



Governor's Office  
British Virgin Islands

## RUSSIAN SANCTIONS

Since the Russian invasion of Ukraine in February 2022 the UK government has announced a range of sanctions on Russia and Belarus targeting £1.7 billion worth of trade.

The sanctions target over 1600 Russian individuals, 400 entities (74 entities plus their estimated 380 subsidiaries), including over 100 leading oligarchs and their family members, whose global net worth around £200bn.

Financial sanctions are specific foreign policy or national security objective. They can limit the provision of certain financial services and restrict access to financial markets, funds and economic resources.

Financial sanctions are imposed to:

- Coerce a regime, or individuals within a regime, into changing their behaviour (or aspects of it) by increasing the cost on them to such an extent that they decide to cease the offending behaviour;
- Constrain a target by denying them access to key resources needed to continue their offending behaviour, including the financing of terrorism or nuclear proliferation;
- Signal disapproval, stigmatising and potentially isolating a regime or individual, or as a way of sending broader political messages nationally or internationally; and/or
- Protect the value of assets that have been misappropriated from a country until these assets can be repatriated

# GOVERNOR'S OFFICE ROLE

## FRAMEWORK

- UK sanctions apply in all Overseas Territories either by Orders in Council ('OT Orders') or through each jurisdiction's own legislation. Gibraltar and Bermuda legislate for themselves.
- The United Kingdom Sanctions and Anti-Money Laundering Act, 2018 ("SAML") provides the legal framework for the implementation of sanctions in the United Kingdom.

## RESPONSIBILITIES AND DUTIES

The Foreign Commonwealth & Development Office ("FCDO") has broad oversight for UK Sanctions policy and is responsible for administering and maintaining a list of sanctions in the UK Overseas Territories ("OTs").

Under the OT Orders, the Governor has certain powers and duties in relation to the implementation of sanction measures. The Governor of the Virgin Islands is the Competent Authority with responsibility for enforcing Orders-in-Council relative to international sanctions.

- publish a notice of each OT Order in addition to a consolidated list of designated persons or restricted goods and to keep such lists updated
- power to authorise persons to exercise various enforcement and evidence gathering powers;
- power to delegate his or her function;
- power to disclose information in the exercise of its powers under this section to relevant persons (law enforcement or other relevant competent authority)
- power to issue, amend and revoke licences (subject to the consent of the Secretary of State) issued to sanctioned individuals or their representatives in justified cases, which would permit the conduct of otherwise prohibited acts.

# COMPLIANCE

## Complying with Financial Sanctions

- In the Virgin Islands, the UK financial sanctions apply to:
- Any person in the Virgin Islands;
- Any person who is a British citizen, a British Overseas Territories citizen, a British subject, a British National (Overseas) or a British protected person who is ordinarily resident in the Virgin Islands even if the sanction has not yet been extended to the Territory;
- A body incorporated or constituted under the law of the Territory; and any person on board a ship or aircraft that is registered in the Territory.

What this means:

You are **prohibited** from carrying out certain activities; including making any funds or other assets, economic resources, or financial or other related services, available, directly or indirectly, wholly or jointly, for the benefit of designated persons or entities

If you know or have “**reasonable cause to suspect**” that you are in possession or control of, or are otherwise dealing with funds or economic resources owned, held or controlled by a designated person you must:

- . freeze the funds or economic resources; and
- . not deal with them or make them available to, or for the benefit of, the designated persons, unless:
  - there is an exemption in the legislation
  - they have been issued a licence from the Governor’s Office

Report them to the Governor’s Office

# COMPLIANCE

## APPENDIX II

### COMPLIANCE REPORTING FORM FOR SUSPECTED SANCTIONS BREACHES

- (a) This form should be used to report all compliance-related information to the Governor's Office including information regarding suspected designated persons (Part B); assets you have frozen (Part C); and suspected breaches of financial sanctions (Part D).
- (b) Please note that the information you provide may be shared for the purpose of facilitating or ensuring compliance with financial sanctions regulations.
- (c) Annexes 2 and 3 to this form provide key terms and information to assist you in completing your report.
- (d) Your financial sanctions reporting and compliance obligations are described in the Financial Sanctions Guidance. You should consult this guidance prior to completing this form. You should note that for some businesses there is a legal obligation to report, and that not doing so is a criminal offence.
- (e) Please ensure that when you complete this form, you believe that the facts and information provided

## SUSPECTED DESIGNATED PERSON FROZEN ASSETS - US\$400 million + SUSPECTED BREACH

Sent to [Govoffice.tortola@fco.gov.uk](mailto:Govoffice.tortola@fco.gov.uk)

***If you are unsure of your compliance or reporting obligations under financial sanctions, you should seek independent legal advice.***

## APPENDIX I

### Office of the Governor

#### Licence Application Form

This form should be used by individuals or entities seeking a licence from the **Governor of the Virgin Islands** to allow an activity or transaction to take place that would otherwise be prohibited under asset freezing measures implemented by way of the UK Overseas Territories Orders. The Government Gazette website lists all of the United Nations (UN) and European Union (EU) sanctions regime-related Overseas Territories Orders in force in Virgin Islands.

This form should **not** be used for export control licence applications or other non-asset-freeze matters.

Licence applications can be legally and/or commercially complex, and in certain circumstances require clearance or prior notification internationally (e.g. UN level). There is a requirement for the Governor to seek consent from the Secretary of State prior to the issue of any licence under the Order. This is to enable the Foreign and Commonwealth Office to complete any approval or notification process at the

## USEFUL LINKS

The UK's Office of Financial Sanctions Implementation (OFSI), which sits within HMT, engages regularly with Overseas Territories and Crown Dependencies on compliance, enforcement and licensing:

OFSI publishes Notices describing changes to financial sanctions on GOV.UK:

- <https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

You can subscribe to OFSI to receive financial sanction email updates:

- <https://public.govdelivery.com/accounts/UKHMTREAS/subscriber/new>.
- **You tube:** the [Briefing - UK sanctions in relation to Russia - YouTube](#)
- [General Guidance](#) – which covers OFSI functions (including licensing, compliance and Counter-terror designations) and key issues such as: how we view ownership and control by designated persons, and reporting obligations in relation to implementing autonomous financial sanctions under our Sanctions and Anti-Money Laundering Act. .
- [Russia-specific](#) guidance