

Client Alert

International Trade

9 March 2015

EU asset freeze developments: Ukraine state fund misappropriation list, Syria, Libya

The EU has recently removed four persons from its asset freeze list featuring persons deemed responsible for misappropriation of Ukrainian state funds, and added 13 parties to the Syria related asset freeze list. In addition, the criteria for asset freeze listings in relation to Libya have changed (and one person was delisted). These EU asset freeze developments are described further below.

Ukraine state fund misappropriation list

The EU has published the results from a review of the asset freeze list targeting persons deemed responsible for misappropriation of Ukrainian state funds (which is separate from the asset freeze list under Regulation 269/2014 in relation to the territorial integrity, sovereignty and independence of Ukraine).¹ As a result, the existing EU asset freeze list imposed under **Regulation 208/2014** was reduced from 22 persons to **18 persons** as of **7 March 2015**.²

According to the EU Council, the four persons (including former presidential advisers Andriy Portnov and Ihor Kalinin) in question were removed from the EU asset freeze list to account for progress in judicial proceedings on Ukrainian state fund embezzlement.³ While the underlying Council Decision featuring the remaining 18 persons was extended until 6 March 2016, four of those persons (including Viktor Yanukovich, son of the former Ukrainian President) are currently only scheduled to remain on the asset freeze list until 6 June 2015.

Syria list

Based on a recent decision by the EU Council,⁴ the EU has reinforced its asset freeze against parties deemed to sponsor the Syrian regime by assisting in the production of chemical weapons, along with the supply of oil, steel and banknotes. **Regulation 2015/375**⁵ adds **seven persons and six entities** to the Syria related asset freeze.⁶

The newly-added designated parties effective **7 March 2015** are:

Individuals

1. Bayan Bitar (a.k.a. Dr Bayan Al-Bitar) (*Managing Director of the Organisation for Technological Industries (OTI), and the Syrian Company for Information Technology (SCIT)*)

EUsanctions@whitecase.com

James Killick
Partner, Brussels
+ 32 2 239 2552
jkillick@whitecase.com

Genevra Forwood
Counsel, Brussels
+32 2 239 2537
gforwood@whitecase.com

Sara Nordin
Associate, Brussels & Geneva
+ 32 2 239 2576
snordin@whitecase.com

Charlotte Van Haute
Associate, Brussels
+32 2 239 2623
cvanhaute@whitecase.com

Fabienne Vermeeren
Regional Director Europe –
International Trade Services, Brussels
+ 32 2 239 2606
fvermeeren@whitecase.com

US Sanctions

Richard Burke
Partner, Washington, DC
+1 202 626 3687
rburke@whitecase.com

Nicole Erb
Partner, Washington, DC
+1 202 626 3694
nerb@whitecase.com

Kristina Zissis
Counsel, Washington, DC
+1 202 626 3636
kzissis@whitecase.com

Claire A. DeLelle
Counsel, Washington, DC
+1 202 626 6485
claire.delelle@whitecase.com

Cristina Brayton-Lewis
Associate, Washington, DC
+1 202 729 2407
cbraytonlewis@whitecase.com

¹ The total number of parties listed under original Regulation 269/2014 imposing EU sanctions in respect of actions considered to undermine or threaten the territorial integrity, sovereignty and independence of Ukraine now stands at **151 persons and 37 entities** (see our alert from 16 February 2015 on the previous expansion of this list [here](#)).

² See [Council Implementing Regulation \(EU\) No 2015/357](#) of 5 March 2015. See also [Council Decision \(CFSP\) 2015/364](#). See our alert from 15 April 2014 in relation to these measures [here](#).

³ See <http://www.consilium.europa.eu/en/press/press-releases/2015/03/150305-council-extends-eu-sanctions-over-misappropriation-ukrainian-state-funds/>.

⁴ See <http://www.consilium.europa.eu/en/press/press-releases/2015/03/150306-syria-eu-strengthens-sanctions-against-regime-and-supporters/>.

⁵ See [Council Implementing Regulation \(EU\) No 2015/375](#) of 6 March 2015. See also [Council Implementing Decision \(CFSP\) 2015/383](#).

⁶ According to the EU Council, the total number of parties listed under original Regulation 36/2012 imposing EU sanctions against the Syrian regime now stands at **218 persons and 69 entities** (see our alert from 25 November 2014 on the previous expansion of this list [here](#)).

2. Brigadier General Ghassan Abbas (*Manager of the branch of the Syrian Scientific Studies and Research Centre (SSRC/CERS)*)
3. Wael Abdulkarim (a.k.a. Wael Al Karim) (*Managing Director of oil supply intermediary Pangates International Corp Ltd*)
4. Ahmad Barqawi (a.k.a. Ahmed Barqawi) (*General Manager of Pangates International Corp Ltd*)
5. George Haswani (a.k.a. Heswani; Hasawani; Al Hasawani) (*Co-owner of HESCO Engineering and Construction Company*)
6. Emad Hamsho (a.k.a. Imad Hmisho; Hamchu; Hamcho; Hamisho; Hmeisho; Hemasho) (*Senior manager at Hamsho Trading and vice-president of the Syrian Council of Iron and Steel*)
7. Samir Hamsho (a.k.a. Samer; Sameer; Hmisho; Hamchu; Hamcho; Hamisho; Hmeisho; Hemasho) (*Owner and chairman of Al Buroj and Syria Steel/Hmisho Steel; associated with Hamsho International, Syria Steel SA and Al Buroj Trading*)

Tanya Hanna
Associate, Washington, DC
+1 202 637 6294
thanna@whitecase.com

Entities

1. Organisation for Technological Industries (a.k.a. Technical Industries Corporation (TIC)) (*Subsidiary of the Syrian Ministry of Defence*)
2. Syrian Company for Information Technology (SCIT) (*Subsidiary of the Organisation for Technological Industries (OTI)*)
3. Hamsho Trading (a.k.a. Hamsho Group; Hmisho Trading Group; Hmisho Economic Group) (*Subsidiary of Hamsho International*)
4. Syria Steel SA (a.k.a. Syria Steel Co; Syria Steel Rolling Mill; Hmisho Steel) (*Subsidiary of Hamsho Trading*)
5. Al Buroj Trading (a.k.a. Borouj Trading Company) (*Subsidiary of Hamsho Trading*)
6. DK Group (a.k.a. DK Group SARL DK Middle East & Africa Regional Office) (*Supplies new banknotes to the Central Bank of Syria*)

Libya list

Finally, the EU has amended its asset freeze provisions in relation to Libya.

Through **Regulation 2015/374**, which entered into force on **8 March 2015**,⁷ the EU has broadened the legal basis for Libya related asset freezes (originally featured in Regulation 204/2011).

More specifically, the EU has expanded the scope of criteria for imposing an asset freeze (and, in the case of persons, a visa ban) on certain parties in relation to Libya. Now, the EU may more broadly designate parties (and their associates) when they are deemed to be **engaged in or provide support for acts that threaten the peace, stability or security in Libya, or obstruct or undermine the successful completion of Libya's political transition.**

In other words, this amended legal basis enables the EU to impose sanctions on more parties deemed responsible for human rights abuses, attacks and illicit natural resource exploitation in Libya.

⁷ See [Council Regulation \(EU\) No 2015/374](#) of 6 March 2015. See also [Council Decision \(CFSP\) 2015/382](#). As of 8 March 2015, the EU also amended the entry for one designated person, and removed one designated person (Ahmed Mohammed Qadhaf Al-dam). See [Council Implementing Regulation \(EU\) No 2015/376](#) of 6 March 2015.