



## Imposition of Monetary Penalty – Telia Carrier UK Limited

1. Following a review by the Economic Secretary to the Treasury pursuant to s147 of the Policing and Crime Act 2017 (PACA 2017), on Monday 9 September 2019 the Office of Financial Sanctions Implementation (OFSI), part of HM Treasury, issued a monetary penalty of £146,341 against Telia Carrier UK Limited for breaches of regulations 4 and 6 of the Syria (European Union Financial Sanctions) Regulations 2012. This penalty replaced an earlier penalty of £300,000, which was imposed by OFSI on 15 July 2019. There was no voluntary disclosure in this case.
2. Telia Carrier UK Limited had indirectly facilitated international telephone calls to SyriaTel, an entity designated under the above regime (Group ID: 12153). This resulted in the company repeatedly making funds and economic resources indirectly available to the designated entity over an extended period of time.
3. OFSI imposed a monetary penalty because it was satisfied, on the balance of probabilities, that Telia Carrier UK Limited breached prohibitions imposed by or under financial sanctions legislation, and knew, or had reasonable cause to suspect, that they were in breach of these prohibitions.
4. Any person who has a penalty imposed on them by OFSI has the right to such a review under s147 of PACA. Under these provisions, the Minister may
  - a. uphold the decision to impose the penalty and its amount,
  - b. uphold the decision to impose the penalty but substitute a different amount, or
  - c. cancel the decision to impose the penalty.
5. Telia Carrier UK Limited exercised its right to a Ministerial review, which was carried out by the Minister personally.

6. When requesting the Ministerial review, Telia Carrier UK Limited provided further clarification of the nature of the transactions which was not available to OFSI when the original penalty was imposed. If it had been, this clarification may have changed OFSI's view of the case as it significantly reduced the assessed value of the breaches from an estimated £480,000 to approximately £234,000.
7. Although a Ministerial review will not normally be a way of introducing new material, given the likely significant impact in this case, OFSI provided the clarification to the Minister.
8. The Minister decided that it was appropriate to impose a penalty in this case and considered OFSI's decision to impose a £300,000 penalty was proportionate and appropriate given the estimated value of the breach at the time of OFSI's 15 July penalty. However, taking the further clarification into consideration along with the case information in OFSI's original decision, the Minister also decided that the penalty amount should be reduced from £300,000 to £146,341 – upholding the penalty but substituting a different amount.
9. Telia Carrier UK Limited did not access their right of appeal to the Upper Tribunal within the time limit in which to do so and have paid the penalty. The case is now concluded.

### **Note on Compliance**

10. This case illustrates that 'economic resources' can cover a wide variety of tangible and intangible resources and can be provided directly and/or indirectly. It also illustrates that companies need to be able to recognise when they are in breach of the regulations and take immediate action to stop their activity and report it to OFSI.
11. Information on which persons are designated under each financial sanctions regime is published by OFSI and is available as a consolidated list on our website. You can also sign up for our e-mail alerts so you are notified each time the consolidated list is updated.
12. Companies should take care to make sure they carry out appropriate financial sanctions screening or checks, and act on the results in the correct way. Where the financial sanction is an asset freeze, it is generally prohibited to:
  - deal with the frozen funds or economic resources, belonging to or owned, held or controlled by a designated person

- make funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person
- engage in actions that, directly or indirectly, circumvent the financial sanctions prohibitions

The funds and economic resources are to be frozen immediately by the person in possession or control of them.

13. If you know or have reasonable cause to suspect that you are in possession or control of, or are otherwise dealing with, the funds or economic resources of a designated person you must:

- freeze them
- not deal with them or make them available to, or for the benefit of, the designated person, unless:
  - there is an exemption in the legislation that you can rely on
  - you have a licence from OFSI
- inform OFSI