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UNITED NATIONS SANCTIONS (IRAN) REGULATION

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UNITED NATIONS SANCTIONS (IRAN) REGULATION

(Made by the Chief Executive under section 3 of the United Nations Sanctions Ordinance (Cap. 537) on the instruction of the Ministry of Foreign Affairs of the People's Republic of China and after consultation with the Executive Council)

PART 1

PRELIMINARY

1. Interpretation

In this Regulation, unless the context otherwise requires—

“armoured combat vehicle” (裝甲戰鬥車) means any tracked, semi-tracked or wheeled self-propelled vehicle, with armoured protection and cross-country capability, either—

- (a) designed and equipped to transport a squad of 4 or more infantrymen; or
- (b) armed with an integral or organic weapon of at least 12.5 mm calibre or a missile launcher;

“attack helicopter” (攻擊直昇機)—

- (a) means any rotary-wing aircraft designed, equipped or modified to engage targets by employing guided or unguided anti-armour, air-to-surface, air-to-subsurface, or air-to-air weapons and equipped with an integrated fire control and aiming system for those weapons; and
- (b) includes any version of an aircraft described in paragraph (a) that performs specialized reconnaissance or electronic warfare missions;

“authorized officer” (獲授權人員) means—

- (a) a police officer;
- (b) a member of the Customs and Excise Service holding an office specified in Schedule 1 to the Customs and Excise Service Ordinance (Cap. 342); or
- (c) a public officer employed in the Customs and Excise Department in the Trade Controls Officer Grade;

“battle tank” (作戰坦克) means any tracked or wheeled self-propelled armoured fighting vehicle with high cross-country mobility and a high-level of self-protection, weighing at least 16.5 metric tons unladen weight, with a high muzzle velocity direct fire main gun of at least 75 mm calibre;

“combat aircraft” (作戰飛機)—

- (a) means any fixed-wing or variable-geometry wing aircraft, or any primary trainer aircraft, designed, equipped or modified to engage targets by employing guided missiles, unguided rockets, bombs, guns, cannons or other weapons of destruction; and
- (b) includes any version of an aircraft described in paragraph (a) that performs specialized electronic warfare, suppression of air defence or reconnaissance missions;

“commander” (機長), in relation to an aircraft, means the member of the flight crew designated as the commander of the aircraft by the operator of the aircraft, or, failing such a person, the person who is for the time being the pilot in command of the aircraft;

“Commissioner” (關長) means the Commissioner of Customs and Excise, the Deputy Commissioner of Customs and Excise or any Assistant Commissioner of Customs and Excise;

“Committee” (委員會) means the Committee of the Security Council established pursuant to paragraph 18 of Resolution 1737;

“conventional arms” (常規武器) means any armoured combat vehicle, attack helicopter, battle tank, combat aircraft, large-calibre artillery system, missile and missile launcher or warship;

“funds” (資金) includes—

- (a) gold coin, gold bullion, cash, cheques, claims on money, drafts, money orders and other payment instruments;
- (b) deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
- (c) securities and debt instruments (including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures, debenture stock and derivatives contracts);
- (d) interest, dividends or other income on or value accruing from or generated by property;
- (e) credit, rights of set-off, guarantees, performance bonds or other financial commitments;
- (f) letters of credit, bills of lading and bills of sale; and
- (g) documents evidencing an interest in funds or financial resources, and any other instrument of export financing;

“large-calibre artillery system” (大口徑火炮) means any gun, howitzer, artillery piece combining the characteristics of a gun or howitzer, mortar or multiple-launch rocket system, capable of engaging surface targets by delivering primarily indirect fire, with a calibre of 75 mm and above;

“licence” (特許) means a licence granted under section 9(1), 10(1) or 11(1);

“master” (船長), in relation to a ship, includes any person (other than a pilot) for the time being in charge of the ship;

“missile and missile launcher” (導彈及導彈發射器) means—

- (a) any guided or unguided rocket, ballistic or cruise missile or remotely piloted vehicle capable of delivering a warhead or weapon of destruction to a range of at least 25 km;
- (b) any means, other than any armoured combat vehicle, attack helicopter, battle tank, combat aircraft, large-calibre artillery system or warship, designed or modified specifically for launching any rocket or missile described in paragraph (a); or
- (c) any Man-portable Air-Defence Systems (MANPADS),
but does not include any ground-to-air missile;

“operator” (營運人), in relation to a ship, aircraft or vehicle, means the person for the time being having the management of the ship, aircraft or vehicle;

“person connected with Iran” (有關連人士) means—

- (a) the Government of Iran;
- (b) any person in, or resident in, Iran;
- (c) any body incorporated or constituted under the law of Iran;
- (d) any body, wherever incorporated or constituted, which is controlled by the Government mentioned in paragraph (a), a person mentioned in paragraph (b) or a body mentioned in paragraph (c); or
- (e) any person acting on behalf of the Government mentioned in paragraph (a), a person mentioned in paragraph (b) or a body mentioned in paragraph (c) or (d);

