Reports of Cases

JUDGMENT OF THE GENERAL COURT (First Chamber)

25 November 2014*

(Common foreign and security policy — Restrictive measures against Iran to prevent nuclear proliferation — Freezing of funds — Error of assessment — Right to effective judicial protection — Claim for damages)

In Case T-384/11,

Safa Nicu Sepahan Co., established in Ispahan (Iran), represented by A. Bahrami, lawyer,

applicant,

v

Council of the European Union, represented initially by A. Vitro and R. Liudvinaviciute-Cordeiro, and subsequently by R. Liudvinaviciute-Cordeiro and I. Gurov, acting as Agents,

defendant,

APPLICATION for (i) annulment in part of Council Implementing Regulation (EU) No 503/2011 of 23 May 2011 implementing Regulation (EU) No 961/2010 on restrictive measures against Iran (OJ 2011 L 136, p. 26) and Council Regulation (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010 (OJ 2012 L 88, p. 1), and (ii) compensation for damage,

THE GENERAL COURT (First Chamber),

composed of H. Kanninen, President, I. Pelikánová (Rapporteur) and E. Buttigieg, Judges,

Registrar: N. Rosner, Administrator,

having regard to the written procedure and further to the hearing on 4 March 2014,

gives the following

* Language of the case: English.

Judgment

Background to the dispute

1 This case has been brought in connection with the restrictive measures introduced in order to apply pressure on the Islamic Republic of Iran to end proliferation-sensitive nuclear activities and the development of nuclear weapon delivery systems ('nuclear proliferation').

2 The applicant, Safa Nicu Sepahan Co., is an Iranian limited company.

3 By Council Decision 2011/299/CFSP of 23 May 2011 amending Decision 2010/413 (OJ 2011 L 136, p. 65), the name of an entity identified as 'Safa Nicu' was entered on the list of entities involved in nuclear proliferation set out in Annex II to Council Decision 2010/413/CFSP of 26 July 2010 concerning restrictive measures against Iran and repealing Common Position 2007/140/CFSP (OJ 2010 L 195, p. 39).

4 Consequently, the name of the entity identified as 'Safa Nicu' was entered in the list in Annex VIII to Council Regulation (EU) No 961/2010 of 25 October 2010 on restrictive measures against Iran and repealing Regulation (EC) No 423/2007 (OJ 2010 L 281, p. 1), by Council Implementing Regulation (EU) No 503/2011 of 23 May 2011 implementing Regulation (EU) No 961/2010 on restrictive measures against Iran (OJ 2011 L 136, p. 26).

5 In the statement of reasons in Decision 2011/299 and Implementing Regulation No 503/2011, the entity identified as 'Safa Nicu' was described as a '[c]ommunications firm that supplied equipment for the Fordow (Qom) facility built without being declared to the IAEA'.

6 Having been alerted to this by one of its business partners, the applicant, by a letter dated 7 June 2011, requested the Council of the European Union to amend Annex VIII to Regulation No 961/2010, either by correcting and amending the listing of the entity identified as 'Safa Nicu', or by removing it. In this regard, it submitted that either the said listing designated an entity other than itself, or that the Council had made an error in including its name in Annex VIII to Regulation No 961/2010.

7 Having received no reply to its letter of 7 June 2011, the applicant contacted the Council by telephone and then sent it a further communication on 23 June 2011.

8 The listing of the entity identified as 'Safa Nicu' in Annex II to Decision 2010/413 and in Annex VIII to Regulation No 961/2010 was retained by Council Decision 2011/783/CFSP of 1 December 2011 amending Decision 2010/413 (OJ 2011 L 319, p.71) and by Council Implementing Regulation (EU) No 1245/2011 of 1 December 2011 implementing Regulation (EU) No 961/2010 (OJ 2011 L 319, p. 11).

9 In Decision 2011/783 and in Implementing Regulation No 1245/2011, the reference to 'Safa Nicu' was replaced by the following: 'Safa Nicu a.k.a. "Safa Nicu Sepahan", "Safanco Company", "Safa Nicu Afghanistan Company", "Safa Al-Noor Company" and "Safa Nicu Ltd Company"'. Likewise, five addresses in Iran, United Arab Emirates and Afghanistan were given as identifying information for the entity concerned.

10 By letter of 5 December 2011 the Council informed the applicant that its name would continue to be listed in Annex II to Decision 2010/413 and in Annex VIII to Regulation No 961/2010. It stated that the observations submitted by the applicant on 7 June 2011 did not justify the lifting of the restrictive measures. It explained that the listing of the entity identified as 'Safa Nicu' did indeed refer to the applicant, notwithstanding the incomplete details of its name. It also informed the applicant of the amendments mentioned in paragraph 9 above.

11 Following the repeal of Regulation No 961/2010 by Council Regulation (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran (OJ 2012 L 88, p. 1), the applicant's name was included by the Council in Annex IX to the latter regulation. The statement of reasons relating to the applicant is identical to that in Implementing Regulation No 1245/2011.

12 By letter of 11 December 2012, the Council informed the applicant that its name would continue to be listed in Annex II to Decision 2010/413 and in Annex IX to Regulation No 267/2012. In an annex to the letter, the Council communicated Regulation No 267/2012 to the applicant.

13 By Council Decision 2014/222/CFSP of 16 April 2014 amending Decision 2010/413 (OJ 2014 L 119, p. 65), the applicant's name was removed from the list in Annex II to Decision 2010/413. By Council Implementing Regulation (EU) No 397/2014 of 16 April 2014 implementing Regulation No 267/2012 (OJ 2014 L 119, p. 1), the applicant's name was therefore removed from the list in Annex IX to Regulation No 267/2012.

Procedure and forms of order sought

14 The applicant brought the present action by application lodged at the Court Registry on 22 July 2011.

15 By document lodged at the Court Registry on 31 January 2013, the applicant adapted its heads of claim following the adoption of Regulation No 267/2012.

16 Following changes to the composition of the Chambers of the General Court, the Judge-Rapporteur was assigned to the First Chamber, to which the present case has therefore been allocated.

17 In the context of measures of organisation of procedure, as provided for in Article 64 of the Rules of Procedure of the General Court, the parties were requested, by letter of 16 January 2014, to reply in writing to certain questions. The parties replied on 31 January 2014.

18 On 4 February 2014 each party was invited to submit its observations on the other party's replies to the questions raised on 16 January 2014. The parties submitted their observations on 20 February 2014. The applicant's observations annexed additional documents to establish the damage that it claimed it had sustained.

