

Client Alert

International Trade

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Iran sanctions suspension extended, and other EU sanctions news (Syria, Belarus, Serbia/Montenegro)

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I. Introduction

This alert summarizes certain recent EU sanctions developments with respect to Iran, Syria, Belarus, and Serbia/Montenegro. In sum, they are as follows:

- **Iran:** Today, the EU decided to extend the existing temporary suspension of certain EU sanctions measures against Iran until 30 June 2015. In addition, the EU has recently reintroduced three asset freeze designations, and updated certain asset freeze entry information.
- **Syria:** The EU has added 16 persons and 2 entities to the asset freeze list. In addition, the EU intends to impose new sanctions measures against Syria in the form of an EU export ban on jet fuel and relevant additives, for which a draft Regulation is currently under discussion but it has not yet been adopted and has therefore not entered into force.
- **Belarus:** The sanctions regime has been extended until 31 October 2015, while the asset freeze on 24 persons and 7 entities has been lifted (and certain entries updated) as of 31 October 2014.
- **Serbia/Montenegro:** As of 29 October 2014, the EU has lifted the existing asset freeze restrictions on Slobodan Milosevic and certain persons associated with him.

II. Iran: Extended temporary suspension, updated asset freeze

Following the recent decision to continue negotiations between Iran and P5+1 (and to prolong the Joint Plan of Action), the EU **has extended the temporary suspension of certain EU sanctions measures against Iran until 30 June 2015**.¹ (Please see our previous alert describing the suspended sanctions [here](#)). This means that the relaxation of certain EU sanctions measures against Iran that was originally introduced on 20 January 2014 (relating to (re)insurance and transport services for Iranian crude oil, supply of petrochemical products, trade in gold and precious metals, as well as certain financial transactions), and has already been extended once, will continue for another seven months. All other EU sanctions measures against Iran remain in place.

On **8 November 2014**, the EU updated the existing Iran Sanctions Regulation (i.e. Regulation 267/2012)² with respect to certain asset freeze entries through

¹ See <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2014:338:FULL&from=EN>

² See Council Regulation (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010, as amended (latest consolidated version, which does not include the latest amendments, available [here](#)).

Regulation 1202/2014.³ Following recent EU court judgments annulling the Council's earlier decision to impose an asset freeze on **Babak Zanjani, Sorinet Commercial Trust Bankers, and Sharif University of Technology**, these three parties have been reintroduced into the asset freeze list based on new statements of reason. In addition, certain other existing asset freeze entries have been updated.

III. Syria: Expanded asset freeze, pending export ban on jet fuel

On 21 October 2014, Council Implementing Regulation 1105/2014⁴ was published to add another **16 persons and 2 entities** to the asset freeze list in relation to Syria.⁵ According to the Council,⁶ 14 of these persons – involving 12 government ministers and two military officials – are deemed responsible for the violent repression of the Syrian civilian population. The remaining two persons and two entities – Pangates International Corp Ltd and Abdulkarim Group – are considered to provide practical support to the Syrian regime by ensuring oil supply. The asset freeze (and, in the case of individuals, travel ban) on these parties entered into force on **21 October 2014**.⁷

In addition, we note that the EU is working on an export ban for jet fuel and related additives in relation to Syria following Council agreement on this issue in October. A draft Regulation has been presented,⁸ which would amend the existing Syria Sanctions Regulation (i.e. Regulation 36/2012)⁹ by introducing a **new EU ban on the direct or indirect sale, supply, transfer or export of specified jet fuel and fuel additives** (identified in an Annex by tariff code) to any party or for use in Syria. The expected ban would extend to related financing, financial assistance (including financial derivatives and (re-)insurance) and brokering services. Certain exceptions would be made to allow for civilian aircraft flying from or into airports within Syria or transiting through Syria. This new EU export ban has not yet been adopted or published, though this will likely happen and it will enter into force relatively soon.¹⁰

IV. Belarus: Sanctions regime extension, and removal from/update of asset freeze

The EU has **extended its existing sanctions measures** in relation to Belarus until **31 October 2015**.¹¹

At the same time, Council Regulation 1159/2014¹² **lifts the asset freeze on 24 persons and 7 entities** (including certain LLC Triple subsidiaries, Uninvest-M, FLLC Unis Oil, and JLLC UninvestStroyInvest) and amends certain existing asset freeze entries listed in Regulation 765/2006.¹³ This Regulation entered into force on **31 October 2014**.

