



EUROPEAN COMMISSION

HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 20.9.2011
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2011/0251 (NLE)

Joint Proposal for a

COUNCIL REGULATION

**amending Regulation (EU) No 442/2011 concerning restrictive measures in view of the
situation in Syria**

EXPLANATORY MEMORANDUM

- (1) On 9 May 2011, the Council adopted Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria.
- (2) On 2 September 2011, the Council amended Regulation (EU) No 442/2011 to extend the measures against Syria, including an expansion of the listing criteria, and a prohibition on the purchase, import or transportation of crude oil from Syria.
- (3) The Council further reached political agreement on the adoption of additional measures, namely a prohibition on investment in the crude oil sector, and additional listings.
- (4) The Council also decided to prohibit the delivery of Syrian banknotes to the Central Bank of Syria, and adjust the provisions protecting economic operators against claims related to the implementation of sanctions. Additionally the Council decided to freeze certain Syrian financial assets, while ensuring that this does not prevent legitimate transactions with Syria.
- (5) These measures fall within the scope of the Treaty on the Functioning of the European Union and, therefore, notably with a view to ensuring their uniform application by economic operators in all Member States, regulatory action at the level of the Union is necessary in order to implement them.

Joint Proposal for a

COUNCIL REGULATION

amending Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 215 thereof,

Having regard to Council Decision 2011/273/CFSP concerning restrictive measures against Syria¹,

Having regard to the joint proposal from the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission,

Whereas:

- (1) On 9 May 2011, the Council adopted Regulation (EU) No 442/2011² concerning restrictive measures in view of the situation in Syria.
- (2) By Regulation (EU) No 878/2011 of 2 September 2011³, the Council amended Regulation (EU) No 442/2011 to extend the measures against Syria, including an expansion of the listing criteria, and a prohibition on the purchase, import or transportation from Syria of crude oil.
- (3) By Council Decision 2011/.../CFSP of [] September 2011, the Council agreed on the adoption of further measures, namely a prohibition on investment in the crude oil sector, the addition of further listings, the prohibition of the delivery of Syrian banknotes and coins to the Central Bank of Syria, and the freezing of certain Syrian assets outside Syria, as well as some adjustments to the provisions protecting economic operators against claims related to the implementation of sanctions.
- (4) These measures fall within the scope of the Treaty on the Functioning of the European Union and, therefore, notably with a view to ensuring their uniform application by economic operators in all Member States, regulatory action at the level of the Union is necessary in order to implement them.
- (5) In order to ensure that the measures provided for in this Regulation are effective, this Regulation must enter into force immediately,

¹ OJ L 121, 10.5.2011, p. 11.

² OJ L 121, 10.5.2011, p. 1

³ OJ L 228, 3.9.2011, p. 1

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 442/2011 is amended as follows:

(1) In Article 1, the following point is inserted

“(j) ‘Syrian person, entity or body’ means:

- (i) the State of Syria or any public authority thereof;
- (ii) any natural or legal person in, or resident in, Syria;
- (iii) any legal person, entity or body having its registered office in Syria;
- (iv) any legal person, entity or body, inside or outside Syria, owned or controlled directly or indirectly by one or more of the above mentioned persons or bodies;”

(2) The following Article 2a is inserted:

“Article 2a

It shall be prohibited to sell, supply, transfer or export, directly or indirectly, new Syrian denominated banknotes and coinage, printed or minted in the EU, to the Central Bank of Syria.”

(3) The following Article 3c is inserted:

“Article 3c

1. The following shall be prohibited:

- (a) the granting of any financial loan or credit to any natural or legal Syrian person, entity or body referred to in paragraph (2);
- (b) the acquisition or extension of a participation in any Syrian person, entity or body referred to in paragraph (2);
- (c) the creation of any joint venture with any natural or legal Syrian person, entity or body referred to in paragraph (2);
- (d) the participation, knowingly and intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in points (a), (b) and (c).

2. The prohibitions in paragraph (1) shall apply to any natural or legal Syrian person, entity or body engaged in the exploration, production or refining of crude oil.

3. For the purposes of paragraph 2 only, the following definitions shall apply:

- (a) ‘exploration of crude oil’ includes the exploration for, prospection of and management of crude oil reserves, as well as the provision of geological services in relation to such reserves;
- (b) ‘refining of crude oil’ means the processing, conditioning or preparation of oil for the ultimately final sale of fuels.”

4. The prohibitions in paragraph 1:

- (a) shall be without prejudice to the execution of an obligation arising from contracts or agreements concluded before [.../.../...];
- (b) shall not prevent the extension of a participation, if such extension is an obligation under an agreement concluded before [.../ ... / ...].”

(4) The following Article 4a is inserted:

"Article 4a

All funds and economic resources belonging to, owned or controlled by persons, entities and bodies listed in Annex IIa and located outside Syria on [.../ ... / 2011] shall be frozen.”

(5) Article 10a is replaced by the following:

"Article 10a

No claims, including for compensation or indemnification or any other claim of this kind, such as a claim of set-off, , fines or claims under a guarantee, claims for extension or payment of a bond, financial guarantee, including claims arising from letters of credit and similar instruments in connection with any contract or transaction the performance of which was affected, directly or indirectly, in whole or in part, by the measures imposed by this Regulation, should be granted to the Government of Syria, its public bodies, corporations and agencies, or to any person or entity claiming through it or for its benefit.”

Article 2

Annex II to Regulation (EU) No 442/2011 is amended in accordance with Annex I to this Regulation

Article 3

Annex II is inserted as Annex IIa to Regulation (EU) No 442/2011.

Article 3

Annex IV to Regulation (EU) No 442/2011 is replaced by Annex III to this Regulation.

Article 4

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
[...]

ANNEX I

In Annex II to Regulation (EU) No 442/2011, the following entries are added:

"[additional names to be proposed by Council]"

ANNEX II

“ANNEX IIa

List of natural and legal persons, entities or bodies referred to in Article 4a

[names to be proposed by Council]"

ANNEX III

“ANNEX IV

List of Petroleum Products

HS Code	Description
2709 00	Petroleum oils and oils obtained from bituminous minerals, crude:
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils:
2712	Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured:
2713	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals:
2714	Bitumen and asphalt, natural; bituminous or oil-shale and tar sands; asphaltites and asphaltic rocks:
2715 00 00	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut-backs)”