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 **and 17A** 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:

"Contractual	an obligation of a DP arising under a legally enforceable contract, entered
obligation"	into prior to designation where there is an outstanding balance of up to
means	£200,000 inc. VAT (allowing for market currency fluctuations), which may
	result in a UK person receiving funds or economic resources in
	satisfaction of <u>said</u> obligation but <u>excluding contracts involving the</u>
	financial assets/instruments listed in Annex A and the types of contracts
	listed in Annex B, of a DP entered into pre-designation, but does not
	include any of the contracts listed in Annex A.
"DP" means	any individual or body of persons (corporate or unincorporate)
	designated under regulation 5 of the Russia Regulations or the Belarus
	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).
"Economic	assets of every kind, whether tangible or intangible, movable, or
resources"	immovable, which are not funds but can be used to obtain funds, goods,
means	or services.
"Funds"	financial assets and benefits of every kind, including (but not limited to)—
means	(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.

"Relevant	a person that has permission under Part 4A of the Financial Services and	
Institution"	Markets Act 2000 (permission to carry on regulated activity);	
means	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 purpose	
	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.	
"UK person"	a United Kingdom national or a body incorporated or constituted	
means under the law of any part of the United Kingdom that is not a D		

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 remaining amount due under any such contractual obligation does not exceed £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 <u>from a DP</u> in satisfaction of a contractual obligation of <u>that DP</u> 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 <u>remaining due, and</u> received, under any such contractual obligation does not exceed £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 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 this 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 licence, a UK person (excluding Relevant Institutions) must send to HM Treasury, by email to 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.

<u>General</u>

- 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 May 2024.
- 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.

Signed:



Office of Financial Sanctions Implementation HM Treasury 22 May 2023

Amended 10 October 2023

Amended 15 December 2023.

Annex A: The permissions in this licence do *not* apply to contracts involving the financial <u>assets/instruments listed below</u>

Financial asset/instrument	Definition/Legislation
Bonds	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.
Certificates representing certain securities	Certificates representing certain securities as defined in article 80 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Credit default swaps	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).
Cryptoassets	a cryptographically secured digital representation of value or contractual rights that uses distributed ledger technology and which: (a) is capable of being traded on or transferred through a platform or other forum; (b) is not limited to being transferred to its issuer in exchange for a good or service, or to an operator of a network that facilitates its exchange for a good or service; (c) is not electronic money; (d) is not a specified investment; (e) is not a representation of ownership or other property right in a commodity; and (f) is not money issued by a central bank.
Derivatives	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).
Derivative contracts	a derivative contract as defined in Part 7 of the Corporation Tax Act 2009 section 576 (see sections 570 onwards).
Government and public securities	Government and public securities as defined in article 78 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Instrument giving entitlement to investments	Instrument giving entitlement to investments as defined in article 79 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Repo transactions	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).
Shares	Shares as defined in article 76 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Units in a collective investment scheme	Units in a collective investment scheme as defined in article 81 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

Annex B The permissions in this licence do *not* apply to the following types of contracts (previously listed in Annex A)

Type of contract	Definition
Contracts between UK Persons and	a payment involving the use of funds held in an account at a
<u>DP banks</u>	DP bank
Contracts for the continued/ongoing	a legally enforceable contract entered into prior to designation
provision of goods and/or services	which provides for payment in respect of goods and/or
provided post-designation	services provided to the DP after his designation.
Contracts for the provision of legal	fees charged by counsel, a legal adviser, or a law firm for the
<u>services</u>	provision of legal service, and any fees or expenses associated
	with the provision of the legal services.
"Non-DP bank accounts held with DP	the use or withdrawal of funds by a UK Person from an
banks"	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	a contract involving the discharge of an obligation of a non-
persons made through DP banks"	designated person using funds held in an account with a DP
	bank.
"Ongoing prior obligations"	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"	a legally enforceable contract in which UK persons would be
means	due to receive funds or economic resources that exceed
	£200,000 inc. VAT (allowing for market currency fluctuations).