

Client Alert

International Trade

26 June 2012

EU imposes new sanctions against Syria - clarifies the ban on insuring embargoed items and adds more parties to the asset freeze list

I. Introduction

In response to the escalating violence in Syria, the Council of the European Union (EU) agreed on 25 June 2012 to reinforce its sanctions against Syria. The Council decided to further develop the applicable restrictions related to the provision of financial assistance in the context of the arms embargo¹ and to subject additional parties to an asset freeze.²

Regulation 545/2012 (which amends Regulation 36/2012)³ and **Implementing Regulation 2012/544/CFSP** both entered into force on **26 June 2012**.

As before, these new 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. Restrictions related to the provision of financial assistance for goods subjected to the arms embargo

Council Regulation 545/2012 clarifies the scope of the existing ban on the provision of financing or financial assistance related to the **goods and technology listed in the Common Military List or items that can be used for internal repression as listed in Annex I or IA** to Regulation 36/2012, by explicitly adding the **provision of insurance or reinsurance** to the non-exhaustive list of transactions that are covered by this ban.

This clarification follows a recent incident involving a UK-insured Russian cargo ship carrying helicopters for Syria, in which the British security services forced the UK insurance provider to cancel the insurance for the ship, thus



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 Regulation \(EU\) No 545/2012 of 25 June 2012](#) amending Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria

² [Council Implementing Regulation 2012/544/CFSP of 25 June 2012](#) implementing Article 32(1) of Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria

³ [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; this consolidated version does not reflect the changes introduced by [Regulation 410/2012](#) and [Regulation 509/2012](#).

forcing the vessel to discontinue its journey and return to the port of departure.

As a consequence of this clarification, **ships carrying goods and technology listed in the Common Military List, or in Annexes I and IA to Council Regulation 36/2012, will not be able to use the services of European insurance providers, regardless of the origin of the goods or technology or the nationality of the ship.**

The Council also expanded the ban on the provision of technical assistance for internal repression products to also cover goods and technology which might be used for the manufacture and maintenance of products listed in Annexes I or IA to Council Regulation 36/2012.

III. Addition of 1 natural person and 6 legal entities to the asset freeze list

Implementing Regulation 2012/544/CFSP imposes an asset freeze for **six further entities** supporting the regime (the **Ministry of Defence**, the **Ministry of Interior**, the **Syrian National Security Bureau**, the **Syria International Islamic Bank (SIIB)**, the **General Organisation of Radio and TV**, and the **Syrian Company for Oil Transport**) and targets **one additional natural person** (a Political and Media Advisor to the President) with a travel ban and an asset freeze.

As of 26 June 2012, all funds and economic resources owned or controlled by these parties that fall under EU jurisdiction will be **frozen**. Additionally, **no funds or economic resources can be made available** – directly or indirectly - by any person falling under EU jurisdiction to those listed persons or entities.

This new round of sanctions brings the total number of parties affected by the EU asset freeze to 129 persons and 49 entities.

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.

In this publication, White & Case means the international legal practice comprising White & Case LLP, a New York State registered limited liability partnership, White & Case LLP, a limited liability partnership incorporated under English law and all other affiliated partnerships, corporations and undertakings.
© 2012 White & Case LLP