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Commission Notice

COMMISSION FREQUENTLY ASKED QUESTIONS ON EU RESTRICTIVE MEASURES IN SYRIA

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On 18 January 2012, the Council adopted Regulation (EU) No 36/2012¹ as amended (hereafter referred to as the “Regulation”) which together with Council Decision 2013/255/CFSP as amended (hereafter referred to as the “Decision”) forms a package of measures addressing the continued brutal repression and violation of human rights by the Government of Syria².

The measures consist of a ban on internal repression equipment and other export and import restrictions, travel restrictions, an asset freeze, a prohibition on participation in certain infrastructure projects and investment in such projects, restrictions on the provision of financial services, and other restrictions.

As stated in the EU’s Basic Principles on the Use of Restrictive Measures, “Sanctions should be targeted in a way that has maximum impact on those whose behaviour we want to influence. Targeting should reduce to the maximum extent possible any adverse humanitarian effects or unintended consequences for persons not targeted or neighbouring countries.” In order to minimise the adverse effects of sanctions, specific exemptions and derogations, including derogation for essential civilian needs and for humanitarian assistance, have been introduced in certain sanctions regimes, such as Council Regulation (EU) No 36/2012.

The purpose of these Frequently Asked Questions (hereafter referred to as the “FAQs”) is to clarify certain provisions of the Regulation and to facilitate its implementation especially by economic operators and non-governmental organisations (NGOs). The FAQs are not exhaustive and deal only with certain provisions of the Regulation. Should further questions arise, the Commission may revise or extend the questions and answers provided.

¹ Repealing and replacing Regulation (EU) No 442/2011.

² Please note that other EU restrictive measures might also apply, such as Council Regulation (EC) No 881/2002 imposing certain specific restrictive measures directed against certain persons and entities associated with the ISIL (Da’esh) and Al-Qaida organisations.

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For **General Frequently Asked Questions on EU restrictive measures**, please consult:

http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/frequently_asked_questions_en.pdf

For EU Best Practices for the effective implementation of restrictive measures, please

consult: <http://data.consilium.europa.eu/doc/document/ST-15530-2016-INIT/en/pdf>

Competent authorities of all Member States where you can apply for authorizations and request further information are listed in Annex III of Regulation (EU) No 36/2012,

please consult: <http://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1498835337026&uri=CELEX:02012R0036-20170321>

I. SCOPE OF APPLICATION (JURISDICTION)

1. Who needs to comply with the Regulation? (Article 35 of the Regulation)

EU restrictive measures apply in situations where links exist with the European Union (“EU”). The application of the Regulation is defined in Article 35 of the Regulation. It applies:

- a. within the territory of the Union, including its airspace;
- b. on board any aircraft or any vessel under the jurisdiction of a Member State;
- c. to any person inside or outside the territory of the Union who is a national of a Member State;
- d. to any legal person, entity or body which is incorporated or constituted under the law of a Member State;
- e. to any legal person, entity or body in respect of any business done in whole or in part within the Union.

Therefore, the Regulation applies in the territory of the Union. Additionally, EU citizens in third countries, as well as entities constituted in a Member State (e.g. an organisation constituted under Member State law, its subsidiary incorporated within the EU, or its branch), need to respect EU restrictive measures. The Regulation also applies to entities or bodies that are tasked with the implementation, whether directly or indirectly, of the EU budget.

2. Does a legal person, entity or body that is incorporated under local law (such as Syrian law) but which has received a grant from the EU or implements an EU-funded project have to respect EU restrictive measures?

Yes. Persons and entities entrusted with direct or indirect management of EU funds must fully cooperate in the protection of the Union’s financial interests, which means that they have an obligation to disburse the funds in accordance with EU law, including EU restrictive measures.

