

Client Alert

International Trade

24 July 2012

EU expands sanctions against Syria by adding more parties to the asset freeze list and mandating cargo inspections



I. Introduction

On 23 July 2012, the Council of the European Union (EU) decided to expand its sanctions against Syria by designating another 26 persons and three entities as subject to the EU's asset freeze. In addition, the EU Member States agreed to make inspections for suspected arms and internal repression equipment cargo obligatory, while exempting certain academic fund transfers from the asset freeze provisions.

Relevant Council Implementing Regulation 673/2012¹ (which amends Regulation 36/2012)² and **Decision 2012/420/CFSP³** (amending Decision 2011/782/CFSP)⁴ were both published in the EU's Official Journal on **24 July 2012** and entered into force on the same day.

As before, these restrictions apply to the **EU territory** (including its airspace), to **nationals of EU Member States** (including those located outside the EU), and on board any **vessel or aircraft under Member State jurisdiction**. The Regulation also applies to **companies incorporated or doing business in whole or in part in a Member State**. This means that non-EU companies could be covered, depending on the particular circumstances under which they perform business activities in the EU and how they are connected (e.g. through their insurance providers) to any activities restricted by the Regulation.

II. Regulation 673/2012: Addition of 26 persons and 3 entities to the EU's asset freeze list

Implementing Regulation 673/2012 imposes an asset freeze for another **26 natural persons** – including members of the Syrian army and police force – who are considered responsible for recent violent repression in Syria. It also designates **three additional legal entities** (Drex Technologies S.A., Cotton Marketing Organisation and Syrian Arab Airlines/Syria Air) as parties

For more information, please contact:

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

Sara Nordin
Associate, Brussels & Hong Kong
+ 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

¹ [Council Implementing Regulation 673/2012](#) of 23 July 2012 implementing Article 32(1) of Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria, [2012] OJ L 196/8.

² [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, [2012] OJ L 16/1 (the linked latest consolidated version does not reflect the changes introduced by [Regulation 509/2012](#), [Regulation 544/2012](#) and [Regulation 545/2012](#) in addition to the amendments described in this alert).

³ [Council Decision 2012/420/CFSP](#) of 23 July 2012 amending Decision 2011/782/CFSP concerning restrictive measures in view of the situation in Syria, [2012] OJ L 196/59.

⁴ [Council Decision 2011/782/CFSP](#) of 1 December 2011 concerning restrictive measures against Syria and repealing Decision 2011/273/CFSP, [2011] OJ L 319/56 (the linked latest consolidated version does not reflect the changes introduced by [Decision 2012/256/CFSP](#), [Decision 2012/322/CFSP](#) and [Decision 2012/335/CFSP](#) in addition to the amendments described in this alert).

whose assets will be considered frozen by the EU.

As a result, as of 24 July 2012, **no funds or economic resources can be made available** – directly or indirectly – by any person falling under EU jurisdiction to these newly listed persons or entities.

This new round of sanctions brings the total number of parties affected by the EU asset freeze to over 150 persons and over 50 entities.

III. Decision 2012/420/CFSP: Mandated cargo inspections and academic fund transfer exemption

Under Decision 2012/420/CFSP, the EU Member States have agreed to **mandate inspections of vessels and aircraft bound for Syria in their airports and seaports, and in their territorial sea if there is a reasonable suspicion that the cargo contains arms or equipment for internal repression, or equipment for the manufacture or maintenance of such products.** In the event such an inspection confirms that the cargo in question must not be supplied to Syria or is subject to authorisation requirements under the EU's Syria sanctions regime, it must be seized and disposed of.

The Decision also provides that the asset freeze provisions involving financial entities **do not apply to fund transfers involving financial support to Syrian nationals pursuing education, professional training or academic research in the EU.** This is provided that the relevant Member State has confirmed that the fund transfer will not directly or indirectly benefit any of the parties designated as subject to an asset freeze under the EU's Syria sanctions regime.

This Client Alert is provided for your convenience and does not constitute legal advice. It is prepared for the general information of our clients and other interested persons. This Client Alert should not be acted upon in any specific situation without appropriate legal advice and it may include links to websites other than the White & Case website.

White & Case has no responsibility for any websites other than its own and does not endorse the information, content, presentation or accuracy, or make any warranty, express or implied, regarding any other website.

This Client Alert is protected by copyright. Material appearing herein may be reproduced or translated with appropriate credit.

Due to the general nature of its contents, this newsletter is not and should not be regarded as legal advice.