General Court of the European Union
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Press and Information

Judgment in Case T-293/12
Syria International Islamic Bank v Council

The General Court annuls the inclusion of Syria International Islamic Bank in the list of entities subject to the restrictive measures against Syria

The fact that the bank has carried out financial transactions for persons who also have accounts with two other banks designated by the Council cannot be considered sufficient to justify its inclusion

Syria International Islamic Bank ('SIIB') is a Syrian bank the capital of which is held by Qatari and Syrian shareholders. The Council adopted restrictive measures (freezing of funds) against SIIB on the following ground: 'SIIB has acted as a front for the Commercial Bank of Syria, which has allowed that bank to circumvent sanctions imposed on it by the EU. From 2011 to 2012, SIIB surreptitiously facilitated financing worth almost $150 million on behalf of the Commercial Bank of Syria. Financial arrangements that were purportedly made by SIIB were actually made by the Commercial Bank of Syria. In addition to working with the Commercial Bank of Syria to circumvent sanctions, in 2012, SIIB facilitated several substantial payments for the Syrian Lebanese Commercial Bank, another bank already designated by the EU.[1] In these ways, SIIB has contributed to providing financial support to the Syrian regime.'[2] SIIB is seeking annulment of its inclusion.

In today's judgment, the General Court grants the application for annulment.

The General Court finds that SIIB became subject to restrictive measures on the ground that it had facilitated financing on behalf of Commercial Bank of Syria ('CBS') and Syrian Lebanese Commercial Bank ('SLCB'), both designated by the Council. More specifically, the Council alleges that SIIB carried out financial transactions for natural or legal persons who, without being included in the list of persons and entities affected by those measures, had bank accounts with the two aforementioned banks. However, the Council has not, according to the General Court, proved that the transactions carried out by SIIB for clients who also have an account with CBS or SLCB involve a particularly high risk that the money comes from the Syrian regime or from natural or legal persons subject to the restrictive measures at issue: CBS and SLCB have not been designated because of evidence relating to their clients, but because CBS belongs to the Syrian State and SLCB is its subsidiary.

Furthermore, the General Court notes that the Council has not presented any evidence from which it might be inferred that the clients of SIIB are implicated in the violent repression of the civilian population in Syria. Moreover, the Council has not claimed that the names of those clients, which it did not identify, were included in the lists of persons and entities subject to the restrictive measures against Syria. Therefore, the fact that the applicant carried out financial transactions for persons who also have accounts with CBS or SLCB cannot be considered to be sufficient to justify its inclusion.

[1] See, in this regard, Press Release no.13/14.
[2] Annex to Council Implementing Decision 2012/335/CFSP of 25 June 2012 implementing Decision 2011/782 (OJ 2012 L 165, p. 80). See also, Annex to Council Implementing Regulation (EU) No 544/2012 of 25 June 2012 implementing Article 32(1) of Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria (OJ 2012 L 165, p. 20, corrigendum OJ 2012 L 173, p. 27).

Since the Council has not, during the proceedings, provided any other evidence from which it would have been possible to verify whether the alleged facts were materially accurate, the General Court annuls the contested acts due to a manifest error committed by the Council in the assessment of the facts.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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The full text of the judgment is published on the CURIA website on the day of delivery

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