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Sanctions Round-Up: First Quarter 2014

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The first quarter of 2014 opened with a continued focus on Iran, as US authorities somewhat contradictorily took steps both to ease certain Iranian sanctions, as agreed under the Joint Plan of Action, and to target a number of additional Iranian persons under existing sanctions. The quarter then drew to a close with a flurry of US and EU sanctions activity targeting Russian and Ukrainian persons – and the looming possibility of broader sanctions to follow. US authorities otherwise continued to issue narcotics and terrorism-related sanctions, while the EU amended a handful of country-specific sanctions, including a suspension of the majority of sanctions targeting Zimbabwe.

Included in this quarter's update are reports on:

- Implementation of the Joint Plan of Action with Iran
- Additional US Iran-Related Sanctions and Licenses
- OFAC Civil Settlements
- US and EU Sanctions in Response to the Situation in Ukraine
- US Drug- and Terror-Related Sanctions
- Suspension and Amendment of Certain EU Sanctions

US and EU Implement Temporary Sanctions Relief under Joint Plan of Action

On January 20, following verification by the International Atomic Energy Agency that Iran had undertaken its initial commitments under the interim Joint Plan of Action, the United States and the European Union took steps to provide Iran with limited and targeted sanctions relief for an initial six-month period. In accordance with the agreement announced in November 2013, Iran has, at least for now, suspended enrichment of its most advanced uranium fuel along with other sensitive elements of its nuclear program. In return, the United States has paused its efforts to further reduce Iranian crude oil exports and will allow the six current customers of Iranian oil to maintain their purchases at current reduced levels for the duration of the six-month period. Secondary sanctions on non-US persons engaged in transactions related to Iran's petrochemical exports, certain trade in gold and precious metals, and the provision of goods and services to Iran's automotive sector have been suspended.¹ The US will also grant licenses for transactions involving goods and services related to the safety in the Iranian aviation sector. OFAC has published guidance on the specific sanctions relief granted under the JPA, including answers to frequently asked questions and a statement of licensing policy on activities related to Iran's civil aviation industry. Notably, OFAC has emphasized that it will continue to fully enforce all sanctions that have not been explicitly suspended, and US persons and their foreign subsidiaries remain prohibited from carrying out transactions with Iran.

On March 12, President Obama published notice stating that the national emergency with respect to Iran that was declared on March 15, 1995, is to continue in effect beyond March 15, 2014. Obama noted that despite the recent progress marked by the Joint Plan of Action, the ongoing actions and policies of the Government Iran warranted continuation of the national emergency and corresponding sanctions. Absent such notice, the national emergency and corresponding sanctions against Iran were set to expire within 90 days.

Meanwhile, the European Union has suspended its ban on reinsuring tankers hauling Iranian oil to those countries that continue to purchase crude oil from Iran – a step that affects the vast majority of the world's tankers, as 90 percent of all merchant vessels are covered by members of the London-based International Group of P&I Clubs. The EU bans on transactions for the acquisition of petrochemicals and gold and precious metals from Iran have also been suspended, and restrictions on money transfers have been relaxed. Transfers for humanitarian purposes will now be allowed up to €1,000,000 without authorization, and personal remittances will be allowed up to €400,000, a tenfold increase from prior levels; however, these transactions may not involve specific identified Iranian banks that remain subject to EU sanctions.

Iran will also be granted access, in installments, to \$4.2 billion of \$100 billion in funds currently held in blocked accounts overseas; Iran received the first \$550 million installment on February 1, and an additional two payments in March totaling \$1 billion. Future payments will be contingent on Iran diluting its stockpile of 20 percent enriched uranium to no more than 5 percent enriched uranium.

Those interested in more background on the interim Joint Plan of Action may wish to review "[Opportunities and Pitfalls of Proposed Easing of Iran Sanctions.](#)" published December 5, 2013.