“regulated prohibited item” (受規管禁制項目) means—

- (a) any item, material, equipment, goods or technology set out in section B.2, B.3, B.4, B.5, B.6 or B.7 of INFCIRC/254/Rev. 8/Part 1 in the Security Council document S/2006/814;
- (b) any item, material, equipment, goods or technology set out in sections A.1 and B.1 of INFCIRC/254/Rev. 8/Part 1 in the Security Council document S/2006/814, except—
 - (i) any equipment covered by section B.1 of INFCIRC/254/Rev. 8/Part 1 in the Security Council document S/2006/814 when such equipment is for light water reactors; and
 - (ii) any low-enriched uranium covered by section A.1.2 of INFCIRC/254/Rev. 8/Part 1 in the Security Council document S/2006/814 when it is incorporated in assembled nuclear fuel elements for light water reactors; or
- (c) any item, material, equipment, goods or technology set out in the Security Council document S/2006/815, except any item covered by item 19.A.3 of Category II in the Security Council document S/2006/815;

“relevant entity” (有關實體) means—

- (a) an entity specified by the Chief Executive as a relevant entity in accordance with section 31; or
- (b) an entity acting on behalf of or at the direction of, or owned or controlled by, a person or entity specified by the Chief Executive as a relevant person or relevant entity in accordance with section 31;

“relevant person” (有關人士) means—

- (a) a person specified by the Chief Executive as a relevant person in accordance with section 31; or
- (b) a person acting on behalf of, or at the direction of, a person or entity specified by the Chief Executive as a relevant person or relevant entity in accordance with section 31;

“Resolution 1737” (《第 1737 號決議》) means Resolution 1737 (2006) adopted by the Security Council on 23 December 2006;

“Resolution 1747” (《第 1747 號決議》) means Resolution 1747 (2007) adopted by the Security Council on 24 March 2007;

“Security Council” (安全理事會) means the Security Council of the United Nations;

“ship” (船舶) includes every description of vessel used in navigation not propelled by oars;

“specified item” (指明項目) means—

- (a) any item, material, equipment, goods or technology set out in the Security Council document S/2006/814;
- (b) any item, material, equipment, goods or technology set out in the Security Council document S/2006/815; or
- (c) any arms or related material;

“specified prohibited item” (指明禁制項目) means any item, material, equipment, goods or technology that—

- (a) is covered by the Security Council document S/2006/814 or the Security Council document S/2006/815; and
- (b) is not a regulated prohibited item;

“warship” (軍艦) means any vessel or submarine armed and equipped for military use with a standard displacement of 500 metric tons or above, or any vessel or submarine with a standard displacement of less than 500 metric tons, equipped for launching missiles with a range of at least 25 km or torpedoes with similar range.

PART 2

PROHIBITIONS

*Supply, delivery or transfer of items***2. Prohibition against supply, delivery or transfer of certain items to Iran**

(1) Except under the authority of a licence granted under section 9(1)(a), a person shall not supply, deliver or transfer, or agree to supply, deliver or transfer, or do any act likely to promote the supply, delivery or transfer of, any regulated prohibited item or specified prohibited item—

- (a) to Iran;
- (b) to, or to the order of, a person connected with Iran;
- (c) to a destination or person for the purpose of delivery or transfer, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or
- (d) for the use in or benefit of Iran.

(2) A person who contravenes subsection (1) commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 7 years; or
- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(3) In any proceedings for an offence under subsection (2), it is a defence for a person charged to prove that he did not know and had no reason to believe—

- (a) that the item concerned was a regulated prohibited item or specified prohibited item; or
- (b) that the item concerned was to be supplied, delivered or transferred—
 - (i) to Iran;
 - (ii) to, or to the order of, a person connected with Iran;

- (iii) to a destination or person for the purpose of delivery or transfer, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or
 - (iv) for the use in or benefit of Iran.
- (4) This section applies to—
- (a) a person in the HKSAR; and
 - (b) a person acting elsewhere who is—
 - (i) both a Hong Kong permanent resident and a Chinese national; or
 - (ii) a body incorporated or constituted under the law of the HKSAR.

Carriage of items

3. Prohibition against carriage of certain items to Iran

- (1) This section applies to—
- (a) a ship that is registered in the HKSAR;
 - (b) an aircraft that is registered in the HKSAR;
 - (c) any other ship or aircraft that is for the time being chartered to a person who is—
 - (i) in the HKSAR;
 - (ii) both a Hong Kong permanent resident and a Chinese national; or
 - (iii) a body incorporated or constituted under the law of the HKSAR; and
 - (d) a vehicle in the HKSAR.
- (2) Without prejudice to the generality of section 2, a ship, aircraft or vehicle shall not, except under the authority of a licence granted under section 9(1)(b), be used for the carriage of any regulated prohibited item or specified prohibited item if the carriage is, or forms part of, carriage—
- (a) from a place outside Iran to a place in Iran;
 - (b) to, or to the order of, a person connected with Iran;
 - (c) to a destination for the purpose of delivery, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or
 - (d) for the use in or benefit of Iran.
- (3) Subsection (2) does not apply if—
- (a) the carriage of the regulated prohibited item or specified prohibited item is performed in the course of the supply, delivery or transfer of the regulated prohibited item or specified prohibited item; and

(b) the supply, delivery or transfer was authorized by a licence granted under section 9(1)(a).

(4) If a ship, aircraft or vehicle is used in contravention of subsection (2), each specified person commits an offence and is liable—

(a) on conviction on indictment to a fine and to imprisonment for 7 years; or

(b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(5) In any proceedings for an offence under subsection (4), it is a defence for a person charged to prove that he did not know and had no reason to believe—

(a) that the item concerned was a regulated prohibited item or specified prohibited item; or

(b) that the carriage of the item concerned was, or formed part of, carriage—

(i) from a place outside Iran to a place in Iran;

(ii) to, or to the order of, a person connected with Iran;

(iii) to a destination for the purpose of delivery, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or

(iv) for the use in or benefit of Iran.