19 The parties presented oral argument and replied to the written and oral questions of the Court at the hearing on 4 March 2014.

20 Further to the partial discontinuance effected in the reply and in the applicant's response of 31 January 2014 to the Court's questions and to the adaptation of the heads of claim following the adoption of Regulation No 267/2012, the applicant claims that the Court should:

— annul point 19 of Part I.B of Annex I to Implementing Regulation No 503/2011 and point 61 of Part I.B of Annex IX to Regulation No 267/2012 in so far as they concern the applicant and its affiliated companies;

— order the Council to pay the applicant compensation of EUR 7 662 737.40, together with interest at the rate of 5% per annum from 1 January 2013;

— order the Council to pay the costs.

21 The Council contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

1. *The application for annulment of the entry including the applicant's name on the lists concerned*

22 In its pleadings the applicant has put forward three pleas in law in support of the application for annulment alleging (i) infringement of the obligation to state reasons, (ii) an error of assessment and an 'abuse of power' and (iii) infringement of its rights of defence and of its right to effective judicial protection.

23 It should, however, be noted that, in the context of the first plea, the applicant confined itself to arguing that the contested acts did not contain sufficiently precise information to support the conclusion that it was in fact designated by the listing of the entity identified as 'Safa Nicu'.

24 As is apparent from the reply which the applicant submitted on 31 January 2014 to the Court's questions, in the light of the explanations provided by the Council in its pleadings and then in its letter of 5 December 2011 and following the amendment made by Implementing Regulation No 1245/2011, the applicant no longer denies that it is covered by the listing in question.

25 In those circumstances, there is no need to consider the first plea.

26 By the second plea the applicant maintains that the Council committed an error of assessment and an 'abuse of power' in adopting restrictive measures against it.

27 First, the applicant states that it is not a communications firm and that it was not involved in the supply of equipment to the Fordow (Qom) facility. It adds in that regard that the Council has not adduced any evidence concerning the equipment which the applicant allegedly supplied to that facility.

28 Second, the applicant submits that according to the information that it obtained informally, it was included on the list of entities subject to restrictive measures on the basis of false information supplied by a European competitor in order to prevent it from participating in major tenders.

29 The Council responds that the ground that the applicant supplied equipment for the Fordow (Qom) facility is valid. It submits that the allegation that the inclusion of the applicant's name in the lists concerned was based on false information supplied by a European competitor is incorrect and has not been substantiated.

30 As regards, in the first place, the complaint concerning an 'abuse of power', it must be noted that a measure is vitiated by misuse of powers only if it appears on the basis of objective, relevant and consistent evidence to have been taken with the exclusive or main purpose of achieving an end other than that stated or of evading a procedure specifically prescribed by the Treaty for dealing with the circumstances of the case (see judgment of 14 October 2009 in *Bank Melli Iran* v *Council*, T-390/08, ECR, EU:T:2009:401, paragraph 50 and the case-law cited).

31 In the present case, the applicant does not substantiate in any way its allegation that its name was included on the list of entities subject to restrictive measures on the basis of false information supplied by a European competitor and does not provide any evidence or argument in support of that allegation or even state what purpose the Council might actually be pursuing, other than that of preventing nuclear proliferation and the financing thereof, in adopting the contested acts. The complaint concerning an 'abuse of power' does not fulfil the requirements of Article 44(1)(c) of the

Rules of Procedure of the General Court, inasmuch as it is not sufficiently clear and precise to enable the Council to prepare its defence and the Court to give judgment on the application for annulment, without the need for further information. It must therefore be declared inadmissible.

32 As regards, in the second place, the complaint concerning an error of assessment, the Court of Justice has observed in the course of reviewing restrictive measures that the Courts of the European Union (the 'Courts of the Union') have, in accordance with the powers conferred on them by the FEU Treaty, to ensure the review, in principle the full review, of the lawfulness of all European Union acts in the light of the fundamental rights forming an integral part of the European Union legal order (see judgment of 28 November 2013 in *Council* v *Fulmen and Mahmoudian*, C-280/12 P, ECR, EU:C:2013:775, paragraph 58 and the case-law cited).

33 Those fundamental rights include, inter alia, the right to effective judicial protection (see judgment in *Council* v *Fulmen and Mahmoudian*, EU:C:2013:775, paragraph 59 and the case-law cited).

34 The effectiveness of the judicial review guaranteed by Article 47 of the Charter of Fundamental Rights of the European Union requires inter alia that the Courts of the Union ensure that the act in question, which affects the person or entity concerned individually, is adopted on a sufficiently solid factual basis. That entails a verification of the facts alleged in the summary of reasons underpinning that decision, with the consequence that judicial review cannot be restricted to an assessment of the cogency, in the abstract, of the reasons relied on, but must concern whether those reasons, or, at the least, one of those reasons, deemed sufficient in itself to support that decision, is substantiated (see, to that effect, judgment in *Council* v *Fulmen and Mahmoudian*, EU:C:2013:775, paragraph 64 and the case-law cited).

35 To that end, it is for the Courts of the Union, in order to carry out that examination, to request the competent European Union authority, when necessary, to produce information or evidence, confidential or not, relevant to such an examination (see judgment in *Council* v *Fulmen and Mahmoudian*, EU:C:2013:775, paragraph 65 and the case-law cited).

36 That is because it is the task of the competent European Union authority to establish, in the event of challenge, that the reasons relied on against the person concerned are well founded, and not the task of that person to adduce evidence of the negative, that those reasons are not well founded (see judgment in *Council* v *Fulmen and Mahmoudian*, EU:C:2013:775, paragraph 66 and the case-law cited).

37 In the present case, in response to a question from the Court, the Council stated that the only information available to it concerning the adoption and maintenance of the restrictive measures against the applicant was a listing proposal presented by a Member State. It stated that the information in that proposal had been reproduced in the statement of reasons in the measures at issue.

38 In those circumstances, it must be concluded that, although the applicant has disputed before the Court that it is a communications firm which supplied equipment for the Fordow (Qom) facility, the Council has failed to substantiate that allegation, which is the only reason relied on as against the applicant.

39 The second plea must therefore be upheld.

40 Consequently, the listing of the applicant's name in point 19 of Part I.B of Annex I to Implementing Regulation No 503/2011 and that in point 61 of Part I.B of Annex IX to Regulation No 267/2012 should be annulled, and there is no need to consider the third plea.

