

Sanctions Alert

A bi-monthly summary of sanctions news and events

Issue 35

Table of Contents

Russia News

Switzerland's Federal Council Extends Ukraine Sanctions Measures

UK Threatens to Block the Sale of North Sea Assets to a Russian Buyer

EU Adds 19 Individuals and Nine Entities to Sanctions List

Canada Extends Ukraine Sanctions to 26 Individuals and 15 Entities

UK High Court Refers Rosneft Challenge to the Court of Justice of the EU

US Authorises Personal Remittances, Personal Financial Services, and Telecommunications and Postal Services Involving Crimea

EU News

Syria: EU Imposes Sanctions on Seven Individuals and Six Entities

Libya: EU Extends Application of Sanctions Measures

Ukraine: EU Extends Sanctions Against Eighteen Individuals

Somalia: EU Amends and Extends Sanctions

Central African Republic: EU Removes One Individual from the Asset Freeze Sanctions List

EU Council Approves Draft Rules Permitting Use of Secret Information in Sanctions Challenges

Al-Qaida: One Individual Made Subject to EU, UN and US Sanctions

Côte d'Ivoire: EU Introduces Derogations to Export Restrictions

Iran: One Individual and One Entity Re-Listed

Syria: General Court of the EU Upholds Restrictive Measures Against Tarif Akhras

Syria: Annulment of Asset Freeze Against Mazen Al-Tabbaa Takes Effect

Zimbabwe: EU Renews Sanctions Regime

US News

US Imposes Sanctions on Venezuelan Government Officials

US Extends Zimbabwe Sanctions for an Additional Year

Top NY Financial Regulator Calls for Stricter Oversight of Banks' AML Systems, Stresses Individual Accountability

US Applies Further Pressure to the Sinaloa Cartel

US Allows More Telecommunications Exports to Sudan

US Removes Sanctions Against Al Taqwa Bank and Youssef Nada

US Targets International Steroid Distribution Network

US Targets Nigeria-Based Hezbollah Support Network

US Delists Individuals and Entities from Narcotics List

UK News

Belarus: UK Removes One Entity from the Asset Freeze Sanctions List

UK Renews and Amends Final Designations in respect of ETA, Hezbollah and One Other

Hamas: UK Renews Final Designations Against Four Individuals

UN News

South Sudan: UN Security Council Passes Resolution to Impose Sanctions on South Sudan

Al-Qaida: UN Security Council Committee Adds One Individual to Sanctions List

DRC: UN Security Council Committee Updates Sanctions List

Russia News

Switzerland's Federal Council Extends Ukraine Sanctions Measures

On 6 March 2015, in light of the situation in Ukraine, Switzerland's Federal Council decided to extend its measures so that Swiss territory is not misused to circumvent international sanctions. As outlined in a [statement](#) by the Federal Council, all foreign investment is prohibited in Crimea and Sevastopol, with service bans to apply in the investment and tourism branches, as well as in some other economic sectors. Furthermore, 28 individuals have been added to the list of individuals and entities with which financial intermediaries can no longer enter into new business relationships.

[Back to the top](#)

UK Threatens to Block the Sale of North Sea Assets to a Russian Buyer

The UK government has threatened to prevent the full sale by RWE, the German utility, of its oil and gas division to L1 Energy, an investment vehicle controlled by Mikhail Fridman, a Russian billionaire. L1 Energy completed the takeover of RWE's oil and gas division, which includes gasfields in the North Sea, for £3.7 billion on 2 March 2015. Edward Davey, Secretary of State for the Department of Energy & Climate Change, has raised concerns about the effects that any tightening of sanctions on Russia may have on the UK gasfields. As a result, the UK government may force Mr Fridman to sell the North Sea assets, which make up roughly 20% of the deal. L1 Energy has threatened to take legal action against the UK government if the transaction is blocked.

[Independent Article](#)

[Back to the top](#)

EU Adds 19 Individuals and Nine Entities to Sanctions List

By [Council Decision \(CFSP\) 2015/241](#) and [Council Implementing Regulation \(EU\) 2015/240](#), published on 16 February 2015, the EU has extended the restrictive measures comprising asset freezes and travel bans contained in [Council Decision 2014/145/CFSP](#) and [Council Regulation \(EU\) No 269/2014](#) against an additional 19 individuals and nine entities. The 19 individuals include two deputy Defence Ministers of the Russian Federation (Arkady Bakhin, First Deputy Minister of Defence, and Anatoly Antonov, Deputy Minister of Defence), two members of the Russian Federation's Duma, and a senior Russian Federation military officer (Andrei Kartapolov, deputy chief of the general staff of the Russian Federation's armed forces). The EU Foreign Affairs Council [previously announced](#) the extension of restrictive measures against these individuals on 9 February 2015, but delayed the implementation of the restrictive measures pending the outcome of settlement talks between Russia, Ukraine, Germany and France (which resulted in the so-called "Minsk II" agreement).