¹ All such transactions must be both initiated and completed during the six-month JPA period; additionally, foreign investment in Iran's petrochemical sector with a fair market value of \$250,000 or that during a 12-month period, has an aggregate fair market value of \$1,000,000 or more remains prohibited.

US Targets Additional Iranian Persons under Existing Sanctions Authorities

On February 6, OFAC designated a number of entities and individuals located around the world for evading US sanctions targeting Iran, aiding Iranian nuclear and missile proliferation, and supporting terrorism. Pursuant to E.O. 13608, “Prohibiting Certain Transactions With and Suspending Entry into the United States of Foreign Sanctions Evaders with Respect to Iran and Syria,” OFAC sanctioned Georgia-based Pourya Nayebi, Houshang Hosseinpour, and Houshang Farsoudeh along with eight companies owned or controlled by these individuals. OFAC alleged that these three individuals have used companies and financial institutions in multiple countries to facilitate deceptive transactions for or on behalf of persons subject to US sanctions targeting Iran. For instance, in 2011, these individuals acquired a majority stake in a Georgian bank with direct correspondent ties to other international financial institutions through a Liechtenstein-based foundation under their control. The Georgian bank was then used to facilitate transactions worth the equivalent of tens of millions of US dollars for multiple designated Iranian banks. The eight sanctioned companies owned or controlled by these three individuals, together or individually, include Caucasus Energy (Georgia), Orchidea Gulf Trading (UAE and/or Turkey), Georgian Business Development (Georgia and/or UAE), Great Business Deals (Georgia and/or UAE), KSN Foundation (Liechtenstein), New York General Trading (UAE), New York Money Exchange (UAE and/or Georgia), and European Oil Traders (Switzerland).

In conjunction with these new designations, OFAC introduced the Foreign Sanctions Evaders List to identify foreign persons who have been sanctioned under E.O. 13608 since it was issued in May 2012. US persons are generally prohibited from all transactions or dealings, whether direct or indirect, involving persons identified on the FSE List. While E.O. 13608 does not require the blocking of property or interests in property, persons sanctioned under E.O. 13608 may also be subject to other sanctions; such persons will have additional program tags indicating the relevant blocking authorities (e.g., [ISA] or [EO13645]), and are listed in a segregated sub-section of the FSE List. Names and other information will be added and removed at OFAC’s discretion.

Also on February 6, OFAC sanctioned a number of persons under E.O. 13382, “Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters.” Turkish citizen Ali Canko and Iran-based Tiva Sanat Group were designated for their roles in attempting to procure and reverse engineer a weapons-capable boat to be used by the Islamic Revolutionary Guard Corps Navy. The IRGC was designated pursuant to E.O. 13382 in October 2007 for having engaged in proliferation-related activities. OFAC alleges that the Tiva Sanat Group used front companies to acquire foreign technology and components, and that Ali Canko acted as a financial intermediary for payments from the Tiva Sanat Group to various international suppliers. Advance Electrical and Industrial Technologies SL, located in Spain, and Pere Punti, AEIT’s sold shareholder, were designated pursuant to E.O. 13382 for procuring items from foreign suppliers and facilitating financial transactions for the previously designated Neka Novin. Neka Novin was designated pursuant to E.O. 13382 in November 2011 for its involvement in the procurement of specialized equipment and materials that have direct application to Iran’s nuclear program. German firm DF Deutsche Forfait Aktiengesellschaft (Deutsche Forfait), DF Deutsche Forfait Americas Inc., and DF Deutsche board member Ulrich Wipperman were also designated pursuant to E.O. 13382 for facilitating oil deals for the National Iranian Oil Company in circumvention of oil sanctions targeting Iran. NIOC was deemed an agent or affiliate of the IRGC and designated under E.O. 13382 in November 2012.

