A non-UN designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a non-UN designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a non-UN designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the non-UN designated person.

(5) In this regulation—

“reimbursement payment” has the meaning given in regulation 43ZA(8) (finance: exception from prohibitions for required payments);

“required payment” has the meaning given in regulation 43ZA(2).”.

(11) In regulation 57 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

(i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

(i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or

(ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(12) In regulation 64A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(13) In regulation 89 (transitional provision: prior obligations etc.), in paragraph (3)(c), for “5(b)(i), 11(a)” substitute “11(a), 11A(b)(i)”.

(14) In Schedule 4 (Treasury licences: purposes)—

- (a) in Part 1 (designated persons), omit paragraph 5 (pre-existing judicial decisions etc.);
- (b) in Part 2 (purposes relating only to UN designated persons), after paragraph 11 (prior obligations) insert—

**“Pre-existing judicial decisions etc.**

**11A.** 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.”;

(c) in Part 3 (purposes relating only to non-UN designated persons), after paragraph 15 (extraordinary situation) insert—

## **“Insolvency**

**15A.—**(1) To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.

#### **Judicial decisions etc.**

**15B.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 12;
- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;
- (d) in Part 4, in paragraph 16 (interpretation)—
  - (i) the existing text becomes sub-paragraph (1);
  - (ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 43(7);”;
  - (iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person, in so far as they relate to a designated person within the meaning of regulation 11, are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 11, 11A or 12 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”.

#### **Amendment of the Global Anti-Corruption Sanctions Regulations 2021**

**32.—(1)** The Global Anti-Corruption Sanctions Regulations 2021(a) are amended as follows.

(2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

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(a) S.I. 2021/488, amended by S.I. 2022/500, 2022/818, 2023/149, 2024/643.

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 18 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 19 (finance: exception for authorised conduct in a relevant country) insert—

**“Finance: exception from prohibitions for required payments**

**19A.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners for His Majesty's Revenue and Customs,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—



- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than

a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;

(e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—

- (i) Part 1 of the Local Government (Scotland) Act 1975;
- (ii) Part 3 of the Local Government Finance Act 1988;
- (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 21B(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 24 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 24 insert—

#### **“Finance: reporting obligations for required payments**

**24A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 19A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 19A(8);

“required payment” has the meaning given in regulation 19A(2).”.

(9) In regulation 25 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C), insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners for His Majesty's Revenue and Customs as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

(i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or

(ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

(i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or

(ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 29A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In Schedule 2 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

- (i) the existing text becomes sub-paragraph (1);
- (ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 18(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 8 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

- (a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;

- (b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;
- (c) after paragraph 10 (humanitarian assistance activity) insert—

**“Insolvency**

**11.—(1)** To enable anything to be done in connection with—

- (a) any insolvency and restructuring proceedings relating to an insolvent person,
- (b) any other relevant proceedings relating to a person other than an individual, or
- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;

- (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
  - (b) proceedings under any other special administration regime;
- “special administration regime” means provision made by an enactment for an insolvency procedure that—
- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
  - (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

### **Amendment of the Myanmar (Sanctions) Regulations 2021**

- 33.**—(1) The Myanmar (Sanctions) Regulations 2021(a) are amended as follows.
- (2) In regulation 13 (making funds available for benefit of designated persons), after paragraph (3) insert—
- “(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.
- (3) In regulation 15 (making economic resources available for benefit of designated persons), after paragraph (3) insert—
- “(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.
- (4) In regulation 41 (finance: exceptions from prohibitions), after paragraph (8) insert—
- “(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.
- (10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.
- (5) After regulation 41 insert—
- “Finance: exception from prohibitions for required payments**
- 41A.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

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(a) S.I. 2021/496, amended by S.I. 2022/500, 2022/818, 2023/149, 2024/643.