2. *The application for annulment of the entry including the names of the applicant's 'affiliated companies' on the lists concerned*

41 The applicant submits that the statement of reasons in the entry of the entity identified as 'Safa Nicu' on the lists concerned, as amended by Implementing Regulation No 1245/2011 then reenacted in Regulation No 267/2012, covers, as well as itself, a number of its 'affiliated companies'. Consequently, the applicant has sought, in the reply, annulment of the entry including the names of those companies on the lists concerned.

42 The Council has explained that the amendments to the identifying information designating the applicant, which were made by Implementing Regulation No 1245/2011, did not have the effect of including the applicant's 'affiliated companies' among the entities affected by the restrictive measures. In fact, amending that information simply added several aliases and addresses used by the applicant, which the Council submits remains the only entity designated.

43 In that regard, although the wording of the listing of the entity identified as 'Safa Nicu' introduced by Implementing Regulation No 1245/2011, then repeated in Annex IX to Regulation No 267/2012, was capable of giving rise to a degree of uncertainty on the applicant's part, it none the less bears out the explanation provided by the Council. In fact, in the two acts mentioned above, the names other than 'Safa Nicu' are included in order to show that the applicant had different denominations but not to designate persons distinct from the applicant. Similarly, the statement of reasons is formulated in the singular, which implies, prima facie, that it refers to only a single entity.

44 Accordingly, taking account of the explanations provided by the Council, the Court concludes that the listing of the entity identified as 'Safa Nicu' is targeted only at the applicant, and, as a result, the application for annulment of the listing of the names of its 'affiliated companies' must be dismissed as inadmissible.

3. *The claim for damages*

45 The applicant asserts that the adoption of the restrictive measures against it has caused it both non-material and material damage, in respect of which it claims compensation.

46 The Council contests the merits of the applicant's arguments.

47 In accordance with settled case-law, in order for the European Union to incur non-contractual liability under the second paragraph of Article 340 TFEU for unlawful conduct of its institutions, a number of conditions must be satisfied: the institution's conduct must be unlawful, actual damage must have been suffered and there must be a causal link between the conduct complained of and the damage pleaded (see judgment of 9 September 2008 in *FIAMM and Others* v *Council and Commission*, C-120/06 P and C-121/06 P, ECR, EU:C:2008:476, paragraph 106 and the case-law cited; judgment of 11 July 2007 in *Schneider Electric* v *Commission*, T-351/03, ECR, EU:T:2007:212, paragraph 113).

48 The cumulative nature of those three conditions governing the establishment of non-contractual liability means that, if one of them is not satisfied, the action for damages must be dismissed in its entirety, and there is no need to examine the other conditions (judgment of 8 May 2003 in *T. Port* v *Commission*, C-122/01 P, ECR, EU:C:2003:259, paragraph 30 ; judgment in *Schneider Electric* v *Commission*, EU:T:2007:212, paragraph 120).

The unlawful conduct complained of against the Council

49 It is apparent from paragraphs 26 to 40 above that the contested acts are unlawful inasmuch as the Council did not prove that the applicant fulfilled at least one of the conditions laid down by Regulation No 961/10 and Regulation No 267/2012 for the adoption of restrictive measures.

50 However, according to settled case-law, a finding of the unlawfulness of a legal measure is not enough, however regrettable that unlawfulness may be, for it to be held that the condition for the incurring of the European Union's non-contractual liability relating to the unlawfulness of the institutions' alleged conduct has been satisfied. In order to satisfy the condition for the European Union to incur non-contractual liability for the unlawfulness of the conduct of the institutions that is objected to, the case-law requires a sufficiently serious breach of a rule of law intended to confer rights on individuals to be established (see, to that effect, judgment of 23 November 2011 in *Sison* v *Council*, T-341/07, ECR, EU:T:2011:687, paragraphs 31 and 33 and the case-law cited).

51 This requirement is intended, whatever the nature of the unlawful act at issue, to avoid the risk of having to bear the losses claimed by the persons concerned obstructing the ability of the institution concerned to exercise to the full its powers in the general interest, whether that be in its legislative activity or in that involving choices of economic policy or in the sphere of its administrative competence, without however thereby leaving individuals to bear the consequences of flagrant and inexcusable misconduct (see judgment in *Sison* v *Council*, EU:T:2011:687, paragraph 34 and the case-law cited).

52 The decisive test for a finding that this requirement has been satisfied is whether the institution concerned has manifestly and gravely disregarded the limits of its discretion. The determining factor in deciding whether there has been such an infringement is therefore the discretion available to the institution concerned. It thus follows from the criteria of the case-law that, if the institution in question has only considerably reduced, or even no, discretion, the mere infringement of EU law may be sufficient to establish the existence of a sufficiently serious breach (see judgment in *Sison* v *Council*, EU:T:2011:687, paragraph 35 and the case-law cited).

53 However, that case-law does not establish any automatic link between, on the one hand, the fact that the institution concerned has no discretion and, on the other, the classification of the infringement as a sufficiently serious breach of EU law. The extent of the discretion enjoyed by the institution concerned, although determinative, is not the only yardstick. On this point, the Court of Justice has many times recalled that the system of rules it developed with regard to the second paragraph of Article 288 EC (now the second paragraph of Article 340 TFEU) also takes into account, in particular, the complexity of the situations to be regulated and the difficulties in applying or interpreting the legislation (see judgment in *Sison* v *Council*, EU:T:2011:687, paragraphs 36 and 37 and the case-law cited).

54 It follows that only the finding of an irregularity that an administrative authority, exercising ordinary care and diligence, would not have committed in similar circumstances, can render the European Union liable (see judgment in *Sison* v *Council*, EU:T:2011:687, paragraph 39 and the case-law cited).

55 It is, consequently, for the EU judicature, once it has first determined whether the institution concerned enjoyed any discretion, next to take into consideration the complexity of the situations to be regulated, any difficulties in applying or interpreting the legislation, the clarity and precision of the rule infringed, and whether the error made was inexcusable or intentional. On any view, an infringement of EU law is sufficiently serious if it has persisted despite a judgment finding the infringement in question to be established, or a preliminary ruling or settled case-law of the Court on the matter from which it is clear that the conduct in question constituted an infringement (see judgment in *Sison* v *Council*, EU:T:2011:687, paragraph 40 and the case-law cited).

56 In the present case, first, the imposition of the restrictive measures resulting from the adoption of the contested acts infringes the relevant provisions of Regulation No 961/10 and Regulation No 267/2012.