[Back to the top](#)

Canada Extends Ukraine Sanctions to 26 Individuals and 15 Entities

On 17 February 2015, the [Canadian Government announced](#) the extension of the Canadian economic sanctions regime in place. It extended (i) the [Special Economic Measures \(Ukraine\) Regulations \(SOR/2014-60\)](#) by the [Regulations Amending the Special Economic Measures \(Ukraine\) Regulations \(SOR/2015-40\)](#), which imposed asset freezes against an additional 26 individuals and 15 entities, and (ii) the [Special Economic Measures \(Russia\) Regulations \(SOR/2014-58\)](#) by the [Regulations Amending the Special Economic Measures \(Russia\) Regulations \(SOR/2015-39\)](#), which imposed asset freezes against an additional 11 individuals and two entities.

Individuals targeted include Anatoly Antonov, Deputy Minister of Defence for the Russian Federation, and Sergey Chemezov, CEO of Rostec.

[CBC Article](#)

[Back to the top](#)

UK High Court Refers Rosneft Challenge to the Court of Justice of the EU

On 9 February 2015, the UK High Court referred a challenge brought by Rosneft by way of judicial review to the Court of Justice of the EU (the “CJEU”).

On 20 November 2014, Rosneft challenged certain measures adopted by the United Kingdom authorities to give effect to aspects of [Council Regulation \(EU\) No 833/2014](#) as amended by [Council Regulation \(EU\) No 960/2014](#) and [Council Regulation \(EU\) No 1290/2014](#) (“Regulation 833”), along with other measures of EU law giving rise to sanctions measures. Following the High Court’s refusal to grant Rosneft’s application to stay the UK’s implementation of the sanctions (See [Issue 32 of the Sanctions Alert](#) for further detail), the matter has now been referred to the CJEU by the High Court.

[Council Decision 2014/512/CFSP](#) (as amended by [Council Decision 2014/659/CFSP](#) and [Council Decision 2014/872/CFSP](#)) (“Decision 512”) and Regulation 833 introduced prohibitions on the export of technology to Russian companies for use in deep water or Arctic oil exploration and production or shale oil projects. Decision 512 and Regulation 833 also introduced restrictions on providing “*financial assistance*” in respect of these exports and prohibited access to certain capital markets by specified Russian companies, including Rosneft. The contested measures include UK statutory instruments, which introduced criminal liability for violating the restrictive measures contained in Regulation 833, as well as guidance concerning the meaning of “*financial assistance*”.

The High Court referred three questions to the CJEU:

1. whether the CJEU has jurisdiction to rule on the validity of a Council decision adopted pursuant to the Common Foreign and Security Policy (“CFSP”) of the EU under the procedures set out in Article 267 of the Treaty on the Functioning of the European Union;
2. whether Regulation 833 and Decision 512 are valid and, if so, whether they are sufficiently certain in their meaning. The question of validity includes whether Regulation 833 and Decision 512 breach the [Partnership and Cooperation Agreement](#) (“Partnership Agreement”) between the EU and Russia. The Partnership Agreement provides for, amongst other things, the free movement of capital between residents of the EU and Russia and the freedom of transit of goods in the territories of both parties; and
3. if Regulation 833 is valid as drafted, the High Court requested guidance on:
 - a. whether the term “*financial assistance*” includes processing of payments;

- b. whether Global Depositary Receipts (“GDRs”) issued after 12 September 2014 in respect of shares in sanctioned companies issued before this date are restricted under Regulation 833; and
- c. the meaning of the terms “shale” and “waters deeper than 150 meters” under Regulation 833.