II. FREEZING OF FUNDS AND ECONOMIC RESOURCES

3. Who are designated persons or entities? (Article 14 and 15 of the Regulation)

“Designated persons” are persons subject to an asset freeze³ and to whom no funds or economic resources can be made directly or indirectly available or made available for their benefit. Such natural or legal persons, entities and bodies are listed in Annex II and IIa of the Regulation, and include:

- i. natural or legal persons, entities and bodies responsible for violent repression against the civilian population in Syria;
- ii. natural or legal persons, entities and bodies benefiting from or supporting the regime;
- iii. leading businesspersons in Syria;
- iv. members of the Assad or Makhoul families;
- v. Syrian Government Ministers;
- vi. members of the Syrian Armed Forces;
- vii. members of the Syrian security and intelligence services;
- viii. members of the regime-affiliated militias;
- ix. persons, entities or institutions operating in the chemical weapons proliferation sector; and
- x. natural or legal persons and entities associated with (i) to (ix)

No funds or economic resources shall be made available to or for the benefit of persons or entities designated by the EU under such restrictive measures. **Details of all designated persons and entities are contained in the EU consolidated list of persons, groups and entities, available at: http://eeas.europa.eu/topics/sanctionspolicy/8442/consolidated-list-of-sanctions_en**

4. Who is an “associated person or entity”? (Articles 14 and 15 of the Regulation)

For the purposes of the Regulation, all “associated natural or legal persons, entities or bodies” under Article 14 and 15 of the Regulation are listed in Annex II and IIa.

5. What constitutes freezing of funds and economic resources? (Articles 1 and 14 of the Regulation)

According to Article 14(1) of the Regulation, “all funds and economic resources belonging to, owned, held or controlled by the natural or legal persons, entities and bodies listed in Annex II and IIa to the Regulation shall be frozen”.

Relevant definitions are provided in Article 1 of the Regulation.

³ In addition to freezing of funds and economic resources, restrictions on admission also apply to designated persons (See Articles 27 and 28 of Council Decision 2013/255/CFSP).

“Funds” means financial assets and benefits of every kind, including but not limited to:

- i. cash, cheques, claims on money, drafts, money orders and other payment instruments;
- ii. deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
- iii. publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts;
- iv. interest, dividends or other income on or value accruing from or generated by assets;
- v. credit, right of set-off, guarantees, performance bonds or other financial commitments;
- vi. letters of credit, bills of lading, bills of sale;
- vii. documents evidencing an interest in funds or financial resources; (Article 1(j) of the Regulation)

“Freezing of funds” means preventing any move, transfer, alteration, use of, access to, or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management (Article 1(i) of the Regulation)

“Economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but can be used to obtain funds, goods or services (Article 1(f) of the Regulation)

“Freezing of economic resources” means preventing their use to obtain funds, goods or services in any way, including, but not limited to, by selling, hiring or mortgaging them (Article 1(h) of the Regulation)

6. Can I make goods, which are destined for personal consumption, available to a designated person?

Assets which are only suitable for personal use or consumption (such as foodstuffs, personal hygiene products, domestic supplies of utilities such as gas, electricity, water and telephone lines), and which therefore cannot be used by a designated person to obtain funds, goods or services, do not fall within the definition of “economic resources”. They are therefore not covered by the Regulation and no authorisation is required to make them available to a designated person. EU restrictive measures are not intended to prevent the use of goods destined for personal use or consumption and nor is this considered desirable⁴.

⁴ EU Best Practices for the effective implementation of restrictive measures, points 53-54, 58, 61.

7. What does it mean to “make funds or economic resources available to a designated person”?

The term “making funds or economic resources available” has a wide meaning.⁵ It includes the gift, sale, barter or return of funds or economic resources held or controlled by a third party to a designated owner, all of which are prohibited in the absence of an authorisation granted by the competent authority pursuant to the relevant Regulation.⁶

A person or entity wishing to make funds or economic resources available to a designated person or entity must request authorisation, except in specific cases when making funds or economic resources available falls under an exemption in the Regulation. In considering such requests, the competent authorities should, inter alia, take into account any evidence provided to justify the request, and whether the applicant’s links with the designated person or entity are such as to suggest that both of them might work together to circumvent⁷ the freezing measures.⁸

Certain activities may be exempt from the prohibition, see e.g. Articles 6a(1) and 16a(1) of the Regulation, which allow for the purchase and payment of fuel for organisations funded by the EU or a Member State to provide humanitarian assistance in Syria.