57 Although those acts are intended essentially to permit the Council to impose certain restrictions on individuals' rights in order to prevent nuclear proliferation and the financing thereof, the provisions which set forth exhaustively the conditions in which restrictions such as those at issue in the present case are permitted are, *a contrario*, intended essentially to protect the interests of the individuals concerned, by limiting the cases of application, and the extent or degree of the restrictive measures that may lawfully be imposed on those individuals (see, by analogy, the judgment in *Sison* v *Council*, EU:T:2011:687, paragraph 51 and the case-law cited).

58 Such provisions thus ensure that the individual interests of the persons and entities liable to be concerned are protected and are, therefore, to be considered to be rules of law intended to confer rights on individuals. If the substantive conditions in question are not satisfied, the person or the entity concerned is entitled not to have the measures in question imposed on it. Such a right necessarily implies that the person or the entity on which restrictive measures are imposed in circumstances not provided for by the provisions in question may seek compensation for the harmful consequences of those measures, if it should prove that their imposition was founded on a sufficiently serious breach of the substantive rules applied by the Council (see, by analogy, the judgment in *Sison* v *Council*, EU:T:2011:687, paragraph 52 and the case-law cited)

59 Secondly, as regards the question as to whether the Council enjoyed any discretion, it is apparent from paragraphs 32 to 40 above that the unlawfulness of the contested acts arises from the fact that the Council does not have any information or evidence which substantiates the restrictive measures concerning the applicant to the requisite legal standard and that the Council is consequently unable to produce such information or evidence before the Court.

60 As is clear from the case-law cited in paragraphs 32 to 36 above, the Council's obligation to substantiate the restrictive measures adopted arises from the requirement to observe the fundamental rights of the persons and entities concerned, and in particular their right to effective judicial protection, which implies that the Council does not enjoy any discretion in this regard.

61 Thus, in the present case, the Council is alleged to have committed an infringement of an obligation in respect of which it does not enjoy any discretion.

62 Thirdly, it must be stated that the rule requiring the Council to substantiate the restrictive measures adopted does not relate to a particularly complex situation and that it is clear and precise and, accordingly, does not give rise to any difficulties as regards its application or interpretation.

63 It should also be noted that the rule in question derives from case-law established before the adoption of the first of the contested acts, which took place on 23 May 2011.

64 Thus, as regards restrictive measures concerning Iran, it is apparent from paragraph 37 of the judgment in *Bank Melli Iran* v *Council*, EU:T:2009:401, that the judicial review of the lawfulness of an act imposing restrictive measures extends to the assessment of the facts and circumstances relied on as justifying it, and to the evidence and information on which that assessment is based. In paragraph 107 of that judgment, the Court concluded on the basis of that finding that the Council was under an obligation to produce, in the event of a challenge, the evidence and information on which its assessment was based for them to be reviewed by the EU judicature.

65 The same rule has been affirmed by the decisions given in the related sphere of restrictive measures in respect of alleged terrorist activities. Thus, in paragraph 154 of the judgment of 12 December 2006 in *Organisation des Modjahedines du peuple d'Iran* v *Council* (T-228/02, ECR, EU:T:2006:384), the Court

held, inter alia, that the judicial review of the lawfulness of the decision imposing restrictive measures extended to the assessment of the facts and circumstances relied on as justifying it, and to the evidence and information on which that assessment was based.

66 In a similar way, according to paragraph 138 of the judgment of 23 October 2008 in *People's Mojahedin Organization of Iran* v *Council* (T-256/07, ECR, EU:T:2008:461), the EU judicature must not only establish whether the evidence relied on is factually accurate, reliable and consistent, but must also ascertain whether that evidence contains all the relevant information to be taken into account in order to assess the situation and whether it is capable of substantiating the conclusions drawn from it.

67 Lastly, in paragraphs 54 and 55 of the judgment of 4 December 2008, *People's Mojahedin Organization of Iran* v *Council* (T-284/08, ECR, EU:T:2008:550), the Court reiterated the rule referred to in paragraph 66 above. In paragraphs 56 to 79 of that judgment the Court found that the elements put forward by the Council did not permit it to verify that the contested decision was well founded and concluded that the pleas alleging a failure to discharge the burden of proof and infringement of the right to effective judicial protection were well founded.

68 In view of all the foregoing, the Court considers that an administrative authority, exercising ordinary care and diligence, would, in the circumstances of the present case, have realised, at the time the first of the contested acts was adopted, that the onus was upon it to gather the information or evidence substantiating the restrictive measures concerning the applicant in order to be able to establish, in the event of a challenge, that those measures were well founded by producing that information or evidence before the EU judicature.

69 Since it did not act in that way, the Council has incurred liability for a sufficiently serious breach of a rule of law intended to confer rights on individuals within the meaning of the case-law cited in paragraph 50 above.

Actual damage and a causal link

70 So far as the requirement for actual damage is concerned, it has been held that the European Union can incur liability only if an applicant has actually suffered 'real and certain' loss (judgments of the Court of Justice of 27 January 1982 in *Birra Wührer and Others* v *Council and Commission*, 256/80, 257/80, 265/80, 267/80 and 5/81, ECR, EU:C:1984:341, paragraph 9, and *De Franceschi* v *Council and Commission*, 51/81, EU:C:1982:20, paragraph 9; judgment of 16 January 1996 in *Candiotte* v *Council*, T-108/94, ECR, EU:T:1996:5, paragraph 54). It is for the applicant to produce to the Courts of the Union the evidence to establish the fact and the extent of such loss (judgments of 21 May 1976 in *Roquette Frères* v *Commission*, 26/74, ECR, EU:C:1976:69, paragraphs 22 to 24, and of 9 January 1996 in *Koelman* v *Commission*, T-575/93, ECR, EU:T:1996:1, paragraph 97).

71 As regards the condition that there be a causal link between the conduct complained of and the damage pleaded, the alleged damage must be a sufficiently direct consequence of the conduct complained of, which must be the determining cause of the harm, although there is no obligation to make good every harmful consequence, even a remote one, of an unlawful situation (see judgments of 4 October 1979 in *Dumortier and Others* v *Council*, 64/76, 113/76, 167/78, 239/78, 27/79, 28/79 and 45/79, ECR, EU:C:1979:223, paragraph 21, and of 10 May 2006 in *Galileo International Technology and Others* v *Commission* T-279/03, ECR, EU:T:2006:121, paragraph 130 and the case-law cited). It is for the applicant to adduce evidence of a causal link between the conduct complained of and the damage pleaded (see judgment of 30 September 1998 in *Coldiretti and Others* v *Council and Commission*, T-149/96, ECR, EU:T:1998:228, paragraph 101 and the case-law cited).

