

Sanctions Alert

A bi-monthly summary of sanctions news and events

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Russia News

Russian Targets Challenge EU Sanctions

Sberbank, Rosneft, Gazprom and Arkady Rotenberg, all targets of EU sanctions, have reportedly brought legal challenges against the sanctions imposed on them.

EU-imposed sanctions prevent Sberbank, Rosneft and Gazprom from accessing European capital markets, and in the case of the latter two, access to technology for Arctic oil exploration. The sanctions on Rotenberg, a close political ally of Vladimir Putin, include an EU visa ban and asset freeze.

The *Financial Times* and Reuters report that the three entities and Mr Rotenberg are bringing challenges to these sanctions before the European Court of Justice.

[Financial Times Article \(subscription required\)](#)

[Reuters Article \(Sberbank\)](#)

[Reuters Article \(Rosneft and Arkady Rotenberg\)](#)

[Reuters Article \(Gazprom\)](#)

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Non-EU Member States Align Themselves with EU Sanctions in Respect of Ukraine

Montenegro, Iceland, Albania, Liechtenstein, Norway and Ukraine, all non-members of the EU, have agreed to align their sanctions policies with the restrictive measures that the EU has imposed in respect of Ukraine, with one exception in the case of Liechtenstein.

All have aligned themselves with Council Decision 2014/658/CFSP amending Council Decision 2014/145/CFSP and associated Council Regulation (EU) No 269/2014 as amended by Council Regulation (EU) No 959/2014. Collectively, these instruments provide for restrictive measures against those “*responsible for actions which undermine or threaten the territorial integrity, sovereignty and independence of Ukraine*”.

Further, all bar Liechtenstein have aligned themselves with Council Decision 2014/659/CFSP amending

Council Decision 2014/512/CFSP and associated Council Regulation (EU) No 833/2014 as amended by Council Regulation (EU) No 960/2014. Together, these instruments impose restrictive measures in view of Russia’s actions in destabilising the situation in Ukraine. Council Decision 2014/512/CFSP expanded the list of entities subject to restrictions (including Russian financial, defence and energy companies) as well as widening restrictions on access to EU capital markets. It also prohibits the export of dual-use goods and the provision of services for Russian deep-water or Arctic oil exploration and production, and for Russian shale oil projects.

[EU Press Release \(1\)](#)

[EU Press Release \(2\)](#)

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[Council Decision 2014/659/CFSP](#)

[Council Decision 2014/658/CFSP](#)

[Council Decision 2014/512/CFSP](#)

[Council Decision 2014/145/CFSP](#)

[Council Regulation \(EU\) No 960/2014](#)

[Council Regulation \(EU\) No 959/2014](#)

[Council Regulation \(EU\) No 833/2014](#)

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

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EU Foreign Ministers to Meet to Discuss Russia

The Foreign Ministers of the EU are scheduled to meet on 17 November 2014, at which they are expected to discuss EU sanctions currently in force against Russia in respect of the Ukraine crisis. [Back to the top](#)

UK News

Lloyd's of London Publishes Guidance on the Use of Sanctions Clauses in Insurance Contracts

On 17 October 2014, Lloyd's of London, the specialist insurance market, issued market bulletin Y4832 setting out its position regarding the use and function of sanctions clauses on insurance and reinsurance contracts.

The bulletin primarily considers the EU and UK sanctions regimes. It provides guidance on the purpose, context and contents of sanctions clauses, and considerations to be taken into account by insurers

when considering how to apply sanctions clauses. It also proposes situations when risks should not be underwritten at all. The bulletin takes the position that managing agents should not offer to remove sanctions clauses to gain a competitive advantage.

[Market Bulletin Y4832](#)

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HM Treasury De-Lists Former Guantanamo Bay Detainee Moazzam Begg

On 14 October 2014, the UK's HM Treasury lifted financial sanctions on Moazzam Begg, a UK national and former detainee at Guantanamo Bay. The restrictive measures were imposed against him under the Terrorist Asset-Freezing Act etc. 2010 and consisted of an asset freezing order.

Moazzam Begg was until recently in detention in the UK, awaiting trial in respect of various terrorism charges. However, the UK's Crown Prosecution Service

withdrew charges shortly before the trial was due to start and the case against him was discontinued.