Moreover, making available assets which are only suitable for personal use or consumption (such as foodstuffs, personal hygiene products, domestic supplies of utilities such as gas, electricity, water and telephone lines) does not amount to “making economic resources available” within the meaning of the Regulation, and therefore does not require an authorisation⁹.

8. Can I make funds or economic resources available to a person that is not designated while knowing that the end receiver will be a designated person? (Article 14 (3) and Article 28 of the Regulation)

No. The Regulation prohibits the participation, knowingly and intentionally, in activities the object or effect of which is to circumvent the asset freezing measures or the prohibition to make funds or economic resources available to a designated person.

On the other hand, the prohibitions set out in this Regulation shall not give rise to any liability of any kind on the part of the natural or legal person, entity or body concerned if they did not know, and had no reasonable cause to suspect, that their actions would infringe the prohibition in question.

⁵ See e.g. Judgment in Möllendorf, EU:C:2006:596, paragraphs 51, 56, 58 and 59.

⁶ EU Best Practices for the effective implementation of restrictive measures, point 57.

⁷ See also judgment in Mohsen Afrasiabi and others EU:C:2011:874 paragraphs 60–62 and 68. On the interpretation of the wording «knowingly and intentionally» used with regard to circumvention, see the same judgment, paragraph 68.

⁸ EU Best Practices for the effective implementation of restrictive measures, point 83.

⁹ EU Best Practices for the effective implementation of restrictive measures, points 53–54, 58, 61.

9. What does it mean to make funds or economic resources available indirectly to or for the benefit of designated persons?

Please see also Question 8. The concept of making funds or economic resources available indirectly to or for the benefit of a designated person refers to a situation in which funds are made available to a person or entity who or which is directly or indirectly owned or controlled by a listed entity.¹⁰

The assessment therefore depends on the criteria of ownership and control.

Ownership

When assessing whether a legal person or entity is owned by another person or entity, the relevant criterion is the possession, directly or indirectly of all or almost all of the share capital. Where the share capital is entirely owned by the listed entity, this will suffice to establish ownership and this applies even if there are intermediary companies.¹¹ In instances where there is a lesser shareholding, it will be necessary to examine the factual situation to see whether there is control.

Control

When assessing whether a legal person or entity is controlled by another person or entity, alone or pursuant to an agreement with another shareholder or other third party, it is necessary to carry out a factual assessment of all the organisational, structural and economic links between the two undertakings/entities.

The determining factor is whether the listed entity is able to and effectively asserts a decisive influence over the conduct of the other entity in question. Whilst a significant shareholding is one factor that may suggest control, there is no minimum threshold. Even a minority shareholding may be sufficient if it is allied to rights greater than those normally granted to minority shareholders and if 'consistent legal or economic indicia' show that the listed entity is in fact influencing the other entity.

The indicia of decisive influence include:

- a. the power to appoint or remove a majority of the members of the administrative, management or supervisory body of such legal person or entity;
- b. using all or part of the assets of a legal person or entity;
- c. sharing jointly and severally the financial liabilities of a legal person or entity, or guaranteeing them;
- d. having influence as regards corporate strategy, operational policy, business plans, investment, capacity, provision of finance, human resources and legal matters;

¹⁰ Melli Bank v Council, C 380/09 P, ECR, EU:C:2012:137.

¹¹ Petropars Iran Co, EU:T:2015:255.

- e. putting in place or maintaining mechanisms to monitor the commercial conduct of the legal person or entity;
- f. other indicia such as sharing a business address or using the same name which could cause third parties to have the impression that the two entities are in fact part of the same undertaking.

If ownership or control is established on the basis of appropriate due diligence, the making available of funds or economic resources to non-designated legal persons or entities which are owned or controlled by a listed person or entity will in principle be considered as making them indirectly available to the latter, unless it can be reasonably determined, on a case-by-case basis using a risk-based approach, taking into account all of the relevant circumstances, that the funds or economic resources concerned will not be used by or be for the benefit of that designated person or entity.

An economic resource will not be considered to have been for the benefit of a listed person or entity merely because it is used by a non-listed person or entity to generate profits which might be in part distributed to a listed shareholder.