72 In the present case the applicant seeks compensation for both non-material and material damage arising (i) from the closure of some of its bank accounts and the suspension of its payments in euros by European banks, (ii) from the discontinuance of commercial relations by its European suppliers and (iii) from the fact that it was impossible to perform, either in full or in part, four contracts entered into with its customers. The applicant also requests that interest be paid on the compensation at the rate of 5% per annum from 1 January 2013.

73 The Council disputes the merits of the applicant's arguments and contends that some of the evidence that it has adduced is inadmissible.

74 Having regard to the way the parties' arguments are structured, the Court will review together, in relation to the various heads of damage pleaded, the conditions relating to the fact that actual damage must have been suffered and to the existence of a causal link.

75 It must also be noted, first, that, according to the explanations provided in the applicant's response of 31 January 2014 to the Court's questions, the claim for compensation for the non-material damage that the applicant maintains it has sustained also relates to the impact of the adoption of the restrictive measures against it on its relations with its suppliers and customers. To that extent, that claim overlaps with the claim for compensation for material damage.

76 Second, of the four contracts mentioned in paragraph 72 above, the contract for the refurbishment of the Derbendikhan electrical substation (Iraq) could allegedly not be performed because a payment was blocked by an intermediate European bank, whilst the three other contracts, so it is maintained, were affected because the applicant's European suppliers severed business relations with it.

77 Accordingly, it is necessary, with a view to clearly delimiting the extent of the applicant's various claims, to examine, in the first place, the non-material damage which the applicant claims it has suffered, leaving aside the material impact of the restrictive measures on its relations with its suppliers and customers. In the second place, the Court will consider the material damage allegedly sustained as a result of the closure of some of the applicant's bank accounts and the suspension of its payments in euros by European banks, including in this regard the damage allegedly linked to the contract for the refurbishment of the Derbendikhan electrical substation. In the third place, it is necessary to assess the material damage which the applicant claims it sustained as a result of its European suppliers severing their business relations with it, including in this regard the three other contracts referred to in paragraph 72 above. Fourth and finally, the Court will consider the claim for interest.

Non-material damage

78 The applicant submits that the adoption and maintenance of the restrictive measures concerning it have caused damage to its 'personality rights' and in particular to its reputation. In its response of 31 January 2014 to the Court's questions, it assessed the amount of that damage at EUR 1 500 000 and then, in its observations of 20 February 2014, at EUR 2 000 000.

79 The Council contests the merits of the applicant's arguments. It argues that it follows from the judgment of 19 July 2011 of the European Court of Human Rights in *Uj v. Hungary*, no. 23954/10 that the applicant enjoys only a limited degree of protection of its reputation. In any event, the injury to the applicant's reputation, if proven, would be the consequence of the publication of the restrictive measures rather than of the measures themselves. As it is, publication of those measures is a legal obligation for the Council and thus cannot be interpreted as creating damage.

80 In that regard, the Court observes that when an entity is the subject of restrictive measures because of the support it is has allegedly given to nuclear proliferation, it is publicly associated with conduct which is considered a serious threat to international peace and security, as a result of which it becomes an object of opprobrium and suspicion (which thus affects its reputation) and is therefore caused non-material damage.

81 In that context, the Council has erred in relying on the judgment in *Uj v. Hungary*, cited in paragraph 79 above, which concerned the publication of a journalist's opinion on the quality of a company's products.

82 First, the opprobrium and suspicion provoked by restrictive measures such as those at issue in the present case do not relate to the economic and commercial capacity of the entity concerned but to its willingness to be involved in activities regarded as reprehensible by the international community. Thus, the effect on the entity concerned goes beyond the sphere of its current commercial interests.

83 Second, the injury to the reputation of the entity concerned is all the more serious since it is caused not by the expression of a personal opinion, but by an official statement of the position of an EU institution, which is published in the *Official Journal of the European Union* and entails binding legal consequences.

84 Furthermore, the publication in the Official Journal of the restrictive measures concerning the applicant is an integral part of the process for their adoption, given in particular that their entry into force with regard to third parties is dependent upon it. In those circumstances, contrary to the Council's contention, publication of those measures in the Official Journal is not capable of breaking the causal link between the adoption and maintenance of the restrictive measures in question and the injury to the applicant's reputation.

85 In view of the foregoing, the unlawful adoption and maintenance of the restrictive measures concerning the applicant caused it non-material damage, distinct from any material loss resulting from an impact on its commercial relations. Consequently, it must be recognised as having a right to receive compensation for that damage.

86 As regards the amount of the compensation to be awarded, it should be observed, as a preliminary point, that annulment of the contested acts is capable of constituting a form of reparation for the non-material damage which the applicant has suffered, and this judgment has found that the association of the applicant with nuclear proliferation was unjustified and, consequently, unlawful (see, to that effect, judgment of 28 May 2013 in *Abdulrahim* v *Council and Commission*, C-239/12 P, ECR, EU:C:2013:331, paragraph 72).

87 However, in the circumstances of the present case, the annulment of the applicant's listing is such as to limit the amount of compensation awarded but cannot represent full reparation for the damage suffered.

88 It is apparent from the documents before the Court that the allegation that the applicant was involved in nuclear proliferation affected the way in which third parties, located for the most part outside the European Union, behaved towards it. Those effects, which lasted for almost three years and are the cause of the non-material damage suffered by the applicant, cannot be wholly offset by a subsequent finding that the contested acts are unlawful, given that the adoption of restrictive measures against an entity tends to attract more attention and provoke a greater reaction, in particular outside the European Union, than does their subsequent annulment.

89 It must also be observed, first, that the allegation levelled by the Council at the applicant is particularly serious inasmuch as it associates it with Iranian nuclear proliferation, in other words, an activity representing, in the Council's view, a threat to international peace and security.

90 Next, as is clear from paragraphs 32 to 38 above, the allegation which the Council levels at the applicant has not been substantiated by any relevant information or evidence.

91 Finally, although the listing of the applicant's name, which was published in the Official Journal, could have been withdrawn by the Council at any time, it was maintained for almost three years despite the applicant's objections. In that regard, the file does not contain anything which suggests that the Council, either on its own initiative or in response to the applicant's objections, checked whether that allegation was well founded in order to limit the harmful consequences which it would entail for the applicant.

92 Accordingly, evaluating the non-material harm suffered by the applicant *ex æquo et bono*, the Court considers that an award of EUR 50 000 would constitute appropriate compensation.