(6) In this section, “specified person” (指明人士) means—

(a) in relation to a ship registered in the HKSAR, the charterer, operator or master of the ship;

(b) in relation to any other ship—

(i) the charterer of the ship;

(ii) the operator of the ship, if the operator is in the HKSAR, or is both a Hong Kong permanent resident and a Chinese national, or is a body incorporated or constituted under the law of the HKSAR; or

(iii) the master of the ship, if the master is in the HKSAR or is both a Hong Kong permanent resident and a Chinese national;

(c) in relation to an aircraft registered in the HKSAR, the charterer, operator or commander of the aircraft;

(d) in relation to any other aircraft—

(i) the charterer of the aircraft;

(ii) the operator of the aircraft, if the operator is in the HKSAR, or is both a Hong Kong permanent resident and a Chinese national, or is a body incorporated or constituted under the law of the HKSAR; or

- (iii) the commander of the aircraft, if the commander is in the HKSAR or is both a Hong Kong permanent resident and a Chinese national; or
- (e) in relation to a vehicle, the operator or driver of the vehicle.

Procurement of items

4. Prohibition against procurement of certain items from Iran by certain persons

(1) A person shall not procure, agree to procure, or do any act likely to promote the procurement of any specified item—

- (a) from Iran; or
- (b) from a person connected with Iran.

(2) A person who contravenes subsection (1) commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 7 years; or
- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(3) In any proceedings for an offence under subsection (2), it is a defence for a person charged to prove that he did not know and had no reason to believe—

- (a) that the item concerned was a specified item; or
- (b) that the item concerned was—
 - (i) from Iran; or
 - (ii) from a person connected with Iran.

(4) This section applies to—

- (a) a person in the HKSAR; and
- (b) a person acting elsewhere who is—
 - (i) both a Hong Kong permanent resident and a Chinese national; or
 - (ii) a body incorporated or constituted under the law of the HKSAR.

5. Prohibition against procurement of certain items from Iran using ships, aircraft or vehicles

(1) This section applies to—

- (a) a ship that is registered in the HKSAR;
- (b) an aircraft that is registered in the HKSAR;

- (c) any other ship or aircraft that is for the time being chartered to a person who is—
 - (i) in the HKSAR;
 - (ii) both a Hong Kong permanent resident and a Chinese national; or
 - (iii) a body incorporated or constituted under the law of the HKSAR; and
 - (d) a vehicle in the HKSAR.
- (2) Without prejudice to section 4, a ship, aircraft or vehicle shall not be used for or in connection with the procurement of any specified item—
- (a) from Iran; or
 - (b) from a person connected with Iran.
- (3) If a ship, aircraft or vehicle is used in contravention of subsection (2), each specified person commits an offence and is liable—
- (a) on conviction on indictment to a fine and to imprisonment for 7 years; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.
- (4) In any proceedings for an offence under subsection (3), it is a defence for a person charged to prove that he did not know and had no reason to believe—
- (a) that the item concerned was a specified item; or
 - (b) that the item concerned was—
 - (i) from Iran; or
 - (ii) from a person connected with Iran.
- (5) In this section, “specified person” (指明人士) means—
- (a) in relation to a ship registered in the HKSAR, the charterer, operator or master of the ship;
 - (b) in relation to any other ship—
 - (i) the charterer of the ship;
 - (ii) the operator of the ship, if the operator is in the HKSAR, or is both a Hong Kong permanent resident and a Chinese national, or is a body incorporated or constituted under the law of the HKSAR; or
 - (iii) the master of the ship, if the master is in the HKSAR or is both a Hong Kong permanent resident and a Chinese national;
 - (c) in relation to an aircraft registered in the HKSAR, the charterer, operator or commander of the aircraft;
 - (d) in relation to any other aircraft—
 - (i) the charterer of the aircraft;
 - (ii) the operator of the aircraft, if the operator is in the HKSAR, or is both a Hong Kong permanent resident and a

- Chinese national, or is a body incorporated or constituted under the law of the HKSAR; or
- (iii) the commander of the aircraft, if the commander is in the HKSAR or is both a Hong Kong permanent resident and a Chinese national; or
- (e) in relation to a vehicle, the operator or driver of the vehicle.

Provision or transfer of assistance, training, services or resources

6. Prohibition against provision or transfer of certain assistance, training, services or resources to Iran

(1) Except under the authority of a licence granted under section 10(1)(a), a person shall not provide any technical assistance or training, financial assistance, investment, brokering or other services related to the supply, sale, transfer, manufacture or use of any regulated prohibited item or conventional arms—

- (a) to Iran;
- (b) to, or to the order of, a person connected with Iran; or
- (c) to a destination or person for the purpose of provision, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran.

(2) Except under the authority of a licence granted under section 10(1)(b), a person shall not transfer any financial resources or services related to the supply, sale, transfer, manufacture or use of any regulated prohibited item or conventional arms—

- (a) to Iran;
- (b) to, or to the order of, a person connected with Iran; or
- (c) to a destination or person for the purpose of transfer, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran.

