



General Licence – Publication Notice

Following amendments made to regulation 17A, the information in this publication notice is no longer valid. OFSI's Russia Guidance and other publications should be consulted for up-to-date guidance about financial sanctions related to correspondent banking transactions.

General licence – INT/2023/3566356

OFSI has the power to issue General Licences for country sanctions regimes under the Sanctions and Anti-Money Laundering Act 2018 ("the Sanctions Act").

On 29 September 2023, OFSI issued General Licence INT/2023/3566356 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 ("the Belarus Regulations").

Any persons intending to use General Licence INT/2023/3566356 should consult the copy of the Licence on this page for full details of the permissions and usage requirements.

For the purposes of General Licence INT/2023/3566356:

a DP means any individual or body of persons (corporate or unincorporate) designated under regulation 5 of the Russia Regulations or regulation 5 of the Belarus Regulations for the purposes of regulations 11-15 of the Russia Regulations or regulations 11-15 of 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).

a "Credit or Financial Institution" means a credit institution as defined in regulation 10(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the MLRs") or a financial institution as defined in regulation 10(2) of the MLRs

Relevant Payment means a payment;

- (a) which has been received by a Credit or Financial Institution which is not a DP; and
- (b) which was received directly from a Credit or Financial Institution which is not a DP; and
- (c) which has, at some point in the chain of payments, been processed by a Credit or Financial Institution which is a DP acting as an originating, correspondent or intermediary institution; and
- (d) where both the original account holder, (meaning the person (any individual or body of persons (corporate or unincorporate)) which holds the account at the first institution in the chain of payments) and the original intended recipient (meaning the person (any individual or body of persons (corporate or unincorporate)) which holds the account at the final institution in the chain of payments) of the payment are not DPs.

Under this licence, strictly subject to the conditions within, a Credit or Financial Institution may return a Relevant Payment to the Credit or Financial Institution which sent the Relevant Payment directly to it.

Conditions

The Credit or Financial Institution which wishes to return the Relevant Payment under paragraph 5 of General Licence INT/2023/3566356 must not be a DP.

The Credit or Financial Institution to which the Relevant Payment is returned under paragraph 5 of General Licence INT/2023/3566356 must not be a DP.

General

The permissions in General Licence INT/2023/3566356 do not authorise any act which will result in funds or economic resources being dealt with or made available in breach of the Russia Regulations or the Belarus Regulations, save as permitted under this licence or another licence granted under the Russia Regulations or the Belarus Regulations.

General Licence INT/2023/3566356 takes effect from 29 September 2023 and expires at 23.59 on the 1 December 2023. HM Treasury may vary, revoke or suspend this licence at any time.

GL INT/2023/3566356 has been issued to provide certainty to relevant institutions and does not represent a determination by OFSI that the actions contemplated by the general licence are prohibited by financial sanctions regulations.

Regulation 11 applies in relation to funds that are owned, held or controlled by a designated person, including designated banks. Regulations 12-15 make it a sanctions offence to make funds or economic resources available directly (or indirectly) to a designated person or for the benefit of a designated person. Where funds are not owned, held or controlled by a DP at the time a UK bank deals with them, no OFSI licence is required for the UK bank to deal with them, provided no funds or economic resources are being made available (directly or indirectly) to, or for the benefit of a DP. In a scenario where a DP bank (upstream of the UK bank and at least one entity removed from the UK bank in the chain) has discharged its obligations in a payment chain and has no right of countermand over those funds, OFSI considers that the funds are no longer owned, held or controlled by the DP bank.

Any bank that took an active part in a transfer directly from a designated bank may have committed a sanctions offence of dealing with frozen funds.

For the avoidance of doubt, the above refers to transactions which do not involve any designated persons under regulations 11-15 of the Russia Regulations beyond the involvement of a designated bank before the UK bank in the banking chain. Dealing with funds in an account held by a designated person at any bank (whether designated or not) or directly or indirectly transferring funds to an account held by a designated person (at any bank) does engage the asset freeze. A licence is also required for a UK bank to process transactions which engage restrictions set out in Regulation 17A due to the involvement in the payment chain of a bank designated under Regulation 17A.

It is OFSI's view that the majority of these payments do not typically engage sanctions. However, cases must be assessed on their specific details and due diligence is still required.

OFSI does not provide legal advice and cannot issue definitive guidance on how a UK court might interpret sanctions legislation.

It is the Government's intention to legislate to prohibit in all cases UK credit and financial institutions from processing payments that are transferred via a designated bank at any point in the banking chain.

HM Treasury