

STATES OF JERSEY



DRAFT SANCTIONS AND ASSET-FREEZING (JERSEY) LAW 201- (P.119/2018): COMMENTS

Presented to the States on 5th December 2018
by the Chairmen's Committee

STATES GREFFE

COMMENTS

Introduction

1. On 23rd October 2018, [P.119/2018](#) (Draft Sanctions and Asset-Freezing (Jersey) Law 201-) was lodged in the States Assembly by the Minister for External Relations, for debate on 4th December 2018.
2. Following the decision made by the UK to leave the EU, the UK passed the Sanctions and Anti-Money Laundering Act 2018, which will come into force before 29th March 2019, the day the UK leaves the EU. The report accompanying P.119/2018 states that this will lead to some differences between UK and EU sanctions regimes, and that wider divergences may emerge over time.
3. The Draft Law enables Jersey to implement UK sanctions after Brexit, while retaining the power to implement EU sanctions should we wish to do so.
4. The Brexit Review Panel received 2 briefings from officers on the Draft Law on 26 July and 1 October 2018, alongside an update on the Draft Law's progress on 6 September.
5. The Panel understands that in light of the close links between the Jersey and UK financial services industries, the policy of the Minister for External Relations will be to follow the UK sanctions regime going forward, rather than the EU regime (while still maintaining the ability to implement EU sanctions should the Minister wish to).
6. As a matter of policy, Jersey has always implemented both UN and EU Sanctions and Asset-Freezes, thereby ensuring that the Island fulfils its commitment to meeting international standards.
7. The Draft Law brings all of Jersey's most important sanctions Laws together into one piece of legislation. The report accompanying P.119/2018 notes that this mirrors the UK's approach, and carries the added benefit of making Jersey's sanctions regime easier for the financial services industry to understand and comply with.
8. The Draft Law will incorporate Jersey's 3 Laws that require financial institutions to freeze the assets and economic resources of designated persons and entities.
9. Article 7 of the Draft Law provides a legal basis for the UK authorities to enter Jersey waters in order to enforce sanctions on other ships. In addition to providing a legal basis for this, it is understood that Article 7 has the additional effect of reinforcing the point that Jersey has jurisdiction over its own territorial waters.
10. Further provisions by Regulations are included to enable future improvements to be made. The Draft Law further includes a provision for the Minister for External Relations to bring the Draft Law into force by Order, in order that it can come into effect concurrently with the equivalent UK legislation.

11. The Panel welcomes the constructive engagement from the Minister and government officials throughout the scrutiny process, and agrees that the briefings have provided assurance that the Draft Law is appropriate, without the need for further more detailed scrutiny of the proposals.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

These comments were presented after the deadline set out in Standing Orders due to the high number of items scheduled for the current States debate that have required input from Scrutiny.