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FINANCIAL SERVICES AND MARKETS ACT 2022

FINANCIAL SERVICES AND MARKETS (SANCTIONS AND FREEZING OF ASSETS OF PERSONS — IRAN) REGULATIONS 2023

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In exercise of the powers conferred by section 192, read with sections 15(1)(b) and 219(d), of the Financial Services and Markets Act 2022, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Financial Services and Markets (Sanctions and Freezing of Assets of Persons — Iran) Regulations 2023 and come into operation on 28 April 2023.

Object

2. The object of these Regulations is to assist in giving effect to Resolution 2231 (2015) of the Security Council of the United Nations.

Application

3. These Regulations apply to every financial institution within the meaning of section 2 of the Act (including a branch outside Singapore of any such financial institution incorporated or established in Singapore).

Definitions

4.—(1) In these Regulations —

“designated item” means any item, material, equipment, goods or technology falling within a class or description specified in the Schedule;

“designated person” means any individual or entity set out in the UN List, subject to paragraph (2);

“funds” includes cheques, bank deposits and other financial resources;

“JCPOA” means the Joint Comprehensive Plan of Action set out in Resolution 2231 (2015);

“Resolution” means a Resolution of the Security Council;

“Security Council” means the Security Council of the United Nations;

“specified person” means any of the following:

- (a) the government of Iran;
- (b) a national of Iran;
- (c) an entity incorporated in Iran or subject to its jurisdiction;
- (d) an individual or entity acting on behalf of or on the direction of any person falling within paragraph (a), (b) or (c);

- (e) an entity owned or controlled, directly or indirectly, by any person falling within paragraph (a), (b) or (c);

“UN List” means collectively the lists of individuals or entities identified by the Security Council as individuals or entities to whom or which the measures specified in paragraph 6(c) of Annex B to Resolution 2231 (2015) apply, and includes any such list as updated from time to time by the Security Council, and made available on the Internet through the official United Nations website at <http://www.un.org/>.

- (2) For the purposes of the definition of “designated person” —
 - (a) where any individual or entity is added to the UN List on or after 28 April 2023, the individual or entity is taken to be a designated person with effect from the date immediately following the date of addition to the UN List;
 - (b) where any individual or entity is removed from the UN List, the individual or entity ceases to be a designated person with effect from the date of removal from the UN List; and
 - (c) where the particulars of any individual or entity in the UN List are modified on or after 28 April 2023, the particulars of the individual or entity are taken to be modified for the purposes of these Regulations with effect from the date immediately following the date of modification of the UN List.

Assets of certain persons to be frozen

5.—(1) Subject to paragraph (3), any financial institution that has in its possession, custody or control in Singapore, any funds, other financial assets or economic resources owned or controlled, directly or indirectly, by any designated person must —

- (a) immediately freeze all of the funds, financial assets or economic resources, as the case may be; and
- (b) ensure that the funds, financial assets or economic resources (as the case may be) are not made available,

whether directly or indirectly, to or for the benefit of the designated person.

(2) For the purposes of paragraph (1), any funds, other financial assets or economic resources that are held by —

- (a) any entity owned or controlled, directly or indirectly, by any designated person; or
- (b) any individual or entity who acts on behalf of or under the direction of any designated person,

are treated as funds, financial assets or economic resources owned or controlled by the designated person.

(3) The requirements in paragraph (1) do not apply to any funds, other financial assets or economic resources that have been determined by the Authority —

- (a) to be necessary for the payment of basic expenses, including any payment for foodstuff, rent, the discharge of a mortgage, medicine, medical treatment, taxes, insurance premiums and public utility charges;
- (b) to be necessary exclusively for —
 - (i) the payment of reasonable professional fees and the reimbursement of any expenses in connection with the provision of legal services; or
 - (ii) the payment of fees or service charges imposed for the routine holding or maintenance of frozen funds, financial assets or economic resources;
- (c) to be necessary for the payment of any extraordinary expenses;
- (d) to be necessary for the civil nuclear cooperation projects described in Annex III of the JCPOA;
- (e) to be the subject of any judicial, administrative or arbitral lien or judgment, in which case the funds, financial assets or economic resources may be used to satisfy the lien or judgment, provided that the lien or judgment —
 - (i) arose or was entered prior to 23 December 2006; and

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- (ii) is not for the direct or indirect benefit of a designated person;
 - (f) to be necessary for any activity that is —
 - (i) directly related to the items, materials, equipment, goods and technology specified in paragraph 2 of Annex B to Resolution 2231 (2015); and
 - (ii) approved by the Security Council; and
 - (g) to be necessary to make payment due under a contract entered into by a person prior to that person being a designated person, where —
 - (i) the contract is not related —
 - (A) to any designated item; or
 - (B) to any assistance, training, financial assistance, investment, brokering or services, prohibited under Annex B to Resolution 2231 (2015); and
 - (ii) the payment is not directly or indirectly received by a designated person.
 - (4) A financial institution may credit to any account frozen under paragraph (1) —
 - (a) interest or other earnings due on the account; or
 - (b) any payment due under any contract, agreement or obligation that arose before 23 December 2006,

and the interest, earnings or payment, once credited into the account, must be immediately frozen under that paragraph.

