



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 26.4.2007
COM(2007) 229 final

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 423/2007 concerning restrictive measures against Iran

(presented by the Commission)

EXPLANATORY MEMORANDUM

- (1) On 27 February 2007, the Council approved Common Position 2007/140/CFSP which makes provision for certain restrictive measures against Iran. On 19 April 2007, the Community took the necessary urgent measures by means of Council Regulation (EC) No 423/2007 concerning restrictive measures against Iran.
- (2) An amendment to Common Position 2007/140/CFSP has been approved on 23 April 2007 to take account of Resolution 1747 of the UN Security Council of 24 March 2007. In line with that Resolution, the amendment provides, *inter alia*, for the application of an embargo on the export of arms and related materiel to Iran and on the provision of related technical and financial assistance, financing, investment and brokering services, as well as a ban on the import on of arms and related materiel from Iran.
- (3) The purpose of this proposal is to align Council Regulation (EC) No 423/2007 with the amended Common Position 2007/140/CFSP. Taking longstanding practice as regards arms embargoes into account, the Community measures need not include the embargo on the export of arms and related materiel and on related brokering services.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 60 and 301 thereof,

Having regard to Common Position 2007/.../CFSP amending Common Position 2007/140/CFSP concerning restrictive measures against Iran¹,

Having regard to the proposal from the Commission,

Whereas:

- (1) Common Position 2007/140/CFSP as amended provides *inter alia* that the provision of technical and financial assistance, financing and investment related to arms and related materiel of all types to any person, entity or body in, or for use in, Iran, as well as the procurement of such goods from Iran, should be prohibited.
- (2) Those measures fall within the scope of the Treaty establishing the European Community and, therefore, notably with a view to ensuring their uniform application by economic operators in all Member States, Community legislation is necessary in order to implement them as far as the Community is concerned.
- (3) Council Regulation (EC) No 423/2007 of 19 April 2007² imposed certain restrictive measures against Iran, in line with the original Common Position 2007/140/CFSP. It is appropriate to insert the new prohibitions in that Regulation. It should therefore be amended accordingly.
- (4) In order to ensure that the measures provided for in this Regulation are effective, it should enter into force immediately,

HAS ADOPTED THIS REGULATION:

¹ OJ L ...,4.2007, p.

² OJ L...,4.2007, p.

Article 1

Regulation (EC) No 423/2007 is amended as follows:

- (a) In Article 2, the current text is numbered as paragraph 1 and the following paragraph 2 is added:

“2. Annex I shall not include goods and technology included in the Common Military List of the European Union³.”

- (b) Article 4 is replaced by the following:

“Article 4

1. It shall be prohibited to purchase, import or transport the goods and technology listed in the Common Military List of the European Union, from Iran, whether the item concerned originates in Iran or not.

2. It shall be prohibited to purchase, import or transport the goods and technology listed in Annex I, from Iran, whether the item concerned originates in Iran or not.”

- (c) In Article 5, paragraph 1 is replaced by the following:

“1. It shall be prohibited:

- (a) to provide, directly or indirectly, technical assistance related to the goods and technology listed in the Common Military List of the European Union, and to the provision, manufacture, maintenance and use of goods included in that list, to any natural or legal person, entity or body in, or for use in, Iran;
- (b) to provide, directly or indirectly, technical assistance, or brokering services related to the goods and technology listed in Annex I, and to the provision, manufacture, maintenance and use of goods listed in Annex I, to any natural or legal person, entity or body in, or for use in, Iran;
- (c) to provide investment to enterprises in Iran engaged in the manufacture of goods and technology listed in the Common Military List of the European Union or in Annex I;
- (d) to provide, directly or indirectly, financing or financial assistance related to the goods and technology listed in the Common Military List of the European Union or in Annex I, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of such items, or for any provision of related technical assistance to any natural or legal person, entity or body in, or for use in, Iran;

³ OJ L 88, 29.3.2007, p. 58.

- (e) to participate, knowingly and intentionally, in activities, the object or effect of which is to circumvent the prohibitions referred to in points (a) to (d).”

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...]

For the Council
The President
[...]