



HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

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Limited

Joint Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 1210/2003 concerning certain specific restrictions on
economic and financial relations with Iraq**

EXPLANATORY MEMORANDUM

- (1) Council Regulation (EC) No 1210/2003 imposes certain restrictive measures in respect of Iraq, in accordance with Common Position 2003/495/CFSP and UN Security Council Resolution 1483 (2003). Article 4(4) of that Regulation provides that no economic resources shall be made available, directly or indirectly to, or for the benefit of, a natural or legal person, body or entity listed in Annex IV, so as to enable that person, body or entity to obtain funds, goods or services.
- (2) On X of July 2014, the Council adopted Decision 2014/.../CFSP concerning restrictive measures against Iraq to provide that no funds or economic resources shall be made available, directly or indirectly, for the benefit of persons and entities referred to in Article 2(b), subject to specific exemptions, namely, where funds and economic resources may be necessary to satisfy basic needs, where intended exclusively for the payment of professional fees and expenses for legal services, intended for payment of service charges for holding or maintenance of frozen funds or economic resources or necessary for payment of extraordinary expenses. In accordance with Council Decision 2014/.../CFSP, Regulation (EC) No 1210/2003 should therefore be amended accordingly.

Joint Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 1210/2003 concerning certain specific restrictions on economic and financial relations with Iraq

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 215 thereof,

Having regard to Council Decision 2014/.../CFSP amending Common Position 2003/495/CFSP on Iraq¹,

Having regard to the joint proposal of the High Representative of the Union for Foreign Affairs and Security Policy and of the European Commission,

Whereas:

- (1) Council Regulation (EC) No 1210/2003² imposes restrictive measures in respect of Iraq, in accordance with Common Position 2003/495/CFSP and UN Security Council Resolution 1483 (2003).
- (2) Article 4(4) of Regulation (EC) No 1210/2003 provides that no economic resources are to be made available, directly or indirectly to, or for the benefit of, a natural or legal person, body or entity listed in Annex IV to that Regulation, so as to enable that person, body or entity to obtain funds, goods or services.
- (3) On ... July 2014, the Council adopted Decision 2014/.../CFSP prohibiting funds or economic resources from being made available, directly or indirectly, for the benefit of listed persons and entities. Specific exemptions are provided for, namely funds and economic resources which are: (a) necessary to satisfy basic needs (b) intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with provision of legal services and (c) intended exclusively for payment of fees or services charges for holding or maintenance of frozen funds and economic resources or (d) necessary for payment of extraordinary expenses.
- (4) It is also appropriate to update Regulation (EC) No 1210/2003 with recent information provided by the Member States regarding the identification of competent authorities.
- (5) Regulation (EC) No 1210/2003 should therefore be amended accordingly,

¹ OJ L ... , ... 2014, p. ...

² Council Regulation (EC) No 1210/2003 of 7 July 2003 concerning certain specific restrictions on economic and financial relations with Iraq and repealing Regulation (EC) No 2465/96 (OJ L 169, 8.7.2003, p. 6).

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1210/2003 is amended as follows:

(1) Article 4 is amended as follows:

(a) Paragraph 3 is replaced by the following:

‘(3) No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies listed in Annex IV.’

(b) Paragraph 4 is deleted.

(2) Article 5 is replaced by the following:

Article 5

1. Article 4 shall not prevent the crediting of frozen accounts by financial or credit institutions that receive funds transferred by third parties to the account of the listed person, entity or body, provided that any additions to such accounts shall also be frozen. The financial or credit institution shall inform the competent authorities about such transactions without delay.

2. By way of derogation from Article 4(3), the competent authorities, as indicated on the websites listed in Annex V, may authorise the making available of certain funds or economic resources, under such conditions as it deems appropriate, after having determined that the funds or economic resources concerned are:

(a) necessary to satisfy the basic needs of natural or legal persons, entities or bodies listed in Annex V, and dependent family members of such natural persons, 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, provided that the relevant competent authority has notified the grounds on which it considers that a specific authorisation should be granted to the competent authorities of the other Member States and to the Commission at least two weeks prior to authorisation.

3. The Member States concerned shall inform the other Member States and the Commission of any authorisation granted under this Article.’

(3) Annex V is replaced by the text set out in the Annex to this Regulation.’

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council
The President*