- (2) A required payment is a payment which—
- (a) a designated person is required to make under or by virtue of any enactment to—
    - (i) the registrar of companies,
    - (ii) the Commissioners,
    - (iii) the Welsh Revenue Authority,
    - (iv) Revenue Scotland,
    - (v) the Financial Conduct Authority,
    - (vi) the Secretary of State,
    - (vii) the Welsh Ministers,
    - (viii) the Department of Finance in Northern Ireland, or
    - (ix) a local authority, and
  - (b) is not an excluded payment.

(3) The prohibitions in regulations 11 (asset-freeze in relation to designated persons) and 13 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 11 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;



- (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;
  - (iv) Part 4 of the Local Government Act 2003;
  - (v) Part 9 of the Planning etc. (Scotland) Act 2006;
  - (vi) the Business Rate Supplements Act 2009;
  - (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;

- (iii) a London borough council;
- (iv) the Common Council of the City of London in its capacity as a local authority;
- (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 46(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;
- (d) for “that person” substitute “P”.

(7) In regulation 50 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic

resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(8) After regulation 50 insert—

#### **“Finance: reporting obligations for required payments**

**50A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 41A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 41A(8);

“required payment” has the meaning given in regulation 41A(2).”.

(9) In regulation 51 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (3C) insert—

“(3D) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(3E) In paragraph (1), an “art market participant” means, subject to paragraph (3F), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(3F) A firm or sole practitioner is not an art market participant for the purposes of paragraph (3E) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(3G) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(3H) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(3I) In paragraph (1), “letting agency work” means work—

- (a) consisting of things done in response to instructions received from—
  - (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
  - (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and
- (b) done—
  - (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
  - (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(3J) For the purposes of paragraph (3I)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (3K) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (3I).

(3K) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (5)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 58A (finance: disclosure to the Treasury), in paragraph (1), for “sanctions” substitute “any sanctions regulations contained in these Regulations”.

(11) In regulation 79 (transitional provision: prior obligations etc.), in paragraph (4)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(12) In Schedule 4 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

(i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 41(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 9 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

**“Judicial decisions etc.**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

(a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 11;

(b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 10 (humanitarian assistance activities etc.) insert—

**“Insolvency**

**11.—**(1) To enable anything to be done in connection with—

(a) any insolvency and restructuring proceedings relating to an insolvent person,

(b) any other relevant proceedings relating to a person other than an individual, or

(c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

(a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—

- (i) proceedings under Chapter 3 of Part 4 (members' voluntary winding up) of the Insolvency Act 1986, and
- (ii) proceedings under Chapter 3 of Part 5 (members' voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd's) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and
- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

### **Amendment of the Haiti (Sanctions) Regulations 2022**

**34.—**(1) The Haiti (Sanctions) Regulations 2022<sup>(a)</sup> are amended as follows.

(2) In regulation 10 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of

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<sup>(a)</sup> S.I. 2022/1281, as amended by S.I. 2023/121, 2023/1320, 2024/178.

a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 12 (making economic resources available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 25 (finance: exceptions from prohibitions), after paragraph (8) insert—

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) In regulation 29(5) (Treasury licences)—

- (a) after “Where the Treasury” insert “, on the application of a person (“P”),”;
- (b) for “issue, vary, revoke or suspend” substitute “issue”;
- (c) after “particular person,” insert “or vary, revoke or suspend that licence,”;
- (d) for “that person” substitute “P”.

(6) In regulation 31 (finance: reporting obligations)—

- (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
- (b) after paragraph (4) insert—

“(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.

(4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.

(4C) For the purposes of paragraphs (4A) and (4B), 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.”;

(c) after paragraph (6) insert—

“(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.

(7) In regulation 32 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

- “(j) a high value dealer;
- (k) an art market participant;
- (l) an insolvency practitioner;
- (m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (6) insert—

“(6A) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(6B) In paragraph (1), an “art market participant” means, subject to paragraph (6C), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(6C) A firm or sole practitioner is not an art market participant for the purposes of paragraph (6B) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(6D) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(6E) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(6F) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(6G) For the purposes of paragraph (6F)—

“land” includes part of a building and part of any other structure;

“letting agency work” does not include the things listed in paragraph (6H) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (6F).