[HM Treasury Notice](#)

[The Guardian Article](#)

[Terrorist Asset-Freezing etc. Act 2010](#)

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UK's Sudanese and South Sudanese Sanctions Expanded to its Overseas Territories

The UK has introduced new statutory instruments, the Sudan (Sanctions) (Overseas Territories) Order 2014 and the South Sudan (Sanctions) (Overseas Territories) Order 2014, which, with effect from 5 November 2014, bring the following UK Overseas Territories within the scope of UN Security Council sanctions imposed against Sudan and EU sanctions imposed against South Sudan respectively: (1) Anguilla; (2) British Antarctic Territory; (3) British Indian Ocean Territory; (4) Cayman Islands; (5) Falkland Islands; (6) Montserrat; (7) Pitcairn, Henderson, Ducie and Oeno Islands; (8) St Helena, Ascension and Tristan da Cunha; (9) South Georgia and the South Sandwich Islands; and (10) the Sovereign Base Areas of Akrotiri

and Dhekelia in the Island of Cyprus. The latter order also brought the Turks and Caicos Island and the British Virgin Islands within the scope of EU sanctions against South Sudan.

[Sudan \(Sanctions\) \(Overseas Territories\) Order 2014](#)

[South Sudan \(Sanctions\) \(Overseas Territories\) Order 2014](#)

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High Court Gives Bank Mellat Rights to Disclosure

On 5 November 2014, the UK's High Court gave judgment in a preliminary hearing relating to the challenge by Bank Mellat, a private Iranian bank, against a prohibition on all persons in the UK's financial sector from entering into or participating in any transaction or business relationship with the bank. This prohibition was imposed pursuant to UK sanctions in respect of Iran's nuclear programme.

The hearing was as to the level of disclosure required to be made to the Claimant to enable it to instruct special advocates for in camera hearings it would not be permitted to attend. In the UK, special advocates are lawyers who are authorised to appear in closed proceedings which a defendant is not permitted to attend. In this case, Bank Mellat would not be allowed

to attend for national security reasons. In the closed proceedings, the special advocates are entitled to greater disclosure of the evidence against their client. However, they are unable to disclose or discuss such evidence with their client.

Justice Collins ruled that Bank Mellat is entitled to disclosure of "sufficient information about the allegations against it to enable it to give effective instructions to the special advocates" challenging the sanctions imposed against it. Bank Mellat therefore now has the right to some disclosure.

[Bank Mellat v HM Treasury \[2014\] EWHC 3631 \(Admin\)](#)

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EU News

EU and UN De-List Al-Haramain Foundation

The EU and the UN have de-listed the Al Haramain Foundation (United States of America), which was subject to an asset freeze pursuant to various restrictive measures imposed in respect of Al-Qaida.

The Al-Haramain Foundation was subject to an asset freeze as a listed entity under Council Regulation (EC) 881/2002. By Commission Implementing Regulation 1193/2014, the asset freeze has been lifted.

The Al-Haramain Foundation was also the subject of sanctions imposed pursuant to UN Security Council Resolutions 1267 (1999) and 1989 (2011). On 28 October 2014, the UN Security Council Committee established pursuant to those resolutions, removed the

Al-Haramain Foundation from its Al-Qaida Sanctions List after the conclusion of consideration of a de-listing request submitted to the Office of the Ombudsperson.

[UN Press Release](#)

[Commission Implementing Regulation \(EU\) No 1193/2014](#)

[UN Security Council Resolution 1989 \(2011\)](#)

[Council Regulation \(EC\) 881/2002](#)

[UN Security Council Resolution 1267 \(1999\)](#)

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EU Extends Belarus Sanctions and De-Lists 24 Individuals and 7 Entities

On 30 October 2014, the EU published Council Decision 2014/750/CFSP extending restrictive measures imposed in respect of Belarus by Council Decision 2012/642/CFSP until 31 October 2015.

Restrictive measures were originally imposed in 2004 in relation to the disappearance of certain political activists, but were subsequently expanded, in 2004, 2006, and 2010 in respect of tainted elections. The restrictive measures imposed include asset freezes and visa and travel bans for persons responsible for human rights violations, whose activities were deemed to undermine democracy or the rule of law in Belarus, or who benefited from or supported the Lukashenko regime.

