

EU

France Issues Guidance on Iran Sanctions

In order to assist organisations operating within the EU sanctions regime concerning Iran, the French Ministère des Finances issued [guidance](#) that includes a comprehensive table detailing that the Iran sanctions will gradually phase out from the Implementation Date. The ministry notes however that existing sanctions remain unchanged until then.

UK Updates FAQs on Business with Iran

On 2 September, the UK Foreign & Commonwealth Office updated its [FAQs](#) on conducting business with Iran further to the adoption of the JCPOA. In particular, the FAQs address the potential impact of the deal for businesses and the support which the UK government will provide to businesses seeking opportunities in Iran. Per a British embassy [press release](#), it reopened its embassy in Tehran, Iran on 23 August, with Iran's embassy in London also reopening the same day.

Switzerland Eases Sanctions Policy on Iran

Switzerland's Federal Council followed suit in easing its sanctions policy against Iran, demonstrating "its support for the implementation of the nuclear agreement and its interest in deepening bilateral relations with Iran". It aligned its existing sanctions regime to the EU rules, including renewing the sanctions suspensions targeting precious metals and petrochemical products. See [press release](#).

The Council of the EU Votes to Renew Sanctions Adopted with Respect to Ukraine for Six Months

On 14 September 2015, the Council of the EU voted to extend sanctions in respect of the actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine until March 2016. The sanctions, imposed by way of Regulation 269/2014 and [Council Decision 2014/145/CFSP](#), were due to expire in September. They comprise EU-wide asset freezes as well as travel bans on specific individuals and entities. The amending Decision has not been published as yet.

ICC, LCIA and SCC Issue Guidance on the Impact of EU Sanctions on Arbitration Administered by Institutions Based in the EU

The [guidance](#) notes that although the sanctions may engender additional procedural steps, they do not prevent parties from referring their arbitral disputes to EU-based institutions. The paper observes that "these sanctions do not result in a substantial change in the administration of arbitral proceedings". However, it cautions that there are situations where an arbitration involves Russian parties, where the sanctions may influence procedure of the arbitration. For example, if a party designated under the EU sanctions regulations is also the ultimate beneficial owner of a party in the arbitration proceedings, a transfer of funds could be subject to the freezing of assets and other financial sanctions which impact particular sectors of the Russian economy.

US

BIS Expands Entity List to Include 29 Persons Acting Contrary to US Policy in the Crimea Region of Ukraine

The US Department of Commerce, Bureau of Industry and Security (BIS) has issued a final rule amending the Export Administration Regulations (EAR) by adding 29 persons to the Entity List. These persons have been determined by the US Government to be acting contrary to the national security or foreign policy interests of the United States in regard to the Crimea region of Ukraine. BIS has added these persons to the Entity List to support existing sanctions on the Russian Federation in connection with US allegations of the country violating of international law and fuelling the conflict in eastern Ukraine. The Entity List designations prohibit certain transactions with these persons, which are listed under destinations of Crimea region of Ukraine, Cyprus, Finland, Romania, Russia, Switzerland, Ukraine and the United Kingdom.

DDTC Publishes Public Comments to Proposed Revision of US Munitions List Categories XIV and XVIII

Public comments to the proposed rule that would implement revisions to Categories XIV (toxicological agents, including chemical agents, biological agents, and associated equipment) and XVIII (directed energy weapons) of the US Munitions List (USML) are now posted to the Directorate of Defence Trade Controls (DDTC) website. The proposed rule, at 80 FR 345872, is part of the President's Export Control Reform effort and would move military items currently in these USML categories to the EAR, while defining more precisely those articles warranting control on the USML.

US Enforcement Actions and Announcements

UBS AG Settled Potential Civil Liability for Apparent Sanctions Violations

UBS AG (UBS), a Zurich-based financial institution, agreed to pay US\$1.7 million to [settle](#) potential civil liability for alleged violations of the Global Terrorism Sanctions Regulations. Between 2008 and 2013, UBS allegedly processed 222 securities-related transactions to or through the United States for or on behalf of a Specially Designated Global Terrorist (SDGT).

Settlements of Potential Civil Liability for Alleged Violations of the EAR

South Carolina-based Streit USA, its affiliates and two corporate officers agreed to a US\$3.5 million penalty to settle alleged violations of the EAR. Between 2008 and 2009, the parties allegedly sold US-origin armoured vehicles that were controlled under the EAR for national security reasons to various end-users in multiple countries without the required licenses. Separately, Air Bashkortostan, LTD., of Bashkortostan, Russia (Air Bashkortostan), agreed to a penalty of US\$350,000 to settle alleged violations of the EAR. In early 2009, Air Bashkortostan allegedly committed four violations of the EAR through four occasions when it reexported US-origin Boeing 757 aircraft from Russia to Iran without the required US Government authorization.

Russia's Decree on Destroying Western Food Imports Comes Into Force

President Putin has signed a decree calling for the destruction of western food imports. This follows a ban imposed by Russia earlier in the year in retaliation for sanctions imposed by the EU and US. The ban on imports covers fruit, vegetables, meat and cheese.

Non-Member States Adopt EU Changes to Belarus and North Korea Sanctions

EU candidate countries the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania and potential candidate Bosnia and Herzegovina have aligned their national sanctions policies with the latest amendments to the EU sanctions in place with respect to Belarus and the Democratic People's Republic of Korea. These countries have been joined by the EFTA countries Iceland, Liechtenstein and Norway, members of the European Economic Area and Ukraine (as well as the Republic of Moldova and Armenia in respect of the North Korean sanctions only), which have also conformed their national policies with those of the Council Decisions (Decision (CFSP) 2015/1142 and Decision (CFSP) 2015/1066). See press releases regarding [Belarus](#) and [North Korea](#).

EU Enforcement Actions and Announcements

Financial Markets Law Committee (FMLC) Report on Russia Sanctions

The FMLC has published a [report](#) identifying a number of issues with the current Russian sanctions regime under Council Regulation (EU) No 833/2014, where there is legal uncertainty or misunderstanding in respect of the wholesale financial markets framework. In particular, the FMLC highlights the prohibition on new loans or credit, the meaning and scope of related entities and the rules on circumvention as areas giving rise to legal uncertainty and fostering a challenging compliance burden for financial institutions. The FMLC also considers how these issues should be addressed and suggests a centralised EU authority responsible for issuing licenses and publication of comprehensive guidance demonstrating how the provisions will be interpreted.

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Events

Export Control Symposium 2015

George Grammas, partner and co-chair of our International Trade Practice, will speak as part of a US-export controls panel at the Export Control Symposium 2015 (ECS 2015), hosted by the UK Government, the Department for Business, Innovation & Skills, and Export Control Organisation on 22 September 2015. ECS 2015 will focus on a wide range of topics relating to export controls, including how to managing risks, a comparative UK/US export controls discussion and guidance on doing business globally. Interested persons can RSVP [here](#).

About Our Team

Our export controls and 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 and 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@sqpirepb.com for assistance.

ITAR Practitioner's Handbook

Organizations 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). In addition to the ITAR, this Handbook includes: the US Department of Commerce "600 Series;" a summary of ITAR and Export Administration Regulations (EAR) exemptions; a primer for export controls compliance; key points of contacts for the US government, including phone numbers; and other useful materials.

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

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