EXPLANATORY MEMORANDUM TO THE

THE LIBERIA (FREEZING OF FUNDS AND ECONOMIC RESOURCES)(AMENDMENT) REGULATIONS 2004

2004 No. 1710

1. This explanatory memorandum has been prepared by Her Majesty's Treasury and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

2.1 The Liberia (Freezing of Funds and Economic Resources) Regulations 2004 (SI 2004/1264) provide that breaches of certain provisions of Council Regulation (EC) No 872/2004 of 29 April 2004[1] (defined as "the EC Regulation"), and certain other acts and omissions, are criminal offences. The above Regulations amend the definition of "the EC Regulation" in regulation 1(2) of SI 2004/1264 so that it means Council Regulation (EC) No 872/2004 as amended by Commission Regulation (EC) No 1149/2004 of 22 June 2004[2].

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 It is necessary for the above Regulations to come into force as soon as possible in order that the proper effect is given to Council Regulation (EC) No 872/2004 as amended, and to deter any possible breach of the financial sanctions. The Council Regulation was amended with effect from 23 June 2004 and is directly applicable in the United Kingdom. The Treasury have acted quickly to adopt the necessary amending legislation and consider it necessary to avoid any further delay before the Regulations come into force, and for that reason they are expressed to come into force on 7th July 2004 (the day after they were made), without waiting the usual 21 days for Parliamentary scrutiny.

4. Legislative Background
(a) Background to SI 2004/1264

4.1 Council Regulation (EC) No 872/2004 of 29 April 2004, required EU Member States to freeze all funds and economic resources owned or controlled, directly or indirectly by Charles Taylor, his immediate family and close associates as listed in Annex I, and that no funds or economic resources shall be made available to or for the benefit of any such listed individual or

[1] O.J. No L164, 30.4.2004, p.32.
[2] O.J. No L222, 23.6.2004, p.17.

entity. Annex I listed three designated financial sanctions targets: former Liberian President Charles Taylor, his wife Jewell Howard Taylor and his son, Charles Taylor Jr. SI 2004/1264 (which was made on 5 May 2004 and came into force the following day on 6 May 2004) gives practical effect to the Council Regulation. It provides that certain breaches of the Council Regulation and certain other acts and omissions are criminal offences and makes certain other enforcement provisions.

(b) Background to the present Regulations

On 14 June 2004 the UN Sanctions Committee established by operational paragraph 21 of UN Security Council Resolution 1521 decided to add a number of additional associates of former Liberian President Charles Taylor to the list of designated financial sanctions targets. Commission Regulation (EC) No 1149/2004 accordingly amends Council Regulation (EC) No 872/2004 by replacing the list of persons subject to restrictive measures with the extended list of persons in Annex I, with effect from 23 June 2004. The amended Council Regulation is directly applicable in the United Kingdom.

The present Regulations amend the definition of the "EC Regulation" in regulation 1(2) of SI 2004/1264 so that it refers to Council Regulation (EC) No 872/2004 as amended by Commission Regulation (EC) No 1149/2004. This means that any breach of the amended Council Regulation relating to any person on the extended list of designated targets will be a criminal offence.

The above instrument is made in exercise of the powers conferred by Section 2(2) of the European Communities Act 1972.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

The Financial Secretary to the Treasury, Ruth Kelly, has made the following statement:

In my view the provisions of the Liberia (Freezing of Funds and Economic Resources) (Amendment) Regulations 2004, are compatible with the Convention rights.

7. Policy background

7.1 The situation in Liberia has continued to deteriorate over the last year. The Government welcomes European Union agreement on the extension of Liberian sanctions to include associates of Charles Taylor and others who continue to use misappropriated funds to undermine Liberia's orderly development and transition to democracy. The EC Regulation, as amended, imposes an assets freeze against Taylor, his wife and son, close allies or associates and other senior officials of his former regime, as designated by the Liberia Sanctions Committee. The EC Regulation includes humanitarian and other exemptions to the freeze (subject to approval of the UN Sanctions

Committee), and refers to the UN statement of intention in UNSCR 1532 to consider whether and how to make these frozen assets available to the Government of Liberia.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies

8.2 The impact on the public sector is negligible.

9. Contact

Robert Pollock at the Her Majesty's Treasury, Tel: 0207 270 5323 or e-mail: Robert.Pollock@HM-Treasury.gsi.gov.uk can answer any queries regarding the instrument.