By the Council Implementing Regulation (EU) No 1159/2014, which amended Council Regulation (EC) No 765/2006, the EU removed asset freezes imposed against the following 24 individuals: (1) Sviatlana Rastislavauna Akulich; (2) Dzmitry Piotrovich Aliaksandrau; (3) Mechyslau Edvardavich Chasnouski; (4) Siarhei Aliaksandravich Gardzienka; (5) Aliaksei Viktaravich Guseu; (6) Aliaksandr Mikhailavich Kaliada; (7) Siarhei Ivanavich Kastsian; (8) Aliaksandr Alyaksandrauvich Khadanovich; (9) Nadzeia Mikalaeuna isialiova;

(10) Ihar Uladzimiravich Krot; (11) Viachaslau Iafimavich Krukouski; (12) Piotr Dzmitryevich Kukharchyk; (13) Aliaksei Yakaulevich Mikhalchanka; (14) Mikhail Siarheevich Orda; (15) Eduard Vasilievich Padaliak; (16) Uladzimir Paulavich Peftsieu; (17) Aksana Anatolyeuna Reliava; (18) Ina Valerieuna Sheiko; (19) Mikalai Mikalaevich Stosh; (20) Aliaksandr Mikhailavich Taranda; (21) Halina Mikhailauna Tarapetskaia; (22) Anatoly Andreevich Ternavsky; (23) Alena Viktarauna Tsitsiankova; and (24) Dzmitry Viktaravich Yuferytsyn.

By the same instrument, the EU removed asset freezes against the following 7 entities: (1) Private Unitary Enterprise (PUE) BT Telecommunications; (2) JLLC Neftekhimtrading; (3) JLLC Triplepharm; (4) LLC Triple-Veles; (5) Uninvest-M; (6) FLLC Unis Oil; and (7) JLLC UninvestStroyInvest.

[Council Decision 2014/750/CFSP](#)

[Council Implementing Regulation \(EU\) No 1159/2014](#)

[Council Decision 2012/642/CFSP](#)

[Council Regulation \(EC\) No 765/2006](#)

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EU Relists Iranian Persons Following Annulments by the General Court of the European Union

Following several judgements of the General Court of the European Union in which the EU's decision to apply restrictive measures against certain persons and entities was annulled, the EU has relisted one individual

and several entities. By Council Implementing Regulation (EU) No 1202/2014, which implements Regulation (EU) No 27/2012, the EU introduced restrictive measures against Babak Zanjani, who is

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deemed to have facilitated transactions in Iranian crude oil, Sorinet Commercial Trust Bankers Ltd., and the Sharif University of Technology. By Council Decision 2014/776/CFSP, which amends Decision 2010/413/CFSP, restrictive measures were reapplied to the above entities, and, in addition, to Sina Bank.

[Council Implementing Regulation \(EU\) No 1202/2014](#)

[Council Decision 2014/776/CFSP](#)

[Regulation \(EU\) No 267/2012](#)

[Council Decision 2010/413/CFSP](#)

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Tamil Tigers' Designation Annulled on Procedural Grounds

The General Court of the EU has ruled in favour of the Liberation Tigers of Tamil Eelam ("LTTE"), granting it an application to have annulled the asset freeze imposed on it pursuant to various EU implementing regulations. The LTTE had been listed on the grounds that it was a proscribed terrorist organisation (see Joined Cases T-208/11 and T-508/11).

The annulment has been stayed for a period of 2 months and 10 days to give the European Council the opportunity to remedy the infringements established

by adopting, if it wishes, a new restrictive measure with respect to LTTE. A separate extension of 3 months was granted in respect of Implementing Regulation (EU) No 790/2014 only, by which LTTE continues to be designated a terrorist organisation.

[Joined Cases T-208/11 and T-508/11](#)

[Implementing Regulation \(EU\) No 790/2014](#)

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Non-EU States Align themselves with EU sanctions on Moldova and EU Extends Sanctions

Macedonia, Montenegro, Iceland, Albania, Lichtenstein, Norway, Ukraine and Georgia, all non-members of the EU, have agreed to align their sanctions policies with the restrictive measures imposed by the EU in respect of Moldova.

Council Decision 2010/573/CFSP sets out the restrictive measures imposed by the EU in respect of Moldova. These restrictive measures resulted in travel bans on 16 individuals, all political figures deemed to be preventing progress in arriving at a political settlement of the Transnistrian conflict in Moldova or responsible for the design and implementation of a campaign of

intimidation and the closure of Latin-script schools in the Transnistrian region of Moldova.

The EU has recently extended these restrictive measures until 31 October 2015 by Council Decision 2014/751/CFSP.

