

ClientAlert

International Trade

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The EU expands sanctions measures against Syria



I. Introduction

In response to recent developments in Syria, the Council of the European Union (EU) has adopted new sanctions measures against Syria – targeting its oil and petroleum industry and seven persons and entities considered to benefit from or support the Syrian regime – in **Council Decision 2011/522/CFSP**¹ on Friday, 2 September 2011. This Decision was published in the EU's Official Journal of Saturday, 3 September 2011 along with accompanying **Council Regulation 878/2011**² (which amends the EU's original Syria Sanctions Regulation, Regulation 442/2011), and entered into force on the same day.

II. Background

The EU's original Syria Sanctions Regulation (i.e. Regulation 442/2011),³ which contains the main framework of implementing EU rules for economic sanctions against Syria, entered into force on 10 May 2011. It has already been amended on several occasions. Because no sanctions are currently imposed on Syria at United Nations level, these sanctions measures are autonomously imposed by the EU. Accordingly, they are likely to differ from any sanctions measures imposed on Syria by other countries as they largely depend on the priorities and compromises agreed between the 27 EU Member States within the Council of the EU.

In sum, the EU's framework for sanctions measures against Syria imposed through Regulation 442/2011 since May 2011 have the following two main features:

- A ban on direct or indirect sale, supply, transfer or export of specified **internal repression equipment and military goods** along with related technical assistance, brokering services, financing or financial assistance to a Syrian party or for use in Syria;⁴ and

For more information, please contact:

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

Sara Nordin
Associate, Brussels & Hong Kong
+ 852 2822 8789
snordin@whitecase.com

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

¹ [Council Decision 2011/522/CFSP](#) of 2 September 2011 amending [Council Decision 2011/273/CFSP](#) concerning restrictive measures against Syria, [2011] OJ L 228/16.

² [Council Regulation \(EU\) No 878/2011](#) of 2 September 2011 amending Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria, [2011] OJ L 228/1.

³ [Council Regulation \(EU\) No 442/2011](#) of 9 May 2011 concerning restrictive measures in view of the situation in Syria, [2011] OJ L 121/1. Annex II to Regulation 442/2011 was replaced by Regulation 504/2011, and subsequently parties have been added to Annex II on three further occasions (Regulations 611/2011, 755/2011 and 843/2011). A consolidated version does not yet exist.

⁴ See Articles 2-3 of Regulation 442/2011.

- A ban on directly or indirectly making available funds or economic resources to **designated Syrian parties** (listed in Annex II) **whose assets are frozen** (with certain exemptions for particular payments subject to Member State authorisation).⁵

These sanctions measures are accompanied by **anti-circumvention clauses** prohibiting the participation, knowingly and intentionally, in activities the object or effect of which is to circumvent the prohibitions.⁶

Consistent with principles set out in a number of other EU sanctions regimes, the EU's Syria sanctions measures apply to **EU territory** (including its airspace), **nationals of EU Member States** (including those located outside the EU) and **vessels and aircraft under Member State jurisdiction**.⁷ They also apply to **companies incorporated or doing business in a Member State**, which 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 to any restricted Syria-related activities.

III. New expanded Syria sanctions regime introduced by Regulation 878/2011

By adding Articles 3a and 3b to the EU's original Syria Sanctions Regulation, Regulation 878/2011 introduces a third main feature to the EU's sanctions against Syria: **a new prohibition on the purchase, transport and EU import – and related financing, financial assistance or circumvention – of crude oil and certain specified "petroleum products"**⁸ which (depending on the particular circumstances) originate in, are located in or are being exported from Syria.

A **special exception** to this new ban has been included to allow **execution of pre-existing** (i.e. those concluded before 2 September 2011) **contract obligations**, provided that the execution takes place on or before 15 November 2011 and that the competent Member State authority is notified at least 7 working days in advance. Purchase of crude oil or specified petroleum products exported from Syria before 2 September 2011 – or before 15 November 2011 if export takes place under the previously mentioned pre-existing contract exception – is also permitted under a special exemption.

The new rules also add **seven new designated parties** (bringing the grand total of Syrian parties designated by the EU to almost 70), Regulation 878/2011 adds four individuals and three entities (Mada Transport, Cham Investment Group and Real Estate Bank) to the EU's existing asset freeze list (i.e. Annex II) – with the result that no funds or economic resources may be directly or indirectly made available to or for the benefit of those parties.

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⁵ See Articles 4-9 of Regulation 442/2011.

⁶ See Articles 2(1)(b), 3(1)(d) and 4(3) of Regulation 442/2011.

⁷ See Article 17 of Regulation 442/2011.

⁸ Described in Annex II of Regulation 878/2011 (containing the new Annex IV to Regulation 442/2011) as those falling under HS codes 2709 00, 2710, 2711, 2712, 2713, 2714, 2715 0000.