



Syria

Council Regulation (EU) No 442/2011

Her Majesty's Treasury issue this Notice in respect of the asset freezing measures directed by the Council of the European Union against certain persons, entities and bodies in view of the situation in Syria. This Notice draws attention to Council Regulation (EU) No 442/2011, provides guidance on certain aspects only of the Regulation and should be read alongside the Regulation.

Introduction

1. On 9 May 2011 the Council adopted Council Regulation (EU) No 442/2011 ("the Regulation") which places, amongst other matters, asset freezing measures on certain persons, entities and bodies identified as being responsible for the violent repression of the civilian population in Syria, and natural or legal persons and entities associated with them.
2. The Regulation was published in the Official Journal of the European Union (O.J. L121, 10.5.2011, P.1) on 10 May 2011. The Regulation entered into force on 10 May 2011 and is directly applicable in the UK.
3. Annex II to the Regulation lists the names of those persons, entities and bodies referred to in paragraph 1 of this Notice that were listed by the Council as being subject to the freezing of funds and economic resources provisions imposed under Article 4 of the Regulation.
4. A copy of the Regulation is available from the Financial Sanctions pages of the Treasury website at: http://www.hm-treasury.gov.uk/d/council_regulation_eu_442_100511.pdf

Applicability

5. The Regulation applies:
 - (i) within the territory of the Union, including its airspace;
 - (ii) on board any aircraft or any vessel under the jurisdiction of a Member State;

- (iii) to any person inside or outside the territory of the Union who is a national of a Member State;
- (iv) to any legal person, entity or body which is incorporated or constituted under the law of a Member State;
- (v) to any legal person, entity or body in respect of any business done in whole or in part within the Union.

6. The Regulation therefore applies, inter alia, to banks, financial institutions, charitable organisations and non-governmental organisations operating in the Union or established under the law of a Member State, to nationals of Member States, and to other bodies and persons in the Union. The Regulation does not apply to subsidiaries operating wholly outside the Union and which do not have legal personality under the law of a Member State.

Freezing of funds and economic resources of designated persons

- 7. Article 4 of the Regulation provides that all funds and economic resources belonging to, owned, held or controlled by the persons listed in Annex II to the Regulation (referred to as 'designated persons' for the purposes of this Notice) must be frozen.
- 8. It further provides that no funds or economic resources shall be made available, directly or indirectly, to or for the benefit of designated persons.
- 9. It also provides that the participation, knowingly and intentionally, in activities the object or effect of which is, directly or indirectly, to circumvent these measures is prohibited.
- 10. Annex II to the Regulation lists the natural or legal persons, entities or bodies who have been identified as being subject to the measures in Article 4.
- 11. For convenience, the names of the designated persons are set out in the Annex to this Notice.
- 12. The UK's Consolidated List of individuals and entities subject to financial sanctions in effect in the UK which is maintained on the Treasury website has been updated to include the designated persons.

Definition of funds

- 13. For the purposes of the Regulation "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 derivative 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.

“Economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but may be used to obtain funds, goods or services.

Frozen accounts

14. All funds and economic resources belonging to, owned, held or controlled by designated persons which are held by banks, building societies, stockbrokers, accountants, etc must be frozen. No funds or economic resources may be made available, directly or indirectly to, or for the benefit of designated persons unless licensed by the competent authority of a Member State in accordance with the Regulation (see paragraphs 20 to 22). The only exemptions to these prohibitions are those permitted under the Regulation (see paragraphs 18 and 19).
15. In this context “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.
16. In this context “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.
17. No payment or transfer may be made from a frozen account, including to another frozen account, without prior authorisation. This includes the deduction of fees or service charges

for routine holding or maintenance of frozen accounts. Loans and other forms of credit should not be made available to designated persons.

Interest, other payments and credits

18. The prohibitions in the Regulation do not apply to the addition to frozen accounts of interest or other earnings on those accounts, or payments due under contracts, agreements or obligations, that were concluded or arose before the date on which the person was included in Annex II to the Regulation, provided that any such interest, other earnings and payments are frozen in accordance with Article 4(1).
19. The prohibition against making funds or economic resources available does not prevent financial or credit institutions in the Union from crediting frozen accounts where they receive funds transferred to the account of a designated person, provided that any additions to such accounts are also frozen. Financial or credit institutions are required to inform the Treasury of any such transactions without delay.