It is to be noted that the indirect making available of funds or economic resources to listed persons or entities may also include the making available of these items to persons or entities which are not owned or controlled by listed entities.

10. What are the exceptions from an asset freeze and the prohibition to make funds or economic resources available to a designated person? (Articles 16, 16a (2-3), 17, 19, 20 and 20a of the Regulation)

The competent authorities may grant authorisations where they are satisfied that the funds or economic resources are, inter alia:

- necessary to satisfy basic needs of designated persons or of their dependant family members, including food, rent and medical treatment;
- exclusively to pay reasonable professional fees and expenses associated with the provision of legal services;
- exclusively to pay fees for the maintenance of frozen funds or economic resources;
- necessary for extraordinary expenses;
- necessary to ensure human safety or environmental protection;
- to evacuate from Syria;
- intended exclusively for payments by the Syrian State-owned entities or the Central Bank of Syria, on behalf of the Syrian Arab Republic for the OPCW activities;
- necessary for the sole purpose of providing humanitarian relief in Syria or assistance to the civilian population in Syria and the funds or economic resources are released to the UN for the purpose of delivering or facilitating the delivery of assistance in Syria in accordance with the Syrian Humanitarian Response Plan (*authorisation only to release funds or economic resources*);

- necessary for the “sole purpose of providing humanitarian relief in Syria or assistance to the civilian population in Syria” (*authorisation only to make funds or economic resources available*);
- necessary for the essential energy and sanitation needs of the civilian population in Syria.

In issuing an authorisation, the competent authorities may decide to impose conditions to ensure that the exceptions do not frustrate or circumvent the objective of the restrictive measures. Certain activities are also exempt from the prohibition, e.g. Articles 6a(1) and 16a(1) of the Regulation allow for the purchase and payment of fuel for organisations funded by the EU or a Member State to provide humanitarian assistance in Syria without an authorisation.

If you wish to make funds or economic resources available to a designated person based on one of the grounds mentioned in Articles 16, 16a (2-3), 17, 20 or 20a, it is necessary to apply for an authorisation to your competent Member State authority, under the general or specific conditions set out in the Regulation. The competent authorities are enumerated in Annex III of the Regulation.