(6H) Those things are—

- (a) publishing advertisements or disseminating information;



- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;
- (d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (8)(d) insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

- (i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or
- (ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(8) In Schedule 2 (Treasury licences: purposes), in paragraph 1 (interpretation)—

- (a) the existing text becomes sub-paragraph (1);
- (b) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person (“P”).

(3) When determining for the purposes of paragraph 6 or 7 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”.

### **Amendment of the Iran (Sanctions) Regulations 2023**

**35.—**(1) The Iran (Sanctions) Regulations 2023(a) are amended as follows.

(2) In regulation 17 (making funds available for benefit of designated persons), after paragraph (3) insert—

“(3A) The reference in paragraph (1) to making funds available to any person for the benefit of a designated person includes making funds available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(3) In regulation 19 (making economic resources available for benefit of designated persons) after paragraph (3), insert—

“(3A) The reference in paragraph (1) to making economic resources available to any person for the benefit of a designated person includes making economic resources available for the benefit of a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person (and references to designated person in paragraph (4) are to be read accordingly).”.

(4) In regulation 55 (finance: exceptions from prohibitions), after paragraph (8) insert—

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(a) S.I. 2023/1314 and 2024/944.

“(9) For the purposes of paragraphs (1)(b), (5) and (6) and the definition of “frozen account” in paragraph (7), references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person.

(10) When determining for the purposes of paragraph (5) when a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person (“D”) became a designated person, C is to be treated as having become a designated person at the same time as D.”.

(5) After regulation 55 insert—

**“Finance: exception from prohibitions for required payments**

**55A.**—(1) This regulation applies to required payments within the meaning of paragraph (2).

(2) A required payment is a payment which—

(a) a designated person is required to make under or by virtue of any enactment to—

- (i) the registrar of companies,
- (ii) the Commissioners,
- (iii) the Welsh Revenue Authority,
- (iv) Revenue Scotland,
- (v) the Financial Conduct Authority,
- (vi) the Secretary of State,
- (vii) the Welsh Ministers,
- (viii) the Department of Finance in Northern Ireland, or
- (ix) a local authority, and

(b) is not an excluded payment.

(3) The prohibitions in regulations 15 (asset-freeze in relation to designated persons) and 17 (making funds available for benefit of designated persons) are not contravened by a person making a required payment.

(4) Where a required payment is made by a person other than a designated person, the prohibition in regulation 15 is not contravened by the designated person making a reimbursement payment to that person.

(5) The reference in paragraph (3) to a person making a required payment includes a designated person, but only where they are making a required payment on their own behalf.

(6) The following payments are to be treated as payments which a designated person is required to make under or by virtue of an enactment for the purposes of this regulation, where made by a designated person on their own behalf or by a person, other than a designated person, on behalf of a designated person—

- (a) a payment to the Financial Conduct Authority of a levy imposed by the scheme manager of the Financial Services Compensation Scheme by virtue of section 213 of the Financial Services and Markets Act 2000 (the compensation scheme);
- (b) a payment to the Financial Conduct Authority which is collected by that Authority on behalf of the Financial Reporting Council Limited.

(7) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person.

(8) In this regulation—

“BID levy” means a levy that is imposed on those persons who are, in respect of particular business improvement district proposals, entitled to vote in accordance with section 39(3) of the Planning etc. (Scotland) Act 2006;

“business improvement district” has the meaning given in section 33 of the Planning etc. (Scotland) Act 2006;

“designated person” has the same meaning as it has in Part 3 (Finance);

“enactment” has the meaning given in section 54(6) of the Act;