The same day, pursuant to E.O. 13224, “Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism,” OFAC designated three Mahan Air officials and two front companies in the United Arab Emirates that have acted as conduits for Mahan Air financial payments and as intermediaries for the airline’s acquisition of aircraft, engines, and other parts. Mahan Air was designated in October 2011 pursuant to E.O. 13224 for its

support to Iran's IRGC-QF. OFAC alleged that two front companies – Blue Sky Aviation Co. FZE and Avia Trust FZE – have allowed the sanctioned airline to continue to move significant quantities of weapons and other illicit cargo into Syria in support of the Assad regime. Hamidreza Malekouti Pour, Pejman Mahmood Kosarayanifard, and Gholamreza Mahmoudi were also designated for acting for or on behalf of Mahan Air. OFAC also designated pursuant to E.O. 13224 three IRGC-QF officers and one IRGC-QF associate acting on behalf of Iran in Afghanistan. According to OFAC, IRGC-QF used one of the designated associates, Sayyed Kamal Musavi, to plan and execute attacks in Afghanistan. Two of the designated IRGC-QF officers, Alireza Hemmati and Akbar Seyed Alhosseini, allegedly provided logistical support to Musavi. A third IRGC-QF officer, Mahmud Afkhami Rashidi, was designated due to his influence over Afghan political affairs and his efforts to advance Iranian interests in Afghanistan. Finally, an Iran-based al Qaeda facilitator, Olimzhon Adkhamovich Sadikov, was designated pursuant to E.O. 13224 for supporting al Qaeda's network in Iran.

OFAC emphasized that all of these designations reflected the United States' ongoing commitment to enforcing existing sanctions even as nuclear negotiations with Iran progress. These actions generally prohibit transactions between the designated persons and any US person, and block any property and interests in property of the designated persons that are under US jurisdiction. Further, any foreign financial institution or person that facilitates significant transactions or provides material support to the designated persons may have their access to the US financial system restricted or their property under US jurisdiction blocked.

The Obama administration confirmed on February 6 that it was temporarily waiving sanctions on Iran's state broadcaster following its determination that no "harmful satellite interference" was currently emanating from Iran. The 180-day broadcasting waiver will allow non-US companies to provide the Iranian broadcaster with satellite services without being exposed to sanctions. The United States imposed sanctions on Islamic Republic of Iran Broadcasting last year on the basis that the state-run broadcaster was blocking foreign channels that the government found objectionable and citing human rights groups who say the broadcaster distorted and falsified reports.

On January 7, the State Department's Bureau of Economic and Business Affairs lifted the sanctions it had imposed under the Iran Sanctions Act against Associated Shipbroking, also known as SAM, a company based in Monaco. SAM was designated in 2011 for knowingly acting on behalf of a front company for Islamic Republic of Iran Shipping Lines in connection with IRISL's acquisition of an oil tanker. In removing the sanctions, the State Department found that Associated Shipbroking is no longer engaging in transactions that would subject it to sanctions under the ISA.

OFAC Issues Iranian-Related Licenses

On February 4, OFAC issued General License No. 9 under the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. Part 544, and the Iranian Transactions Regulations, 31 C.F.R. Part 560, to authorize certain transactions related to the arrest, detention, and judicial sale of the MV SININ (IMO No. 9274941), a vessel previously listed on the SDN list that is currently under arrest in China.

On February 7, OFAC issued an amended General License D-1, "General License with respect to the Exportation and Reexportation of Certain Services, Software, and Hardware Incident to the Exchange of Personal Communications." The amended license widens the authorization previously granted in May 2013 that allowed Americans to export communication tools and services to persons in Iran. Under the amended license, exports of mobile phones, satellite phones, radio equipment, modems, laptops, etc., can be made by foreigners and "to Iran" (rather than merely to Iranians). The amended license also allows for exports of certain fee-based hardware and software US companies located abroad to Iran. It also clarifies an authorization, allowing someone traveling between Iran and the US to carry certain items, like smartphones. Lastly, the license added a new authorization for certain no-cost software to be able to reach the

Iranian government. OFAC stated through newly issued FAQs that the changes were made to ensure that sanctions don't have a chilling effect on companies that want to make their products available to Iranians.

