
Bank of England Notice

UNITED NATIONS ACT 1946

BOSNIA HERZEGOVINA

27 October 1994

This Notice draws attention in convenient form to certain provisions of the former Yugoslavia (United Nations Sanctions) Order 1994 and the Former Yugoslavia (United Nations Sanctions) (Channel Islands) Order 1994 made under Section 1 of the United Nations Act 1946. It grants, on behalf of HM Treasury and pursuant to those Orders, certain permissions; it also provides guidance in relation to applications for permission for other transactions. Any permission granted in this Notice or otherwise may, at any time, be varied or revoked by, or on behalf of, HM Treasury.

INTRODUCTION

- 1 The Orders in Council made under Section 1 of the United Nations Act 1946 are the Former Yugoslavia (United Nations Sanctions) Order 1994 (Statutory Instrument 1994 No 2673) and the Former Yugoslavia (United Nations Sanctions) (Channel Islands) Order 1994 (Statutory Instrument No 2675). These are referred to below as "The UK Orders", copies may be obtained from HM Stationery Office. The Council of the European Communities has also enacted legislation under Council Regulation (EC) No 247/94 on the subject matter covered by the UK Orders. In this notice, references to the United Kingdom include the Channel Islands.
- 2 Nothing in these UK Orders or in the Serbia and Montenegro (United Nations Sanctions) Order 1992 shall prohibit any activities in connection with the United Nations Protection Force, the International Conference on the Former Yugoslavia or the European Community Monitoring Mission.
- 3 The UK Orders apply, in relation to the provision referred to in Part I of this Notice, to any person in the United Kingdom and to any person elsewhere who is a British citizen, a British Dependent Territories citizen, a British Overseas citizen, a British subject or a British protected person; or who is a body incorporated under the law of any part of the United Kingdom.

In relation to the provision referred to in Part II, the UK Orders apply to any Bosnian Serb connected person in the United Kingdom.

PART I PAYMENTS AND OTHER FINANCIAL TRANSACTIONS

Relevant Provisions of the UK Orders

- 4 The UK Orders provide that:
 - (1) Except with permission granted by or on behalf of the Treasury, no person shall
 - (a) make any payment or part with any gold, securities or investments; or
 - (b) make any change in the persons to whose credit any sum is to stand or to whose order any gold, securities or investments are to be held;

where any such action is action to which this article applies.

- (2) Action which is covered by the UK Orders is any action which is likely to make available to or for the benefit of any person connected with the Bosnian Serb controlled areas any funds or any other financial assets or resources, whether by their removal from the UK or otherwise, or otherwise to result in the remittance or transfer of funds or other such assets or resources to or for the benefit of any person connected with the Bosnian Serb controlled areas.

Bosnian Serb connected person

- 5 In this Part of this Notice the term 'Bosnian Serb connected person' means:
 - (a) any body in the Bosnian Serb controlled areas;
 - (b) any body, wherever incorporated or constituted, which is owned or controlled, directly or indirectly, by any person in or resident in, or any body in the Bosnian Serb controlled areas; or
 - (c) any person or body acting on behalf of a body described in sub-paragraph (a) or (b) above.

The term 'Bosnian Serb connected person' used in this Part of this Notice has the same meaning as the term 'person connected with the Bosnian Serb controlled areas' used in the provisions of the UK Orders referred to in paragraph 4 above.

Bosnian Serb Accounts

- 6 The sterling, foreign currency and gold bullion accounts of Bosnian Serb connected persons held in the United Kingdom with institutions authorised under the Banking Act 1987 or the Building Societies Act 1986 ("Banks") should be designated and are referred to below as 'Bosnian Serb Accounts'. Funds held by stockbrokers, solicitors, accountants, etc., on behalf of Bosnian Serb connected persons should be placed in a separate account which should be designated as a Bosnian Serb Account.

Prohibited payments

- 7 Any payment by a person subject to the UK Orders to or for the benefit of a Bosnian Serb connected person is prohibited by virtue of the UK Orders, except with permission. Permission is hereby given for any payment whether in sterling or foreign currency to be made to a Bosnian Serb Account. No payment or transfer can be made from one Bosnian Serb Account to another Bosnian Serb Account without permission.

Balances on Bosnian Serb Accounts

- 8 Permission will not normally be given for any change to be made in the persons to whose credit any sum held in a Bosnian Serb Account is to stand.

Payments from Bosnian Serb Accounts

- 9 The Bank of England will consider applications for permission to debit Bosnian Serb Accounts for specific purposes, including:
- (a) payments in connection with economic activities which are the subject of a licence granted by the Secretary of State or the Treasury as described in paragraph 15;
 - (b) payments in connection with transactions authorised by the Government of the Republic of Bosnia and Herzegovina with regard to persons or bodies within their territories;
 - (c) payments for charitable and humanitarian purposes.

The Bank will not grant permission for payments under sub-paragraph (a) unless it is satisfied that they will not result in the transfer of funds or other financial assets or resources to any person in or resident in or any body in the Bosnian Serb controlled areas.