“excluded payment” means, in relation to—

- (a) the registrar of companies, a payment of fees for—
  - (i) the incorporation of a firm;
  - (ii) the restoration of a firm to a register which is administered by the registrar;
- (b) the Financial Conduct Authority, a payment of fees for—
  - (i) an application for permission from, authorisation by, registration with or recognition from the Financial Conduct Authority which relates to the carrying on of any activity falling within any function of the Financial Conduct Authority;
  - (ii) an application for a variation of such permission, authorisation, registration or recognition;
  - (iii) an application for listing or for eligibility for listing;
  - (iv) an application for review or approval of a document relating to listing;
  - (v) an application for approval as a sponsor or primary information provider;
  - (vi) an application for review or approval of—
    - (aa) a document under the prospectus rules or the prospectus regulation;
    - (bb) listing particulars under section 79 of the Financial Services and Markets Act 2000 or supplementary listing particulars under section 81 of that Act;
- (c) the Secretary of State or the Welsh Ministers, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 3 of the Local Government Finance Act 1988;
- (d) the Department of Finance in Northern Ireland, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of Part 2 of the Rates (Northern Ireland) Order 1977;
- (e) a local authority, a payment that a designated person is required to make under or by virtue of an enactment other than a payment under or by virtue of—
  - (i) Part 1 of the Local Government (Scotland) Act 1975;
  - (ii) Part 3 of the Local Government Finance Act 1988;
  - (iii) Parts 1 and 2 of the Local Government Finance Act 1992;

- (iv) Part 4 of the Local Government Act 2003;
- (v) Part 9 of the Planning etc. (Scotland) Act 2006;
- (vi) the Business Rate Supplements Act 2009;
- (vii) the Business Improvement Districts Act (Northern Ireland) 2013;

“firm” has the meaning given in section 1173(1) of the Companies Act 2006;

“listing” means being included in the official list maintained by the Financial Conduct Authority in accordance with Part 6 of the Financial Services and Markets Act 2000;

“local authority” means—

- (a) in relation to England—
  - (i) a district council;
  - (ii) a county council for any area for which there is no district council;
  - (iii) a London borough council;
  - (iv) the Common Council of the City of London in its capacity as a local authority;
  - (v) the Council of the Isles of Scilly;
- (b) in relation to Wales, a county council or a county borough council;
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 or a person appointed by such a council for the purposes of the administration, collection and recovery of a BID levy;
- (d) in relation to Northern Ireland, a district council;

“primary information provider” has the meaning given in section 89P(2) of the Financial Services and Markets Act 2000;

“prospectus regulation” means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“prospectus rules” has the meaning given in section 73A(4) of the Financial Services and Markets Act 2000;

“registrar of companies” has the meaning given in section 1060 of the Companies Act 2006 (the registrar);

“reimbursement payment” means a repayment from the designated person to the person who made a required payment which is of the same amount as that required payment;

“scheme manager” has the meaning given in section 212 of the Financial Services and Markets Act 2000;

“sponsor” has the meaning given in section 88(2) of the Financial Services and Markets Act 2000.”.

(6) In regulation 63(6) (licences: general provisions)—

- (a) after “A person who” insert “, on the application of a person (“P”),”;
- (b) for “issues, varies, revokes or suspends” substitute “issues”;
- (c) after “particular person” insert “, or varies, revokes or suspends that licence,”;

- (d) for “that person” substitute “P”.
- (7) In regulation 68 (finance: reporting obligations)—
  - (a) in paragraph (1)(a)(ii), for “committed an offence” substitute “breached a prohibition or failed to comply with an obligation”;
  - (b) after paragraph (4) insert—
    - “(4A) Where a person (“P”) knows, or has reasonable cause to suspect, that P holds funds or economic resources owned, held or controlled by a designated person, P must by no later than 30th November in each calendar year provide a report to the Treasury as to the nature and amount or quantity of those funds or economic resources held by P as of 30th September in that calendar year.
    - (4B) Where a report has been provided further to paragraph (4A) but as of 30th September in the following calendar year P no longer holds funds or economic resources owned, held or controlled by the designated person, P must by no later than 30th November in that calendar year report this to the Treasury.
    - (4C) For the purposes of paragraphs (4A) and (4B), 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 9) by the designated person.”;
  - (c) after paragraph (6) insert—
    - “(6A) A person commits an offence if that person, without reasonable excuse, fails to comply with a requirement in paragraph (4A) or (4B).”.
- (8) After regulation 68 insert—

**“Finance: reporting obligations for required payments**

**68A.**—(1) A designated person must inform the Treasury without delay if they make a required payment.

(2) A person who makes a required payment on behalf of a designated person must inform the Treasury without delay that they have made the required payment.