In referring these questions, the High Court provided its preliminary views on each issue. While these views are not determinative, they nonetheless provide some interesting observations. First, the High Court considered that there was “some force” in Rosneft’s submission that Regulation 833 and Decision 512 may represent a breach of the Partnership Agreement. Second, the High Court strongly indicated that questions relating to CFSP Decisions should be subject to review by the CJEU, in part on human rights grounds, suggesting that EU member state courts may be more willing to send such challenges to the CJEU in the future. Third, the High Court recognised that the scope of the term “financial assistance” is a topic of dispute among EU Member States, and that the UK has taken a wider interpretation of this term than certain other EU Member States. Fourth, the High Court opined that the correct interpretation of Regulation 833 in regards to GDRs is that it prohibits the issuance of any new GDRs relating to securities of sanctioned entities, regardless of whether the underlying securities in question were issued prior to 12 September 2014.

It is notable that Rosneft (and other sanctioned Russian entities) has made a separate application to the CJEU for annulment of Regulation 833 and Decision 512. With this in mind, the High Court recognised that there was a risk that, without a referral, courts in different EU Member States may reach different conclusions on these issues, with such differences already existing in guidance issued by different Member States. Further, the High Court recognised that, by having these questions answered by the CJEU, other Member States and EU institutions would be able to make submissions on these issues. Finally, the High Court also took into account the fact that, as Rosneft’s standing to bring a direct challenge in the CJEU was in dispute, the referral was required to ensure that the CJEU ruled on the merits of Rosneft’s claim.

[*R \(on the application of OJSC Rosneft Oil Company\) v HM Treasury and others* \[2015\] EWHC 248 \(Admin\)](#)

[Back to the top](#)

US Authorises Personal Remittances, Personal Financial Services, and Telecommunications and Postal Services Involving Crimea

On 30 January 2015, the US Department of the Treasury [issued three new authorisations](#) for activities by US individuals that otherwise would be prohibited by the US embargo of Crimea. Ukraine General License No. 6 allows US persons to make, and US financial institutions to process, non-commercial personal remittances to Crimea. Charitable remittances and remittances to fund a business, including a family business, remain forbidden without a specific license. Ukraine General License No. 7 allows US financial institutions to maintain and operate personal, non-commercial accounts for residents of Crimea. Ukraine General License No. 8 allows transactions incident to telecommunications and mail with Crimea. However, the provision of telecommunications equipment and technology to Crimea, and the leasing of satellite or terrestrial network transmission capacity to persons in Crimea, remain forbidden without a specific licence. In addition, transactions with Specially Designated Nationals (“SDNs”), or with entities 50% or more owned by SDNs, are excluded from all three general licences.

[Back to the top](#)

EU News

Syria: EU Imposes Sanctions on Seven Individuals and Six Entities

On 6 March 2015, the EU strengthened sanctions against Syria by adding seven individuals and six entities to its asset freeze and travel ban lists, pursuant to [Council Implementing Regulation \(EU\) 2015/375](#) and [Council Implementing Decision \(CFSP\) 2015/383](#), which amend [Regulation \(EU\) No 36/2012](#) and [Decision 2013/255/CFSP](#). In a [statement](#), the European Council said that it reinforced restrictive measures against sponsors of the Syrian regime, as the situation in Syria continues to deteriorate.

[Back to the top](#)

Libya: EU Extends Application of Sanctions Measures

On 6 March 2015, the EU, through [Council Decision \(CFSP\) 2015/382](#) (“Decision 382”), extended the application of the travel ban and asset freeze sanctions to match the scope of equivalent UN Security Council measures, as set out in [UN Security Council Resolution 2174 \(2014\)](#), which amends [UN Security Council Resolution 1970 \(2011\)](#). The EU also removed two individuals from its sanctions list, following the judgment of the General Court of the EU in *Kadhaf Al Dam v Council* ([T-348/13](#), 24 September 2014), and provided further information on the listing of another individual, pursuant to Decision 382 and [Council Implementing Regulation \(EU\) 2015/376](#), which amend [Council Decision 2011/137/CFSP](#) and [Council Regulation \(EU\) No 204/2011](#). Ahmed Mohammed Qadhaf Al-Dam and Mohamad Ali Zidane were both removed from the sanctions list. The details of Colonel Mas’ud Abdulhafiz were amended to include his date of birth and a known alias.