(3) A person who contravenes subsection (1) commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 7 years; or
- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(4) A person who contravenes subsection (2) commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 7 years; or

(b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(5) In any proceedings for an offence under subsection (3), it is a defence for a person charged to prove that he did not know and had no reason to believe—

(a) that the technical assistance or training, financial assistance, investment, brokering or other services concerned were to be provided—

(i) to Iran;

(ii) to, or to the order of, a person connected with Iran; or

(iii) to a destination or person for the purpose of provision, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or

(b) that the technical assistance or training, financial assistance, investment, brokering or other services concerned related to the supply, sale, transfer, manufacture or use of the regulated prohibited item or conventional arms concerned.

(6) In any proceedings for an offence under subsection (4), it is a defence for a person charged to prove that he did not know and had no reason to believe—

(a) that the financial resources or services concerned were to be transferred—

(i) to Iran;

(ii) to, or to the order of, a person connected with Iran; or

(iii) to a destination or person for the purpose of transfer, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or

(b) that the financial resources or services concerned related to the supply, sale, transfer, manufacture or use of the regulated prohibited item or conventional arms concerned.

(7) This section applies to—

(a) a person in the HKSAR; and

(b) a person acting elsewhere who is—

(i) both a Hong Kong permanent resident and a Chinese national; or

(ii) a body incorporated or constituted under the law of the HKSAR.

***Making available funds, etc. to certain
persons or entities***

**7. Prohibition against making available funds,
etc. to certain persons or entities**

(1) Without prejudice to section 6 but subject to section 8, a person shall not, except under the authority of a licence granted under section 11(1), make available any funds or other financial assets or economic resources to or for the benefit of a relevant person or a relevant entity.

(2) A person who contravenes subsection (1) commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 7 years; or
- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(3) In any proceedings for an offence under subsection (2), it is a defence for a person charged to prove that he did not know and had no reason to believe that the funds or other financial assets or economic resources concerned were to be made available to or for the benefit of a relevant person or a relevant entity.

(4) This section applies to—

- (a) a person in the HKSAR; and
- (b) a person acting elsewhere who is—
 - (i) both a Hong Kong permanent resident and a Chinese national; or
 - (ii) a body incorporated or constituted under the law of the HKSAR.

**8. Exceptions to prohibition against making
available funds, etc. to certain persons
or entities**

Section 7 does not prevent the addition to an account owned or controlled by a relevant person or a relevant entity of—

- (a) interest or other earnings due on that account; and
- (b) payments due under contracts, agreements or obligations that arose prior to the date on which such person or entity became a relevant person or a relevant entity,

but any such interest, other earnings and payments shall be subject to section 7(1).

PART 3

LICENCE

9. Licence for supply, delivery, transfer or carriage of certain items to Iran

(1) If it is proved to the satisfaction of the Chief Executive that all the requirements in subsection (2) or (3), as appropriate, are met, the Chief Executive shall, on application, grant, as appropriate—

- (a) a licence for the supply, delivery or transfer of, or the doing of an act likely to promote the supply, delivery or transfer of, any regulated prohibited item or specified prohibited item—
 - (i) to Iran;
 - (ii) to, or to the order of, a person connected with Iran;
 - (iii) to a destination or person for the purpose of delivery or transfer, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or
 - (iv) for the use in or benefit of Iran; or
- (b) a licence for the carriage of any regulated prohibited item or specified prohibited item which is, or forms part of, carriage—
 - (i) from a place outside Iran to a place in Iran;
 - (ii) to, or to the order of, a person connected with Iran;
 - (iii) to a destination for the purpose of delivery, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or
 - (iv) for the use in or benefit of Iran.

(2) For any regulated prohibited item, the requirements referred to in subsection (1) are as follows—

- (a) the Committee has determined in advance and on a case-by-case basis that the supply, delivery, transfer or carriage of the regulated prohibited item (including any item that is for food, agricultural, medical or other humanitarian purposes) would clearly not contribute to the development of Iran's technologies in support of—
 - (i) Iran's proliferation sensitive nuclear activities; or
 - (ii) the development of Iran's nuclear weapon delivery systems;

- (b) the applicant has submitted to the Chief Executive such information in relation to the end-use of the regulated prohibited item as the Chief Executive may require, and the Chief Executive has determined that the supply, delivery, transfer or carriage of the regulated prohibited item would clearly not contribute to the development of Iran's technologies in support of—
 - (i) Iran's proliferation sensitive nuclear activities; or
 - (ii) the development of Iran's nuclear weapon delivery systems;
 - (c) the Government of Iran has committed not to use the regulated prohibited item—
 - (i) in Iran's proliferation sensitive nuclear activities; or
 - (ii) for the development of Iran's nuclear weapon delivery systems.
- (3) For any specified prohibited item, the requirements referred to in subsection (1) are as follows—
- (a) the requirements, as appropriate, of the guidelines as set out in the Security Council document S/2006/814 and the Security Council document S/2006/985 are met;
 - (b) the Chief Executive has determined that he has obtained and is in a position to exercise effectively a right to verify the end-use and end-use location of the specified prohibited item.