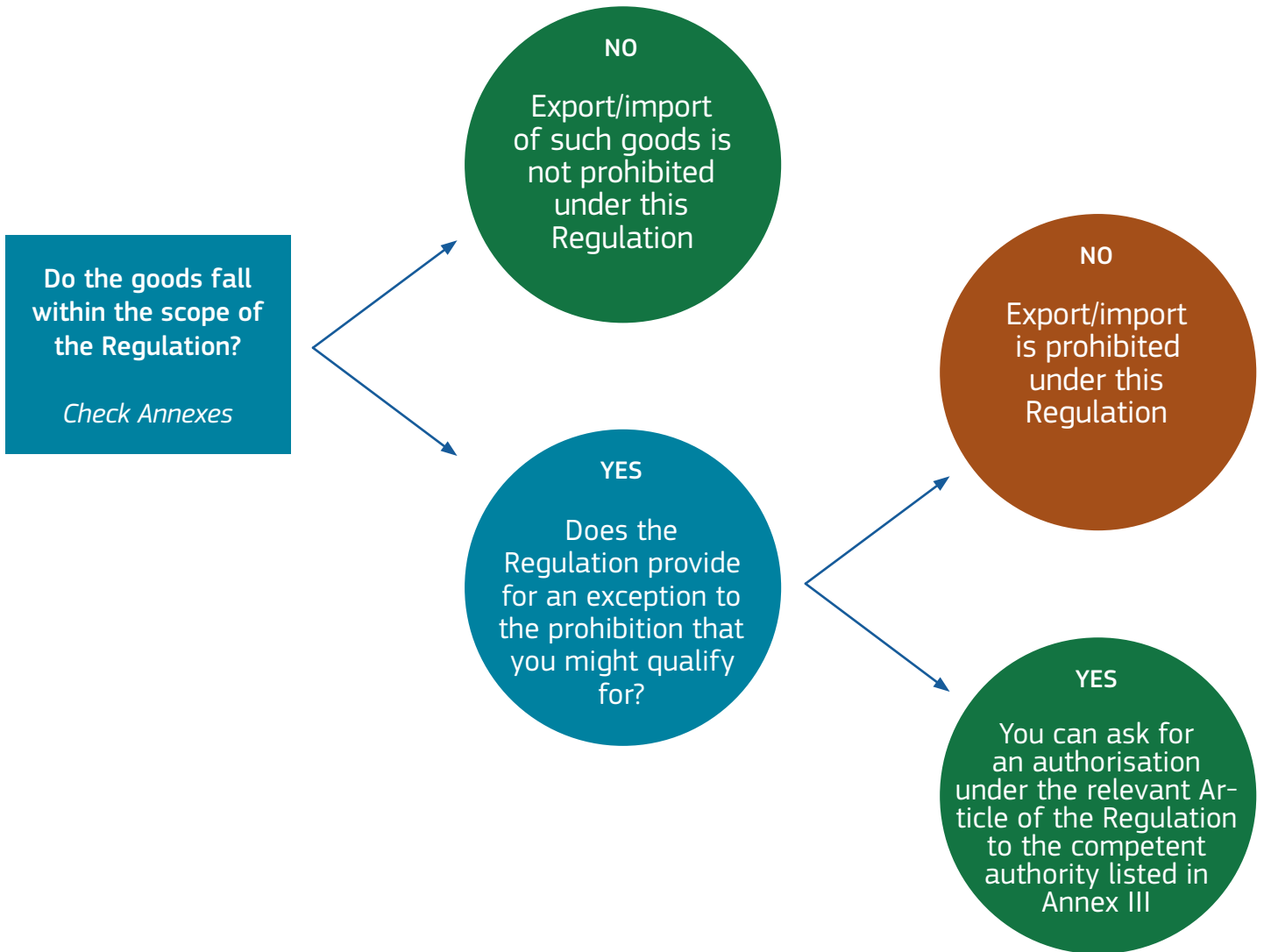
11. Can I make funds and economic resources available to a designated person when such funds or economic resources are necessary for the sole purpose of providing humanitarian relief in Syria or assistance to the civilian population in Syria? (Article 16a (2) of the Regulation)

Yes. Funds and economic resources, including cash assistance, may be made available to a designated person where such funds or economic resources are necessary solely for the purpose of providing humanitarian relief in Syria or assistance to the civilian population in Syria, after having obtained an authorisation from the competent authority “under the general and specific terms and conditions it deems appropriate”.

The competent authority has the discretion to issue an authorisation for a specific project in advance or for specific activities to be undertaken within a particular period of time. In issuing an authorisation, the competent authorities may decide to impose conditions to ensure that the exceptions do not frustrate or circumvent the objective of the restrictive measures. More information on the authorisation process can be requested from the Member State competent authorities enumerated in Annex III of the Regulation.

III. EXPORT AND IMPORT RESTRICTIONS

In simplified terms, the process for verifying if you are concerned by an import or export restriction is the following:



12. Can I export arms and related materiel to Syria?

The export of arms and related materiel to Syria, insofar as not covered by other prohibitions in the Regulation, is subject to national export control decisions. EU Common Position 2008/944/CFSP¹² on arms export controls contains eight risk assessment criteria that all EUMS authorities apply to their arms export decisions and lays down a notification and consultation mechanism for export licence denials.¹³

Please see also Questions 13-16 for other restrictions on the export of goods under Chapter II of the Regulation.

¹² Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment (OJ L 335/99).

¹³ Rules on the Common Commercial Policy also apply - arms are goods the importation of which into the EU is subject to the Common Customs Tariff. Their import and export falls under the competence of the Union.

Additionally, there is an import ban of items on the Common Military List, from Syria or originating in Syria. The provision, directly or indirectly, of financing or financial assistance relating to such items, including financial derivatives, as well as insurance and reinsurance and brokering services relating to insurance and reinsurance for any purchase, import or transport of such items if they originate in Syria, or are being exported from Syria to any other country, is also prohibited (Article 3 of the Decision and Article 3a of the Regulation).

