



# Sanctions and Anti-Money Laundering Act 2018

## 2018 CHAPTER 13

An Act to make provision enabling sanctions to be imposed where appropriate for the purposes of compliance with United Nations obligations or other international obligations or for the purposes of furthering the prevention of terrorism or for the purposes of national security or international peace and security or for the purposes of furthering foreign policy objectives; to make provision for the purposes of the detection, investigation and prevention of money laundering and terrorist financing and for the purposes of implementing Standards published by the Financial Action Task Force relating to combating threats to the integrity of the international financial system; and for connected purposes. [23rd May 2018]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

## PART 1

### SANCTIONS REGULATIONS

#### Modifications etc. (not altering text)

- C1** Pt. 1: power to amend conferred (15.3.2022) by [Economic Crime \(Transparency and Enforcement\) Act 2022 \(c. 10\)](#), ss. [66\(1\)\(a\)](#), [69\(3\)](#)

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## CHAPTER 1

### POWER TO MAKE SANCTIONS REGULATIONS

#### *Power to make sanctions regulations*

#### **1 Power to make sanctions regulations**

- (1) An appropriate Minister may make sanctions regulations where that Minister considers that it is appropriate to make the regulations—
  - (a) for the purposes of compliance with a UN obligation,
  - (b) for the purposes of compliance with any other international obligation, or
  - (c) for a purpose within subsection (2).
- (2) A purpose is within this subsection if the appropriate Minister making the regulations considers that carrying out that purpose would—
  - (a) further the prevention of terrorism, in the United Kingdom or elsewhere,
  - (b) be in the interests of national security,
  - (c) be in the interests of international peace and security,
  - (d) further a foreign policy objective of the government of the United Kingdom,
  - (e) promote the resolution of armed conflicts or the protection of civilians in conflict zones,
  - (f) provide accountability for or be a deterrent to gross violations of human rights, or otherwise promote—
    - (i) compliance with international human rights law, or
    - (ii) respect for human rights,
  - (g) promote compliance with international humanitarian law,
  - (h) contribute to multilateral efforts to prevent the spread and use of weapons and materials of mass destruction, or
  - (i) promote respect for democracy, the rule of law and good governance.
- (3) Regulations under this section must state the purpose (or purposes) of the regulations, and any purpose stated must be—
  - (a) compliance with a UN obligation, or other international obligation, specified in the regulations, or
  - (b) a particular purpose that is within subsection (2).
- <sup>F1</sup>(4) .....
- (5) In this section “sanctions regulations” means regulations which do one or more of the following—
  - (a) impose financial sanctions (see section 3);
  - (b) impose immigration sanctions (see section 4);
  - (c) impose trade sanctions (see section 5 and Schedule 1);
  - (d) impose aircraft sanctions (see section 6);
  - (e) impose shipping sanctions (see section 7);
  - (f) impose sanctions within section 8 (other sanctions for purposes of UN obligations);
  - (g) make supplemental provision in connection with any provision of the regulations or other regulations made under this section.

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- (6) In this section “supplemental provision” includes any provision authorised by any other provision of this Act to be made by regulations under this section (see in particular sections 9 to 17, 19 to 21 and 54).
- (7) In this Act any reference to a gross violation of human rights is to conduct which—
- (a) constitutes, or
  - (b) is connected with,
- the commission of a gross human rights abuse or violation; and whether conduct constitutes or is connected with the commission of such an abuse or violation is to be determined in accordance with section 241A of the Proceeds of Crime Act 2002.
- (8) In this Act—
- “UN obligation” means an obligation that the United Kingdom has by virtue of a UN Security Council Resolution;
- “UN Security Council Resolution” means a resolution adopted by the Security Council of the United Nations;
- “international obligation” means an obligation of the United Kingdom created or arising by or under any international agreement.
- (9) For the purposes of any provision of this Act which refers to an “appropriate Minister”, the following are appropriate Ministers—
- (a) the Secretary of State;
  - (b) the Treasury.
- (10) None of paragraphs (a) to (i) of subsection (2) is to be taken to limit the meaning of any other of those paragraphs.