10. Licence for provision or transfer of certain assistance, training, services or resources to Iran

- (1) If it is proved to the satisfaction of the Chief Executive that all the requirements in subsection (2) are met, the Chief Executive shall, on application, grant, as appropriate—
- (a) a licence for the provision of any technical assistance or training, financial assistance, investment, brokering or other services related to the supply, sale, transfer, manufacture or use of any regulated prohibited item or conventional arms—
 - (i) to Iran;
 - (ii) to, or to the order of, a person connected with Iran; or
 - (iii) to a destination or person for the purpose of provision, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran; or

- (b) a licence for the transfer of any financial resources or services related to the supply, sale, transfer, manufacture or use of any regulated prohibited item or conventional arms—
 - (i) to Iran;
 - (ii) to, or to the order of, a person connected with Iran; or
 - (iii) to a destination or person for the purpose of transfer, directly or indirectly, to Iran or to, or to the order of, a person connected with Iran.
- (2) The requirements referred to in subsection (1) are as follows—
 - (a) the Committee has determined in advance and on a case-by-case basis that the provision of the technical assistance or training, financial assistance, investment, brokering or other services, or the transfer of the financial resources or services (including any provision or transfer for food, agricultural, medical or other humanitarian purposes) would clearly not contribute to the development of Iran's technologies in support of—
 - (i) Iran's proliferation sensitive nuclear activities; or
 - (ii) the development of Iran's nuclear weapon delivery systems;
 - (b) the applicant has submitted to the Chief Executive such information in relation to the end-use of the technical assistance or training, financial assistance, investment, brokering or other services to be provided, or the financial resources or services to be transferred, as the Chief Executive may require, and the Chief Executive has determined that the provision or transfer would clearly not contribute to the development of Iran's technologies in support of—
 - (i) Iran's proliferation sensitive nuclear activities; or
 - (ii) the development of Iran's nuclear weapon delivery systems;
 - (c) the Government of Iran has committed not to use the regulated prohibited item or conventional arms—
 - (i) in Iran's proliferation sensitive nuclear activities; or
 - (ii) for the development of Iran's nuclear weapon delivery systems;
 - (d) in the case of the provision of any technical assistance or training, financial assistance, investment, brokering or other services, or the transfer of any financial resources or services, related to the supply, sale, transfer, manufacture or use of any conventional arms, the Chief Executive has determined that the provision or transfer would not contribute to the destabilizing accumulation of arms.

11. Licence for making available funds, etc. to certain persons or entities

(1) If it is proved to the satisfaction of the Chief Executive that any one of the requirements in subsection (2) is met, the Chief Executive shall, on application, grant a licence for making available funds or other financial assets or economic resources to or for the benefit of a relevant person or a relevant entity.

(2) The requirements referred to in subsection (1) are as follows—

(a) the funds or other financial assets or economic resources have been determined by the Chief Executive to be—

(i) necessary for basic expenses, including payment for foodstuffs, rents, mortgages, medicines and medical treatments, taxes, insurance premiums, and public utility charges; or

(ii) exclusively for payment of reasonable professional fees or reimbursement of incurred expenses associated with the provision of legal services,

and the Committee has been notified by the Chief Executive of the intention to authorize, where appropriate, access to such funds or other financial assets or economic resources, and the Committee has not made a negative decision within 5 working days of such notification;

(b) the funds or other financial assets or economic resources have been determined by the Chief Executive to be necessary for extraordinary expenses, and the Committee has been notified by the Chief Executive of the determination, and the Committee has approved the determination;

(c) the funds or other financial assets or economic resources have been determined by the Chief Executive to be the subject of a judicial, administrative or arbitral lien or judgment, and the lien or judgment—

(i) was entered prior to 23 December 2006;

(ii) is not for the benefit of a relevant person or a relevant entity; and

(iii) has been notified by the Chief Executive to the Committee;

(d) the funds or other financial assets or economic resources have been determined by the Chief Executive to be necessary for activities directly related to—

(i) any equipment covered by section B.1 of INFCIRC/254/Rev. 8/Part 1 in the Security Council document S/2006/814 when such equipment is for light water reactors; or

- (ii) any low-enriched uranium covered by section A.1.2 of INFCIRC/254/Rev. 8/Part 1 in the Security Council document S/2006/814 when it is incorporated in assembled nuclear fuel elements for light water reactors, and the Committee has been notified by the Chief Executive of the determination;
- (e) the Chief Executive has determined that—
 - (i) the funds or other financial assets or economic resources are for making payment due under a contract entered into prior to the date on which such person or entity became a relevant person or a relevant entity;
 - (ii) the contract is not related to—
 - (A) any regulated prohibited item;
 - (B) any technical assistance or training, financial assistance, investment, brokering or other services related to the supply, sale, transfer, manufacture or use of any regulated prohibited item or conventional arms; or
 - (C) any financial resources or services related to the supply, sale, transfer, manufacture or use of any regulated prohibited item or conventional arms; and
 - (iii) the payment is not received, directly or indirectly, by a relevant person or a relevant entity, and the Committee has been notified by the Chief Executive of the intention to authorize the payment not less than 10 working days prior to the authorization.

(3) A licence granted by the Chief Executive under subsection (1), on his being satisfied that the requirements in subsection (2)(c) are met, shall only authorize that the funds or other financial assets or economic resources be used to satisfy the relevant lien or judgment.

