

# **Sanctions Alert**

A bi-monthly summary of sanctions news and developments

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## UK News

### Britain is Holding Talks with Iran over Reopening of Embassies

Foreign Secretary William Hague told the House of Commons that the UK and Iran were discussing reopening their respective embassies, which have been closed for almost 2 years. Mr. Hague emphasised that “progress in [the] bilateral relationship needs to proceed on a step-by-step and reciprocal basis”. The UK closed its Tehran embassy and ejected Iranian diplomats from London in November 2011, after its two diplomatic compounds in Tehran were overrun by

Iranian protesters. As a first step both countries will appoint non-resident Chargés d’affaires tasked with implementing the building of relationships.

The Foreign Office’s press release can be viewed at: <https://www.gov.uk/government/news/foreign-secretary-to-appoint-non-resident-charge-daffaires-to-iran>

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## US News

### US Government Shutdown Hampers OFAC’s Ability to Conduct Its Core Functions

The partial shutdown of the US government resulting from the failure of the US Congress to pass an appropriations resolution has impacted the operations of the US Treasury Department’s Office of Foreign Assets Control (OFAC). Currently, OFAC is not accepting licence applications or answering telephone inquiries, and the web page for electronically submitting licence applications has been shut down. OFAC has, however, continued to update its online list of Specially Designated Nationals (SDN).

On 3 October, Wendy Sherman, Under Secretary of State for Political Affairs, testified before the US Senate Committee on Foreign Relations about US policy toward Iran. In responding to questions regarding US sanctions directed against Iran, Ms. Sherman stated that OFAC is “being hampered significantly by the shutdown”.

The following day, according to a White House press briefing, President Obama was to be briefed on

the effects of the shutdown on OFAC. Of OFAC’s 175 full-time employees, only 11 have not been furloughed. White House Press Secretary Jay Carney stated that “the office is unable to sustain its core functions”, which in addition to enforcing sanctions include designating new sanctions targets and issuing licences to authorise humanitarian and other similar activities otherwise barred by sanctions.

A video recording of the hearing before the US Senate Committee on Foreign Relations can be viewed at: <http://www.foreign.senate.gov/hearings/reversing-irans-nuclear-program>

The 4 October 2013 White House press briefing can be viewed at: <http://www.whitehouse.gov/the-press-office/2013/10/04/press-briefing-press-secretary-jay-carney-1042013>

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## OFAC Targets Individuals and Businesses Tied to Narcotics Trafficking and Terrorist Organisations

The US Treasury Department announced that it was adding family members of Juan Jose Esparragoza Moreno, the leader of Mexico's Sinaloa Cartel, and a related business to its SDN list pursuant to the Foreign Narcotics Kingpin Designation Act. Additionally, following the State Department's designation on 7 October of the Muhammad Jamal Network and its founder, Muhammad Jamal, as Specially Designated Global Terrorists under Executive Order 13224, OFAC added Mr. Jamal and his network to the SDN list.

The Treasury Department press release regarding the Sinaloa designations can be viewed at: <http://www.treasury.gov/press-center/press-releases/Pages/jl2176.aspx>

The State Department press release regarding the new terrorism designations can be viewed at: <http://www.state.gov/r/pa/prs/ps/2013/10/215171.htm>

A current version of the SDN list can be viewed at: <http://www.treasury.gov/sdn>

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## UN News

### Security Council Deletes Two Entries from Al-Qaida Sanctions List

The UN Security Council Committee removed Moustafa Abbes from its Al-Qaida sanctions list after considering a delisting request from the Office of the Ombudsperson. The Committee also removed the Sanabel Relief Agency. Accordingly, the UN assets freeze, travel ban and arms embargo no longer apply to these two entries.

The announcement for Moustafa Abbes can be viewed at: <http://www.un.org/News/Press/docs//2013/sc11137.doc.htm>

The announcement for the Sanabel Relief Agency can be viewed at: <http://www.un.org/News/Press/docs//2013/sc11141.doc.htm>

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## Other News

### Myanmar Releases 56 Political Prisoners

Myanmar's government recently announced that it had released 56 political prisoners, in addition to the 73 released on 23 July. According to Reuters, many of the prisoners were former members of the Shan State Army (SSA) and the Kachin Independence Army (KIA). While the government has reached a preliminary peace agreement with the SSA, it is still embroiled in military conflict with the KIA.

The release of prisoners of conscience and the holding of peace talks have been major factors contributing to the suspension and lifting of EU and

US sanctions against Myanmar in the past two years. Since the 2011 election that saw the military junta replaced by President Thein Sein, the EU's former broad sanctions regime has been reduced to a much narrower arms embargo.

An article regarding this issue can be viewed at:

<http://www.reuters.com/article/2013/10/08/us-myanmar-prisoners-idUSBRE99707Y20131008>

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## Debevoise Events

### Forthcoming Events Hosted By Debevoise & Plimpton LLP

On Wednesday 16 October in London, Debevoise & Plimpton LLP will host the seminar "US/EU Sanctions: Implications for International Banks, Insurers, Private Equity and Other Firms".

US and EU economic and trade sanctions have implications for transactions and parties worldwide. US sanctions—particularly those maintained against Iran—are fast evolving and have global reach; as a consequence, globally based banks and other firms engaged directly or indirectly in transactions with Iran or involving Iranian-origin goods and services may be excluded from US markets and dealings with US firms. EU sanctions also are becoming wider in application. Recent EU legislation targets entire sectors, such as the Iranian oil and gas industries, and all those providing ancillary services, including banks, insurers and shippers.

The seminar will review the scope and reach of US and EU sanctions and assess their application to and implications for internationally based banks, private equity firms and others. We will review, in detail, those aspects of the sanctions that apply across borders and examine the new US securities law disclosure requirements and how they apply to private equity firms and their portfolio companies. We also will look at recent US enforcement actions that have targeted and penalised non-US banks for failures to comply with US requirements.

Further information about the seminar can be viewed by [clicking here](#).

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# Sanctions Alert

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