V. Serbia/Montenegro: Removal of asset freeze

The EU has **lifted the existing asset freeze restrictions** in relation to Serbia and Montenegro, i.e. on Slobodan Milosevic and certain persons associated with him, as these designated persons are no longer considered a threat to the consolidation of democracy. Council Regulation 1145/2014,¹⁴ which repeals existing Regulation 2488/2000 featuring the asset freeze,¹⁵ entered into force on **29 October 2014**.

³ See [Council Implementing Regulation \(EU\) No 1202/2014](#) of 7 November 2014 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran.

⁴ See [Council Implementing Regulation \(EU\) No 1105/2014](#) of 20 October 2014 implementing Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria.

⁵ The Regulation features certain amendments to four existing asset freeze entries as well. The total number of parties listed under original Regulation 36/2012 imposing EU sanctions against the Syrian regime now stands at **211 persons and more than 60 entities** (see our alert from 28 July 2014 on the previous expansion of this list [here](#)). The EU asset freeze list in relation to Syria was also amended on 27 September 2014, to re-introduce Samir Hassan following a Court judgment and update information in relation to two listed entities. See [Council Implementing Regulation \(EU\) No 1013/2014](#) of 26 September 2014 implementing Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria.

⁶ See Council Press Release of 20 October 2014, "[EU sanctions against Syrian regime strengthened](#)".

⁷ Under the asset freeze, all funds and economic resources belonging to, or controlled by, the listed parties and that fall under EU jurisdiction (e.g. are held by EU banks) will be frozen. Furthermore, no funds or economic resources may be made available – directly or indirectly – to or for the benefit of the listed persons by parties falling under EU jurisdiction.

⁸ See Doc. No. [JOIN\(2014\) 37 final](#).

⁹ See Council Regulation (EU) No 36/2012 of 18 January 2012 concerning restrictive measures in view of the situation in Syria and repealing Regulation (EU) No 442/2011, as amended (latest consolidated version, which does not include recent amendments, available [here](#)).

¹⁰ The geographic scope of this new sanctions measure, once adopted, would be consistent with the standard scope of EU sanctions regimes, meaning, it would apply in the following situations: within the EU territory; to nationals of EU Member States (regardless of whether they are inside or outside EU territory); on board vessels and aircraft under Member State jurisdiction; to companies incorporated or registered under the law of a Member State and to other companies in respect of business done in whole or in part in the EU.

¹¹ See [Council Decision 2014/750/CFSP](#) of 30 October 2014 amending Council Decision 2012/642/CFSP concerning restrictive measures against Belarus.

¹² See [Council Implementing Regulation \(EU\) No 1159/2014](#) of 30 October 2014 implementing Article 8a(1) of Regulation (EC) No 765/2006 concerning restrictive measures in respect of Belarus.

¹³ See Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures in respect of Belarus, as amended (latest consolidated version, which does not include the latest amendments, available [here](#)).

¹⁴ See [Council Regulation \(EU\) No 1145/2014](#) of 28 October 2014 repealing Regulation (EC) No 2488/2000 maintaining a freeze of funds in relation to Mr Milosevic and those persons associated with him.

¹⁵ See Council Regulation (EC) No 2488/2000 of 10 November 2000 maintaining a freeze of funds in relation to Mr Milosevic and those persons associated with him and repealing Regulations (EC) Nos 1294/1999 and 607/2000 and Article 2 of Regulation (EC) No 926/98, as amended (last consolidated version available [here](#)).