[Back to the top](#)

Ukraine: EU Extends Sanctions Against Eighteen Individuals

On 5 March 2015, the EU extended the duration of existing sanctions against eighteen individuals pursuant to [Council Implementing Regulation \(EU\) 2015/357](#) and [Council Decision \(CFSP\) 2015/364](#), which amend [Council Regulation \(EU\) No 208/2014](#) and [Council Decision 2014/119/CFSP](#). In a [statement](#), the European Council said the measures consist in “an asset freeze on persons subject to initial investigations on the embezzlement of Ukrainian state funds”, which include Viktor Yanukovych, the former president. The asset freezes are extended by one year for 14 of the individuals and by three months for the remaining four individuals.

[Back to the top](#)

Somalia: EU Amends and Extends Sanctions

On 3 March 2015, the EU published [Council Decision \(CFSP\) 2015/335](#) and [Council Implementing Regulation \(EU\) 2015/325](#), which amend [Council Decision 2010/231/CFSP](#) and [Council Regulation \(EU\) 356/2010](#) in respect of sanctions against Somalia.

Pursuant to the new legislation, EU Member States may now inspect vessels bound to or from Somalia, in both Somali territorial waters and on the high seas off the Somali coast, which they have reasonable grounds to believe are (i) carrying charcoal from Somalia in violation of the charcoal ban; (ii) carrying weapons or military equipment to Somalia, directly or indirectly, in violation of the arms embargo on Somalia; or (iii) carrying weapons or military equipment to individuals or entities designated by the UN Security Council Sanctions Committee (“UN Sanctions Committee”). Member States may seize and

dispose of such items and provide a written report to the UN Sanctions Committee. The new legislation also removes Mohamed Sa'id from the asset freeze list. The changes reflect the UN Security Council's [decision of 19 December 2014](#) to amend the UN's sanctions against Somalia (as reported in [Issue 33 of the Sanctions Alert](#)).

[Back to the top](#)

Central African Republic: EU Removes One Individual from the Asset Freeze Sanctions List

On 2 March 2015, the EU removed Levy Yakete from the sanctions list for the Central African Republic by [Council Implementing Regulation \(EU\) 2015/324](#) and [Council Implementing Decision \(CFSP\) 2015/336](#), which amend [Council Regulation \(EU\) No 224/2014](#) and [Council Decision 2013/798/CFSP](#).

[Back to the top](#)

EU Council Approves Draft Rules Permitting Use of Secret Information in Sanctions Challenges

On 10 February 2015, the [Council of the European Union](#) approved the [Draft Rules of Procedure of the General Court of the EU](#) (the "Rules"), which will permit the General Court of the EU to take into account intelligence and other secret or confidential information not disclosed to other parties in proceedings to challenge the imposition of EU restrictive measures. The Rules require the General Court to balance the right to effective judicial protection against the "*requirements flowing from the security of the Union or one or more of its Member States or the conduct of their international relations*", and to use procedures appropriate to balancing such requirements, including the use of non-confidential summaries of confidential material.

The UK abstained from the vote concerning the Rules on the grounds that the Rules as drafted did not offer sufficient safeguards to protect the confidentiality of any confidential information. The Rules will come into force if approved by the General Court.

[Summary and Conclusions of the European Scrutiny Committee dated 14 January 2015](#)

[Back to the top](#)

Al-Qaida: One Individual Made Subject to EU, UN and US Sanctions

By [Commission Implementing Regulation \(EU\) 2015/274](#), which amends [Council Regulation \(EC\) No 881/2002](#), the EU has introduced an asset freeze against Denis Cuspert under the restrictive measures regime in place in respect of Al-Qaida. Mr Cuspert is a German national and former music artist who is now deemed to be affiliated with ISIS.

Mr Cuspert was added to the UN Al-Qaida Sanctions List on 10 February 2015 by the UN Security Council Committee established pursuant to UN Security Council Resolutions [1267 \(1999\)](#) and [1989 \(2011\)](#) concerning Al-Qaida and associated individuals and entities. ISIS is listed as Al-Qaida in Iraq on the UN Al-Qaida Sanctions List. A narrative summary of the Committee's reasons for listing Mr Cuspert is available [here](#). The updated UN Al-Qaida Sanctions List is available [here](#).

To implement Mr Cuspert's UN designation, the US Department of State has [designated him](#) as a Specially Designated Global Terrorist. Consequently, all of his US property and interests are now blocked and US persons may not engage in transactions for his benefit.