[EU Council Press Release](#)

[Council Decision 2014/751/CFSP](#)

[Council Decision 2010/573/CFSP](#)

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EU Adds 16 Individuals and 2 Entities to Restrictive Measures in Respect of Syria

On 20 October 2014, the EU published Council Implementing Decision 2014/730/CFSP and Council Implementing Regulation (EU) No 1105/2014, amending Council Decision 2013/255/CFSP and Council Regulation (EU) No 36/2012 respectively. The new Decision and Regulation add 16 individuals and 2 entities to the list of Syrian individuals and entities subject to asset freezes and travel bans.

The individuals subject to asset freezes and travel bans are: (1) Houmam Jaza'iri, Minister of Economy and Foreign Trade since 27 August 2014; (2) Mohamad Amer Mardini, Minister of Higher Education since 27 August 2014; (3) Mohamad Ghazi Jalali, Minister of Communications and Technology since 27 August 2014; (4) Kamal Cheikha, Minister of Water Resources since 27 August 2014; (5) Hassan Nouri, Minister of Administrative Development since 27 August 2014; (6) Mohammad Walid Ghazal, Minister of Housing and Urban Development since 27 August 2014; (7) Khalaf Souleymane Abdallah, Minister of Labour since 27 August 2014; (8) Nizar Wahbeh Yazaji, Minister of Health since 27 August 2014; (9) Hassan Safiyeh, Minister of Internal Trade and Consumer Protection since 27 August 2014; (10) Issam Khalil, Minister of Culture since 27 August 2014; (11) Mohammad Mouti Mouayyad, State Minister since 27 August 2014; (12) Ghazwan Kheir, Minister of Transport since 27 August 2014; (13) Major General Ghassan Ahmed Ghannan, commander of the 155 Missile Brigade; (14) Colonel Mohammed Bilal, senior officer in the

Air Force Intelligence Service of Syria; (15) Mohamed Farahat, Vice-President of Finance and Administration at Tri-Ocean Energy; and (16) Abdelhamid Khamis Abdullah.

The entities subject to asset freezes are: (1) Pangates International Corp Ltd; and (2) Abdulkarim Group.

Further, the EU has de-listed Dr Mohammad Nidal Al-Shaar in Council Implementing Decision 2014/730/CFSP. This follows the judgment of the General Court in the case of *Mohammad Nedal Alchaar v Council* (T-203/12) that Dr Al-Shaar may not be subject to restrictive measures solely by virtue of him being a former minister in the Assad government. Dr Al-Shaar was originally made subject to restrictive measures in by Council Implementing Regulation (EU) No 363/2013.

[Press Release of the General Court of the European Union re. Case T-203/12 Mohammad Nedal Alchaar v Council \[2014\]](#)

[Case T-203/12 Mohammad Nedal Alchaar v Council \[2014\] \(Judgement in French\)](#)

[Council Implementing Decision 2014/730/CFSP](#)

[Council Implementing Regulation \(EU\) No 1105/2014](#)

[Council Implementing Regulation \(EU\) No 363/2013](#)

[Council Decision 2013/255/CFSP](#)

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

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General Court of the EU Upholds Restrictive Measures Imposed Against the Governor of the Central Bank of Syria

On 5 November 2014, the General Court of the EU gave judgment in the joined cases of *Adib Mayaleh v the Council of Europe* (joined cases T0307/12 and T-408/13). The Court rejected the claim brought by Adib Mayaleh, the Governor of the Central Bank

of Syria, for the annulment of restrictive measures imposed against him pursuant to five EU instruments.

[Adib Mayaleh v Council of Europe \(joined cases T0307/12 and T-408/13\) \(Judgement in French\)](#)

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EU adds 2 Individuals to Restrictive Measures in Respect of Somalia

On 21 October 2014, the EU published Council Implementing Regulation (EU) No 1104/2014 which amends Council Regulation (EU) No 356/2010, and Council Implementing Decision 2014/729/CFSP which amends Council Decision 2010/231/CFSP, adding a further two individuals to the restrictive measures in place in respect of Somalia. The restrictive measures in place include asset freezes, trade restrictions and travel bans. The two individuals have been added further to their designation by the United Nations Security Council Committee pursuant to resolutions 751 (1992) and 1907 (2009) on 23 September 2014 and 24 September 2014.

The two individuals are: (1) Maalim Salman, head of African foreign fighters for Al Shabaab; and (2) Ahmed Diriye, the new emir of Al Shabaab.