Licences

20. The Treasury is able to authorise the release of or making available of certain frozen funds or economic resources, if they have determined that the funds or economic resources concerned are:
- (a) necessary to satisfy the basic needs of designated persons and their dependent family members, including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
 - (b) intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services;
 - (c) intended exclusively for payment of fees or service charges for routine holding or maintenance of frozen funds or economic resources; or
 - (d) necessary for extraordinary expenses (subject to notification having been made to all other EU Member States and the Commission at least two weeks prior to the authorisation being granted).
21. The Treasury is also able to authorise the release of or making available of certain funds or economic resources, if it has determined that the funds or economic resources concerned are intended exclusively to satisfy claims secured by a lien or judgement, established prior to the date the person was listed in Annex II to the Regulation provided the lien or judgement is not

for the benefit of a designated person listed in Annex II of the Regulation or contrary to public policy and provided the EU is notified of the authorisation.

22. The Treasury is also able to authorise the release of certain frozen funds or economic resources, if it has determined that a payment by a designated person is due under a contract or agreement that was concluded by, or an obligation that arose for, the designated person prior to the date the person was listed in Annex II to the Regulation provided that the payment is not directly or indirectly received by a designated person.

Reporting requirements

23. Relevant institutions and other persons are requested to check whether they maintain any accounts or otherwise hold any funds or economic resources for designated persons and, if so, they must freeze such accounts or other funds and, unless licensed by the Treasury, refrain from making available funds and/or economic resources to designated persons.

24. Relevant institutions must report their findings to the Treasury, together with any additional information that would facilitate compliance with the Regulation.

Enquiries

25. Non-media enquiries, reports and licence applications should be addressed to:

Asset Freezing Unit, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ

E-mail: AFU@hmtreasury.gsi.gov.uk

Telephone: 020 7270 5454

Website: http://www.hm-treasury.gov.uk/fin_sanctions_index.htm

26. Media enquiries should be addressed to the Treasury Press Office on 020 7270 5238.

HM Treasury
10/05/2011

ANNEX TO NOTICE

FINANCIAL SANCTIONS: SYRIA

COUNCIL REGULATION (EU) NO 442/2011 OF 9 MAY 2011

Individuals

1. **AL-ABBAS, Amjad**

Position: Head of Political Security in Baniyas

Other Information: Involved in violence against demonstrators in Baida.

2. **AL-ASSAD, Fawwaz**

Other Information: Involved in the repression against the civilian population as part of the Shabiha militia.

3. **AL-ASSAD, Maher**

DOB: 08/12/1967

Passport Details: 4138 (Diplomatic)

Position: Commander of the army's 4th Division

Other Information: Member of the Baath Party Central Command, strongman of the Republican Guard. Principal overseer of violence against demonstrators.

4. **AL-ASSAD, Mundir**

Other Information: Involved in the repression against the civilian population as part of the Shabiha militia.

5. **AL-CHAAR, Mohammad, Ibrahim**

Position: Minister for the Interior in the government

Other Information: Involved in violence against demonstrators.

6. **GHAZALI, Rustum**

Position: Head of Syrian Military Intelligence, Damascus Countryside Branch

Other Information: Involved in the repression against the civilian population.

7. **HASSAN, Jamil**

Position: Head of Syrian Air Force Intelligence

Other Information: Involved in the repression against the civilian population.

8. **MAKHLOUF, Hafez**

DOB: 02/04/1971

POB: Damascus

Passport Details: 2246 (Diplomatic)

Position: Colonel and Head of Unit in General Intelligence Directorate, Damascus Branch

Other Information: Close to Maher al-Assad. Involved in violence against demonstrators.

9. **MAKHLOUF, Rami**

DOB: 10/07/1969

POB: Damascus

Passport Details: 454224

Other Information: Syrian businessman. Associate of Maher al-Assad. Bankrolls the regime allowing violence against demonstrators.

10. MAMLOUK, Ali

DOB: 19/02/1946

POB: Damascus

Passport Details: 983 (Diplomatic)

Position: Head of General Intelligence Service, Head of Syrian Intelligence since 2005

Other Information: Involved in violence against demonstrators.

11. NAJIB, Atef

Other Information: Former Head of Political Security in Deraa. Involved in violence against demonstrators.

12. QUDSIYAH, Abd Al-Fatah

Position: Head of Syrian Military Intelligence

Other Information: Involved in the repression against the civilian population.

13. ZEITOUN, Mohammed, Dib

Position: Head of Political Security

Other Information: Involved in violence against demonstrators.

DOB format is dd/mm/yyyy

The UK's Consolidated List of individuals and entities subject to financial sanctions in effect in the UK which is maintained on the Treasury website has been updated to add the above designated persons.

HM Treasury
10/05/2011