[Back to the top](#)

Côte d'Ivoire: EU Introduces Derogations to Export Restrictions

By [Council Decision \(CFSP\) 2015/202](#), which amends [Council Decision 2010/656/CFSP](#), and [Council Regulation \(EU\) 2015/192](#), which amends [Council Regulation \(EC\) No 174/2005](#), the EU has introduced new derogations to existing prohibitions on the sale, supply, transfer or export to Côte d'Ivoire of equipment which might be used for internal repression, (i) where the relevant Member State has determined that the non-lethal equipment is intended "*solely to enable the Ivorian security forces to use only appropriate and proportionate force while maintaining public order*", (ii) for equipment solely for the support of the Ivorian process of Security Sector Reform, the UN Operation in Cote d'Ivoire (UNOCI) or the French forces supporting them, or (iii) where such equipment may be used for the purposes of civilian use in mining or infrastructure projects.

Restrictive measures, including export restrictions, asset freezes and travel bans, were originally introduced by the EU in response to [UN Security Council Resolution 1572\(2004\)](#) under [Council Common Position 2004/852/CFSP](#), against those deemed to constitute "*a threat to the peace and national reconciliation process in Côte d'Ivoire... and any other person determined as responsible for serious violations of human rights and international humanitarian law in Côte d'Ivoire*".

[Back to the top](#)

Iran: One Individual and One Entity Re-Listed

By [Council Implementing Regulation \(EU\) 2015/230](#), the EU has re-imposed asset freezes against Gholam Golparvar and the National Iranian Tanker Company pursuant to [Council Regulation \(EU\) No 267/2012](#). The asset freezes previously in place against Mr Golparvar and the National Iranian Tanker Company were annulled by the General Court of the European Union, in respect of Mr Golparvar, in its judgment of 12 December 2013 in Case T-58/12 (summary available [here](#)), and in respect of the National Iranian Tanker Company, in [judgment of 3 July 2014](#) in Case T-565/12. Mr Golparvar and the National Iranian Tanker Company applied to the High Court in London for an injunction to prevent the UK government from voting in favour of their re-listing. The application was refused by the High Court in its [judgment of 9 February 2015](#) in *National Iranian Tanker Company and Gholam Hossein Golparvar v Secretary of State for Foreign and Commonwealth Affairs* [2015] EWHC 282.

[Back to the top](#)

Syria: General Court of the EU Upholds Restrictive Measures Against Tarif Akhras

The General Court of the EU has rejected challenges to restrictive measures imposed by the EU against Tarif Akhras, a prominent Syrian business person, since 23 March 2012. Mr Akhras was originally made subject to the EU restrictive measures regime in respect of Syria in September 2011, and was subsequently relisted in successor regimes in 2012 and 2013.

The General Court upheld an application to annul those restrictive measures imposed prior to 23 March 2012 on the grounds that the Council failed to provide adequate and sufficient reasons for the imposition

of restrictive measures against him. These restrictive measures were, however, superseded by those introduced in 2012 and 2013, and so their annulment has limited practical effect.

Challenges to restrictive measures imposed after 23 March 2012 were rejected by the General Court on grounds (i) that the Council gave insufficient notice to Mr Akhras of the restrictive measures, (ii) that the Council failed to give sufficiently clear and detailed reasons for the imposition of the relevant restrictive measures, and (iii) that the Council erred in law by applying a presumption that, by virtue of Mr Akhras being a leading businessman in Syria, he was providing economic support to the Syrian regime.

[Judgment of the General Court of the European Union in *Tarif Akhras v Council of the European Union* \(T-579/11\)](#)

[Back to the top](#)

Syria: Annulment of Asset Freeze Against Mazen Al-Tabbaa Takes Effect

Pursuant to the judgment of the General Court of the European Union in respect of *Al-Tabbaa v Council of the European Union* ([Cases T-329/12 and T-74/13](#)), published on 25 August 2014, the asset freeze imposed against Mazen Al-Tabbaa pursuant to the EU restrictive measures regime in respect of Syria has been removed by annulment of the relevant EU instruments, insofar as they relate to Mr Al-Tabbaa. The effects of the judgment, which had ordered the annulment of the restrictive measures, had been stayed for a period of 2 months and 10 days to permit the EU to appeal. The EU failed to bring an appeal within this period and accordingly the annulment of the asset freeze against Mr Al-Tabbaa has taken effect.

[Back to the top](#)

Zimbabwe: EU Renews Sanctions Regime

On 19 February 2015, pursuant to [Council Decision \(CFSP\) 2015/277](#), the EU extended the duration of the restrictive measures regime currently in force in respect of Zimbabwe under [Council Decision 2011/101/CFSP](#). The restrictive measures are now in place until 20 February 2016.

