



# Sanctions and Anti-Money Laundering Act 2018

## 2018 CHAPTER 13

### PART 1

#### SANCTIONS REGULATIONS

### CHAPTER 1

#### POWER TO MAKE SANCTIONS REGULATIONS

#### *Designation of persons*

#### **9 “Designated persons”**

- (1) Subsection (2) applies for the purposes of sections 3 and 4, Schedule 1 and sections 6 to 8.
- (2) In each of those provisions, “designated persons” means—
  - (a) persons designated under any power contained in the regulations that authorises an appropriate Minister to designate persons for the purposes of the regulations or of any provisions of the regulations, or
  - (b) persons who are designated persons under any provision included in the regulations by virtue of section 13 (persons named by or under UN Security Council Resolutions).
- (3) In subsection (2) “the regulations” means the regulations mentioned in section 3, 4, 5(1), 6, 7 or 8 (as the case may be).
- (4) As regards designation of persons by virtue of subsection (2)(a), see sections 10 to 12.

- (5) In this Act “person” includes (in addition to an individual and a body of persons corporate or unincorporate) any organisation and any association or combination of persons.

## **10 Designation powers: general**

- (1) In this Act a “designation power”, in relation to regulations under section 1, means a power (contained in the regulations by virtue of section 9(2)(a)) for an appropriate Minister to designate persons for the purposes of the regulations or of any provisions of the regulations.
- (2) Regulations under section 1 which contain a designation power may make provision about the way in which the power must or may be exercised, including provision authorising the appropriate Minister to whom the power is granted—
- (a) to designate a person by name;
  - (b) to provide that persons of a description specified by that Minister are designated persons;
  - (c) to designate different persons for the purposes of different provisions of the regulations.
- (3) Regulations under section 1 which contain a designation power must provide that where an appropriate Minister—
- (a) has made a designation under the power, or
  - (b) has varied or revoked a designation made under the power (see section 22),
- that Minister must without delay take such steps as are reasonably practicable to inform the designated person of the designation, variation or revocation.
- (4) The regulations may include provision, additional to that required by subsection (3), as to steps to be taken as regards notification or publicity where a designation has been made under the designation power or a designation made under the power has been varied or revoked.
- (5) The regulations need not require a person to be notified of an intention to designate the person.
- (6) Sections 11 and 12 contain provision about criteria for designation under a designation power.

## **11 Designation of a person by name under a designation power**

- (1) This section applies to regulations under section 1 which authorise an appropriate Minister (“the Minister”) to designate persons by name.
- (2) The regulations must contain provision which prohibits the Minister from designating a person by name except where the Minister—
- (a) has reasonable grounds to suspect that that person is an involved person (see subsection (3)), and
  - (b) considers that the designation of that person is appropriate, having regard to—
    - (i) the purpose of the regulations as stated under section 1(3), and
    - (ii) the likely significant effects of the designation on that person (as they appear to the Minister to be on the basis of the information that the Minister has).

- (3) The regulations must provide that “an involved person” means a person who—
  - (a) is or has been involved in an activity specified in the regulations,
  - (b) is owned or controlled directly or indirectly by a person who is or has been so involved,
  - (c) is acting on behalf of or at the direction of a person who is or has been so involved, or
  - (d) is a member of, or associated with, a person who is or has been so involved.
- (4) An activity may not be specified in the regulations by virtue of subsection (3) unless the Minister considers that specifying the activity is appropriate having regard to the purpose of the regulations as stated under section 1(3).
- (5) The regulations may, in the case of any activity specified in the regulations, make provision as to the meaning for the purposes of the regulations of a person’s being involved in that activity.
- (6) The regulations may make provision, for the purposes of the regulations, as to the meaning of a person’s—
  - (a) being “owned or controlled directly or indirectly by” another person, and
  - (b) being “associated with” another person.
- (7) The regulations must, in relation to any case where the Minister designates a person by name, require the information given under the provision made under section 10(3) to include a statement of reasons.
- (8) In subsection (7) a “statement of reasons” means a brief statement of the matters that the Minister knows, or has reasonable grounds to suspect, in relation to that person which have led the Minister to make the designation.
- (9) The regulations may authorise matters to be excluded from that statement where the Minister considers that they should be excluded—
  - (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice,(but the regulations may not authorise the Minister to provide no statement of reasons).

## **12 Designation of persons by description under a designation power**

- (1) This section applies to regulations under section 1 which grant a power for an appropriate Minister (“the Minister”) to provide that persons of a specified description are designated persons.
- (2) The regulations must contain provision which prohibits the exercise of that power except where conditions A to C are met.
- (3) Condition A is that the description of persons specified is such that a reasonable person would know whether that person fell within it.
- (4) Condition B is that, at the time the description is specified, it is not practicable for the Minister to identify and designate by name all the persons falling within that description at that time.
- (5) Condition C is that the Minister—

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*Status: This is the original version (as it was originally enacted).*

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- (a) has reasonable grounds to suspect—
    - (i) in a case where the specified description is members of a particular organisation, that that organisation is an involved person, or
    - (ii) in the case of any other specified description, that any person falling within that description would necessarily be an involved person, and
  - (b) considers that the designation of persons of the specified description is appropriate, having regard to—
    - (i) the purpose of the regulations as stated under section 1(3), and
    - (ii) the likely significant effects of the designation (as they appear to the Minister to be on the basis of the information that the Minister has) on persons of that description.
- (6) Subsections (3) to (6) of section 11 apply to regulations which contain provision mentioned in subsection (2) above.
- (7) The regulations must, in relation to any case where the Minister provides that persons of a specified description are designated persons, require the information given under the provision made under section 10(3) to include a statement of reasons.
- (8) In subsection (7) a “statement of reasons” means a brief statement of the matters that the Minister knows, or has reasonable grounds to suspect, in relation to persons of the specified description which have led the Minister to make the provision designating persons of that description.
- (9) The regulations may authorise matters to be excluded from that statement where the Minister considers that they should be excluded—
- (a) in the interests of national security or international relations,
  - (b) for reasons connected with the prevention or detection of serious crime in the United Kingdom or elsewhere, or
  - (c) in the interests of justice,
- (but the regulations may not authorise the Minister to provide no statement of reasons).
- (10) In this section “organisation” includes any body, association or combination of persons.

### **13 Persons named by or under UN Security Council Resolutions**

- (1) This section applies where—
- (a) the purpose, or a purpose, of a provision of regulations under section 1 is compliance with an obligation to take particular measures in relation to UN-named persons that the United Kingdom has by virtue of a UN Security Council Resolution (“the Resolution”), and
  - (b) for that provision of the regulations to achieve its purpose as regards that obligation, the relevant UN-named persons need to be designated persons for the purposes of that provision.
- (2) The regulations must provide for those persons to be designated persons for the purposes of that provision.
- (3) Provision under subsection (2) may be expressed in any way and may in particular refer to the Resolution, or any other instrument, as varied or supplemented from time to time.

(4) In this section—

a “UN-named person” means a person for the time being named (by the Security Council or a subsidiary organ of the Security Council) for the purposes of the Resolution so far as it provides for the taking of the measures in question, and

“the relevant UN-named persons” means each such person.