On March 20, OFAC issued General License G authorizing certain academic exchanges between the United States and Iran. Under the general license, US academic institutions can enter into student-exchange agreements with Iranian universities, provide scholarships to Iranian students, and allow Iranian students to participate in online courses and take university entrance and professional certification exams. General License G also authorizes US depository institutions to process transactions for academic exchanges between the two countries.

OFAC Announces Civil Settlements

On January 23, OFAC announced a settlement with Clearstream Banking, S.A. for \$151,902,000 to settle potential civil liability for apparent violations of the ITSR, 31 C.F.R. part 560. From at least December 2007 through June 2008, Clearstream maintained an account at a US financial institution in New York through which the Central Bank of Iran maintained a beneficial ownership interest in 26 securities, with a nominal value of \$2.813 billion, held in custody at a central securities depository in the United States. Due to the omnibus nature of the account, the Bank's beneficial ownership interest in the securities was not transparent to the US financial institution; Clearstream served as the channel through which the Bank held an interest in the securities. As an intermediary, Clearstream exported custody and related services from the US to the CBI in apparent violation of the ITSR. Further, Clearstream took steps that allowed CBI to continue to hold an interest in the omnibus account even after meeting with OFAC officials to discuss the termination of Iranian business in late 2007 and early 2008.

On January 27, OFAC announced a \$9,49,525 settlement with Joint-Stock Commercial Bank "Bank of Moscow" for alleged violations of E.O. 13382 and US sanctions targeting proliferators of weapons of mass destruction. Between January 2008 and July 2009, Bank of Moscow sent 69 funds transfers valued at \$41,306,113 for or on behalf of Bank Melli Iran ZAO, Moscow Russia, which was designated by OFAC in October 2007.

On March 6, Ubiquiti Networks, Inc., a manufacturer of wireless hardware and video surveillance equipment, agreed to pay a \$504,225 penalty to settle apparent US sanctions violations for allowing its hardware to be sold in Iran. OFAC alleged that Ubiquiti had demonstrated reckless disregard for US sanctions in allowing its wireless equipment to be exported into Iran through distributors located in the UAE and Greece, even after the company learned that the transactions violated US law.

On March 31, OFAC announced that GAC Shipping (USA) Inc., on behalf of GAC Bunker Fuels (USA) LLC, would pay \$157,500 to settle potential civil liability for an alleged violation of the ITSR in connection with the supply of bunker fuel in Brazil for an Iranian vessel carrying an agricultural commodity. The November 2008 transaction in question was valued at \$513,141.

US and EU Issue Calibrated Ukraine-Related Sanctions

In response to Russia's movement of troops into and subsequent annexation of the Crimean peninsula, the US and EU imposed sanctions on Ukrainian and Russian persons throughout the month of March. President Obama first authorized Ukraine-related sanctions on March 6 via E.O. 13660, "Blocking Property of Certain Persons Contributing to the Situation in Ukraine," which permits the imposition of travel bans and asset freezes on Russian and Ukrainian officials who undermine democratic processes or institutions in Ukraine or threaten the peace, sovereignty, and territorial

integrity of Ukraine.² E.O. 13661, “Blocking Property of Additional Persons Contributing to the Situation in Ukraine,” issued March 17, extends this authorization to include sanctions on Russian government officials, persons involved in the Russian arms industry, and persons providing material support to the Russian government. The same day, OFAC added eleven Russian and Ukrainian nationals to the SDN List; an additional twenty persons, including senior Russian government officials, business leaders, and the Russian financial institution Bank Rossiya, were added to the SDN List on March 20. Also on March 20, President Obama issued E.O. 13662, which authorizes the imposition of sanctions on key sectors of the Russian economy, including energy, financial services, mining and metals, engineering, and defense and related material. No actions have yet been taken under this latest executive order.