(3) A person must inform the Treasury without delay if they receive a reimbursement payment.

(4) For the purposes of this regulation, references to a designated person are to be read as including a person who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person.

(5) In this regulation—

“designated person” has the meaning given in regulation 55A(8) (finance: exception from prohibitions for required payments);

“reimbursement payment” has the meaning given in regulation 55A(8);

“required payment” has the meaning given in regulation 55A(2).”.

(9) In regulation 69 (“relevant firm”)—

(a) after paragraph (1)(i) insert—

“(j) a high value dealer;

(k) an art market participant;

(l) an insolvency practitioner;

(m) a firm or sole practitioner (“P”) that carries out, or whose employees carry out, letting agency work.”;

(b) after paragraph (6) insert—

“(6A) In paragraph (1), a “high value dealer” means a firm or sole trader that by way of business trades in goods (including an auctioneer dealing in goods), when the firm or sole trader makes or receives, in respect of any transaction, a payment or payments in cash of at least 10,000 euros in total, whether the transaction is executed in a single operation or in several operations which appear to be linked.

(6B) In paragraph (1), an “art market participant” means, subject to paragraph (6C), a firm or sole practitioner that is registered or required to register with the Commissioners as an art market participant under regulation 56(5) and (6) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(6C) A firm or sole practitioner is not an art market participant for the purposes of paragraph (6B) in relation to the sale or storage of a work of art which is created by, or is attributable to, a member of the firm or the sole practitioner.

(6D) For the purposes of this regulation, “work of art” means anything which, in accordance with section 21(6) to (6B) of the Value Added Tax Act 1994 (value of imported goods), is a work of art for the purposes of section 21(5)(a) of that Act.

(6E) In paragraph (1), an “insolvency practitioner” means a firm or individual who acts as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989.

(6F) In paragraph (1), “letting agency work” means work—

(a) consisting of things done in response to instructions received from—

- (i) a person (a “prospective landlord”) seeking to find another person to whom to let land for a term of a month or more, or
- (ii) a person (a “prospective tenant”) seeking to find land to rent for a term of a month or more, and

(b) done—

- (i) in relation to a prospective landlord, from the point that the prospective landlord instructs P, or
- (ii) otherwise in the course of concluding an agreement for the letting of land for a term of a month or more.

(6G) For the purposes of paragraph (6F)—

“land” includes part of a building and part of any other structure.

“letting agency work” does not include the things listed in paragraph (6H) when done by, or by employees of, a firm or sole practitioner if neither the firm or sole practitioner, nor any of their employees, does anything else within paragraph (6F).

(6H) Those things are—

- (a) publishing advertisements or disseminating information;
- (b) providing a means by which a prospective landlord or a prospective tenant can, in response to an advertisement or dissemination of information, make direct contact with a prospective tenant or a prospective landlord;
- (c) providing a means by which a prospective landlord and a prospective tenant can communicate directly with each other;

(d) the provision of legal or notarial services by a barrister, advocate, solicitor or other legal representative communications with whom may be the subject of a claim to professional privilege or, in Scotland, protected from disclosure in legal proceedings on grounds of confidentiality of communications.”;

(c) after paragraph (8)(d), insert—

“(da) in the case of a relevant firm within paragraph (1)(k)—

(i) in the course of trading, or acting as an intermediary in the sale or purchase of, works of art when the value of the transaction, or a series of linked transactions, amounts to 10,000 euros or more, or

(ii) in the course of storing works of art where the value of the works of art so stored for a person amounts to 10,000 euros or more;”.

(10) In regulation 100 (transitional provisions: prior obligations), in paragraph (4)(b), for “paragraphs 6(b)(i) and” substitute “paragraph”.