Material damage related to the closure of some of the applicant's bank accounts and the suspension of its payments in euros by European banks

93 In the first place, the applicant maintains that, because of the adoption of restrictive measures in its regard, the Emirate National Bank of Dubai closed all its accounts, through which most of the payments made in relation to its international projects were conducted. Similarly, the European banks blocked the transit of all payments in euros to the order or benefit of the applicant. This resulted in damage to the applicant of tens of millions of euros.

94 In the second place, the applicant submits, more specifically, that, since a payment from the World Bank could not be completed, the applicant was not able to perform a contract for the refurbishment of the Derbendikhan electrical substation. It has thus sustained loss of at least 30% of the contract price, that is, EUR 1 508 526.60, representing the preparatory work undertaken (10% of the contract price) and the profit margin (20% of the contract price).

95 As regards the first head of claim, the applicant has submitted, in Annex A.20 to the reply, a letter from the Emirate National Bank of Dubai informing it of the closure of its accounts.

96 Although that letter does not expressly mention the restrictive measures concerning the applicant, the reference to 'internal controls and policies' and the 'restructure of … certain accounts' suggests, in the absence of any other plausible explanation, that the closure of the accounts is a consequence of the adoption of the measures, which had taken place a short time before. In that context, it should be observed that the continued provision by the Emirate National Bank of Dubai of financial services to the applicant following the adoption of restrictive measures against the latter could, in some circumstances, be grounds for adopting the same restrictive measures in its regard.

97 However, the court notes first, that it is clear from the letter from the Emirate National Bank of Dubai that the latter did not freeze the funds in the accounts in question, but returned them to the applicant.

98 Second, the applicant does not put forward any material showing that it was not able to obtain the financial services previously provided by the Emirate National Bank of Dubai from another bank and to redirect its incoming and outgoing payments.

99 Third, apart from the case of the project for the refurbishment of the Derbendikhan electrical substation, considered in paragraphs 102 to 107 below, the applicant has not put forward any specific matters to show that the closure of its accounts or the suspension of its payments affected its relations with its business partners or with other persons or entities, thus causing it damage.

100 Fourth, the applicant has not produced any material substantiating the amount of the damage it has allegedly sustained.

101 Accordingly, the Court rejects as unfounded the first head of claim, which concerns the closure of the applicant's accounts by the Emirate National Bank of Dubai and the suspension of payments by European banks in general.

102 As regards the applicant's second head of claim, it is apparent from the letters produced as Annexes A.26 to A.29 to the reply, that the contract concerning the refurbishment of the Derbendikhan electrical substation, which was entered into between the applicant and the authorities of Iraqi Kurdistan, was terminated by those authorities because the applicant was not able to obtain a payment made by the World Bank, as it was blocked by a European intermediate bank.

103 However, neither the letters included in the annexes to the reply nor the other evidence, expressly show that the blockage in question was the result of the adoption of the restrictive measures in the applicant's regard.

104 Moreover, even if a causal link is established with sufficient certainty by the applicant, which argues in this regard that the payment in question was blocked shortly after the restrictive measures were adopted against it and that it was blocked by a European bank, the Court observes that the fact and extent of the damage pleaded by the applicant have not been established.

105 The applicant claims compensation in the order of 10% of the contract price in respect of preparatory work carried out and 20% of the contract price in respect of the 'minimum customary profit margin' in the industry concerned.

106 However, the applicant's claims are not supported by any evidence. Thus, the applicant has not produced either its pre-contractual offer for the project in question, which could establish the actual profit margin anticipated, or any precise information concerning its own general profitability ratio or that of the industry in which it operates. Nor has it produced before the Court statements of the costs incurred in the context of the project for the refurbishment of the Derbendikhan electrical substation or any other information that might establish the fact and amount of those costs.

107 Accordingly, the applicant's head of claim concerning the project for the refurbishment of the Derbendikhan electrical substation must be rejected as unfounded.

Material damage related to the discontinuance by the applicant's European suppliers of business relations with it

108 The applicant submits that both Siemens AG and the other European suppliers severed their business relations with it. It maintains that Siemens was its principal partner for the supply of the major part of the machinery and components it included in its bids, with the result that all current and future projects are blocked.

109 So far as the existence of a causal link is concerned, the termination of business relations by entities located in the European Union is an inevitable consequence of the adoption of restrictive measures. That consequence is confirmed in the present case by the letter from Siemens produced in Annex A.21 to the reply, from which it is clear that the termination of the business relationship between Siemens and the applicant is the direct result of the adoption of the restrictive measures concerning the applicant.

110 As to the existence of damage, it is true that the termination of relations with major suppliers disrupts a company's business. However, a refusal to supply products does not, in itself, constitute damage. Damage arises solely where the refusal has an impact on the financial results of the company concerned. That is the case, in particular, where the company is obliged to purchase the same products on less favourable terms from other suppliers or where the refusal to deliver causes delay in

the performance of contracts concluded with customers, thus exposing the company to financial penalties. Similarly, where an alternative supplier cannot be found, existing contracts may be terminated and the company in question may be prevented from taking part in ongoing calls for tenders.

111 In the present case, the applicant relies on three specific contracts which it claims were affected by its European suppliers severing business relations with it. It also puts forward other matters which purportedly show that it suffered damage on this account.

– The contract with the Mobarakeh Steel Company

112 The applicant maintains that, because of Siemen's refusal to ship certain equipment, it was unable to fulfil its contractual obligations to the Mobarakeh Steel Company, which terminated the contract in question and excluded the applicant from its future projects. The applicant has thus, so it maintains, suffered loss of at least EUR 2 000 000.

113 In that regard, it is clear from the letter from the Mobarakeh Steel Company produced in Annex A.24 to the reply that that company did in fact terminate the contract concluded with the applicant for the installation of electrical equipment, reserved its right to draw upon the bank guarantees provided by the applicant and excluded the applicant from future projects.

114 However, according to the first paragraph of the letter in question, the delivery time provided for by the contract was 15 months from 15 August 2009 and, accordingly, the final date for delivery was 15 November 2010. Consequently, if the applicant had complied with the contractual obligations to which it had agreed, the first restrictive measures concerning it, which were adopted on 23 May 2011, that is to say, more than six months after the final date for delivery, would have had no impact on the performance of the contract concluded with the Mobarakeh Steel Company.

115 That conclusion is borne out by the fifth paragraph of the letter in question, in which the Mobarakeh Steel Company specifically identifies the applicant's delay as one of the two reasons for terminating the contract in issue.

