

# **Sanctions Alert**

A bi-monthly summary of sanctions news and developments

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## Russia News

### EU Amends Reasons for Listing

The EU has amended the reasons for which 17 individuals and two entities are designated under Council Regulation (EU) No. 269/2014, which imposes an asset freeze on persons deemed to be undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. The individuals are designated on account of positions that they hold or actions that they have committed. The entities are designated because they are controlled by the ‘Parliament of Crimea’, a body not recognised by the EU.

The individuals are Vladimir Andreevich Konstantinov, Pyotr Anatolyevich Zima, Yuriy Gennadyevich Zherebtsov, Anatoliy Alekseevich

Sidorov, Aleksandr Viktorovich Galkin, Mikhail Grigoryevich Malyshev, Valery Kirillovich Medvedev, LTL. Gen. Igor Nikolaevich Turchenyuk, Elena Borisovna Mizulina, Valeriy Dmitrievich Bolotov, Andriy Yevgenevich Purgin, Sergey Gennadevich Tsyplakov, Igor Vsevolodovich Girkin, Viacheslav Ponomariov, Igor Mykolaiovych Bezler, Oleg Tsariov and Roman Lyagin. The two entities are PJSC Chernomorнеftegaz and Feodosia.

[Council Implementing Regulation \(EU\) No. 577/2014](#)

[Council Regulation \(EU\) No. 269/2014](#)

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### EU Summit on Presidential Election in Ukraine

The leaders of EU Member States met on 27 May to discuss the situation following the Presidential election on 25 May in Ukraine, which they described in a joint statement as “a genuine election largely in line with international commitments”. The statement alluded to possible further sanctions, noting that “preparatory work by the Commission and the EEAS on possible

targeted measures is underway” and that Member States have agreed “to continue preparations for possible further steps on that basis should events so require”.

[Statement of the Heads of State or Government on Ukraine \(PDF\)](#)

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### Australia Expands Russia/Ukraine Sanctions

Adding to the financial sanctions and travel bans imposed on certain Russian and Ukrainian individuals on 19 March, Australia has imposed sanctions on an additional 38 individuals, bringing the total number sanctioned to 50. It has also imposed sanctions on

11 companies. Under the sanctions, it is an offence to make any kind of asset available to, or for the benefit of, the designated individuals, whether directly or indirectly. It is also an offence to use or deal with assets owned or controlled by such individuals. Although the

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statement released on 19 March said that designated persons would be published in the Department of Foreign Affairs and Trade Consolidated List (the “DFAT List”), the latest version of the DFAT List does not

reflect this. As such, neither the individuals nor the companies have been identified.

[Australian Minister for Foreign Affairs Press Release](#)

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## Russia to Ban Export of Satellite Engines to the US

Russia has announced that it will ban the export of RD-180 engines to the US. The RD-180, built by Russian-based NPO Energomash is used to power the Atlas V rocket, one of the US military’s two main satellite launchers. A committee of space experts led by retired Air Force Major General Mitch Mitchell has said

that losing the RD-180 could delay as many as 31 space missions at a cost of up to \$5 billion. According to reports, the ban has not yet come into force.

[Space News Article](#)

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## US Sanctions 12 Russian Individuals under Magnitsky Act

On 20 May, the US Treasury Department sanctioned 12 additional Russian individuals pursuant to the Sergei Magnitsky Rule of Law Accountability Act of 2012 (the “Magnitsky Act”). The Magnitsky Act was passed following the death of Mr. Magnitsky in a Moscow prison, where he was being detained after exposing a tax fraud scheme allegedly involving Russian officials. The Magnitsky Act authorises sanctions on individuals determined by the US government to be involved in the detention, abuse or death of Mr. Magnitsky, as well as individuals responsible for gross human rights abuses against persons attempting to expose corruption in the Russian government or promote internationally recognised human rights in Russia.

Among those designated for sanctions are four prison officials, a judge, an investigatory official in the Russian Ministry of Internal Affairs and four individuals related to the tax fraud scheme uncovered by Mr. Magnitsky. Additionally, the Treasury Department designated Umar Sugaipov and Musa Vakhayev for the extrajudicial killings of individuals working to expose illegal activity carried out by Russian government officials.

[Treasury Department Press Release](#)

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## EU News

### EU Amends Syria Sanctions

The EU has removed two individuals (Asif Shawkat and Sulieman Maarouf) and one entity (Syria International Islamic Bank) from Annex II to Council Regulation (EU) No. 36/2012 (“Annex II”). Annex II lists persons subject to the asset freeze which has been imposed on persons or entities deemed responsible for violent repression against the civilian population in Syria, persons or entities who benefit from or support the regime and natural or legal persons and entities associated with them.

