

EU

European Commission Proposes Amendments to Dual-Use List

The European Commission adopted on 12 October 2015 a proposal to update the EU list of dual-use items taking into account the latest scientific, technological, industrial and commercial developments. The new control list implements over 100 amendments to the controls made by the multilateral regimes in 2014, essentially in the WA and MTCR regimes. In particular, the changes relate to the control of machine tools, avionics technology, aircraft wing-folding systems, spacecraft equipment and civil UAVs, as well as the removal from control of certain encrypted information security products. This update will enter into force when and only if the European Parliament and the Council do not express objections. See [here](#) for additional information.

EU Amends Economic Sanctions against Guinea, Moldova, Yemen, and Zimbabwe

The Council of the European Union (the "Council") has issued Council Decisions amending sanctions regimes in force with respect to Guinea, Moldova, Yemen and Zimbabwe. See [Council Decision \(CFSP\) 2015/1923](#) (Guinea), [Council Decision \(CFSP\) 2015/1925](#) (Moldova), [Council Implementing Decision \(CFSP\) 2015/1927](#) (Yemen) and [Council Decision \(CFSP\) 2015/1924](#) (Zimbabwe), *inter alia*, amending the list of individuals and entities subject to travel bans and/or asset-freezing measures.

UK Issues Terrorist Asset-Freezing Act 2010 (TAFSA) Report

Under the TAFSA, the UK Treasury must produce a quarterly report (the "Report") for Parliament on the functioning of the UK's asset-freezing regime. The Report comments on the UK implementation of the UN Al-Qaida asset-freezing regime, which operates pursuant to the Al-Qaida (Asset-Freezing) Regulations 2011. The report provides an overview of the status of various legal proceedings brought in relation to the TAFSA, including various appeals against designation, and includes details of the number of accounts frozen, the monetary value of those accounts, and the number of designations. See [here](#) for the 2015 third-quarter Report.

US and EU

US and EU Ease Economic Sanctions Against Belarus

Following the recent, closely watched elections in Belarus, in which President Alexander Lukashenko was elected to his fifth term in office, both the US and EU adopted measures suspending some economic sanctions against the country. On 30 October 2015, the Council published [Council Implementing Regulation 2015/1948](#) which suspends financial sanctions, including asset freezes, imposed against certain individuals, entities and bodies under Council Regulation (EC) 765/2006. The sanctions will remain in force for four months until 29 February 2016, but their application is suspended for 171 individuals and 10 entities on the list.

Sanctions are not suspended for four individuals involved in "unresolved disappearances" in Belarus. The Council also published [Council Implementing Regulation 2015/1949](#) which delists four entities and modifies the details of various other entities which remain on the list.

For its part, the US adopted a new General License suspending blocking sanctions against nine Belarusian entities previously designated under Executive Order 13405 of 16 June 2006 and listed on OFAC's Specially Designated Nationals and Blocked Persons List. Effective 30 October 2015, and for a six-month period (unless extended or revoked), the general license authorizes US persons to engage in transactions involving those entities that were previously prohibited under EO 13405. Importantly, the general license does not release any previously blocked property and does not authorize any transactions involving property of the covered entities that was blocked under EO 13405 prior to 30 October 2015.

US

British Citizen Extradited to US for Alleged Export Violations

A British citizen was extradited from the UK to the US in connection with charges that he conspired with his brother and an American to illegally export lab equipment from the US to Syria. The conspirators allegedly prepared invoices that undervalued and mislabelled the lab equipment, which included industrial engines, gas masks and chemical warfare agent detection equipment. See article [here](#).

OFAC Issues Guidance on False Matches to Listed Parties

In October, OFAC released [new guidance](#) for handling false positive identifications to parties on restricted party lists. The guidance urges care by those who use "false hit lists" to track and automatically clear parties that are determined to not be a listed party after an initial positive match. It states: "While false hit lists represent a common and legitimate practice, and are generally designed to reduce the volume of OFAC-related matches that a US person has determined are false, it is important that each US person implement policies and procedures designed to review, evaluate, and reassess the parties that are included on such lists." The guidance further provides recommended best practices for maintaining false hits lists.

