

COUNCIL REGULATION (EC) No 1607/98**of 24 July 1998****concerning the prohibition of new investment in the Republic of Serbia**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 73g and 228a,

Having regard to Common Position 98/374/CFSP of 8 June 1998 defined by the Council on the basis of Article J.2 of the Treaty on European Union concerning the prohibition of new investment in Serbia⁽¹⁾,

Having regard to the proposal from the Commission,

Whereas this prohibition measure falls under the scope of the Treaty establishing the European Community;

Whereas, therefore, and notably with a view to avoiding distortion of competition, Community legislation is necessary for the implementation of this measure, as far as the territory of the Community is concerned; whereas such territory is deemed to encompass, for the purposes of this Regulation, the territories of the Member States to which the Treaty establishing the European Community is applicable, under the conditions laid down in that Treaty;

Whereas the competent authorities of the Member States should, where necessary, be empowered to ensure compliance with this Regulation;

Whereas there is a need for the Commission and the Member States to inform each other of the measures taken under this Regulation and of other relevant information at their disposal in connection with this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

1. It shall be prohibited, as from the date of entry into force of this Regulation, to transfer funds or other financial assets to:

- the State or Government of the Federal Republic of Yugoslavia and of the Republic of Serbia,
- any person in, or resident in, the Republic of Serbia,
- any body carrying out business in, incorporated or constituted under the law of the Republic of Serbia,
- any body owned or controlled by any of the governments, persons or bodies referred to in this paragraph,
- any person acting on behalf of any of the above governments, persons or bodies,

in so far as such funds or other financial assets are transferred for the purposes of establishing a lasting economic link with the Republic of Serbia, including the acquisition of real estate there.

2. For the purposes of paragraph 1, 'funds and other financial assets' shall be understood to mean cash, liquid assets, dividends, interest or other income on shares, bonds, debt obligations and any other securities, or amounts derived from an interest in, or the sale or other disposal of, or any other dealing with tangible and intangible assets, including property rights.

3. The prohibition of paragraph 1 is without prejudice to the execution of contracts concluded before the entry into force of this Regulation and without prejudice to the execution of trade contracts for the supply of goods or services on usual commercial payment conditions.

Article 2

Notwithstanding Article 1, the competent authorities of the Member States may authorise the release of the funds or other financial assets on a case-by-case basis, where those funds or other financial assets are to be used solely for projects in support of democratisation, humanitarian and educational activities and independent media.

Article 3

Each Member State shall determine the sanctions to be imposed where the provisions of this Regulation are infringed. Such sanctions must be effective, proportionate and dissuasive.

Article 4

Without prejudice to the Community rules of confidentiality, the competent authorities of the Member States shall have the power to require banks, other financial institutions and other bodies and persons to provide all relevant information necessary for ensuring compliance with this Regulation.

Article 5

The Commission and the Member States shall inform each other of the measures taken under this Regulation and supply each other with other relevant information at their disposal in connection with this Regulation, such as breaches and enforcement problems, judgments handed down by national courts or decisions of relevant international fora.

⁽¹⁾ OJ L 165, 10. 6. 1998, p. 1.

Article 6

This Regulation shall apply:

- within the territory of the Community including its airspace,
- on board any aircraft or any vessel under the jurisdiction of a Member State,
- to any person elsewhere who is a national of a Member State,

- to any body which is incorporated or constituted under the law of a Member State.

Article 7

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

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

Done at Brussels, 24 July 1998.

For the Council

The President

W. SCHÜSSEL