12. Provision of false information or documents for purpose of obtaining licences

(1) If, for the purpose of obtaining a licence, a person makes any statement or provides or produces any information or document that he knows to be false in a material particular, the person commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 2 years; or
- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(2) If, for the purpose of obtaining a licence, a person recklessly makes any statement or provides or produces any information or document that is false in a material particular, the person commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 2 years; or
- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

PART 4

THINGS DONE OUTSIDE HKSAR

13. Licence or permission granted by authorities of places outside HKSAR

(1) If the circumstances described in subsection (2) apply, a provision of this Regulation which prohibits the doing of a thing except under the authority of a licence shall not have effect in relation to any such thing done in a place outside the HKSAR by—

- (a) a person who is ordinarily resident in that place; or
- (b) a body corporate incorporated or constituted under the law of that place.

(2) For the purposes of subsection (1), the circumstances are that the thing is done under the authority of a licence or with permission granted, in accordance with any law in force in that place outside the HKSAR (being a law substantially corresponding to the relevant provision of this Regulation), by the authority competent in that behalf under that law.

PART 5

ENFORCEMENT OF REGULATION

Investigation, etc. of suspected ships

14. Investigation of suspected ships

(1) If an authorized officer has reason to suspect that a ship to which section 3 or 5 applies has been, is being or is about to be used in contravention of section 3(2) or 5(2), he may—

- (a) either alone or accompanied and assisted by any person acting under his authority, board the ship and search it and, for that purpose, use or authorize the use of reasonable force; and
- (b) request the charterer, operator or master of the ship to provide such information relating to the ship and its cargo, and produce for his inspection such documents so relating and such cargo carried on it, as he may specify.

(2) If an authorized officer has reason to suspect that a ship is being or is about to be used in contravention of section 3(2) or 5(2), he may (either there and then or on consideration of any information provided or document or cargo produced in response to a request made under subsection (1)(b)), with a view to preventing the commission, or the continued commission, of such a contravention or in order that enquiries may be pursued, do one or more of the following—

- (a) direct the charterer, operator or master of the ship to refrain, except with the consent of an authorized officer, from landing at any port specified by the authorized officer any part of the ship's cargo that is so specified;
- (b) request the charterer, operator or master of the ship to take one or more of the following steps—
 - (i) to cause the ship, including any of its cargo, not to proceed with the voyage on which the ship is then engaged or about to be engaged until the charterer, operator or master is notified by an authorized officer that the ship and its cargo may so proceed;
 - (ii) (if the ship is in the HKSAR) to cause the ship and any of its cargo to remain in the HKSAR until the charterer, operator or master is notified by an authorized officer that the ship and its cargo may depart;
 - (iii) (if the ship is in any other place) to take the ship and any of its cargo to such port as is specified by an authorized officer, and to cause the ship and its cargo to remain in that place until the charterer, operator or master is notified by an authorized officer that the ship and its cargo may depart;
 - (iv) to take the ship and any of its cargo to such other destination as may be specified by an authorized officer in agreement with the charterer, operator or master.

(3) A power conferred by this section to request the provision of any information or the production of any document or cargo for inspection includes a power to—

- (a) specify whether the information should be provided orally or in writing and in what form; and

- (b) specify the time by which and the place in which the information should be provided or the document or cargo should be produced for inspection.

15. Offences by charterer, operator or master of ship

(1) If a charterer, operator or master of a ship disobeys any direction given under section 14(2)(a), or, without reasonable excuse, refuses or fails to comply with a request made under section 14(1)(b) or (2)(b) within the time specified by an authorized officer or, if no time is specified, within a reasonable time, the charterer, operator or master commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

(2) If a charterer, operator or master of a ship, in response to a request made under section 14(1)(b) or (2)(b), provides or produces to an authorized officer any information, explanation or document that he knows to be false in a material particular, or recklessly provides or produces to an authorized officer any information, explanation or document that is false in a material particular, the charterer, operator or master commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

16. Power of authorized officers to enter and detain ships

(1) Without prejudice to section 15, if an authorized officer has reason to suspect that a request that has been made under section 14(2)(b) may not be complied with, he may take such steps as appear to him to be necessary to secure compliance with that request and, without prejudice to the generality of the foregoing, may for that purpose—

- (a) enter, or authorize the entry on, any land and the ship concerned;
- (b) detain, or authorize the detention of, that ship and any of its cargo; and
- (c) use, or authorize the use of, reasonable force.

(2) Subject to subsection (3), subsection (1) does not authorize the detention of any ship for more than 12 hours.

(3) The Chief Secretary for Administration may, by order in writing signed by him, authorize the detention of a ship referred to in subsection (1) for further periods of not more than 12 hours each, and any such order shall state the times from which and for which the order shall be effective.

Investigation, etc. of suspected aircraft

17. Investigation of suspected aircraft

(1) If an authorized officer has reason to suspect that an aircraft to which section 3 or 5 applies has been, is being or is about to be used in contravention of section 3(2) or 5(2), he may—

- (a) either alone or accompanied and assisted by any person acting under his authority, board the aircraft and search it and, for that purpose, use or authorize the use of reasonable force; and
- (b) request the charterer, operator or commander of the aircraft, or all of them, to provide such information relating to the aircraft and its cargo, and produce for his inspection such documents so relating and such cargo carried on it, as he may specify.

(2) If the aircraft referred to in subsection (1) is in the HKSAR, an authorized officer may (either there and then or on consideration of any information provided or document or cargo produced in response to a request made under subsection (1)(b)) further request the charterer, operator or commander, or all of them, to cause the aircraft and any of its cargo to remain in the HKSAR until the charterer, operator or commander is, or (if the further request is made to all of them) all of them are, notified by an authorized officer that the aircraft and its cargo may depart.

