



HM Government

The Government Response to the report of the
Independent Reviewer of Terrorism Legislation on the
operation of the Counter Terrorism (Sanctions) (EU
Exit) Regulations 2019

Presented to Parliament by
the Treasury Lords Minister

by Command of His Majesty

December 2022



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Mr Jonathan Hall KC
Independent Reviewer of Terrorism Legislation

15 December 2022

Dear Mr Hall,

REVIEW OF THE OPERATION OF COUNTER TERRORISM (SANCTIONS) (EU EXIT) REGULATIONS 2019.

Thank you for your report on the operation of the asset freeze provisions set out in the Counter Terrorism (Sanctions) (EU Exit) Regulations 2019 (CT Sanctions 2019), in your capacity as Section 31 reviewer as detailed in the Sanctions and Anti-Money Laundering Act, 2018 (SAMLA). The report is the first independent review of any counter terrorism sanctions regime commissioned by HM Treasury under SAMLA.

The function of the Section 31 reviewer is extremely valuable since counter-terrorism sanctions can have a profound effect upon the lives of individuals who are impacted by those sanctions, so we must ensure the operation of such a sanctions regime is fit for purpose. Your report provides HM Treasury with a robust and independent review of the CT Sanctions 2019 regime, allowing us to review and monitor its continued effectiveness.

Your report makes two recommendations. The first is that *'the Treasury should publish a substantive response to the report of the independent reviewer either at the same time as or subsequent to that report being laid before Parliament under Section 31 SAMLA.'* Please accept this correspondence as that substantive response which will also be laid before Parliament and published on the government website.

During the time you were writing your report SAMLA was amended by the Economic Crime (Transparency and Enforcement) Act 2022 (ECTA) which was passed in response to the Russian invasion of Ukraine to streamline the process of creating regimes and making designations. ECTA applies to both the CT Sanctions 2019 and other legislation made under SAMLA.

It is these amendments, which form the basis of your second recommendation, that *'the CT Sanctions 2019 should be amended so that they expressly contain the*

designation criteria and other provisions established for existing sanctions regimes by Chapter 2 of Part 3 of the Economic Crime Act 2022'.

This recommendation is also accepted and my officials have discussed it with their Foreign Commonwealth and Development Office colleagues, with a view to implementation in due course. Any amendment to CT Sanctions 2019 would be for clarity rather than legal necessity.

I am pleased that your report draws a conclusion that the CT Sanctions 2019 regime *"...provides a coherent basis for financial sanctions with a UK nexus..."*. As you point out, there is currently only one person designated under the regime. As we continue to look to the regime as a counter-terrorism tool, we will ensure that we fully consider the impact on persons outside the UK and the effectiveness of licensing as a mitigation. Our aim is to ensure the regime is being utilised to its full capability going forwards.

A handwritten signature in black ink, appearing to be 'P. Penn', with a long horizontal flourish extending to the right.

Baroness Penn
Treasury Lords Minister

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