[UN Security Council Press Release of 24 September 2014](#)

[UN Security Council Press Release of 23 September 2014](#)

[Council Implementing Regulation \(EU\) No 1104/2014](#)

[Council Implementing Decision 2014/729/CFSP](#)

[Council Regulation \(EU\) No 356/2010](#)

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

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EU Renews Guinea Sanctions

On 21 October 2014, the EU published Council Decision 2014/728/CFSP, which extended the restrictive measures imposed by Council Decision 2010/638/CFSP in relation to the Republic of Guinea to 27 October 2015.

The restrictive measures include travel bans, asset freezes and various trade restrictions against members of the Guinea government.

The sanctions regime in Guinea was originally much more extensive, but has been reduced in recent years. The regime is to “be kept under constant review”.

[Council Decision 2014/728/CFSP](#)

[Council Decision 2010/638/CFSP](#)

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EU Revokes Sanctions against the late Slobodan Milosevic and his Associates

On 29 October 2014, the EU published Council Regulation (EU) No 1145/2014 which amended Council Regulation (EU) 2488/2000, and Council Decision 2014/742/CFSP, removing asset freezes against the late Slobodan Milosevic (who died in 2008) and 12 of his associates in respect of the threat they were deemed to pose to the consolidation of democracy in the Federal Republic of Yugoslavia.

The twelve individuals are: (1) Milica Gajic-Milosevic; (2) Mirjana Markovic; (3) Borislav Milosevic; (4) Marija Milosevic; (5) Marko Milosevic;

(6) Milan Milutinovic; (7) Mile Mrksic; (8) Dragoljub Mrksic; (9) Mirsolav Radic; (10) Nikola Sainovic; (11) Veselin Sljivancanin; and (12) Vljako Stojilkovic.

[HM Treasury Notice](#)

[Council Regulation \(EU\) No 1145/2014](#)

[Council Decision 2014/742/CFSP](#)

[Council Regulation \(EU\) 2488/2000](#)

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EU and UK De-List One Individual in Respect of Terrorism Sanctions

The Council of the European Union has removed one individual, Sofiane Yacine Fahas, designated member of al-Takfir and al-Hijra, from the list of financial sanctions targets established pursuant to Council Regulation (EC) 2580/2001, which impose restrictive measures against specified persons (natural and legal) with a view to combating terrorism.

The UK has also revoked the designation of Ms Fahas as a designated person for the purposes of the UK's Terrorist Asset-Freezing etc. Act 2010.

[HM Treasury Notice](#)

[Council Regulation \(EC\) 2580/2001](#)

[Terrorist Asset-Freezing etc. Act 2010](#)

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Suspension of EU Aid to Zimbabwe Government Ends, But Targeted Sanctions Continue

Since 2002, the EU has suspended direct aid to the Government of Zimbabwe under Article 96 of the Cotonou Agreement. This suspension expired on 1 November 2014, and the EU and Zimbabwe have taken steps to prepare a €234 million aid programme for the Government of Zimbabwe.

Targeted sanctions introduced by the EU under Council Decision 2011/101/CFSP as renewed in Council Decision 2014/98/CFSP, and Council Regulation (EC) No 314/2004 will continue to remain in force. In recent years, restrictive measures against a significant number of people have been suspended, significantly decreasing the scope of those targeted by these restrictive measures.

[Council Decision 2014/98/CFSP](#)

[Council Decision 2011/101/CFSP](#)

[Council Regulation \(EC\) No 314/2004](#)

[Partnership Agreement between Members of the African, Caribbean and Pacific Group of States on the one part, and the European Community and its Member States, of the other Part \(the “Cotonou Agreement”\), dated 23 June \(2000 2000/483/EC\)](#)

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US News

Texas Oil Services Company Settles Potential Civil Liability for Exports Intended for Iran

On 31 October 2014, the US Treasury Department’s Office of Foreign Assets Control (“OFAC”) announced that Indam International, Inc., a Texas-based oil services provider that specialises in providing for on/offshore drilling, well servicing and production equipment to the oil industry worldwide, agreed to pay \$44,850 to settle potential civil liability for nine shipments of goods from the United States to the United Arab Emirates with reason to know that the shipments were intended specifically for supply to two oil drilling rigs destined for or located in Iranian waters.

