

UNFREEZING GUIDANCE (FALSE POSITIVES AND REVOKED DESIGNATIONS)

Introduction

It may sometimes happen that freezing mechanisms are applied to the assets of a non-designated person who has the same or similar name as a designated person (a false positive), with the result that the non-designated person in question is inadvertently affected by the freezing mechanism. It may also happen that when a designation has been revoked, difficulties arise with the lifting of the freezing mechanisms that have been applied.

In both of these circumstances, the Policy & Resources Committee may be able to assist with the unfreezing of the relevant assets. This guidance sets out the procedure that applies to an application for assistance and also to queries or the provision of information from the financial institution or other person that has implemented the asset freeze in question (the asset holder). It supplements other guidance issued by the Policy & Resources Committee.

Applications for assistance with unfreezing assets

As a starting point, it should be noted that an application for assistance with unfreezing assets will ordinarily only be considered by the Policy & Resources Committee after the affected person or someone acting on their behalf has contacted the asset holder to clarify the position.

An application for assistance should be sent to the Policy & Resources Committee at the address below and must include the following information:

- The full name and contact details of the affected person and of any person making the request on behalf of the affected person;
- Details of the relevant assets and the person(s) by whom they are held;
- Details of the asset freezing mechanism by which the person in question has been affected;
- The grounds on which it is claimed that the affected person has ownership or other entitlement to the affected assets;
- Details of why it is believed that the assets have been frozen in error or that the affected person is not a designated person;
- In the case of a previously designated person, full details of the relevant designation, including the designating body, the date of the designation and the date on which the designation was revoked;

- Details of contact with the asset holder and the outcome of that contact (and if there has been no such contact, the reason for this);
- Any relevant evidence, including independent supporting documentation, such as documents verifying identity and the ownership of the relevant assets.

Information from asset holders

The overarching guidance for firms on compliance with targeted financial sanctions issued by the Policy & Resources Committee in December 2023 (available here – [Targeted Financial Sanctions Guidance](#)) contains FAQs on the release of frozen assets. Under FAQ 12, it requires businesses to contact the Policy & Resources Committee before taking any action in relation to a suspected false positive case. For the purposes of FAQ 12, or in any case where asset holders find it difficult to verify whether a person is in fact designated, asset holders should contact the Policy & Resources at the address below and provide the following information:

- Their full name and contact details, and the capacity in which they are contacting the Policy & Resources Committee;
- Details of the relevant assets and the asset freezing mechanisms they have applied to them;
- Details of the identity of the person who owns or controls the relevant assets and their legal or other interest in the relevant assets;
- Details of why it is believed that the relevant assets have been or may have been frozen in error, or that the owner or controller of the relevant assets is not a designated person;
- In the case of a previously designated person, full details of the relevant designation, including the designating body, the date of the designation and the date on which the designation was revoked;
- Details of contact with the person who owns or controls the relevant assets and the outcome of that contact (and if there has been no such contact, the reason for this);
- Any relevant evidence, including independent supporting documentation such as documents verifying identity and the ownership of the relevant assets.

Outcome

After considering all relevant information, the Policy & Resources Committee will determine whether the information constitutes verification that the affected person is not (or is no longer) a designated person and will inform the affected person and the asset holder of its finding. If its finding is that the affected person is not (or is no longer) a designated person,

the asset holder should take the steps necessary to unfreeze the relevant assets and must inform the Policy & Resources Committee of the action that it has taken.

If the finding of the Policy & Resources Committee is that it is not satisfied that the affected person is not (or is no longer) a designated person, the freezing mechanism must remain in place.

The Policy & Resources Committee may request additional information from the applicant or an asset holder at any stage. The Policy & Resources Committee may also obtain legal advice and consult other authorities within the jurisdiction, the authorities in the United Kingdom and, exceptionally, the authorities in other jurisdictions in order to assist it in making a decision. This will be done on a confidential basis.

The Policy & Resources Committee will take all reasonable steps to make a determination as soon as possible after receiving all necessary information and documents, either from the applicant, the asset holder or from any third party. Priority will be given to cases of particular urgency.

Queries

Any queries should be sent to:

Financial Crime Policy Office
Sir Charles Frossard House
La Charroterie,
St Peter Port,
Guernsey,
GY1 1FH,
Channel Islands

Tel: +44 1481 227000

Email: sanctions@gov.gg