Gold

- 10 Permission is required for persons subject to the UK Orders to do anything which involves parting with any gold coin or gold bullion wherever located and held for the account of a Bosnian Serb connected person, or making any change in the persons to whose order any gold coin or gold bullion is to be held. Such permission will not normally be given.

Securities and Investments

- 11 In the UK Orders, "securities" (see paragraph 4.1 above) has the same meaning as in section 2 of the Emergency Laws (Re-enactments and Repeals) Act 1964, and includes:
- (a) shares, stocks, bonds, notes (other than promissory notes), debentures, debenture stock, certificates of deposit and Treasury and other government bills;
 - (b) a deposit receipt in respect of the deposit of securities;
 - (c) a unit or sub-unit of a unit trust;
 - (d) an annuity granted under the Government Annuities Act 1929 or to which either Part I or Part II of that Act applies, and a life assurance policy or other contract entered into with an assurance company for securing the payment in the future of any capital sum or sums or of an annuity;
 - (e) a warrant conferring an option to acquire a security;
 - (f) a share in an oil royalty;

but excludes bills of exchange.

In the UK Orders, "investments" (see also paragraph 4.1 above) means any asset, right or interest falling within any paragraph of Part 1 of Schedule 1 of the Financial Services Act 1986, which is not a security.

- 12 Permission is required for persons subject to the UK Orders to do anything which involves parting with any securities and/or investments wherever located and held for the account of a Bosnian Serb connected person, or making any change in the persons to whose order any securities or investments is to be held. Such permission will not normally be given.

Performance bonds and indemnities

- 13 Applications to extend or meet calls under bonds and indemnities should be referred to the Department of Trade and Industry.

Contracts of insurance and reinsurance

- 14 Applications for payments under contracts of insurance and reinsurance should be referred to the Department of Trade and Industry.

PART II ECONOMIC ACTIVITIES

Relevant Provisions of the UK Orders

- 15 The UK Orders provide that except under the authority of a licence granted by the Secretary of State or the Treasury, no person connected with the Bosnian Serb controlled areas shall carry on any economic activities in the United Kingdom.

Economic Activities and Property

- 16 For the purposes of the relevant provisions of the UK Orders referred to in paragraph 15 above and in this Part of the Notice -
- (a) the term 'economic activities' includes:
 - (i) all activities of an economic nature including commercial, financial and industrial activities and transactions, in particular all activities of an economic nature involving the use of or dealing in, with or in connection with property or interests in property;
 - (ii) the exercise of rights relating to property or interests in property;
 - (iii) the establishment of any new body or change in management of an existing body
 - (b) the term 'property' includes funds, financial, tangible and intangible assets, property rights, public and privately-traded securities and debt instruments, and any other financial and economic resources.

Bosnian Serb connected person

- 17 In this Part of this Notice, the term 'Bosnian Serb connected person' means:
- (a) any body, wherever incorporated or constituted, which is owned or controlled, directly or indirectly, by any person in or resident in, or any body in the Bosnian Serb controlled areas; or
 - (b) any person or body acting on behalf of a body in the Bosnian Serb controlled areas or a body described in sub-paragraph (a) above.

The term 'Bosnian Serb connected person' used in this Part of the Notice has the same meaning as the term 'persons connected with the Bosnian Serb controlled areas' used in the provisions of the UK Orders referred to in paragraph 15 above.

Licensing Arrangements

- 18 Applications to licence economic activities relating to banking activities should be made to the Bank of England. Those relating to trading or commercial activity should be made to the Department of Trade and Industry.
- 19 Activities will not be licensed unless the Bank or the Department of Trade and Industry, as the case may be, is satisfied that the activities concerned will not result in the transfer of funds or other financial assets or resources to any person in or resident in or any body in the Bosnian Serb controlled areas.
- 20 Where a licence granted by the Department of Trade and Industry or the Bank for an economic activity involving a payment or other financial transaction is issued, there will be no need to obtain a separate licence for that payment or financial transaction but permission under Part I will still be required for it to be made.

PART III APPLICATIONS AND ENQUIRIES

- 21 Applications should be made to the Bank of England in respect of any transaction covered by this Notice other than a transaction for which a permission has been given in Part I of this Notice or for which, in accordance with paragraph 18, a licence is required from the Department of Trade and Industry.
- 22 Applications which may be the subject of licensing by the Department of Trade and Industry should be submitted to: The Sanctions Unit, Kingsgate House, 66-74 Victoria Street, London, SW1E 6SW (Facsimile transmission 0171-215 8386). Telephone enquiries 0171-215 8570/8512.
- 23 Any queries concerning the extent of the Bosnian Serb controlled areas at any time or concerning the possible status of a person, including a body corporate, as a 'Bosnian Serb connected person' in connection with the application of this Notice should be addressed to the Bank of England.
- 24 Applications for permissions or in accordance with paragraph 18, licences, should be addressed to the Bank of England, Threadneedle Street, London EC2R 8AH and marked for the attention of the Sanctions Emergency Unit (SEU). Applications may also be made by facsimile transmission (0171-601 4309).
- 25 Telephone enquiries may be made to 0171-601 4607/3848/4768/3500.

BANK OF ENGLAND
27 October 1994