The current restrictive measures in force in respect of Zimbabwe comprise (i) a ban on the provision of arms and military equipment or related technical or financial assistance, (ii) a ban on the provision of equipment that may be used for internal repression, or to provide related technical or financing assistance, and (iii) asset freezes and travel bans against specified members of the Zimbabwean government (currently limited to Robert Mugabe, President of Zimbabwe, and his wife, Grace Mugabe) and an asset freeze against one entity, Zimbabwe Defence Industries.

The names of five deceased persons who were subject to the restrictive measures regime were also removed by [Council Implementing Regulation \(EU\) 2015/275](#), which amends [Council Regulation \(EC\) No 314/2004](#).

[Reuters Article](#)

[Back to the top](#)

US News

US Imposes Sanctions on Venezuelan Government Officials

On 9 March 2015, President Obama issued a new [executive order](#) implementing the Venezuela Defense of Human Rights and Civil Society Act of 2014 by blocking the property of seven individuals associated with the Government of Venezuela. According to a [statement](#) by the White House Press Secretary, the sanctions are a response to acts of public corruption and intimidation of political opponents by the Venezuelan Government. The seven listed individuals are associated with the Venezuelan military forces, intelligence agencies, national police, or prosecution service. The executive order also authorises the Secretary of the Treasury to designate additional individuals and entities. The White House has issued a [fact sheet](#) detailing the reasons for imposing sanctions on the listed individuals and explaining that the sanctions do not target the people or economy of Venezuela.

[Back to the top](#)

US Extends Zimbabwe Sanctions for an Additional Year

On 3 March 2015, President Obama [extended](#) US sanctions against Zimbabwe for an additional year. While the US has not imposed a general trade ban on Zimbabwe, it has blocked the property of persons in Zimbabwe who interfere in democratic institutions and processes, perpetuate violence and human rights abuses against political opponents, and engage in acts of public corruption. Over 100 individuals, including Zimbabwe's President Robert Mugabe, and approximately 70 entities are currently listed under the Zimbabwe sanctions.

[Back to the top](#)

Top NY Financial Regulator Calls for Stricter Oversight of Banks' AML Systems, Stresses Individual Accountability

On 25 February 2015, Benjamin Lawsky, the superintendent of the New York Department of Financial Services ("DFS"), [delivered a speech](#) at Columbia Law School on his view of the role in the US federal system of the financial regulators of the 50 US states. He believes that state regulators can play an important role in protecting the integrity of the US financial system by providing additional resources to supplement the limited resources of federal regulators. He also discussed his view that individuals should be held accountable for misconduct at financial firms, and he noted that DFS has focused increasingly on individual accountability. Superintendent Lawsky also stressed the importance of maintaining effective anti-money-laundering ("AML") programmes to prevent terrorist financing. He said that DFS was considering conducting random audits of financial firms' AML systems and imposing a requirement on senior executives to "personally attest to the adequacy and robustness of those systems", much as they are currently required to attest to the accuracy of financial statements. He concluded his speech by discussing measures to strengthen information security in the financial sector.

Recent DFS actions have been consistent with Superintendent Lawsky's views both on the role of state regulators and on individual accountability for compliance violations. In June 2014, as part of the [settlement](#) between BNP Paribas and state and federal regulators for violations of sanctions laws, DFS collected \$2.24 billion of the overall \$8.9 billion fine and required the bank to terminate the employment of 13 individuals, including the Chief Operating Officer, two senior compliance officers, and two other group heads, and take disciplinary action against 32 other employees. In the insurance sector as well, DFS [has actively policed](#) compliance with federal sanctions laws involving Iran. DFS's focus on individual accountability also is illustrated by its December 2014 [settlement](#) with Ocwen Financial for misconduct in servicing subprime mortgages, which involved the resignation of Ocwen's Executive Chairman.

[Back to the top](#)

US Applies Further Pressure to the Sinaloa Cartel

On 17 February 2015, the Treasury Department [announced](#) further sanctions under the Foreign Narcotics Kingpin Designation Act (“Kingpin Act”) against one individual and one entity believed to be associated with the Sinaloa Cartel in Mexico. According to the Treasury Department, Francisco Javier Gastelum Serrano and his scaffolding company, Andamios Dalmine, support the cocaine-distribution network of his elder brother, Cesar Gastelum Serrano, by handling illicitly received funds. This action follows the [previous designation](#) in December 2014 of three other Serrano brothers.