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#### Textual Amendments

- F1** [S. 1\(4\)](#) omitted (15.3.2022) by virtue of [Economic Crime \(Transparency and Enforcement\) Act 2022](#) (c. 10), [ss. 57\(2\)](#), [69\(3\)](#)
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#### Commencement Information

- II** [S. 1](#) in force at 22.11.2018 by [S.I. 2018/1213](#), [reg. 2\(a\)](#)

## <sup>F2</sup> Additional requirements for regulations for a purpose within section 1(2)

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#### Textual Amendments

- F2** [S. 2](#) omitted (15.3.2022) by virtue of [Economic Crime \(Transparency and Enforcement\) Act 2022](#) (c. 10), [ss. 57\(3\)](#), [69\(3\)](#)
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### *Types of sanction*

## **3 Financial sanctions**

- (1) For the purposes of section 1(5)(a) regulations “impose financial sanctions” if they impose prohibitions or requirements for one or more of the following purposes—
  - (a) freezing funds or economic resources owned, held or controlled by designated persons (see section 9);
  - (b) preventing financial services from being provided to, or for the benefit of—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;
  - (c) preventing financial services from being procured from, or for the benefit of—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;
  - (d) preventing funds or economic resources from being made available to, or for the benefit of—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;
  - (e) preventing funds or economic resources from being received from—
    - (i) designated persons,
    - (ii) persons connected with a prescribed country, or
    - (iii) a prescribed description of persons connected with a prescribed country;
  - (f) preventing financial services from being provided, where the services relate to financial products, or financial products of a prescribed description, issued by designated persons;
  - (g) preventing persons from owning, controlling or having a prescribed interest in persons (other than individuals) which are—
    - (i) designated persons,
    - (ii) connected with a prescribed country, or
    - (iii) of a prescribed description and connected with a prescribed country.
- (2) For the purposes of section 1(5)(a) regulations also “impose financial sanctions” if they impose prohibitions or requirements for the purpose of preventing persons from entering into, or continuing to be a party to, arrangements for commercial purposes, or for prescribed commercial purposes, with—
  - (a) designated persons,
  - (b) persons connected with a prescribed country, or
  - (c) a prescribed description of persons connected with a prescribed country.
- (3) In subsection (1) any reference to funds, economic resources or financial services being made available, received, procured or provided is to their being made available, received, procured or provided (as the case may be) directly or indirectly.

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- (4) In subsection (2) “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).
- (5) Sections 60 and 61 contain definitions for the purposes of this Act of—
- “economic resources”,
  - “financial products”,
  - “financial services”,
  - “freeze”, and
  - “funds”.
- (6) Section 62 makes provision about the meaning of —
- (a) funds or economic resources being “owned, held or controlled” or “made available” (see subsection (4) of that section),
  - (b) a person “owning” or “controlling” another person (see subsection (5) of that section), and
  - (c) a person being “connected with” a country (see subsection (6) of that section).

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**Commencement Information**

**I2** [S. 3](#) in force at 22.11.2018 by [S.I. 2018/1213](#), [reg. 2\(a\)](#)

#### 4 Immigration sanctions

- (1) For the purposes of section 1(5)(b) regulations “impose immigration sanctions” if they provide for designated persons (see section 9) to be excluded persons for the purposes of section 8B of the Immigration Act 1971.
- (2) As to the effect of such provision, see section 8B of the Immigration Act 1971 (as amended by paragraph 1 of Schedule 3 to this Act).

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**Commencement Information**

**I3** [S. 4](#) in force at 22.11.2018 by [S.I. 2018/1213](#), [reg. 2\(a\)](#)

#### 5 Trade sanctions

- (1) For the purposes of section 1(5)(c) regulations “impose trade sanctions” if they impose prohibitions or requirements for one or more of the purposes mentioned in Part 1 of Schedule 1.
- (2) Part 2 of that Schedule makes further provision in connection with regulations which impose trade sanctions.

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**Commencement Information**

**I4** [S. 5](#) in force at 22.11.2018 by [S.I. 2018/1213](#), [reg. 2\(a\)](#)