Additionally, the United States has stopped issuing certain export licenses to Russia, with the State Department announcing on March 27 that it has halted until further notice licensing the export of defense items or services. The Commerce Department likewise has confirmed that it stopped issuing export licenses on certain goods as of March 1. The State Department oversees licenses for defense products, while the Commerce Department controls permits for commercial items that also have a military application, or dual-use products, including software, electronic devices, optical sensors, and cameras. Neither the Commerce nor State Department has announced whether already granted licenses will be retracted.

In actions coordinated with the United States, on March 5 and March 17 the EU added a total of 39 Ukrainian and Russian individuals to its sanctions blacklist; an additional twelve persons were designated by EU authorities on March 21. Sanctioned individuals are subject to travel bans and freezing of their EU assets. While there is significant overlap between the sanctions issued by the US and EU, the US sanctions target a number of persons with strong ties directly to President Putin, while the persons subject to EU sanctions include a broader swath of senior military and political personnel in Crimea and Russia. Still, the EU has also targeted individuals within Putin’s inner circle, his top aides, and a TV anchor known for his provocative views. Under a four-step plan previously unveiled by the EU, aimed at prompting Russia to renege on its annexation of Crimea, next steps may include sanctions targeting Russia’s financial sector, its energy industry, trade, and its arms business.

A more detailed analysis of these new sanctions is contained in our recent client publication, [“A Potential Fork in the Road: US and EU Sanctions Relating to the Ukrainian Crisis.”](#) dated April 1, 2014.

In response to the Ukrainian situation and escalating financial sanctions, the Financial Crimes Enforcement Network issued an advisory in March to US financial institutions recommending that extra scrutiny and due diligence be given to any accounts belonging to, or transactions with Ukrainian persons designated by Canada and the EU, as such sanctions create the risk that targeted persons will use deceptive means to move their assets around the world. An earlier February advisory urged financial institutions take steps to track the potential movement of assets related to former Ukrainian president Viktor Yanukovich and his former administration, noting the risk of potential bribery, money laundering, and terrorist financing activity. FinCEN specifically reminded US-based financial institutions that they are required to apply enhanced scrutiny to private banking accounts held by or on behalf of senior foreign political figures and to monitor transactions that could potentially represent misappropriated or diverted state assets, the proceeds of bribery or other illegal payments, or other public corruption proceeds. Financial institutions that know or suspect that a transaction

² Sanctions may be imposed on persons deemed to have materially assisted, sponsored, or provided support for such activities. Sanctions also reach entities that are more than 50 percent owned or controlled by designated persons.

involves funds derived from illicit activity, including money laundering, terrorist financing or any violation of a law or regulation, must file a suspicious activity report.

US Authorities Continue to Make Sporadic Drug- and Terror- Related Designations

Continuing a trend from last year, OFAC made a handful of drug-related designations this quarter pursuant to the Foreign Narcotics Kingpin Act, which targets, on a worldwide basis, significant foreign narcotics traffickers and their organizations and operatives.³ Both OFAC and the State Department also made terrorism-related designations under their respective sanctions authorities this quarter.

In January, OFAC designated both Jose Tapia Quintero and Jose Rodrigo Arechiga Gamboa, Mexico-based senior lieutenants of the Sinaloa cartel, for playing a significant role in international drug trafficking. Dutch authorities arrested Arechiga Gamboa in December 2013, and the United States is currently seeking his extradition. Then, on February 19, OFAC designated Colombian national Fernain Rodriguez Vasquez along with seven other individuals and five entities in Colombia who provide support for Rodriguez Vasquez's narcotics trafficking activities, often in collaboration with the Revolutionary Armed Forces of Colombia (FARC) and Mexico's Los Zetas and Sinaloa drug cartels. Amongst the designated entities are three money exchange businesses in Columbia, which, according to OFAC, facilitate the buying and selling of goods in foreign markets and are highly prone to money laundering and illegal financial activities. On February 27, OFAC designated Hugo Cuellar Hurtado, a dual-Colombian-Mexican national, for his material support for the narcotics trafficking activities of the Sinaloa Cartel. Six other individuals, including five of Cuellar Hurtado's family members, and ten entities linked to Cuellar Hurtado were also designated.