OFAC determined that Indam did not voluntarily self-disclose the apparent violations and that they constitute a non-egregious case. However, OFAC determined that Indam demonstrated reckless disregard for US sanctions requirements by failing to conduct due diligence on the end users of its products; Indam was aware that exporting goods for use on Iranian oil rigs is a violation of the Iranian sanctions; Indam’s management had reason to know of the apparent violations; and Indam did not implement appropriate policies and procedures to ensure compliance with

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US sanctions laws. Mitigating these considerations, OFAC noted that Indam did not have actual knowledge that the goods were to be used on Iranian oil rigs (but had reason to know because the facts were publically available at the time of the apparent violations), the harm was mitigated because five of the nine shipments were detained by US Customs and Border Protection, Indam is a small business, Indam had not received a penalty notice or Finding of Violation in the five years

preceding the earliest apparent violation, Indam has taken remedial measures, Indam cooperated with OFAC (including by agreeing to toll the statute of limitations), and Indam forfeited the goods involved in at least four of the apparent violations.

[OFAC Enforcement Announcement \(PDF\)](#)

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US Affiliates of UK Healthcare Company Settle Potential Civil Liability for Providing Health Insurance to SDNs

On 29 October 2014, OFAC announced that Bupa Insurance Company, Bupa Worldwide Corporation and USA Medical Services Corporation, all based in Miami, Florida, and affiliates of a UK healthcare group, agreed to pay \$128,704 to settle potential civil liability for providing insurance and insurance support services to narcotics-related Specially Designated Nationals (“SDNs”) and, in two cases, making reimbursement payments to a policyholder for medical treatment in Cuba. OFAC asserts that Bupa “misinterpreted” the scope and application of OFAC’s regulations and, consequently, did not monitor or screen its policyholders or their dependents and providers against the SDN List. In total, OFAC identified 39 apparent violations.

OFAC determined that Bupa voluntarily self-disclosed the apparent violations and that they constituted a non-egregious case. According to OFAC’s

announcement, the settlement amount reflects that Bupa acted with reckless disregard for US sanctions, Bupa failed to exercise a minimum degree of caution or care to avoid the conduct that led to the apparent violations, Bupa had actual knowledge or reason to know that its policyholders were SDNs, Bupa’s conduct harmed US sanctions objectives, and Bupa did not appear to have an OFAC compliance program. Mitigating these considerations, Bupa had not been penalized by OFAC in the five years preceding the earliest apparent violation, Bupa has taken steps to implement an OFAC compliance program, and Bupa substantially cooperated with OFAC’s investigation, including by executing and then extending an agreement tolling the statute of limitations.

[OFAC Enforcement Announcement \(PDF\)](#)

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Standard Chartered Reportedly Reinvestigated for Sanctions Violations

On 29 October 2014, the *New York Times* reported that US authorities have reopened an investigation into Standard Chartered PLC, a banking organisation based in the United Kingdom, to determine whether the company hid violations of US sanctions from investigators during an investigation in 2012.

That investigation was resolved by fines totalling \$667 million and the signing of a deferred prosecution agreement with US prosecutors.

[New York Times Article](#)

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Chicago Resident Convicted of Lobbying on Behalf of Zimbabwe to Lift US Sanctions

On 10 October 2014, C. Gregory Turner, a resident of Chicago's South Side, was convicted by a jury on one count of sanctions violations for illegally lobbying on behalf of Zimbabwe government officials who are listed on the SDN List. He will be sentenced at a later hearing. Turner, together with Prince Asiel Ben Israel, also a resident of Chicago's South Side, was accused of persuading Zimbabwean officials to pay \$2.3 million

to lobby against sanctions, based on claims that they had influence with President Obama and other US government officials. Ben Israel pleaded guilty in April and was sentenced to seven months in prison.

[Chicago Tribune Article](#)

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US Adds Myanmar Government Official to SDN List

On 31 October 2014, the US Treasury Department announced that Aung Thaung, a senior official of the Burmese government and a member of the country's ruling party, has been designated for blocking sanctions pursuant to E.O. 13448. That executive order authorises the imposition of sanctions on, among others, senior officials of the Government of Burma who have participated in human rights abuses related to political

oppression in Burma. The Treasury Department, in its announcement, states that Mr Thaung is actively attempting to undermine recent economic and political reforms in Burma and is thereby perpetrating violence, oppression and corruption.