13. Can I export goods to Syria that could be used for internal repression or dual-use goods? (Articles 2, 2a, 2b, 3, 4, Annex IA and IX of the Regulation)

Unless one of the exceptions applies (see Question 14), it is prohibited to export, sell, supply or transfer directly or indirectly, equipment, goods or technology whether or not originating in the EU, to any person, entity or body in Syria or for use in Syria that might be used for internal repression or for the manufacturing or maintenance of it, as listed in **Annex IA**. This also applies to the provision of technical assistance, financing and financial assistance and brokering services.

Member States may prohibit or impose an authorisation requirement on any other item which “might be used for internal repression”, whether or not originating in the EU.

Prior authorisation is required to export items listed in **Annex IX**, and technical assistance or brokering services, financing or financial assistance related to such items to any person, entity or body in Syria or for use in Syria, which will not be granted if a competent authority has “reasonable grounds to determine” the items “might be used for internal repression”.

Member States can also prohibit or impose authorisation requirements on the export of **dual-use items** (Article 4(2) of Regulation (EC) No 428/2009).

14. Are there exceptions to the prohibition to export goods that could be used for internal repression listed in Annex IA? (Article 2a and 3 of the Regulation)

Yes. You can ask for an authorisation from the competent authority for a transaction related to export of goods listed in Annex IA and technical assistance or brokering services, financing or financial assistance, provided that the goods are intended for food, agricultural, medical or other humanitarian purposes, or for the benefit of EU, Member State or UN personnel.

You can also seek an authorisation from the competent authority to export goods listed in Annex IA and related technical assistance or brokering services, financing or financial assistance, provided that it is in accordance with paragraph 10 of UN Security Council Resolution 2118(2013) and relevant decisions of the Executive Council of the OPCW, consistent with the objective of Chemical Weapons Convention and after consultation with the OPCW.

15. What restrictions are there in relation to goods listed in Annex V, i.e. equipment, technology or software which may be used for the monitoring or interception of internet or telephone communications? (Articles 4 and 5 of the Regulation)

It is prohibited to export, sell, supply or transfer directly or indirectly, equipment, goods or technology whether or not originating in the EU, to any person, entity or body in Syria or for use in Syria equipment, technology or software listed in Annex V, unless a competent authority has given prior authorisation.

The competent authorities shall not grant any authorisations if they have reasonable grounds to determine that the equipment, technology or software in question would be used for monitoring or interception, by the Syrian regime or on its behalf, of internet or telephone communications in Syria.

It is also prohibited (unless the relevant competent authority has given prior authorisation), to:

- provide, directly or indirectly, technical assistance or brokering services related to the equipment, technology and software identified in Annex V, or related to the provision, manufacture, maintenance and use of the equipment and technology identified in Annex V or to the provision, installation, operation or updating of any software identified in Annex V, to any person, entity or body in Syria or for use in Syria;
- to provide, directly or indirectly, financing or financial assistance related to the equipment, technology and software identified in Annex V, to any person, entity or body in Syria or for use in Syria;
- to provide any telecommunication or internet monitoring or interception services of any kind to, or for the direct or indirect benefit of, the State of Syria, its Government, its public bodies, corporations and agencies or any person or entity acting on their behalf or at their direction.

«Telecommunication or internet monitoring or interception services» means those services that provide, in particular using equipment, technology or software as identified in Annex V, access to and delivery of a subject's incoming and outgoing telecommunications and call-associated data for the purpose of its extraction, decoding, recording, processing, analysis and storing or any other related activity (Article 5(2) of the Regulation).

16. Can I purchase petroleum products in Syria? (Articles 6, 8 and 9 of the Regulation)

No. Unless you are authorised by a competent authority or you are exempt (see Question 18), there is a prohibition on the import, purchase or transport of petroleum products into the EU if they originate in Syria or have been exported from Syria, and to provide directly or indirectly, financing or financial assistance, including financial derivatives, as well as insurance and re-insurance related to it.

