

## GENERAL LICENCE – Prior obligations

**INT/2023/3024200**

1. This licence is granted under regulation 64 of The Russia (Sanctions) (EU Exit) Regulations 2019 (“the Russia Regulations”) and regulation 32 of The Republic of Belarus (Sanctions) (EU Exit) Regulations 2019 (2019/600) (“the Belarus Regulations”).
2. The prohibitions in regulations 11-15 of the Russia Regulations and regulations 11-15 of the Belarus Regulations do not apply to any act necessary to give effect to this Licence.
3. In this licence:

<b>“Contractual obligation”</b> means	A legally enforceable contract which may result in a UK person receiving funds or economic resources in satisfaction of an obligation of a DP entered into pre-designation, but does not include any of the contracts listed in Annex A.
<b>“DP”</b> means	any individual or body of persons (corporate or unincorporate) designated under regulation 5 of the Russia Regulations and/ or any individual or body of persons (corporate or unincorporate) owned or controlled by that designated person as determined under the criteria set out in the Russia Regulations or the Belarus Regulations (in particular regulation 7 of and Schedule 1 to each of those Regulations).
<b>“Economic resources”</b> means	assets of every kind, whether tangible or intangible, movable, or immovable, which are not funds but can be used to obtain funds, goods, or services.
<b>“Funds”</b> means	financial assets and benefits of every kind, including (but not limited to)— (a) cash, cheques, claims on money, drafts, money orders and other payment instruments; (b) deposits, balances on accounts, debts and debt obligations; (c) publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivative products; (d) interest, dividends and other income on or value accruing from or generated by assets; (e) credit, rights of set-off, guarantees, performance bonds and other financial commitments; (f) letters of credit, bills of lading and bills of sale; (g) documents providing evidence of an interest in funds or financial resources; (h) any other instrument of export financing.
<b>“Relevant Institution”</b> means	a person that has permission under Part 4A of the Financial Services and Markets Act 2000 (permission to carry on regulated activity); a person that is authorised or registered under Part 2 of the Payment Services Regulations (SI 2017/752); a person that is authorised or registered under Part 2 of the Electronic Money Regulations (SI 2011/99);

	a person that is a "recognised clearing house", "third country central counterparty", "recognised CSD" or "third country CSD" for the purposes of s.285 of the Financial Services and Markets Act 2000; or a person that is an operator of a recognised payment system (or that is a service provider in relation to recognised payment systems) for the purposes of Part 5 of the Banking Act 2009.
<b>"UK person"</b> means	A United Kingdom national or a body incorporated or constituted under the law of any part of the United Kingdom that is not a DP.

### Permissions

4. Under this licence, subject to the conditions below:
  - 4.1. A DP may transfer funds or economic resources to UK persons in satisfaction of a contractual obligation of a DP provided that:
    - 4.1.1. the contractual obligation of the DP arose before the date on which the DP became designated;
    - 4.1.2. the payment is for the benefit of a UK person;
    - 4.1.3. the total value of the funds or economic resources due under any such contractual obligation does not exceed of £200,000 inc. VAT (allowing for market currency fluctuations); and
    - 4.1.4. save as provided in paragraph 7 below, no payments are made to another DP, whether directly or indirectly.
  
5. Under this licence, subject to the conditions below:
  - 5.1. A UK person may receive funds or economic resources in satisfaction of a contractual obligation of a DP provided that:
    - 5.1.1. the contractual obligation of the DP arose before the date on which the DP became designated;
    - 5.1.2. the payment is for the benefit of a UK person;
    - 5.1.3. the total value of the funds or economic resources received under any such contractual obligation does not exceed of £200,000 inc. VAT (allowing for market currency fluctuations); and
    - 5.1.4. no payments are made to another DP, whether directly or indirectly.
  