It has also amended the entries of the following persons in Annex II: Bushra Al-Assad, Dr. Mohammad Al-Jleilati, Dr. Qadri Jamil, Hala Mohammad Al Nasser,

Subhi Ahmad Al Abdallah, Dr. Mohammad Yahiya Moalla, Dr. Mohamad Zafer Mohabak, Dr. Safwan Al Assaf, Yasser Al Siba’ii, Sa’iid Ma’thi Hneidi, Dr. Jassem Zakaria, Dr. Adnan Abdo Al Sikhny, Mohammed Turki Al Sayed and Najm-eddin Khreit.

[Council Implementing Regulation \(EU\) No. 578/2014](#)

[Council Regulation \(EU\) No. 36/2012](#)

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### EU Renews and Amends Ivory Coast Sanctions

The EU has notified the persons sanctioned under restrictive measures applicable to Ivory Coast, in Annex IA to Council Regulation (EC) No. 560/2005 and in Annex II to Council Decision 2010/656/CFSP, that the restrictions remain in force. Council Regulation (EC) No. 560/2005 imposed an asset freeze on persons who constitute a threat to the peace and national reconciliation process in Ivory Coast; persons deemed responsible for serious violations of human rights and international humanitarian law in Ivory Coast; persons who publicly incite hatred and violence; and any other person determined to be in violation of UN Security Council Resolution 1572 (2004). Council Decision 2010/656/CFSP renewed the asset freeze and introduced a travel ban.

At the same time, the EU has delisted Oulaï Delafosse and amended the entries of Marcel Gossio and Justin

Koné Katinan. Gossio’s grounds for designation are now stated as follows (i) involvement in the misappropriation of public funds and in the funding and arming of the militia; (ii) funding the Gbagbo clan and the militia; and (iii) illegal arms trafficking. Katinan’s entry has been amended to reflect a different spelling of his name.

[Notice 2014/C 143/03](#)

[Council Regulation \(EC\) No. 560/2005](#)

[Council Decision 2010/656/CFSP](#)

[UN Security Council Resolution 1572 \(2004\) \(PDF\)](#)

[Council Implementing Regulation \(EU\) No. 479/2014](#)

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## EU Amends Somalia Sanctions

The EU has amended Council Decision 2010/231/CFSP, which imposes an arms embargo on Somalia, by adopting Council Decision 2014/270/CFSP, required as a consequence of UN Security Council Resolution 2142 (2014). The arms embargo does not prohibit the delivery of weapons, ammunition or military equipment, or the provision of advice, assistance or training intended for the development of the Somali government's security forces.

Under the amendment, it is now the Somali government, and not EU Member States, which has the primary responsibility for notifying the Sanctions Committee established pursuant to UN Security Council Resolution 751 (1992) (the "Sanctions Committee") in advance of the delivery

of weapons, ammunition or military equipment, or the provision of advice, assistance or training. The Somali government has also been given primary responsibility for requesting advance approval by the Sanctions Committee for any supplies of items set out in Annex II of Council Decision 2010/231/CFSP, which include surface to air missiles, large-calibre guns and mortars, and anti-tank weapons.

[Council Decision 2010/231/CFSP](#)

[Council Decision 2014/270/CFSP](#)

[UN Security Council Resolution 2142 \(2014\)](#)

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## US News

### White House Lifts Special Immunities for Iraqi Assets

On 27 May, President Barack Obama issued a new Executive Order that terminates the immunities from judicial process that were previously granted to assets of the Development Fund for Iraq, the Central Bank of Iraq, and all Iraqi petroleum and petroleum products before title passes to the initial buyer. In a letter to Congress accompanying the Executive Order, President Obama stated that the previous protections afforded the Development Fund for Iraq and the property of the Central Bank of Iraq are no longer necessary because the government of Iraq has made "progress in resolving and managing the risk associated with outstanding debts and claims arising from actions of the previous regime."

The Iraq sanctions programme has not been modified. Blocked assets of the former Iraqi regime remain blocked, and sanctions imposed on the former regime's senior officials, their family members, and persons who threaten stabilisation efforts in Iraq remain in place.

[Executive Order](#)

[Letter to Congress](#)

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## US Designates Former Governor-General of Tehran for Human Rights Abuses

On 23 May, the US Department of the Treasury designated Morteza Tamaddon, an Iranian national and currently head of the Tehran Provincial Public Security Council, pursuant to Executive Order 13628, which authorises sanctions against persons that limit the freedom of expression or assembly of the Iranian people. The Treasury Department asserts that Mr. Tamaddon, in his former position as Governor-General of Tehran,

limited the Iranian people's freedom of expression and assembly following the 2009 national elections in Iran, including by cutting off mobile phone communications, and that he was personally responsible for harassing Iranian political opposition leaders.