116 Thus, it must be concluded that the adoption of the restrictive measures concerning the applicant was not the determining and direct cause of the termination of the contract with the Mobarakeh Steel Company; consequently the applicant has not established a causal link between the conduct complained of and the damage pleaded.

117 Accordingly, the head of claim concerning the contract concluded with the Mobarakeh Steel Company must be rejected as unfounded.

– The contract for the modernisation of the electrical equipment at the Euphrates Dam in Syria

118 The applicant maintains that, because its European suppliers severed all business relations with it, it was not in a position to supply the bulk of the equipment, accessories and materials necessary for the modernisation of the electrical equipment at the Euphrates Dam in Syria. It asserts that it has, as a consequence, suffered loss amounting to at least 30% of the value of the portion of the contract concerned which had to be sub-contracted, that is, EUR 1 425 000 in respect of preparatory work undertaken and profit margin.

119 It can be seen from the letters from the Syrian Ministry of Irrigation to the applicant, which are produced in Annexes A.31 and A.32 to the reply, that the start and the schedule of the works in question were deferred and that the applicant was authorised to use 'secondary contractors'.

120 However, in the first place, the letters in question do not prove that — as the applicant maintains — the reason for the delay in carrying out the project and for the use of 'secondary contractors' was the adoption of the restrictive measures concerning the applicant.

121 In that regard, it is true that the applicant has presented, in Annex A.33 to the reply, a list of the machines and components proposed in its offer concerning the project in question. Although that list includes products supplied by European manufacturers, no material has been put forward, however, that establishes that delivery of those products was unable to take place because of the adoption of the restrictive measures.

122 In the second place, although the applicant argues that it sustained a loss amounting to at least 30% of the value of the portion of the contract concerned which had to be sub-contracted, it has not produced any evidence proving that loss.

123 First, the value of the sub-contracted portion of the contract is mentioned solely in the table set out in Annex A.5 to the application. That table was prepared by the applicant itself. Moreover, it merely indicates the total amount allegedly sub-contracted but does not identify the various items of equipment affected or their value.

124 Second, there is nothing in the documents before the Court which makes it possible to determine the applicant's profit margin and the amount of the costs incurred in connection with the project concerned. Thus the applicant has not produced its pre-contractual offer, the annex to the contract giving details of the prices, any statements of costs or any other material capable of substantiating its claims as to the amount of the loss sustained.

125 Accordingly, the head of claim concerning the project for the modernisation of electrical equipment at the Euphrates Dam must be rejected as unfounded.

– The contract for the construction of electrical sub-stations in Kunduz and Baghlan (Afghanistan)

126 The applicant maintains that, because its European suppliers severed business relations with it, it was unable to supply some of the machinery and equipment necessary for the construction of electrical substations in Kunduz and Baghlan. It claims that, as a consequence, it has suffered loss of at least 10% of the value of the portion of the project which had to be sub-contracted, that is, EUR 729 210.80.

127 To support its claim, the applicant has produced, in Annex A.34 to the reply, the contract in question, which incorporates an annex listing the proposed machinery and components, including products supplied by European manufacturers.

128 In its response of 31 January 2014 to the Court's questions, the applicant also specified that Siemens' letter concerning cancellation of the order bearing reference number P06000/CO/3060, produced in Annex A.21 to the reply, related to equipment intended for the construction of the electrical substations in Kunduz and Baghlan, as well as for certain projects in Iran.

129 First, the file before the Court contains no material, such as correspondence with the Afghan authorities, which shows that the terms of the contract in question had to be amended following adoption of the restrictive measures against the applicant, in particular as regards the use of sub-contractors.

130 Secondly, in the absence of further particulars in this regard, it is not established that Siemens' cancellation of order number P06000/CO/3060 resulted in it being impossible for the applicant to perform the contract concerned without having recourse to sub-contractors.

131 Thirdly, the applicant has not specified whether the damage allegedly suffered consisted in a loss of profits, in costs incurred in connection with the project concerned or in some other damage. Nor has it put forward any elements which establish the amount represented by the portion of the contract that was allegedly sub-contracted or the fact that the loss sustained represented 10% of that amount.

132 Accordingly, the applicant's head of claim concerning the project for the construction of electrical substations in Kunduz and Baghlan must be rejected as unfounded.

– The other material put forward by the applicant

133 First, in Annex A.5 to the application, the applicant has presented a table setting out (i) in Part A, the applicant's foreign projects that it maintains were affected by the restrictive measures, (ii) in Part B, the foreign tenders which it claims it has lost because of the adoption of those measures and (iii) in Part C, the value of equipment which it claims that it purchased or was going to purchase from European suppliers and which it claims could not be delivered for the same reason.

134 In that regard, the Court notes at the outset that the projects referred to in entries 1 to 3 of Part A of the table in question are those covered by the heads of claim considered in paragraphs 102 to 107 and 118 to 132 above.

135 Next, as regards the project referred to in entry 4 of Part A of the table in question and the four tenders included in Part B thereof, the Court observes that the table has been prepared by the applicant itself, that it is not substantiated by other evidence and that it does not contain any information on the basis of which it could be established that the damage allegedly suffered by the applicant is in fact due to the European suppliers breaking off business relations with it.

136 Lastly, as regards Part C of the table, it has already been stated in paragraph 110 above that a refusal to supply products gives rise to damage only if it has an impact on the financial results of the company concerned. As it is, the applicant merely indicates the total value of the products allegedly concerned, without identifying them in any way and without specifying what were in fact the harmful consequences of the refusal to deliver the products concerned.

137 For those reasons, Annex A.5 to the application does not constitute sufficient evidence to establish that the applicant suffered damage as a result of the adoption of the restrictive measures in its regard.

138 Second, in Annex A.7 to the application, the applicant presents a list of its suppliers, which includes a large number of European suppliers. However, like Part C of the table in Annex A.5 to the application, that list does not contain any information about orders actually placed with the companies concerned which could not be delivered and does not specify what were in fact the harmful consequences of the refusal to deliver; it thus does not constitute sufficient evidence to establish that the applicant suffered damage.

139 Nor does Annex A.7 to the application support the applicant's more general submission that its current and future projects were blocked, given that there is nothing in the list of its foreign suppliers which makes it possible to establish the volume of equipment purchased by the applicant from European suppliers, or even the fact that the equipment in question cannot be replaced by equipment of non-European origin.

140 Third, the letter from Siemens presented in Annex A.21 to the reply mentions that the applicant's order with reference number P06000/CO/3060 could not be accepted because of the adoption of the restrictive measures concerning the applicant.