Additionally, it is also prohibited to export equipment or technology listed in Annex VI, directly or indirectly, to any Syrian person, entity or body, or for use in Syria. Annex VI includes key equipment

and technology for the oil and gas industry sectors in Syria (such as exploration of crude oil and natural gas, or production of it). It is also prohibited to provide directly or indirectly, technical assistance, brokering services, financing or financial assistance related to it, to any Syrian person, or for use in Syria.

17. Are there exceptions to the prohibition to export equipment or technology for the oil and gas industry sectors in Syria? (Article 9a of the Regulation)

Yes.. For equipment or technology listed in Annex VI, you can request an authorisation from the competent authority for the export of such items, or for technical assistance, brokering services, financing or financial assistance related to it, if the activities concerned are for the purpose of providing assistance to the Syrian civilian population, in particular in view of meeting humanitarian concerns, assisting in the provision of basic services, reconstruction or restoring economic activity, or other civilian purposes, and the activities do not entail funds or economic resources being made available, directly or indirectly to a designated person.

When applying the conditions, the competent authority shall require adequate information as regards the use of the authorisation granted, including information concerning the end-user and the final destination of the delivery.

18. If I purchase and transport petroleum products in Syria, do I need to apply for an authorisation? (Articles 6a (1), 16a (1) of the Regulation)

It depends on your situation. If you are a public body, legal person, entity or body which receives funding from the Union or Member State in order to provide humanitarian relief or assistance to the civilian population in Syria, you are exempt from the obligation to apply for an authorisation. As an example, that includes an EU/Member State agency or body, or an NGO that received a grant from the EU or a Member State authority to undertake a project in Syria. In this case you can purchase petroleum products to provide humanitarian relief in Syria or assistance to the civilian population in Syria and pay for them without any authorisation (Article 6a (1) and Article 16a (1) of the Regulation).

If you do not fall within this category (for example you receive non-governmental funding, or you receive funding for projects in a neighbouring country – not in Syria itself), but you are providing humanitarian relief or assistance to the civilian population in Syria, you can ask for an authorisation from competent authority to purchase and transport petroleum products (Art. 6a (2) of the Regulation). In the event you would have to pay a designated person for such petroleum products, you must request a separate and additional authorisation to do so (Article 16a (2) of the Regulation).

The prohibitions also do not apply to diplomatic or consular missions, when the petroleum products are purchased or transported for official purposes of the mission (Article 6b of the Regulation).

IV. RESTRICTIONS ON PARTICIPATION IN INFRASTRUCTURE PROJECTS

19. Can I export equipment to be used for installation in Syria of new power plants for electricity production? (Article 12 of the Regulation)

No. It is prohibited to sell, supply, transfer or export equipment or technology as listed in Annex VII to be used in the construction or installation in Syria of new power plants for electricity production; or to provide, directly or indirectly, technical assistance, financing or financial assistance, including financial derivatives, as well as insurance or reinsurance in relation to any such project.

This prohibition does not apply to the performance of an obligation required by a contract or agreement which was concluded prior to 19 January 2012, provided that the person or entity seeking to rely on this Article has notified, at least 21 calendar days in advance, the competent authority of the Member State in which they are established.

V. RESTRICTION ON FINANCING CERTAIN ENTERPRISES

20. Can I grant a loan to a Syrian person engaged in the construction or installation of new power plants for electricity production? (Articles 13 and 13a of the Regulation)

No. According to Article 13 (1) of the Regulation, it is prohibited to:

- a. grant any financial loan or credit to any Syrian person, entity or body referred to in Article 13(2);
- b. acquire or extend participation in any Syrian person, entity or body referred to in Article 13(2);
- c. create any joint venture with any Syrian person, entity or body referred to in Article 13(2);
- d. participate, knowingly and intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in point (a), (b) or (c).

According to Article 13(2) of the Regulation, the prohibitions in Article 13(1) of the Regulation apply to any Syrian person, entity or body engaged in:

- a. the exploration, production or refining of crude oil; or
- b. the construction or installation of new power plants for electricity production.

Article 13(4) contains certain exceptions in relation to prior contracts.