[Treasury Department Press Release](#)

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US Blocks 2 Individuals as Terrorists

On 21 October 2014, the US State Department announced the designations of Kahn Said, based in Pakistan or Afghanistan, and Ramzi Mawafi, an Egyptian national now believed to be in the Sinai Peninsula, pursuant to E.O. 13224. According to the State Department, Kahn Said is the deputy leader of Tehrik-e Taliban Pakistan and has been credited with fighting in Afghanistan, attacking a Naval base in Pakistan and masterminding a 2012 jailbreak in Pakistan that freed

400 Taliban inmates. Ramzi Mawafi is best known as Osama bin Ladin's former doctor and is a long-time al-Qaeda member. The State Department believes he is currently coordinating among militant groups in the Sinai Peninsula helping to arrange money and weapons.

[State Department Press Release](#)

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US Designates 13 Individuals in Respect of Syria Sanctions

On 16 October 2014, the US Treasury Department announced the designation of Qusay Mihoub, a Brigadier General in the Syrian Air Force Intelligence ("SAFI"), pursuant to E.O. 13572, which authorises sanctions against persons determined to be responsible for or complicit in the commission of human rights abuses in Syria. According to the Treasury Department, Brigadier General Mihoub was placed in command of SAFI's Daraa Branch at the outbreak of the Syrian protests in 2011, at which position he was responsible for the shooting, beating, detainment, torturing and burning alive of hundreds of civilians.

Two ministers of the Syrian government were designated pursuant to E.O. 13573. Khodr Orfali is the Syrian Minister of Economy and Foreign Trade, and Kamal Eddin Tu'ma is the Syrian Minister of Industry.

Two Cypriot companies, Piruseti Enterprises Ltd. and Frumineti Investments Ltd., their directors Issa al-Zeydi and Ioannis Ioannou and a Lebanese company, DK Group Sari and its general manager, Jad Dagher,

have been designated pursuant to E.O. 13582 for providing material assistance and support to the Syrian regime. The Treasury Department states that these individuals, through their companies, worked with a Russian bank previously sanctioned by the United States, Tempbank, and a Russia-based currency printer, Goznak, to print and deliver to Syria highly-secure banknotes denominated in Syrian pounds. More generally, Piruseti and Frumineti are alleged to perform as front companies and procurement agents for the Syrian government.

Four Syria-based banks were identified by the Treasury Department as being owned or controlled by the Government of Syria and, consequently, are now subject to blocking sanctions pursuant to E.O. 13582. The banks are the Agricultural Cooperative Bank, Industrial Bank, Popular Credit Bank and Saving Bank.

[Treasury Department Press Release](#)

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OFAC Clarifies Restrictions on Payment for Overflights or Emergency Landings to the Government of Iran

On 4 November 2014, OFAC updated its Frequently Asked Question (“FAQ”) No 417, which addresses payments and facilitation of payment to Iranian civil aviation authorities for overflights and emergency landings. OFAC clarified that US sanctions would not apply to such payments so long as (i) the relevant aircraft is owned by a non-US person and registered outside the United States and (ii) the relevant transactions do not involve the US financial system unless the transactions fall within the scope of a license. OFAC notes, however, that any involvement by persons

on the SDN list, including Iranian financial institutions designated pursuant to EO 13224 or EO 13382, would result in the participants’ having sanctions exposure.

The FAQ states that US persons and US-owned or controlled foreign entities remain prohibited from participating in any transactions for payment of overflights or emergency landings.

[OFAC FAQ 417](#)

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OFAC Issues Guidance on Humanitarian Assistance by Non-Profit NGOs

On 17 October 2014, OFAC issued “Guidance Related to the Provision of Humanitarian Assistance by Not-For-Profit Non-Governmental Organizations.” This guidance describes OFAC’s policy of supporting the broader US Government approach to facilitating the provision of humanitarian assistance by non-profit, non-governmental organisations (“NGOs”). With regard to its licensing policies, OFAC states that it issues humanitarian-related general licenses where appropriate and prioritises applications for specific licenses from NGOs seeking to provide humanitarian assistance.

The guidance also clarifies the scope of US sanctions in certain contexts that NGOs may encounter in their attempts to provide humanitarian assistance in certain situations. First, OFAC notes that the provision of humanitarian assistance is not prohibited in countries not subject to comprehensive sanctions, provided that the NGOs are not dealing with sanctioned persons. Second, OFAC clarifies that armed groups that are

commanded or controlled by a designated individual, but are not themselves designated, are outside the scope of OFAC’s sanctions on the commanding individual, and NGOs may make payments to the non-designated groups. OFAC does, however, suggest that the NGO conduct due diligence to ensure that the sanctioned commander is not profiting from the transactions. Finally, OFAC provides assurances that, if an NGO provides urgently needed humanitarian assistance in a region controlled by a sanctioned organisation, such humanitarian assistance that unwittingly ends up in the hands of the sanctioned group would not be a focus for OFAC sanctions enforcement.

