

Annex 2

Written Ministerial Statement

Operation of the UK's Counter-Terrorist Asset Freezing Regime:

1 October 2017 to 31 December 2017

The Economic Secretary to the Treasury (John Glen): Under the Terrorist Asset-Freezing etc. Act 2010 (TAFE 2010), the Treasury is required to prepare a quarterly report regarding its exercise of the powers conferred on it by Part 1 of TAFE 2010. This written statement satisfies that requirement for the period 1 October 2017 to 31 December 2017.

This report also covers the UK's implementation of the UN's ISIL (Da'esh) and Al-Qaida asset freezing regime (ISIL-AQ), and the operation of the EU's asset freezing regime under EU Regulation (EC) 2580/2001 concerning external terrorist threats to the EU. (also referred to as the CP 931 regime).

Under the ISIL-AQ asset freezing regime, the UN has responsibility for designations and the Treasury, through its Office of Financial Sanctions implementation (OFSI), has responsibility for licensing and compliance with the regime in the UK under the ISIL (Da'esh) and Al-Qaida (Asset-Freezing) Regulations 2011.

Under EU Regulation 2580/2001, the EU has responsibility for designations and OFSI has responsibility for licensing and compliance with the regime in the UK under Part 1 of TAFE 2010.

A new EU asset freezing regime under EU Regulation (2016/1686) was implemented on 22 September 2016. This permits the EU to make autonomous Al-Qaida and ISIL (Da'esh) listings. Once a designation is made under this regime it will appear in the table below.

The following tables set out the key asset-freezing activity in the UK during the quarter.

The Sanctions and Anti-Money Laundering Bill currently before Parliament will help ensure that UK counterterrorist sanctions powers remain a useful tool for law enforcement and intelligence agencies to consider utilising, while also meeting the UK's international obligations.

Under the Bill, a designation could be made where there are reasonable grounds to suspect that the person or group is or has been involved in a defined terrorist activity and that designation is appropriate. This approach is in line with the UK's current approach under UN and EU sanctions and would be balanced by procedural protections such as the ability of designated persons to challenge the Government in court.

Frozen funds

	TAFAs 2010	EU Reg (EC) 2580/2001	ISIL-AQ regime EU Reg 881/2002
Total funds frozen (GBP equivalent at the end of the quarter)	£9,000	< £100.00	£70,000 ¹
Total accounts/payments frozen (at the end of the quarter)	6	1	35
Accounts/payments frozen (during the quarter)	0	0	0
Accounts/payments unfrozen (during the quarter)	0	0	0

New Designations in this Quarter

	TAFAs 2010	EU Reg (EC) 2580/2001	ISIL-AQ regime EU Reg 881/2002
New public designations (during the quarter)	0	0	0
New confidential designations ² (during the quarter)	0	N/A	N/A
Total number of current confidential designations (at the end of the quarter)	0	N/A	N/A

Delistings in this Quarter

	TAFAs 2010	EU Reg (EC) 2580/2001	ISIL-AQ regime EU Reg 881/2002
Total delistings (during the quarter)	0	0	0
Total renewals of designations by HMT (during the quarter)	5	N/A	N/A

¹ Calculated using exchange rates as of 31/12/2017.

² Confidential designations can be made under section 3(2)-(4) and section 7(2)-(4) of TAFAs 2010.

Licensing

No licences were issued under any of the CT regimes during this Quarter. Four General licences remained current during this quarter³

Listings

Current designations can be found under the following links

Consolidated list of all the individuals, organisations and businesses subject to financial sanctions in the UK:

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets>

Current designations under the UN ISIL-AQ regime & EU Regulation 2016/1686 (Designations under this regulation will be identified as "EU Listing only"):

<https://www.gov.uk/government/publications/current-list-of-designated-persons-al-qaida>

Current designations under TAFAs and EU 2580/2001.

- 'UK listing only' – listed under TAFAs 2010 only
- 'Both UK and EU listing' – listed under TAFAs 2010 and under the EU's asset freezing regime 2580/2001
- 'EU listing only' – listed under EU's asset freezing regime. The prohibitions are found in Council Regulation (EC) No 2580/2001 with penalties given by TAFAs 2010

<https://www.gov.uk/government/publications/current-list-of-designated-persons-terrorism-and-terrorist-financing>

³ General licences are published on GOV.UK: <https://www.gov.uk/government/publications/counter-financing-of-terrorism-general-licenses>