On March 13, OFAC designated Eduardo Mendoza Robles for allegedly transporting drugs, weapons, and cash across the US-Mexico border on behalf of the Los Zetas cartel. In July 2012, Mendoza Robles, along with other members of Los Zetas, was indicted in the US District Court, Southern District of Texas, Laredo Division, for conspiracy to export arms. Mendoza Rosa's designation followed the February 14 designation of Juanita del Carmen Rios Hernandez, the wife of Mexican drug lord Miguel Angel Trevino Morales, the jailed leader of Los Zetas, and her medical supply company, Distribuidora e Importadora de Productos Medicos del Norte. President Obama identified Los Zetas as a significant foreign narcotics trafficker pursuant to the Kingpin Act in April 2009, and, in July 2011, he named Los Zetas as a significant Transnational Criminal Organization pursuant to E.O. 13581.

On March 26, OFAC designated Afghan national Pahlawan Rozi for his alleged involvement in running a money-transfer business, or hawala, and trafficking drugs throughout the Afghan region. OFAC similarly designated Afghan national Lahore Jan on February 11 for his significant role in international narcotics trafficking. OFAC alleged that Lahore Jan is a known narcotics trafficker involved in moving money for the Taliban and other narcotics traffickers using his hawala, the Lahore Jan Shanwari Exchange.

With regards to terror-related sanctions, on January 10, the State Department published answers to FAQs regarding its Terrorism Designations, explicating the differences between sanctions under the Immigration and Nationality Act and sanctions under E.O. 13224. Under the INA, the State Department may designate groups as Foreign Terrorist Organizations, while E.O. 13224 authorizes OFAC or the State Department to designate a wider range of entities as

³ US persons are prohibited from conducting financial or commercial transactions with persons designated under the Kingpin Act, and any assets designated persons may have under US jurisdiction are frozen.

Specially Designated Global Terrorists, including terrorist groups, individuals acting as part of a terrorist organization, and other entities such as financiers and front companies. While designations under either authority trigger an asset freeze, designations under the INA also impose immigration restrictions on the representatives and members of the targeted organization and a prohibition on the knowing provision of material support or resources to the designated organization. On the other hand, only E.O. 13224 designations authorize OFAC to designate additional individuals or entities providing support to already designated organizations.

On January 7, the State Department designated Qari Saifullah, a Taliban shadow deputy governor and an operational commander in Zabul Province of Afghanistan, under E.O. 13224. Qari Saifullah allegedly has used Taliban fighters to organize terrorist activities, including explosive attacks, small arms fire attacks, and rocket attacks, against the Government of Afghanistan and Coalition Forces. On January 10, the State Department announced the designations of Ansar al-Shari'a in Benghazi, Ansar al-Shari'a in Darnah, and Ansar al-Shari'a in Tunisia as separate Foreign Terrorist Organizations under Section 219 of the INA and as SDGT entities under E.O. 13224. In addition, the State Department designated three individuals – Ahmed Abu Khattalah, Sufian bin Qumu, and Seifallah Ben Hassine – as SDGTs under E.O. 13224. Ansar al-Shari'a in Benghazi and Ansar al-Shari'a in Darnah are alleged to have been involved in terrorist attacks against civilian targets, frequent assassinations and attempted assassinations of security officials and political actors in eastern Libya, and the September 11, 2012 attacks against the US embassy in Benghazi. Ahmed Abu Khattalah is a senior leader of Ansar al-Shari'a in Benghazi and Sufian bin Qumu is the leader of Ansar al-Shari'a in Darnah. Founded in early 2011 by the now-designated Seifallah Ben Hassine, Ansar al-Shari'a in Tunisia was involved in the September 14, 2012 attack against the US Embassy and American school in Tunis. The Tunisian government has declared Ansar al-Shari'a in Tunisia a terrorist organization for its alleged role in attacks against Tunisian security forces, assassinations of Tunisian political figures, and attempted suicide bombings of popular tourist locations.