21. Can I grant a loan to a Syrian person engaged in the exploration, production or refining of crude oil, if it is for the purpose of providing assistance to the Syrian civilian population? (Article 13a of the Regulation)

Yes. Competent authorities of the Member States may authorise, under such terms and conditions as they deem appropriate, the granting of any financial loan or credit to or the acquisition or extension of a participation in, or the creation of any joint venture with any Syrian person, entity or body engaged in the exploration, production or refining of crude oil, provided that on the basis of the information available to it, including information provided by the person, entity or body requesting the authorisation, the competent authority has determined that it is reasonable to conclude that:

- the activities concerned are for the purpose of providing assistance to the Syrian civilian population, in particular in view of meeting humanitarian concerns, assisting in the provision of basic services, reconstruction or restoring economic activity, or other civilian purposes, and the activities concerned do not entail funds or economic resources being made available, directly or indirectly, to or for the benefit of a designated person;
- the activities concerned do not breach any of the prohibitions laid down in this Regulation.
- The competent authority will require adequate information as regards the use of the authorisation granted, including information concerning the purpose of, and the counterparts to the transaction.

VI. FINANCIAL RESTRICTIONS

22. Is it prohibited to sell or purchase Syrian public or public-guaranteed bonds? (Article 24 of the Regulation)

Yes. It is prohibited to sell or purchase Syrian public or public-guaranteed bonds issued after 19 January 2012, directly or indirectly, to or from any of the following:

- i. the State of Syria or its Government, and its public bodies, corporations and agencies;
- ii. any Syrian credit or financial institution;
- iii. a natural person or a legal person, entity or body acting on behalf or at the direction of a legal person, entity or body referred to in (i) or (ii);
- iv. a legal person, entity or body owned or controlled by a person, entity or body referred to in (i), (ii) or (iii);

There is also a prohibition on providing brokering services with regard to Syrian public or public-guaranteed bonds issued after 19 January 2012, to a person, entity or body referred to in points i-iv, or to assist a person, entity or body referred to in points i-iv, in order to issue Syrian public or public-guaranteed bonds, by providing brokering services, advertising or any other service with regard to such bonds.

23. Can a credit or financial institution in the EU open a new bank account with any Syrian credit or financial institution? (Article 25 of the Regulation)

No, unless authorised by the relevant competent authority. It is prohibited for credit and financial institutions falling within the scope of Article 35 to:

- a. open a new bank account with any Syrian credit or financial institution;
- b. establish a new correspondent banking relationship with any Syrian credit or financial institution;
- c. open a new representative office in Syria or to establish a new branch or subsidiary in Syria;
- d. establish a new joint venture with any Syrian credit or financial institution.

There is no prohibition on maintaining bank accounts or corresponding banking relationships with Syrian credit or financial institutions, which are not owned or controlled by a designated person, provided that these relationships were entered into prior to 19 January 2012.

It is also prohibited:

- a. to authorise the opening of a representative office or the establishment of a branch or subsidiary in the Union of any Syrian credit or financial institution;
- b. to conclude agreements for, or on behalf of, any Syrian credit or financial institution, pertaining to the opening of a representative office or the establishment of a branch or subsidiary in the Union;

- c. to grant an authorisation for taking up and pursuing the business of a credit or financial institution or for any other business requiring prior authorisation, by a representative office, branch or subsidiary of any Syrian credit or financial institution, if the representative office, branch or subsidiary was not operational before 19 January 2012;
- d. to acquire or to extend a participation, or to acquire any other ownership interest in a credit or financial institution falling within the scope of Article 35 by any Syrian credit or financial institution.

24. Can an EU credit or financial institution open a new bank account or open a new representative office in Syria if it is for the purpose of providing assistance to the Syrian civilian population? (Article 25a of the Regulation)

Yes. New bank accounts or the opening of a new representative office in Syria may be authorised if the competent authority has determined that it is reasonable to conclude that the activities concerned are:

- for the purpose of providing assistance to the Syrian civilian population, in particular in view of meeting humanitarian concerns, assisting in the provision of basic services, reconstruction or restoring economic activity, or other civilian purposes.
- the activities concerned do not entail funds or economic resources being made available, directly or indirectly, to or for the benefit of designated persons or entities;
- the activities concerned do not breach any of the prohibitions laid down in the Regulation.