(3) A power conferred by this section to request the provision of any information or the production of any document or cargo for inspection includes a power to—

- (a) specify whether the information should be provided orally or in writing and in what form; and
- (b) specify the time by which and the place in which the information should be provided or the document or cargo should be produced for inspection.

18. Offences by charterer, operator or commander of aircraft

(1) If a charterer, operator or commander of an aircraft, without reasonable excuse, refuses or fails to comply with a request made under section 17(1)(b) or (2) within the time specified by an authorized officer or, if no time is specified, within a reasonable time, the charterer, operator or commander commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

(2) If a charterer, operator or commander of an aircraft, in response to a request made under section 17(1)(b) or (2), provides or produces to an authorized officer any information, explanation or document that he knows to

be false in a material particular, or recklessly provides or produces to an authorized officer any information, explanation or document that is false in a material particular, the charterer, operator or commander commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

19. Power of authorized officers to enter and detain aircraft

(1) Without prejudice to section 18, if an authorized officer has reason to suspect that a request that has been made under section 17(2) may not be complied with, he may take such steps as appear to him to be necessary to secure compliance with that request and, without prejudice to the generality of the foregoing, may for that purpose—

- (a) enter, or authorize the entry on, any land and the aircraft concerned;
- (b) detain, or authorize the detention of, that aircraft and any of its cargo; and
- (c) use, or authorize the use of, reasonable force.

(2) Subject to subsection (3), subsection (1) does not authorize the detention of any aircraft for more than 6 hours.

(3) The Chief Secretary for Administration may, by order in writing signed by him, authorize the detention of an aircraft referred to in subsection (1) for further periods of not more than 6 hours each, and any such order shall state the times from which and for which the order shall be effective.

Investigation, etc. of suspected vehicles

20. Investigation of suspected vehicles

(1) If an authorized officer has reason to suspect that a vehicle in the HKSAR has been, is being or is about to be used in contravention of section 3(2) or 5(2), he may—

- (a) either alone or accompanied and assisted by any person acting under his authority, board the vehicle and search it and, for that purpose, use or authorize the use of reasonable force;
- (b) request the operator or driver of the vehicle to provide such information relating to the vehicle and any article carried on it, and produce for his inspection such documents so relating and such articles carried on it, as he may specify; and
- (c) (either there and then or on consideration of any information provided or document or article produced in response to a

request made under paragraph (b)) further request the operator or driver to take the vehicle and any article carried on it to such place as is specified by an authorized officer, and to cause the vehicle and the article to remain in that place until the operator or driver is notified by an authorized officer that the vehicle and the article may depart.

(2) A power conferred by this section to request the provision of any information or the production of any document or article for inspection includes a power to—

- (a) specify whether the information should be provided orally or in writing and in what form; and
- (b) specify the time by which and the place in which the information should be provided or the document or article should be produced for inspection.

21. Offences by operator or driver of vehicle

(1) If an operator or driver of a vehicle, without reasonable excuse, refuses or fails to comply with a request made under section 20(1)(b) or (c) within the time specified by an authorized officer or, if no time is specified, within a reasonable time, the operator or driver commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

(2) If an operator or driver of a vehicle, in response to a request made under section 20(1)(b) or (c), provides or produces to an authorized officer any information, explanation or document that he knows to be false in a material particular, or recklessly provides or produces to an authorized officer any information, explanation or document that is false in a material particular, the operator or driver commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

22. Power of authorized officers to enter and detain vehicles

(1) Without prejudice to section 21, if an authorized officer has reason to suspect that a request that has been made under section 20(1)(c) may not be complied with, he may take such steps as appear to him to be necessary to secure compliance with that request and, without prejudice to the generality of the foregoing, may for that purpose—

- (a) enter, or authorize the entry on, any land and enter, or authorize the entry into, the vehicle concerned;
- (b) detain, or authorize the detention of, that vehicle and any article carried on it; and
- (c) use, or authorize the use of, reasonable force.

(2) Subject to subsection (3), subsection (1) does not authorize the detention of any vehicle for more than 12 hours.

(3) The Commissioner may, by order in writing signed by him, authorize the detention of a vehicle referred to in subsection (1) for further periods of not more than 12 hours each, and any such order shall state the times from which and for which the order shall be effective.

Proof of identity

23. Production of proof of identity

Before or on exercising a power conferred by section 14, 16, 17, 19, 20 or 22, an authorized officer shall, if requested so to do, produce evidence of his identity.

PART 6

EVIDENCE

24. Power of magistrate or judge to grant warrant

(1) A magistrate or judge may grant a warrant if he is satisfied by information on oath given by an authorized officer that there are reasonable grounds for suspecting that—

- (a) an offence under this Regulation has been committed or is being committed; and
- (b) there is on any premises specified in the information, or on any ship, aircraft or vehicle so specified, evidence in relation to the commission of the offence.

(2) A warrant granted under subsection (1) may authorize any authorized officer, together with any other person named in the warrant, to enter the premises, ship, aircraft or vehicle specified in the information or any premises on which the ship, aircraft or vehicle so specified may be, at any time within one month from the date of the warrant, and to search the premises, ship, aircraft or vehicle.