[OFAC Guidance Related to the Provision of Humanitarian Assistance by Not-For-Profit Non-Governmental Organizations \(PDF\)](#)

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OFAC Releases Report on TSRA Licensing Activities for October-December 2013

On 23 October 2014, OFAC released its quarterly report on licensing activities pursuant to Section 906 of the Trade Sanctions Reform and Export Enhancement Act of 2000 ("TSRA"). The TSRA governs licence applications for the export of agricultural commodities, medicine and medical devices to Iran and Sudan. OFAC's report details licensing activities between October 2013 and December 2013, covering 306 licence applications. On average, OFAC found that the average processing time for issuing licences was

59 business days for a licence issuance and 160 days for the issuance of a denial letter. OFAC received 282 license applications with respect to Iran and granted 81 licenses. Regarding Sudan, OFAC received 24 applications and issued 18 licenses.

[OFAC Quarterly Report – TSRA Licensing Activities \(PDF\)](#)

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UN News

US, UN Security Council Committee Impose Sanctions Against Prominent Yemenis

On 10 November 2014, the US Treasury Department announced the designation of the former President of Yemen, Ali Abdullah Saleh, and Abdullah Yahya al-Hakim and Abd al-Khaliq al-Huthi, two military commanders affiliated with the rebel Huthi group, pursuant to Executive Order (E.O.) 13611. OFAC's designation follows the designation on 7 November 2014 of the same individuals by the UN Security Council Committee established pursuant to United Nations Security Council Resolution 2140.

Security Council Resolution 2140 and E.O. 13611 provide for travel bans and asset freezes to be

introduced against individuals engaging in or providing support for acts that threaten the peace, security and stability of Yemen. According to the Treasury Department, these individuals have used violence and other means to undermine the Gulf Cooperation Council Initiative, which provides for a peaceful transition of power in Yemen.

[US Treasury Department Press Release](#)

[UN Press Release](#)

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UN Working Group Makes Initial Report as Part of the High Level Review of UN Sanctions

Working Group 1 of the High Level Review of United Nations Sanctions has made an initial report on UN integration and coordination in the implementation of UN sanctions.

The High Level Review was organised by the governments of Australia, Finland, Germany, Greece and Sweden to “enhance... [the] effectiveness [of UN sanctions] and thereby better address threats to international peace and security through improved integration with today’s evolved network of internal and external institutions and related legal instruments”.

Working Group 1’s remit is primarily to address opportunities to improve sanctions integration and coordination among the UN entities supporting the Council’s sanctions function.

The Working Group has focussed its consultations around the following six themes:

- the technical implementation of the sanctions measures by Member States;

- the availability of technical assistance for States;
- the system for monitoring implementation and compliance;
- the way Sanctions Committees take decisions;
- how well the UN system integrates sanctions with its other responses to the same crisis; and
- how the UN system supports the Committees, the Expert Groups and other UN bodies involved in sanctions implementation.

The working group has reported its initial findings, identifying a number of areas for change and improvement. It is now proceeding to investigate a range of possible recommendations.

[Concept Note to the High Level Review of UN Sanctions](#)
[Report of Working Group 1, dated 31 October 2014](#)

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Other News

Australia Lifts Fiji Sanctions

On 31 October 2014, Australia lifted sanctions it had imposed against Fiji in the wake of its 2006 coup led by Frank Bainimarama. The sanctions had included travel bans and restrictions on the export and supply of arms and weapons.

The lifting of the sanctions took place following elections deemed credible by international observers, and by which Mr Bainimarama and his party, FijiFirst Party, secured a majority in the Fiji parliament.

The US also lifted restrictions it had imposed on US government financial assistance to the Fijian government and stated that it was considering resuming cooperation with the Fijian military.

[BBC News Article](#)

[The Guardian Article](#)

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Canada introduces South Sudan Sanctions

On 23 October 2014, the Governor General of Canada introduced the Special Economic Measures (South Sudan) Regulations, by which it applied restrictive measures against two South Sudanese rebel leaders, Marial Chanuong and Peter Gadet.

The restrictive measures prohibit on any person in Canada and any Canadian national from providing

financial or related services to the designated persons or to deal in any property or make any goods available to a designated person.

[Special Economic Measures \(South Sudan\) Regulations S.C. 1992 c. 17](#)

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