141 As has already been stated in paragraph 128 above, according to the particulars provided by the applicant, the order in question concerned equipment intended for the construction of the electrical substations in Kunduz and Baghlan and for certain projects in Iran.

142 So far as the project for the construction of the electrical substations in Kunduz and Baghlan is concerned, it is sufficient to refer to paragraphs 126 to 132 above.

143 In so far as Siemens' letter concerns the projects in Iran to which the applicant alludes and which were not examined in paragraphs 126 to 132 above, it does not constitute, on its own, sufficient evidence to establish that the applicant suffered damage. For the evidence to be sufficient, it would be necessary to provide, at the very least, information concerning the identity and terms of the projects in question and the impact which the cancellation of order number P06000/CO/3060 had on execution of the projects.

144 Fourth, the applicant has produced, in the annex to its observations of 20 February 2014, extracts from its financial statements for the fiscal years 2010/2011, 2011/2012 and 2012/2013 together with a summary table. It submits that those documents show the drastic fall in its turnover and, accordingly, the damage that it claims it has suffered as a result of the adoption and maintenance of the restrictive measures concerning it.

145 In that regard, it must be stated that, although the extracts from the applicant's financial statements and the summary table in question in fact show a significant decrease in its turnover, they do not establish the reasons for that trend. Consequently, it is impossible to determine whether — and if so, to what extent — that decrease is accounted for by the adoption and maintenance of the restrictive measures concerning the applicant rather than by other factors such as general developments in the economic climate.

146 This is particularly so since, as can be seen from the summary table, a major part of the decrease in question, in absolute terms, is related to projects located in Iran. However, apart from the letter from Siemens in Annex A.21 to the reply, which was considered in this regard in paragraph 143 above, the other specific evidence produced by the applicant concerns projects abroad. Consequently, that evidence cannot usefully supplement the other documents annexed to the applicant's observations of 20 February 2014 for the purpose of drawing sufficiently firm conclusions as to the existence and closeness of a causal link between the restrictive measures concerning the applicant and the decrease in its turnover.

147 Moreover, even if such a causal link may be inferred, with a sufficient degree of certainty, from the mere existence of the restrictive measures concerned, which by definition are intended to limit the free exercise of the applicant's business, the fact remains that the applicant has not produced evidence that enables the extent of the damage suffered to be ascertained. Indeed, the applicant has not put forward any information that would make it possible, on the one hand, to evaluate the proportion of the decrease in its turnover which is attributable to the restrictive measures concerning it and, on the other, to determine the amount of the damage actually sustained because of that decrease. The need for such information is particularly acute in the present case, since, according to the documents provided, the applicant's profitability has not been affected by those measures in the same way as its turnover.

148 In view of the foregoing, the Court must reject the applicant's head of claim relating to the discontinuance by its European suppliers of business relations with it, and there is no need to examine the Council's contention concerning the inadmissibility of the evidence presented in the annex to the applicant's observations of 20 February 2014.

149 In conclusion, the applicant should be awarded compensation of EUR 50 000 in respect of non-material damage and its claim for compensation in respect of material damage should be dismissed.

Interest

150 As regards the applicant's claim for interest, it must be observed, first, that the amount of compensation awarded takes into account the non-material damage which the applicant has sustained up to the date of delivery of the present judgment. That being so, there is no need to award interest in respect of the period preceding that date.

151 Second, according to the case-law of the Court of Justice, the amount of compensation payable may be accompanied by default interest from the date of delivery of the judgment establishing the obligation to make good the damage (see, to that effect, judgment in *Dumortier and Others* v *Council*, EU:C:1979:223, paragraph 25, and judgment of 27 January 2000 in *Mulder and Others* v *Council and Commission*, C-104/89 and C-37/90, ECR, EU:C:2000:38, paragraph 35; judgment of 26 November 2008 in *Agraz and Others* v *Commission*, T-285/03, EU:T:2008:526, paragraph 55). In accordance with the case-law, the interest rate to be applied is calculated on the basis of the rate set by the European Central Bank for main refinancing operations, as applicable during the period in question, increased by two percentage points (judgments of 13 July 2005 in *Camar* v *Council and Commission*, T-260/97, ECR, EU:T:2005:283, paragraph 146, and *Agraz and Others* v *Commission*, EU:T:2008:526, paragraph 55).

152 Accordingly, the Court concludes that the Council must pay default interest from the date of delivery of the present judgment until full payment of the compensation awarded, at the rate set by the European Central Bank for main refinancing operations, as applicable during the period in question, increased by two percentage points.

Costs

153 A decision must be given as to (i) the costs in the main proceedings and (ii) the costs in the proceedings for interim relief, which were reserved in the order of 28 September 2011 in *Safa Nicu Sepahan* v *Council* (T-384/11 R, EU:T:2011:545).

154 In that regard, under Article 87(3) of the Rules of Procedure, where each party succeeds on some and fails on other heads the Court may order that the costs be shared or that each party bear its own costs.

155 In the present case, the Council has been unsuccessful in respect of the application for annulment of the applicant's listing and in respect of a part of the claim for damages, whilst the applicant has been unsuccessful, in particular, as regards the majority of the latter claim. That being so, the Council must be ordered to pay, in addition to its own costs, half the applicant's costs, while the applicant must be ordered to bear the other half of its own costs.

On those grounds,

THE GENERAL COURT (First Chamber)

hereby:

1. **Annuls, in so far as they concern Safa Nicu Sepahan Co.:**

   — **point 19 of Part I.B of Annex I to Council Implementing Regulation (EU) No 503/2011 of 23 May 2011 implementing Regulation (EU) No 961/2010 on restrictive measures against Iran;**

— **point 61 of Part I.B of Annex IX to Council Regulation (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010;**

2. **Orders the Council of the European Union to pay Safa Nicu Sepahan compensation of EUR 50 000 in respect of the non-material damage sustained by the latter;**

3. **Orders that the compensation to be paid to Safa Nicu Sepahan be paid with default interest, as from the delivery of the present judgment to full payment of that compensation, at the rate set by the European Central Bank for main refinancing operations, increased by two percentage points;**

4. **Dismisses the action as to the remainder;**

5. **Orders the Council to bear its own costs relating to the main proceedings and to the proceedings for interim relief and to pay half the costs incurred by Safa Nicu Sepahan in both those proceedings; orders Safa Nicu Sepahan to bear half the costs it has incurred in the main proceedings and in the proceedings for interim relief.**

Kanninen Pelikánová Buttigieg

Delivered in open court in Luxembourg on 25 November 2014.

[Signatures]

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