(11) In Schedule 5 (Treasury licences: purposes)—

(a) in paragraph 1 (interpretation)—

(i) the existing text becomes sub-paragraph (1);

(ii) in sub-paragraph (1), at the appropriate place insert—

““frozen account” has the meaning given in regulation 55(7);”;

(iii) after sub-paragraph (1) insert—

“(2) For the purposes of this Schedule, references to a designated person are to be read as including a person (“C”) who is owned or controlled directly or indirectly (within the meaning of regulation 9) by the designated person (“P”).

(3) When determining for the purposes of paragraph 10 when C became a designated person, C is to be treated as having become a designated person at the same time as P.”;

(b) for paragraph 6 (pre-existing judicial decisions etc.) substitute—

#### **“Judicial decisions etc**

**6.** To enable the implementation or satisfaction (in whole or in part) of a judicial, administrative or arbitral decision or lien which is enforceable in the United Kingdom (the “judicial decision”), provided that—

(a) where funds or economic resources are made available to a designated person, they are credited to a frozen account or otherwise frozen by virtue of regulation 15;

(b) where funds or economic resources are made available by a person (including a designated person) to a designated person to enable the implementation or satisfaction of the judicial decision, no other designated person benefits, directly or indirectly.”;

(c) after paragraph 12 (food) insert—

#### **“Insolvency**

**13.—(1)** To enable anything to be done in connection with—

(a) any insolvency and restructuring proceedings relating to an insolvent person,

(b) any other relevant proceedings relating to a person other than an individual, or

- (c) proceedings under the insolvency law of a country other than the United Kingdom that correspond to the proceedings in paragraph (a) or (b),

provided that any payments made directly or indirectly to a designated person are credited to a frozen account.

(2) In this paragraph—

“enactment” has the meaning given in section 54(6) of the Act;

“insolvency and restructuring proceedings” includes—

- (a) the regimes and proceedings set out in Parts A1 to 6 of the Insolvency Act 1986, Parts 1A to 7 of the Insolvency (Northern Ireland) Order 1989 and so much of Part 1 of that Order as applies for the purposes of those Parts, but excluding—
  - (i) proceedings under Chapter 3 of Part 4 (members’ voluntary winding up) of the Insolvency Act 1986, and
  - (ii) proceedings under Chapter 3 of Part 5 (members’ voluntary winding up) of the Insolvency (Northern Ireland) Order 1989;
- (b) arrangements and reconstructions under Part 26 of the Companies Act 2006;
- (c) arrangements and reconstructions for companies in financial difficulty under Part 26A of the Companies Act 2006;
- (d) the proceedings and arrangements set out in the Bankruptcy (Scotland) Act 2016;

“insolvent person” means a person (“P”), other than an individual, where—

- (a) P is unable to pay its debts as they fall due, or
- (b) the value of P’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

“other relevant proceedings” means—

- (a) the regimes and proceedings set out in—
  - (i) sections 367 and 377A to 377J of, or Schedule 19C to, the Financial Services and Markets Act 2000;
  - (ii) the Insurers (Reorganisation and Winding Up) (Lloyd’s) Regulations 2005;
  - (iii) Parts 1 to 3 of the Banking Act 2009 (including Parts 2 and 3 as applied to building societies by section 90C of the Building Societies Act 1986);
  - (iv) the Investment Bank Special Administration Regulations 2011;
  - (v) Part 6 of the Financial Services (Banking Reform) Act 2013;
  - (vi) the Payment and Electronic Money Institution Insolvency Regulations 2021;
  - (vii) Schedule 11 to the Financial Services and Markets Act 2023;
- (b) proceedings under any other special administration regime;

“special administration regime” means provision made by an enactment for an insolvency procedure that—

- (a) is similar or corresponds to the ordinary administration procedure provided for by Schedule B1 to the Insolvency Act 1986 or Schedule B1 to the Insolvency (Northern Ireland) Order 1989, and



- (b) provides for the administrator to have one or more special objectives instead of or in addition to the objectives of ordinary administration.”.

