

CAYMAN ISLANDS



Supplement No. 2 published with Extraordinary
Gazette No. 12 dated February 10, 2021.

NOTICE

**THE COUNTER-TERRORISM (SANCTIONS) (OVERSEAS
TERRITORIES) ORDER 2020**

SI 2020 NO. 1564

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NOTICE is hereby given that the Counter-Terrorism (Sanctions) (Overseas Territories) Order 2020 No. 1564, was made on 16th December, 2020 and comes into force in accordance with article 1(1) of the Order.

The full text of the Order can be viewed via the following link:

https://www.legislation.gov.uk/uksi/2020/1564/pdfs/uksi_20201564_en.pdf?text=sanctions%20overseas

The Explanatory Note of the Counter-Terrorism (Sanctions) (Overseas Territories) Order 2020 SI 2020 No. 1564 is as follows:

“EXPLANATORY NOTE

(This note is not part of the Order)

This Order extends with modifications the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/577) (“the Regulations”) as amended from time to time to all British overseas territories except Bermuda and Gibraltar (which implement sanctions under their own legislative arrangements).

Section 63(3)(c) of the Sanctions and Anti-Money Laundering Act 2018 (c.13) (“the Sanctions Act”) provides that Her Majesty may by Order in Council provide for any provision of Part 1 of that Act, or any regulations under Part 1 of the Act, to extend with or without modifications to any of the British overseas territories. Section 63(4) provides that this includes the power to extend any regulations as amended from time to time.

The Regulations were made under Part 1 of the Sanctions Act to establish a sanctions regime to further the prevention of terrorism in the United Kingdom and elsewhere, to protect the interests of national security in the United Kingdom and to implement the United Kingdom’s international obligations under resolution 1373 (2001) adopted by the Security Council of the United Nations on 28th September 2001 (“resolution 1373”). Following the repeal by section 59(1) of the Sanctions Act of Part 1 of the Terrorist Asset-Freezing etc. Act 2010, the Regulations will continue to implement the United Kingdom’s obligations under resolution 1373.

The Regulations, as modified and extended to the British overseas territories listed in Schedule 1 by this Order (“the modified Regulations”), confer a power on the Governor of a British overseas territory to which the modified Regulations extend to designate persons who are, or have been, involved in terrorism. The

exercise of this power is subject to consultation with the Secretary of State. The modified Regulations also provide that a person designated by the Treasury under the Regulations (as they have effect in the United Kingdom) is a designated person for the purposes of the modified Regulations. Designated persons are subject to financial sanctions, including the freezing of their funds and/or economic resources.

The modified Regulations provide for certain exceptions to this sanctions regime (for example to allow for frozen accounts to be credited with interest or other earnings and to allow acts done for the purpose of national security or the prevention of serious crime). The Governor may, after consultation with the Treasury (for Treasury designations) or Secretary of State (for Governor designations), issue a financial sanctions licence in respect of activities that would otherwise be prohibited under the Regulations. The modified Regulations also require the Governor of the territory to publish an up-to-date list of designated persons.

The modified Regulations prescribe powers for the provision and sharing of information to enable the effective implementation and enforcement of the sanctions regime, and for the issue of a search warrant. The modified Regulations make it a criminal offence to contravene, or circumvent, any of the prohibitions in the modified Regulations and prescribe the penalties that apply to such offences.

The modifications set out in Schedule 2 to this Order include modifications to provisions in the Regulations which are prospectively amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 3) Regulations 2020 (S.I. 2020/950) and the Sanctions (EU Exit) (Consequential Provisions) (Amendment) Regulations 2020 (S.I. 2020/1289) (“the amending regulations”). Therefore, article 1(1) provides that this Order comes into force immediately after both the amending regulations have come into force in the United Kingdom. The amending regulations will be brought into force on a day appointed by the Secretary of State in regulations under section 56 of the Sanctions Act.

This Order also extends to the territories, with relevant modifications and for the purposes of the modified Regulations specific provisions of Part 1 of the Act, including provisions relating to the Governor’s designation-making power, protection for acts done for purposes of compliance, Crown application and saving for prerogative powers.

It also extends, with relevant modifications and for the purposes of the modified Regulations, the Sanctions Review Procedure (EU Exit) Regulations 2018 (S.I. 2018/1269) which make provision in relation to requests under Chapter 2 of Part 1 of the Sanctions Act to vary or revoke a designation.

An Impact Assessment has not been prepared for this instrument: the territorial extent of the instrument and the modified Regulations is the British overseas territories listed in Schedule 1 to the instrument and no, or no significant, impact is foreseen on the private, voluntary or public sectors in the United Kingdom.”.