General Court of the European Union
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Press and Information

Judgments in Cases T-174/12 and T-80/13
Syrian Lebanese Commercial Bank v Council

# The General Court confirms the inclusion of a Lebanese bank in the list of entities subject to the restrictive measures against Syria

*Where a notice published in the OJ relates to an act of the EU which itself is published in the OJ, the additional period of 14 days within which to bring proceedings applies by analogy*

The Syrian Lebanese Commercial Bank (SLCB) is a Lebanese bank owned by the Commercial Bank of Syria (CBS), which belongs to the Syrian State. The Council has adopted restrictive measures against the CBS because of its financial support to the Syrian regime. The Council has also included the SLCB in those measures because of its link of a capital nature with the CBS and its participation in the financing of the regime. The SLCB seeks the annulment of the measures relating to its designation[1].

By its judgment delivered today, the General Court rejects that application.

During the proceedings, the SLCB has, inter alia, sought to amend its pleadings in the light of an implementing regulation[2] adopted after the action was brought. That regulation, which confirmed that the name of the SLCB was to be maintained in the list, was published in the Official Journal (OJ) at the same time as a notice intended to inform the persons concerned (including the SLCB) that their designation was maintained. The Council opposed that amendment, arguing that it had not been made within two months (and 10 days on account of distance) following publication of **the notice.** First of all, the General Court notes that it was not impossible for the Council to have sent the implementing regulation to the SLCB, since it had already sent it other acts in the past and it was aware of the address of its representatives. Next, the General Court recalls that, in any event, its Rules of Procedure provide for an additional period of 14 days within which to bring an action against **acts published** in the OJ. In that regard, it considers that that additional period applies to actions brought not only against acts, but also against **notices published** in the OJ. The objective of that period of 14 days, which is to ensure that interested parties have sufficient time to bring an action against published acts, is applicable by analogy to notices. That period must therefore be applied where the event which brings the time-limit for bringing an action into play is a notice published in the OJ which relates to an act which itself is published in the OJ.

The action having been declared admissible, the General Court finds firstly that the Council fulfilled its duty to state reasons. The first part of the reasons (link of a capital nature between the SLCB and the CBS) is sufficient to establish that the SLCB was designated because of its status as a subsidiary of the CBS. Even if the second part of the reasons (participation in the financing of the regime) is not sufficiently precise, the first part of the reasons suffices alone for the view to be taken that the Council has fulfilled its duty to state reasons.

Next, the General Court points out that the Council was able rightly to take the view that the SLCB is implicated, at least indirectly, in the financing of the Syrian regime. In its submission, the fact that 84.2% of the SLCB's capital is held by the CBS (which enables the latter to control the annual general meeting of the SLCB) and that the CBS gives financial support, as a bank wholly owned by

[1] Council Implementing Regulation No 55/2012 of 23 January 2012 (OJ 2012 L 19, p. 6); Council Implementing Decision 2012/37/CFSP of 23 January 2012 (OJ 2012 L 19, p. 33); Council Decision 2012/739/CFSP of 29 November 2012 (OJ 2012 L 330, p. 21) and Council Implementing Regulation No 1117/2012 of 29 November 2012 (OJ 2012 L 330, p. 9).
[2] Council Implementing Regulation No 363/2013 of 22 April 2013 (OJ 2013 L 111, p. 1).

the State, to that country's regime, clearly constitutes a link with persons supporting that regime. In addition, the link of a capital nature between those two banks is not called into question by the fact that the activities of the SLCB are subject to the supervision of the Banque du Liban, given that that supervision concerns the funds held by the SLCB in Lebanon and not in the EU.

The General Court also finds that, when the restrictive measures were adopted, the Council did not infringe either the rights of the defence or the right to effective judicial protection. The General Court notes that, after its inclusion in the list, the SLCB was informed of the grounds for its designation and was requested to submit its observations. The fact that that communication was made after the initial inclusion in the list cannot be regarded of itself as an infringement of the rights of the defence. Prior communication of the grounds would be liable to compromise the effectiveness of the measures to freeze funds and economic resources, given that those measures must take advantage of a surprise effect and apply with immediate effect. It is clear that the SLCB was placed in a position effectively to defend itself against the acts in question since it was able to put forward its views before the Council and the General Court. In addition, the Council did not amend the reasons for the restrictive measures concerning the SLCB, but continued to rely on the link of a capital nature between that bank and the CBS.

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**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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*Pictures of the delivery of the judgment are available from "Europe by Satellite" (+32) 2 2964106*