**Amendment of the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024**

**36.—**(1) The Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024(a) are amended as follows.

(2) In regulation 2 (interpretation), in the definition of “excluded trade sanctions regulations”, in paragraph (a), before sub-paragraph (i) insert—

“(ai) regulation 18(1) (investments in relation to non-government controlled Ukrainian territory), in so far as it concerns an activity mentioned in regulation 18(2)(a);

(bi) regulation 18B(1) (investments in relation to Russia), in so far as it concerns an activity mentioned in regulation 18B(2)(a) or (b);”.

12th November 2024

*Stephen Doughty*  
Minister of State  
Foreign, Commonwealth and Development Office

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(a) S.I. 2024/948.

## 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). They make miscellaneous amendments to most of the existing sanctions regulations.

They clarify that the prohibitions on the making available of funds or economic resources to any person for the benefit of a designated person extend to legal persons owned or controlled by that designated person (see, for example, regulation 2(2) and (3); see also regulation 9(2) and (3) for the counter-terrorism context).

They amend provisions relating to the notification requirements for licensing, to provide that written notice must be given to the licence applicant when a licence which authorises acts by a particular person is issued, varied, revoked or suspended (see, for example, regulation 2(6)).

They make a minor amendment to the duty on relevant firms to report a breach of certain sanctions. This makes clear that the duty is not simply to report a suspected offence but a suspected breach of sanctions or licensing requirements (see, for example, regulation (2)(7)(a)).

They require persons to provide annual reporting to the Treasury on funds or economic resources that they know or have reasonable cause to suspect they hold for a designated person (see, for example, regulation 2(7)(b)).

They add four types of firm to the list of “relevant firms” who are subject to relevant reporting obligations: high value dealers, art market participants, insolvency practitioners and letting agents (see, for example, regulation 2(9)).

They clarify for the purposes of the licensing of financial sanctions’ prohibitions and relevant exceptions for financial sanctions that a designated person includes a person who is owned or controlled by them (see, for example, regulation 2(4) and 2(12)(a)).

They make a minor clarification to the power given to public authorities to share information with the Treasury, to link this to the relevant sanctions regulations (see, for example, regulation 2(10)).

For non-UN designated persons, they add a new exception for the purposes of financial sanctions to allow certain payments a designated person is required to make to certain authorities such as the Financial Conduct Authority and the Commissioners for HM Revenue and Customs (see, for example, regulation 2(5)); and an associated reporting obligation (regulation 2(8)). In the case of the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the Russia Regulations”), they introduce an equivalent exception in relation to the prohibition on processing certain payments in regulation 17A of those Regulations (see regulation 15(7)).

For non-UN designated persons, the Regulations also change the scope of the licensing purposes, to enable the Treasury to license a wider class of case related to the implementation of judicial decisions (see regulation 2(12)(b)); and to introduce a bespoke purpose to enable licensing for certain insolvency positions (see regulation 2(12)(c)).

The Regulations amend the Democratic People’s Republic of Korea (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/411) to move the existing land prohibitions from Part 4 (Finance) to Part 6 (Trade) (see regulation 3(4) to (6)). The competent enforcement authorities for those

prohibitions in that regime are the Department for Business and Trade (civil) and His Majesty's Revenue and Customs (criminal).

The Regulations make some additional amendments to the Russia Regulations.

They clarify for the purposes of the trust services prohibition in regulation 18C of the Russia Regulations that acting as a nominee shareholder where that involves a trust or similar arrangement is to be considered a prohibited trust service (see regulation 15(4)).

They make minor amendments to clarify the reporting requirements that apply to the funds or economic resources of persons to whom financial services must not be provided by virtue of regulation 18A of the Russia Regulations (see regulation 15(10)(b)).

They create new civil monetary penalty powers for the Treasury in respect of prohibitions in the Russia Regulations relating to land located in non-government controlled Ukrainian territory or in Russia (see regulation 15(15))

The Regulations also amend the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024 (S.I. 2024/948) to include land prohibitions contained within the Russia Regulations in the definition of "excluded trade sanctions regulations". These will be enforced by the Treasury.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

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