(3) A person authorized by a warrant to search any premises, ship, aircraft or vehicle may exercise any or all of the following powers—

- (a) to search any person who is found on, or whom he has reasonable grounds to believe to have recently left or to be about to enter, the premises, ship, aircraft or vehicle;

- (b) to seize and detain any document or article found on the premises, ship, aircraft or vehicle or on such person that he has reasonable grounds to believe to be evidence in relation to the commission of an offence under this Regulation;
- (c) to take in relation to any such document or article any other steps that may appear necessary for preserving the document or article seized and preventing interference with it.

(4) A person may only be searched under this section by a person who is of the same sex.

(5) If a person is empowered under this section to enter any premises, ship, aircraft or vehicle, he may use such force as is reasonably necessary for that purpose.

25. Detention of documents or articles seized

(1) Subject to subsection (2), any document or article seized under section 24(3) may not be detained for a period of more than 3 months.

(2) If the document or article is relevant to an offence under this Regulation, and proceedings for the offence have begun, the document or article may be detained until the completion of those proceedings.

PART 7

DISCLOSURE OF INFORMATION OR DOCUMENTS

26. Disclosure of information or documents

(1) Any information or document provided, produced or seized in pursuance of this Regulation may be disclosed only if—

- (a) the person who provided or produced the information or document or the person from whom the document was seized has given consent to the disclosure;
- (b) the information or document is disclosed to a person who would have been empowered under this Regulation to request that it be provided or produced;
- (c) the information or document is disclosed on the authority of the Chief Executive, subject to the information or document being transmitted through and with the approval of the instructing authority, to any organ of the United Nations or to any person in the service of the United Nations or to the Government of any place outside the People's Republic of China for the purpose of assisting the United Nations or that Government in securing

- compliance with or detecting evasion of measures in relation to Iran decided on by the Security Council; or
- (d) the information or document is disclosed with a view to the institution of, or otherwise for the purposes of, any proceedings for an offence under this Regulation.
- (2) For the purposes of subsection (1)(a)—
- (a) a person may not give consent to the disclosure if he has obtained the information or possessed the document only in his capacity as servant or agent of another person; and
- (b) a person may give consent to the disclosure if he is entitled to the information or to the possession of the document in his own right.

PART 8

OTHER OFFENCES AND MISCELLANEOUS MATTERS

27. Liability of person other than principal offender

(1) Where the person convicted of an offence under this Regulation is a body corporate and it is proved that the offence was committed with the consent or connivance of, or was attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, the director, manager, secretary or other similar officer is guilty of the like offence.

(2) Where the person convicted of an offence under this Regulation is a firm and it is proved that the offence was committed with the consent or connivance of, or was attributable to any neglect on the part of, any partner in the firm or any person concerned in the management of the firm, the partner or the person concerned in the management of the firm is guilty of the like offence.

28. Offences in relation to obstruction of authorized persons, etc.

A person who obstructs another person (including a person acting under the authority of an authorized officer) in the exercise of his powers under this Regulation commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.

29. Offences in relation to evasion of this Regulation

A person who destroys, mutilates, defaces, secretes or removes any document or article with intent to evade any of the provisions of this Regulation commits an offence and is liable—

- (a) on conviction on indictment to a fine and to imprisonment for 2 years; or
- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

30. Proceedings to be instituted

(1) Proceedings for an offence under this Regulation may only be instituted by or with the consent of the Secretary for Justice.

(2) Summary proceedings for an offence under this Regulation, being an offence alleged to have been committed outside the HKSAR, may be commenced at any time not later than 12 months from the date on which the person charged first enters the HKSAR after the alleged commission of the offence.

31. Specification of relevant person or relevant entity by Chief Executive

The Chief Executive may, by notice published in the Gazette, specify any of the following persons or entities as a relevant person or a relevant entity—

- (a) a person or an entity listed in the Annex to Resolution 1737, as from time to time amended by the Security Council;
- (b) a person or an entity listed in Annex I to Resolution 1747, as from time to time amended by the Security Council;
- (c) a person or an entity designated by the Security Council or the Committee for the purposes of paragraph 12 of Resolution 1737.

32. Access to Security Council documents

The Director-General of Trade and Industry is to make available at his office, for inspection by the public during normal office hours, free of charge, an English version and a Chinese version of each of the following documents—

- (a) the Security Council document S/2006/814;
- (b) the Security Council document S/2006/815.

33. Exercise of powers of Chief Executive

The Chief Executive may, to such extent and subject to such restrictions and conditions as he may think proper, delegate or authorize the delegation of any of his powers or functions under this Regulation to any person, or class or description of persons, approved by him, and references in this Regulation to the Chief Executive shall be construed accordingly.

Donald TSANG
Chief Executive

25 September 2007

Explanatory Note

The purpose of this Regulation is to give effect to decisions of the Security Council of the United Nations (“the Security Council”) in Resolution 1737 (2006) as adopted by the Security Council on 23 December 2006 and Resolution 1747 (2007) as adopted by the Security Council on 24 March 2007.

2. The Regulation provides for the implementation of the following sanctions imposed by the Security Council in Resolution 1737 (2006) and Resolution 1747 (2007)—

- (a) prohibition against the direct or indirect sale, supply or transfer of certain items or technologies to Iran;
- (b) prohibition against the procurement of certain arms or related materials, items or equipment from Iran;
- (c) prohibition against the provision or transfer of certain assistance, training, services or resources to Iran; and
- (d) prohibition against making available to or for the benefit of certain persons or entities any funds or other financial assets or economic resources.