Prohibition against provision of assistance, services, funds, assets and resources

- 6.—(1) A financial institution must not —
- (a) provide financial assistance;
 - (b) provide investment, brokering or other financial services, or other related services including insurance or reinsurance; or

- (c) transfer funds, economic resources, financial assets or financial services,

where the financial institution has information that provides reasonable grounds to believe that the assistance, services, funds, resources or assets could contribute, directly or indirectly, to any sanctioned activity in Iran or by or on behalf of a person or an individual in Iran.

(2) In this regulation, “sanctioned activity” means any activity related to the design or technology of ballistic missiles capable of delivering nuclear weapons, including any launch by any specified person using ballistic missile technology.

Prohibition against provision or transfer of financial services, etc.

7. Except with the prior written approval of the Authority, a financial institution must not do any of the following:

- (a) provide financial assistance to any specified person;
- (b) provide investment, brokering, other financial services or other related services including insurance or reinsurance, to any specified person;
- (c) transfer funds, economic resources, financial assets or financial services, to any specified person,

where the provision or transfer is in relation to —

- (d) the supply, sale, transfer, manufacture, maintenance or use of any designated item;
- (e) acquisition by a specified person of an interest in a commercial activity, in any country or territory other than Iran, involving uranium mining or the production or use of any designated item; or
- (f) investment by a specified person in a commercial activity in Singapore involving uranium mining or the production or use of any designated item.

Revocation

8. Revoke the Monetary Authority of Singapore (Sanctions and Freezing of Assets of Persons — Iran) Regulations 2016 (G.N. No. S 276/2016) (called in these Regulations the revoked Regulations).

Saving and transitional provisions

9.—(1) Any funds, financial assets or economic resources frozen under regulation 5(1) of the revoked Regulations are treated as frozen under regulation 5(1) of these Regulations.

(2) Any determination made by the Authority under regulation 5(3) of the revoked Regulations and which was in force immediately before 28 April 2023 is treated as a determination made by the Authority under regulation 5(3) of these Regulations.

(3) Any approval granted by the Authority under regulation 7 of the revoked Regulations and which was in force immediately before 28 April 2023 is treated as an approval granted by the Authority under regulation 7 of these Regulations.

THE SCHEDULE

Regulation 4(1)

DESIGNATED ITEMS

1. All items, materials, equipment, goods and technology set out in the lists in the United Nations Security Council documents INFCIRC/254/Rev.12/Part 1 and INFCIRC/254/Rev.9/Part 2, which are updated from time to time and made available on the Internet through the official United Nations website at <http://www.un.org/en/sc/2231/>, and any item which could contribute to reprocessing or enrichment-related or heavy water-related activities inconsistent with the JCPOA, except the supply, sale or transfer of the following:

- (a) equipment covered by B.1 of INFCIRC/254/Rev.12/Part 1 when the equipment is for light water reactors;
- (b) low-enriched uranium covered by A.1.2 of INFCIRC/254/Rev.12/Part 1 when it is incorporated in assembled nuclear fuel elements for the reactors;
- (c) items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 only when for exclusive use in light water reactors;

THE SCHEDULE — *continued*

- (d) items, materials, equipment, goods and technology that are directly related to the necessary modification of 2 cascades at the Fordow facility for stable isotope production, the export of Iran's enriched uranium in excess of 300 kilograms in return for natural uranium, and the modernisation of the Arak reactor based on the agreed conceptual design and, subsequently, on the agreed final design of the reactor.
2. All items, materials, equipment, goods and technology set out in the list in the United Nations Security Council document S/2015/546, which is updated from time to time and made available on the Internet through the official United Nations website at <http://www.un.org/en/sc/2231/>.
3. Any items, materials, equipment, goods and technology that could contribute to the development of nuclear weapon delivery systems.
4. Arms and related matériel.

Made on 10 April 2023.

RAVI MENON
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Monetary Authority of Singapore.

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