

Guidance Note on Sanctions Licence Applications

Applying for a sanctions licence can be a legally and commercially complex process. The following guidance outlines the essential considerations and required information for a successful application.

1. When should you apply for a licence?

Apply Early

It is essential to apply for a licence as early as possible before it is needed. Delays can arise from legal complexities and requirements for UN approval or awareness in certain circumstances, which may extend the turnaround time. Anticipating these factors and planning accordingly is crucial.

Licence applications can involve detailed legal and commercial considerations. To navigate these complexities effectively, you may wish to consider taking independent legal advice before applying for a licence. Legal experts can provide guidance on the specific requirements and potential challenges associated with your application.

2. Applying for a licence

Comprehensive Explanation and Evidence:

Your application must include a full and detailed explanation of the proposed transaction and all necessary evidence. Incomplete applications will be returned, causing delays and potentially impacting your ability to carry out the transaction as planned.

Ensure your application aligns with the [Competent Authority's] requirements. This involves providing detailed information and supporting documentation to substantiate your request.

Key Information and Evidence:

A. Legislation and Legal Basis:

- **Identify Legislation:** Clearly state the specific legislation under which the application is made. This should include references to the relevant international laws and regulations that pertain to your request.
- **Rationale for Licensing Grounds:** Provide a detailed rationale explaining how, in your view, the licensing ground has been met. This should include a legal argument supporting your position and referencing relevant legal provisions.

B. Transaction Details:

- **Amount of Intended Payment:** Specify the exact amount of the payment involved in the transaction. This helps the Competent Authority assess the scale and potential impact of the transaction.
- **Intended Purpose of the Transaction/Funds:** Clearly outline the purpose of the transaction or the intended use of the funds. Provide detailed descriptions to justify the necessity and legitimacy of the transaction.

- **Intended Payment Routes:** Describe the payment routes in detail and provide account numbers and sort codes. This includes specifying the financial institutions involved and the path the funds will take from sender to receiver.
- **Sender and Receiver of Funds:** Identify all parties involved in the transaction and the account numbers, including:
 - The sender of the funds.
 - The receiver of the funds.
 - Any intermediaries facilitating the transaction.
 - Beneficiaries who will ultimately receive the funds.
- **Accounting for Funds:** Explain how the funds will be accounted for, including any tracking or reporting mechanisms that will be used to ensure transparency and compliance.
- **Reasonableness of Proposed Payment:** If relevant, provide an explanation of the reasonableness of the proposed payment. This should include a justification of the payment amount and an explanation of how it aligns with market rates or contractual obligations.

Additional Considerations:

Supporting Documentation

Include all necessary supporting documentation to substantiate your application. This may include contracts, invoices, financial statements, legal opinions, and any other relevant documents.

Consistency and Accuracy

Ensure all information provided is consistent and accurate. Discrepancies or errors can lead to delays or rejections.

Communication with the Competent Authority

Maintain open and transparent communication with the Competent Authority throughout the application process. Respond promptly to any requests for additional information or clarification.

Legal Advice

Given the complexity of sanctions licences, consider seeking independent legal advice to ensure your application is comprehensive and meets all necessary criteria. Legal experts can help you navigate the application process and address any potential legal issues that may arise.

Please note that it is for each entity to assess the position for itself and to determine whether or not licences are required if necessary. The Competent Authority cannot provide any form of confirmation and/or guidance in such cases.

By adhering to these guidelines and providing thorough, accurate, and complete information, you can streamline the application process and improve the likelihood of a timely and successful licence approval.