[Back to the top](#)

US Allows More Telecommunications Exports to Sudan

On 18 February 2015, the United States Departments of Commerce and Treasury adopted new rules easing restrictions on telecommunications exports to Sudan. These changes are intended to further the US government’s stated commitment to promote the advancement of the free flow of information in Sudan. The newly expanded rules are modelled after the approach adopted in Iran General License D-1 in respect of telecommunications exports to Iran.

The Department of Commerce adopted [changes to the Export Administration Regulations \(“EAR”\)](#) expanding the scope of authorised telecommunications-related exports to Sudan. Exports for the development of civil telecommunications in Sudan were previously subject to a policy of general denial but now will be evaluated on a case-by-case basis. The licence exception allowing exportation of consumer communications devices to Sudan has been expanded to include additional devices, including GPS devices. Additionally, the licence requirement for re-export to Sudan of certain telecommunications software has been removed.

At the same time, the Department of the Treasury made corresponding [changes to the Sudan Sanctions Regulations](#). These regulations cover aspects of telecommunications transactions with Sudan that are beyond the scope of the EAR. For example, US persons are now authorised to export certain communications-related hardware that is not subject to the EAR from third countries to Sudan. However, the leasing of satellite or terrestrial network transmission capacity to persons in Sudan remains forbidden without a specific licence.

[Back to the top](#)

US Removes Sanctions Against Al Taqwa Bank and Youssef Nada

On 26 February 2015, several individuals and entities located in Italy, Liechtenstein, the Bahamas, Switzerland, Austria and Tunisia [were removed](#) from the Specifically Designated Global Terrorists (“SDGT”) list, including Al Taqwa Bank, its former chairman Youssef Nada, and a number of affiliated entities. The individuals and entities [had been listed](#) on 7 November 2001. At the time, then-Treasury Secretary Paul O’Neill had called Al Taqwa and another organisation “[financiers of terror](#)”, alleging that Al Taqwa acted as a financial advisor to Al-Qaida. The Treasury Department gave no reason for the delistings.

[Back to the top](#)

US Targets International Steroid Distribution Network

On 24 February 2015, the Treasury Department [announced](#) that it has blocked the property of five individuals and 14 entities associated with the international steroid trafficking network led by Mihael Karner, a Slovenian national. The individuals and entities have been designated under the Kingpin Act. The newly designated individuals are Mr Karner's wife, his brother, a cousin, and two other individuals that the Treasury Department has identified as key members of the Karner organization. Mr Karner himself was designated previously. All 14 entities are owned or controlled either by Mr Karner or one of the five newly sanctioned individuals. The Treasury Department has released a [diagram](#) identifying the newly sanctioned individuals and their relationship to Mr Karner.

[Back to the top](#)

US Targets Nigeria-Based Hezbollah Support Network

On 26 February 2015, the US Treasury Department [added](#) three individuals and three entities based in Nigeria to the SDGT list for their ties to the Lebanese organisation Hezbollah. The three individuals, Mustapha Fawaz, his brother Fouzi Fawaz, and Abdallah Tahini, are alleged to be members of a Hezbollah terrorist cell in Nigeria, and Mustapha Fawaz is alleged to be a major donor to Hezbollah. The three blocked entities, Amigo Supermarket Limited, Wonderland Amusement Park and Resort Ltd, and Kafak Enterprises Limited, are Nigerian businesses that, according to the Treasury Department, are owned by the Fawaz brothers.

[Back to the top](#)

US Delists Individuals and Entities from Narcotics List

On 24 February 2015, the Treasury Department [removed](#) Salvador Alba Cerda, a Mexican national, and the St. Kitts & Nevis offices of Freight Movers International from the Kingpin Act list. Both [were listed](#) pursuant to the Kingpin Act on 31 January 2002 as part of an effort to block the assets of individuals and entities thought to be "[operating as fronts for the drug cartels](#)". The Treasury Department gave no reason for the delistings.

[Back to the top](#)

UK News

Belarus: UK Removes One Entity from the Asset Freeze Sanctions List

On 3 March 2015, HM Treasury issued a [Financial Sanctions Notice](#) by which it removed BelTechExport from the Belarus sanctions list. This reflects a [Judgment](#) by the General Court of the European Union, on 9 December 2014, annulling Belarus-related restrictive measures that applied to BelTechExport.