[Treasury Department Press Release](#)

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## US Targets Narcotics Traffickers for Sanctions

On 15 May, the US Treasury Department blocked the assets of Heriberto Zazueta Godoy (a.k.a. Capi Beto), a Mexican national, and two other individuals and three entities linked to him, pursuant to the Foreign Narcotics Kingpin Designation Act ("Kingpin Act"). Mr. Zazueta Godoy is alleged to have been engaged in narcotics trafficking and money laundering for decades and, in February 2014, he was indicted on related charges in the Northern District of Illinois. The US government asserts that Mr. Zazueta Godoy, among other activities, helped coordinate a 19 ton shipment of cocaine for the Sinaloa Cartel that, in May 2007, became the largest ever maritime seizure of cocaine when it was seized in international waters off the coast of Panama.

Separately, on 14 May, the Treasury Department designated eight other individuals and 20 entities as narcotics traffickers pursuant to the Kingpin Act.

All of the individuals and entities allegedly provide support to Jorge Fadlallah Cheaitelly's Panama-based money laundering operations and include Panamanian attorneys who assisted Mr. Cheaitelly by establishing shell companies used for money laundering activities. Mr. Cheaitelly was himself arrested in 2011 and extradited to the United States in 2012.

[Treasury Department Press Release—Heriberto Zazueta Godoy](#)

[Treasury Department Press Release—Cheaitelly Money Laundering Operations](#)

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## US Designates Al-Qa'ida and ISIL Leaders in Syria

On 14 May, the Treasury Department designated Abd Al-Rahman Muhammad Zafir Al-Dubaysi Al-Juhni and 'Abd Al-Rahman Mustafa Al-Qaduli as Specially Designated Global Terrorists. Al-Juhni was designated for acting for or on behalf of al-Qa'ida, and the Treasury Department states that he has performed various administrative and recruiting activities for al-Qa'ida, principally in Afghanistan and Pakistan, and that in mid-2013 he began participating in the fighting in Syria and assisted with the acquisition of heavy weaponry to support al-Qa'ida efforts in Syria.

Al-Qaduli, a former al-Qa'ida leader in Iraq, was designated for acting for or on behalf of the Islamic State of Iraq and the Levant ("ISIL"). Al-Qaduli was released from prison in 2012, and the Treasury Department states that he has reintegrated himself into ISIL and now works in a Syria-based ISIL network.

[Treasury Department Press Release](#)

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## US Amends Export Restrictions on Space Systems

On 13 May, the State Department's Directorate of Defense Trade Controls (the "DDTC") and the Commerce Department's Bureau of Industry and Security ("BIS") issued interim final rules that transfer export controls on certain space systems, including commercial communication satellites, remote sensing satellites and planetary probes and rovers, from the DDTC to BIS. Although stringent end-use controls remain, including restrictions on the export, re-export or transfer of the items to certain countries, the

transition is intended to promote the global competitive position of the US satellite industry. The transition becomes effective on 10 November 2014, with an exception for certain radiation-hardened chips, exports of which may be licensed by the Commerce Department as early as 27 June 2014.

[Federal Register Publication—DDTC \(PDF\)](#)

[Federal Register Publication—BIS \(PDF\)](#)

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## UAE Freight Forwarder Settles with US for Unlicensed Exports to Syria

On 20 May, BIS announced that Aramex Emirates, LLC, located in Dubai, U.A.E., agreed to pay a \$125,000 civil penalty for participating in the unlicensed exportation of network devices and software from the United States to Syria via the U.A.E. According to BIS, the exports in question took place in 2010 and 2011.

In announcing the penalty, BIS noted that the items in question "could be used by the Syrian government to monitor Internet activity and block pro-democracy websites".

[BIS Press Release](#)

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## UN News

### UN Adds Boko Haram to List of Designated Entities

The UN has designated Boko Haram, the Nigerian militant group responsible for the abduction of approximately 300 girls from a school in northern Nigeria, as an associate of al-Qa'ida, thereby subjecting it to the asset freeze, travel ban and arms embargo imposed by UN Security Council Resolution 2083 (2012). The group was designated for “participating in the financing, planning, facilitating, preparing, or perpetrating of acts or activities by, in conjunction with, under the name of, on behalf of, or in support of” al-Qa'ida and the Organization of al-Qa'ida in the Islamic Maghreb.

States must now take action to freeze all funds, other financial assets and economic resources of Boko Haram, including funds derived from property owned or controlled directly or indirectly by it or by persons

acting on its behalf or at its direction, and to ensure that no funds, financial assets or economic resources are made available, directly or indirectly, for the benefit of Boko Haram.

Under the arms embargo, States must prevent the direct or indirect supply, sale, or transfer to Boko Haram of arms and related materiel of all types including weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts, as well as technical advice, assistance or training related to military activities.

[UN Security Council Resolution 2083 \(2012\) \(PDF\)](#)

[Narrative Summary of Reasons for Listing](#)

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# Sanctions Alert

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