

## EU

### Russia

On Monday 21 December 2015, the Council of the EU (the Council) formally agreed to prolong its economic sanctions adopted with respect to Russia until 31 July 2016. This decision was adopted on Friday 18 December following the two-day European council meeting during which Italian Prime Minister Matteo Renzi requested a full review on the sanctions ahead of next year's deadline.

The duration of the sanctions has been extended whilst the Council continues its assessment of progress in the implementation of the Minsk agreement.

### EU Export Control Policy Review

The European Commission published its [findings](#) on the online public consultation report it launched in July this year to gather stakeholder views in the EU Export Control Policy Review.

The consultation included questions on the modernisation of controls, the optimisation of licensing architecture, harmonisation of controls at EU and global level and controls placed on transfers of technology.

The majority of stakeholders who responded to the consultation observed that a review of the current EU export control rules was necessary for a host of reasons, including the challenges posed by terrorism and the proliferation of weapons of mass destruction.

The responses received by the Commission will be used to prepare an Impact Assessment report and will be considered in future regulatory proposals.

### Council Decision on the Promotion of Effective Arms Export Controls

On 10 December 2015, the Council published its [decision](#) on the promotion of effective arms export controls.

Two objectives underpin the decision. First, it seeks to promote effective controls on arms exports by non-EU countries. Second, the decision supports non-EU nations in regulating trade in conventional weapons and increasing transparency.

The EU has set aside almost €1 million to assist non-EU countries in drafting and implementing particular legislative and administrative measures, promoting transparency and responsibility in international arms trade, and assisting beneficiary countries in the training of licensing and enforcement officers.

### Terrorist Financing

At a December meeting of finance ministers in Brussels, ministers proposed measures to improve the tracking and freezing of terrorist funding across the EU. The key proposals include:

- the creation of centralised registers of bank accounts to which police would have access when tracking terrorists
- a time-limit of 72 hours to implement asset freezes, improved tracking of financial transfers and more vigorous identification verification checks

- broadening the scope of asset freezes beyond bank accounts to include apartments, cars and social benefits

The European Commission is expected to formulate proposals in the coming weeks.

## UK

- Iran

The UK Treasury has issued a [checklist](#) to assist individuals and entities determine which form to use and which information to provide when undertaking a transfer of funds involving an Iranian person, entity, body or credit or financial institution.

- Notice to Exporters

The Department for Business, Innovation and Skills has released a "[Notice to Exporters](#)" 2015/16. It reports that the Export Control Organisation (ECO) has redesigned its searchable database of export control reports and statistics. Aside from various aesthetic changes, there is one main improvement in functionality. Exporters may now include "end user type" as a search criterion in licence applications.

## US

### US Lifts Ban on Crude Oil Exports

On 18 December, the President signed into law the lifting of the 40-year ban on US crude oil exports. The Commerce Department's Bureau of Industry and Security (BIS) subsequently issued [policy guidance](#) on its website stating that crude oil is now classified for export as EAR99, and may be exported to most countries without a license.

### OFAC Issues New General License for Transactions with Burma

The US Treasury Department's Office of Foreign Assets Control (OFAC) has issued a six-month General License authorising transactions incident to imports and exports from Burma that were previously prohibited under OFAC's Burmese Sanctions Regulations (BSR). The General License authorises most transactions otherwise prohibited by the BSR that are ordinarily incident to the export of goods, technology or non-financial services to or from Burma that involve a Specially Designated National (SDN) of Burma, provided that the export is not to, from or on behalf of an SDN. The General License is intended to address transactions involving a few major ports in Burma that are owned by SDNs. Under the General License, US persons are now authorised to engage in trade finance transactions and pay port fees, as well as shipping and handling charges associated with sending goods to or from Burma. The General License does not authorise a US financial institution to advise or confirm any financing by SDNs or blocked persons.

The General License is effective until 7 June 2016, unless extended.

See [here](#) for announcement of the issuance of the General License, and [here](#) for terms of the General License.

## BIS Amends the Commerce Control List to Add Controls on XBS Epoxy Systems

In November, BIS issued an [interim final rule](#) amending the Export Administration Regulations to add XBS Epoxy Systems to Export Control Classification Number 0C521. That ECCN is reserved for items that are deemed to warrant being controlled for export because the items provide a significant military or intelligence advantage to the US or foreign policy reasons justify control. The XPS Epoxy System, an X-ray blocking and scattering epoxy used to conceal critical electronic components, is thus controlled for regional stability (RS) Column 1 reasons, and is eligible for only a license exception for exports, reexports and transfers (in-country) made by or consigned to a department or agency of the US Government.

## Enforcement Actions & Events

### Barracuda Networks, Inc. Settles Liability for Alleged Sanctions and Export Controls Violations

Barracuda Networks, Inc., along with its UK subsidiary, agreed to pay US\$1.5 million to settle alleged Export Administration Regulation (EAR) violations in connection with the unlicensed export and reexport of US-origin equipment and software to Iran, Syria and Sudan (see [press release](#)). Simultaneously, Barracuda Networks, Inc. also agreed to pay US\$38,930 for alleged violations of the Iranian Transactions and Sanctions Regulations, the Sudanese Sanctions Regulations and the Syrian Sanctions Regulations (see [here](#)).

### Three Arrested for Scheme to Obtain and Illegally Export Stolen Semiconductors

The US Department of Justice announced the arrest of three Chinese nationals for allegedly engaging in a scheme to obtain and illegally export from the US military-grade semiconductors (see [announcement](#)).

**Washington DC, USA** – Chris Skinner will lead a practical interactive workshop on “How to Meet Increasingly Complex Valuation Challenges” on 20 January 2016 at American Conference Institute’s 10th Advanced Forum on Import Compliance & Enforcement. The session aims to make sense of and provide guidance on a range of Customs valuation issues that import compliance professionals encounter on a daily basis. For more information on this workshop, see [here](#). Contact Chris for information on discounted conference registration.

**Birmingham, UK** – Aline Doussin will be speaking on the key issues and practical applications for supply chain issues at the Autosport International 2016 Business Workshops, organised by the Motorsport Industry Association (MIA), on Thursday 14 January. See [here](#) for workshop details and registration information.

## 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@squirepb.com](mailto:InternationalTradeCompliance@squirepb.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, organisations engaged in 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 US Department of Commerce “600 Series”.

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

## Contacts

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