[Back to the top](#)

UK Renews and Amends Final Designations in respect of ETA, Hezbollah and One Other

On 2 March 2015, HM Treasury issued a [General Notice of Renewal of Final Designations](#) by which it renewed the Final Designations in force against Mohamed Al-Nasser, Mohammed Al-Yacoub and Hasan Izz-Al-Din, individuals linked to the terrorist organisation Hezbollah, under the Terrorist Asset-Freezing etc. Act 2010 (the “Act”), which took effect from 2 March 2015.

On 13 February 2015, HM Treasury also published a [General Notice of Final Designation Amendments](#) in respect of the Hezbollah Military Wing, concerning amendments made to the information held in respect of the organisation on the UK’s [consolidated list](#). The Amendments added further transliterations of Hezbollah, as well as specifically including Hezbollah’s ‘Jihad Council’ and all units reporting to it.

On 13 February 2015, HM Treasury issued a [General Notice of Renewal of Final Designation](#) by which it renewed the Final Designation in force against Euzkadi Ta Askatasuna (commonly known as ETA), the Basque separatist organisation, under the Act, which took effect from 13 February 2015. ETA is a proscribed terrorist organisation under [Council Common Position 2001/931/CFSP](#). [Council Regulation \(EC\) No 2580/2001](#), which is given effect in the UK by the Act, requires EU Member States to take certain steps to combat the funding of terrorist organisations.

[Back to the top](#)

Hamas: UK Renews Final Designations Against Four Individuals

On 23 February 2015, HM Treasury issued a [General Notice of Renewal of Final Designations](#), whereby it renewed the designation under the Act of four individuals linked with Hamas, which are subject to EU restrictive measures under its anti-terrorism restrictive measures regime. Accordingly, the asset freezes imposed against these individuals will continue in force for another year.

The four individuals are: (i) Imad Khalil Al-Alam; (ii) Usma Hamdan; (iii) Dr Musa Marzouk; and (iv) Khalid Mishaal.

[Back to the top](#)

UN News

South Sudan: UN Security Council Passes Resolution to Impose Sanctions on South Sudan

On 3 March 2015, the United Nations Security Council adopted [Resolution 2206 \(2015\)](#) to establish a South Sudan Sanctions Committee and impose sanctions against South Sudan. All Member States, for a period of one year, shall (i) take the necessary measures to prevent the entry into or transit through their territories of any individual designated by the Sanctions Committee and (ii) freeze all funds, other financial assets, and economic resources located in their territories that are owned or controlled by individuals designated by the Sanctions Committee. The Sanctions Committee, consisting of all the members of the Security Council, shall monitor the implementation of the sanctions measures and shall designate individuals who are responsible for, or have engaged in, actions or policies that threaten the peace, security, or stability of South Sudan.

[Back to the top](#)

Al-Qaida: UN Security Council Committee Adds One Individual to Sanctions List

On 19 February 2015, the UN Security Council Committee, established pursuant to UN Security Council Resolutions [1267 \(1999\)](#) and [1989 \(2011\)](#), amended the listing for one individual on the UN Al-Qaida Sanctions List, Khalifa Muhammad Turki Al-Subaiy, a Qatari national. Mr Al-Subaiy was originally listed on the UN Al-Qaida Sanctions List on the grounds that he acted as a financier and facilitator to the senior leadership of Al-Qaida.

The current UN Al-Qaida Sanctions List is available [here](#).

[UN Security Council Committee Press Release](#)

[Back to the top](#)

DRC: UN Security Council Committee Updates Sanctions List

On 5 February 2015, the UN Security Council Committee, established pursuant to [UN Security Council Resolution 1533 \(2004\)](#), updated the UN DRC Sanctions List by amending listing details in respect of 31 individuals and 9 entities. The updated UN DRC Sanctions List is available [here](#).

[UN Security Council Committee Press Release](#)

[Back to the top](#)

For further information in relation to any of the above, please email sanctions@debevoise.com or call:

Satish Kini (Partner, Washington) +1 202 383 8190
David O'Neil (Partner, Washington) +1 202 383 8040
Carl Micarelli (Counsel, New York) +1 212 909 6813
Jessica Gladstone (International Counsel, London) +44 20 7786 9166
Matthew Getz (International Counsel, London) +44 20 7786 5518
Jane Rahman (Associate, London) +44 20 7786 5463