

E-ALERT | International Trade Controls

July 26, 2012

EU SANCTIONS UPDATE EU STRENGTHENS SANCTIONS AGAINST SYRIA

On July 22, 2012, following intensifying violence and unrest in Syria, the Council of the European Union (“EU Council”) further strengthened the EU sanctions regime against the Syrian government and its supporters. The new measures (i) designate an additional 26 individuals and three entities supporting the Assad regime, (ii) impose further pre-arrival and pre-departure obligations on aircraft and vessels carrying goods to Syria and require Member States to inspect ships and aircraft bound for Syria in certain cases, and (iii) exempt from the asset freeze transfers of funds through designated financial institutions to certain Syrian students and researchers.

ASSET FREEZES ON FURTHER INDIVIDUALS AND ENTITIES

[Council Implementing Regulation 673/2012](#) adds an additional 26 individuals and three entities as designated parties subject to the asset freeze and the prohibition on making available funds and economic resources. The newly-designated individuals are linked to the Syrian government's military forces, and are alleged to have been involved in the violent suppression of civil population in Syria. The three newly designated entities are:

- Syrian Arab Airlines (also known as Syrian Air);
- Drex Technologies SA (a financial holding company with a majority stake in the Syrian telecoms company SyriaTel); and
- The Syrian Cotton Marketing Organization.

ADDITIONAL FORMALITIES AND INSPECTIONS ON CARGO BOUND FOR SYRIA

In addition, in order to better enforce the [arms embargo](#), [Council Decision 2012/420/CFSP](#) imposes further pre-arrival and pre-departure information requirements on all aircraft and vessels carrying cargo to Syria from or through a Member State.

In addition, [Council Decision 2012/420/CFSP](#) also requires each Member State to inspect ships and aircraft heading to Syria if that Member State has grounds for believing that the ship or aircraft might be carrying (i) arms and related materiel or (ii) equipment that could be used for internal repression (listed in Annexes 1, 1A and IX of [Council Regulation 509/2012](#)). Member States must seize and dispose of the arms, materiel or equipment found during these inspections.

EXEMPTION FOR TRANSFERS OF FUNDS THROUGH DESIGNATED BANKS FOR PAYMENTS BY NON-LISTED PERSONS TO SUPPORT SYRIAN STUDENTS AND RESEARCHERS

Finally, [Council Decision 2012/420/CFSP](#) exempts transfers of funds made by non-designated individuals or entities via designated financial institutions where those transfers are intended to provide financial support Syrian nationals pursuing an education, professional training or engaged in

academic research in the EU. This exemption is conditioned on a determination by the relevant national authority that the beneficiary of the financial support is not a designated party.

The new inspection rules and the new exemption described above have not yet been implemented by a Council Implementing Regulation, although this is expected shortly. Until then, the changes do not apply to EU individuals and companies.

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