On January 23, the State Department designated Ziyad al-Nakhalah under E.O. 13224. Ziyad al-Nakhalah is the Deputy Secretary General of the Palestinian Islamic Jihad, a group designated by the State Department as a Foreign Terrorist Organization in 1997.

On February 5, OFAC targeted three senior leaders of the Haqqani Network: Saidullah Jan, Yahya Haqqani, and Muhammad Omar Zadran, designating them as SDGTs under E.O. 13224. Muhammad Omar Zadran was also designated for acting for or on behalf of the Taliban. The Haqqani Network, a Taliban-affiliated group of militants that operates out of Pakistan, is accused of spearheading insurgent activity in Afghanistan and was designated under E.O. 13224 in 2012. Fourteen members of the Haqqani Network have been designated under E.O. 13224 since 2008.

OFAC Publishes Second, Third, and Fourth Quarter FY2013 TSRA Reports

On January 24, OFAC published quarterly reports on the activities it undertook in the second and third quarters of fiscal year 2013 under Section 906 of the Trade Sanctions Reform and Export Enhancement Act of 2000, which establishes the procedures for licensing the export of agricultural commodities, medicine, and medical devices to Iran and Sudan. Its report on the fourth quarter of 2013 was published on March 13. These reports, which are available on the OFAC website, detail, amongst other information, the number of license applications received and issued during each quarter.

EU Suspends Zimbabwe Sanctions

On February 19, the European Union suspended all sanctions against persons listed on its Zimbabwe sanctions list other than Robert and Grace Mugabe and Zimbabwe Defense Industries, and stated that such sanctions would expire on November 1 absent any deterioration in the governance and human rights situation in the country. The European Union

previously suspended the operation of the asset freeze and travel ban on 81 individuals and eight companies on March 25, 2013, following the country's vote to approve a new constitution, but still extended sanctions for six months on August 21, 2013.

EU Amends Central African Republic Sanctions

On March 10, the European Union adopted Council Regulation 224/2014 to give effect to U.N. Security Council Resolution 2134, which imposes travel restrictions and freezes the assets of persons engaging in or supporting acts that undermine the peace, stability, or security of the CAR, including acts that threaten the political transition process. The asset freeze also targets those who, among other things, recruit children for armed conflict in the CAR and provide support for armed groups through the exploitation of natural resources, including diamonds and wildlife. The European Union previously implemented the U.N. arms embargo on CAR in December 2013. Council Regulation 224/2014 also imposes a wide range of economic and military restrictions, prohibiting the provision of technical assistance or brokering services in the CAR, in relation to goods and technology listed in the Common Military List of the European Union.

EU Amends Restrictive Measures on Tunisia

On January 31, the European Council published a new Decision and Implementing Regulation 81/2014 relating to its restrictive measures on designated persons in Tunisia to provide a new statement of reasons for the blacklisting of 45 persons, who are subject to an EU-wide asset freeze and travel ban. Each person on the EU Tunisian sanctions list is now said to be a person subject to judicial investigations by the Tunisian authorities for complicity in the misappropriation of public monies, misuse of public office, or complicity in exerting wrongful influence over a public office-holder. The amendments are believed to be a response to the May 2013 annulment by the General Court of the European Union of the blacklisting of three Tunisian persons. EU restrictive measures affecting Tunisia will remain in place until at least January 31, 2015.

EU Unfreezes Syrian Funds Intended for Use in Destruction of Chemical Weapons

On February 10, the European Union adopted Council Regulation 124/2104, which amends a 2012 regulation imposing sanctions on Syria to allow for certain frozen assets to be released so long as they are intended exclusively for payments by Syrian state-owned entities or the Central Bank of Syria to the Organization for the Prohibition of Chemical Weapons in relation to Syria's commitment to destroy its chemical weapon stockpile.

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This memorandum is intended only as a general discussion of these issues. It should not be regarded as legal advice. We would be pleased to provide additional details or advice about specific situations if desired.

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