6. A Relevant Institution may process payments made in accordance with paragraphs 4 and 5 above.
  
7. For the avoidance of doubt, a bank or financial institution required to process payments made in accordance with paragraph 4 above which is itself a DP, may process such payments in line with paragraph 4.
  
8. The permissions in this licence only apply to where there is a clear, demonstrable, and enforceable contractual obligation agreed pre-designation.
  
9. For the avoidance of doubt, no other UK person can use the licence to receive funds or economic resources arising from the same contractual obligation.

10. Save as provided in paragraph 7 above, the permissions in this licence do not authorise any act which results in funds or economic resources being made available (directly or indirectly) to any DP.

### Reporting Requirement

11. Within 1 month of receiving payment under this General Licence, a UK person (excluding Relevant Institutions) must send to HM Treasury, by email to [ofsi@hmtreasury.gov.uk](mailto:ofsi@hmtreasury.gov.uk):

- 11.1. The relevant legally enforceable contractual obligation between the UK person and the relevant DP;
- 11.2. Any other document, communication or other record which sets out the obligation pursuant to which payment is made and received;
- 11.3. The relevant invoice(s) which are being paid;
- 11.4. The amount received;
- 11.5. The date on which the funds were transferred and received; and
- 11.6. Confirmation that no other UK person will use the licence to receive funds or economic resources arising from the same contractual obligation.

### Record-keeping Requirements

12. A DP or UK person must keep accurate, complete, and readable records, on paper or electronically, of any activity purporting to have been permitted under this licence for a minimum of 6 years.

### General

13. The permissions in this licence do not authorise any act which results in a breach of the Russia Regulations, the Belarus Regulations or any other regulations made under the Sanctions and Anti-Money Laundering Act 2018 save as specifically permitted under this licence.

14. Information provided to HM Treasury in connection with this licence shall be disclosed to third parties only in compliance with the UK General Data Protection Regulation and the Data Protection Act 2018.

15. This licence takes effect from 22 May 2023 and expires at 23:59 on 21 November 2023.

16. HM Treasury may vary, revoke, or suspend this licence at any time.

17. HM Treasury will publicise any variations, suspensions or revocations of this licence online at [www.gov.uk/government/collections/ofsi-general-licences](http://www.gov.uk/government/collections/ofsi-general-licences).

Signed:

A handwritten signature in blue ink that reads "OFSI".

Office of Financial Sanctions Implementation

HM Treasury

22 May 2023.

**Annex A: Contracts involving the terms set out below are not applicable under this General Licence**

<b>Term</b>	<b>Definition/Legislation</b>
"Bonds" means	a bond that is within article 77 (1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or an alternative finance investment bond within the meaning of article 77A of that Order.
"Derivative contracts" means	a derivative contract as defined in Part 7 of the Corporation Tax Act 2009 section 576 (see sections 570 onwards).
"Derivatives" means	a derivative referred to in paragraphs 4 to 10 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544).
"Credit default swaps" means	credit default swaps included in paragraphs 4 to 10 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544).
"Repo transactions" means	a repurchase agreements within Part 6 Corporation Tax Act 2009, Chapter 10 or a repurchase agreement included in paragraphs 4 to 10 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544).
"Professional legal fees and/or expenses" means	fees charged by counsel, a legal adviser, or a law firm for the provision of legal services. And any fees or expenses associated with the provision of the legal services.
"Ongoing prior obligations" means	a legally enforceable contract that was signed prior to the date a DP was designated and the services have been incurred post-designation.
"Prior obligations over £200,000" means	a legally enforceable contract in which UK persons would be due to receive funds or economic resources that exceed £200,000 inc. VAT (allowing for market currency fluctuations).
"Non-DP bank accounts held with DP banks"	the use or withdrawal of funds by a UK Person from an account held at a DP bank, even where there is a contract stating that such UK Person is entitled to use or withdraw funds held in such account.
"Obligations of non-designated persons made through DP banks"	a contract involving the discharge of an obligation of a non-designated person using funds held in an account with a DP bank.