BIS Publishes Online Tool for Determining Controls Over Non-US-Made Items

The US Commerce Department's Bureau of Industry and Security (BIS) has published an online decision tree tool for determining whether or not non-US-made items that incorporate US goods, technology or software are subject to the jurisdiction of the Export Administration Regulations (EAR). The [decision tool](#) assists exporters to navigate the EAR's complicated *de minimis* and direct product rules, and thus determine whether a non-US-made item requires a BIS license for reexports or retransfers.

Enforcement Actions

Multiple Financial Institutions Settled Liability for Sanctions Violations

OFAC announced settlement agreements with Cr dit Agricole Corporate and Investment Bank (CACIB) and Banco do Brasil for apparent violations of US sanctions. CACIB agreed to pay a total of US\$787.3 million in criminal and civil financial penalties, which included penalties assessed by multiple government authorities, in connection with thousands of apparent violations of US sanctions. Banco do Brasil agreed to a penalty of US\$139,500 for seven apparent violations of US sanctions. OFAC also issued a Finding of Violation to BMO Harris Bank NA in connection with six funds transfers processed in violation of US sanctions. Finally, Deutsche Bank AG entered into settlement agreements with the New York State Department of Financial Services and the Board of Governors of the Federal Reserve System, agreeing to pay US\$258 million for violations related to transactions with persons subject to US sanctions.

Multiple Individuals Faced Criminal Penalties for Export Violations

The US Department of Justice (DOJ) announced the convictions of Alexander Posobilov, Shavkat Abdullaev and Anastasia Diatlova for conspiring to export, and illegally exporting, controlled microelectronics to Russia in violation of the International Emergency Economic Powers Act (IEEPA) and the Arms Export Control Act (AECA). Separately, the DOJ also announced the sentencing of Mozaffar Khazae for violating the AECA by attempting to send to Iran controlled material relating to US military jet engines, among other charges. Finally, the DOJ announced the sentencing of Mao Peng for, among other things, conspiracy to misuse the Department of Commerce’s Automated Export System.

About Our Team

Our Export Controls & Sanctions team is built on the ability to advise on the shifting regulatory framework on both sides of the Atlantic. We have extensive experience in advising and representing a wide range of companies and financial intuitions in Europe, the US and other jurisdictions on export control and sanctions from a multijurisdictional perspective. Our Export Controls & Sanctions team is part of our overall International Trade Practice, providing a “one-stop” solution to global trade compliance through rapid, professional and tailored advice and compliance tools to fit your business needs and processes. If you have any question relating to sanctions, please contact a member of our EU or US Sanctions team listed herein. You can also email InternationalTradeCompliance@sqirepb.com for assistance.

Resources to Strengthen Compliance

We encourage you to visit TradePractitioner.com where you will find more updates on export controls, sanctions and other international trade topics. In addition, organizations engaged in the trade of items specially designed for military or space applications are encouraged to download our complimentary *ITAR Practitioner’s Handbook* covering the International Traffic in Arms Regulations (ITAR) and the the US Department of Commerce “600 Series.”

Download a copy of the handbook [here](#).

Contacts

EU			
Robert MacLean Brussels T +32 2 6277 619 E robert.maclean@sqirepb.com	Martin Rees London T +44 207 655 1137 E martin.rees@sqirepb.com	Aline Doussin London/Paris T +44 20 7655 1145 E aline.doussin@sqirepb.com	Tim W�nnemann Berlin T +49 30 72 616 8116 E tim.wunnemann@sqirepb.com
US			
George Grammas Washington DC T +1 202 626 6234 E george.grammas@sqirepb.com	Stephen McHale Washington DC T +1 202 457 6344 E stephen.mchale@sqirepb.com	Daniel Waltz Washington DC T +1 202 457 5651 E daniel.waltz@sqirepb.com	Christopher Skinner Washington DC T +1 202 626 6226 E christopher.skinner@sqirepb.com

Squire Patton Boggs International Trade Practice Co-Leaders: Frank Samolis and George Grammas