

European Union Amends Sanctions against Syria

On September 3, 2011, in view of recent grave human rights violations in Syria, the EU Council of Ministers (the “Council”) adopted further legislative measures significantly extending the scope of the existing economic sanctions against Syria.¹

Existing measures included an embargo on the export of arms and “equipment for internal repression”, a travel ban for key aides of President Bashar Al-Assad and certain government officials, and an asset freeze as regards key figures of the regime and entities controlled by the current Syrian government. The list of natural and legal persons subject to sanctions (in particular the travel ban and the freeze of assets) had been repeatedly expanded over the course of the summer², and most recently on August 24, 2011.³

The new measures include an economically relevant oil embargo and expand the scope of other, pre-existing sanctions:

- Oil embargo: The EU prohibits the purchase, importation and transport of crude oil or petroleum products originating in Syria or exported from Syria. The EU also prohibits financing or financial assistance (which expressly includes insurance or reinsurance services) related to such prohibited activities. Nevertheless, the new rules provide for the grandfathering of certain existing contracts:

¹ Council Regulation (EU) No 878/2011 of 2 September 2011 amending Regulation (EU) No 442/2011 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:228:0001:0005:EN:PDF>; Council Decision 2011/522/CFSP of 2 September 2011 amending Decision 2011/273/CFSP concerning restrictive measures against Syria, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:228:0016:0018:EN:PDF>; Council Decision of 2 September 2011 partially suspending the application of the Cooperation Agreement between the European Economic Community and the Syrian Arab Republic, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:228:0019:0021:EN:PDF>

² See: Council Implementing Regulation (EU) No 611/2011 of 23 June 2011 implementing Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria, OJ 2011 L 1; Council Implementing Regulation (EU) No 755/2011 of 1 August 2011 implementing Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria, OJ 2011 L 199/33.

³ Council Implementing Regulation (EU) No 843/2011 of 23 August 2011 implementing Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:218:0001:0003:EN:PDF>; Council Implementing Decision 2011/515/CFSP of 23 August 2011 implementing Decision 2011/273/CFSP concerning restrictive measures against Syria, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:218:0020:0022:EN:PDF>

- First, the prohibitions do not apply to the execution of obligations arising from contracts concluded before September 2, 2011, provided that (i) the person seeking to perform the obligation gives at least 7 working days notice to the competent authorities of the Member States and (ii) the obligation is performed on or before November 15, 2011;
 - Second, the prohibitions do not apply to the purchase of crude oil or petroleum products exported from Syria before September 2, 2011, or to purchases relating to exports made under the first grandfathering rule (outlined above), if the export was made before November 15, 2011.⁴
- Expansion of the scope of the asset freeze and travel ban: The new measures expand the scope of the asset freeze and travel ban to 4 individuals and 3 entities providing economic support to the regime.
 - Humanitarian and diplomatic exception to the asset freeze: The new measures allow competent authorities of Member States to authorize exemptions for humanitarian reasons and in order to respect an obligation under public international law so that funds needed for official purposes of a diplomatic representation or an international organization otherwise covered by an asset freeze, can actually be made.

The new measures are in addition to the existing measures as regards Syria, which continue to apply. Nevertheless, even the revised sanctions do not appear to be as comprehensive as the sanctions imposed by the United States.⁵

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If you have any questions, please feel free to contact any of your regular contacts at the firm.

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⁴ Council Regulation (EU) No 878/2011, Article 1(4)

⁵ For more information regarding the US sanctions against Syria, please refer to CGSH Client alert memo of August 19, 2011: http://www.cgsh.com/New_Comprehensive_US_Sanctions_on_the_Syrian_Regime

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