

Council Regulation (EC) No 423/2007 of 19 April 2007
concerning restrictive measures against Iran (repealed)

Article 1

For the purposes of this Regulation only, the following definitions shall apply:

- (a) ‘Sanctions Committee’ means the Committee of the United Nations Security Council which was established pursuant to paragraph 18 of UNSCR 1737 (2006);
- (b) ‘technical assistance’ means any technical support related to repairs, development, manufacture, assembly, testing, maintenance, or any other technical service, and may take forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services; including verbal forms of assistance;
- (c) the term ‘goods’ includes items, materials and equipment;
- (d) the term ‘technology’ includes software;
- (e) ‘investment’ means acquisition or extension of a participation in enterprises, including the acquisition in full of such enterprises and the acquisition of shares and securities of a participating nature;
- (f) ‘brokering services’ means activities of persons, entities and partnerships acting as intermediaries by buying, selling or arranging the transfer of goods and technology, or negotiating or arranging transactions that involve the transfer of goods or technology;
- (g) ‘funds’ means financial assets and benefits of every kind, including but not limited to:
 - (i) cash, cheques, claims on money, drafts, money orders and other payment instruments;
 - (ii) deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
 - (iii) publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts;
 - (iv) interest, dividends or other income on or value accruing from or generated by assets;
 - (v) credit, right of set-off, guarantees, performance bonds or other financial commitments;
 - (vi) letters of credit, bills of lading, bills of sale; and
 - (vii) documents showing evidence of an interest in funds or financial resources;
- (h) ‘freezing of funds’ means preventing any moving, transfer, alteration, use of, access to, or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management;
- (i) ‘economic resources’ means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but which may be used to obtain funds, goods or services;

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- (j) ‘freezing of economic resources’ means preventing the use of economic resources to obtain funds, goods or services in any way, including, but not limited to, by selling, hiring or mortgaging them;
- (k) ‘territory of the Community’ means the territories of the Member States to which the Treaty is applicable, under the conditions laid down in the Treaty, including their airspace.

Article 2[^{F1}1.] It shall be prohibited:

- a to sell, supply, transfer or export, directly or indirectly, the following goods and technology, whether or not originating in the Community, to any natural or legal person, entity or body in, or for use in, Iran:
 - (i) all goods and technology contained in the Nuclear Suppliers Group and Missile Technology Control Regime lists. These goods and technology are listed in Annex I;
 - (ii) other goods and technology determined by the Sanctions Committee or the United Nations Security Council as goods and technology which could contribute to Iran's enrichment-related, reprocessing, or heavy water-related activities, or to the development of nuclear weapon delivery systems. These goods and technology are also listed in Annex I;
- b to participate, knowingly and intentionally, in activities the object or effect of which is to circumvent the prohibition referred to in point (a).

[^{F12} Annex I shall not include goods and technology included in the Common Military List of the European Union⁽¹⁾.]**Textual Amendments**

F1 Inserted by [Council Regulation \(EC\) No 618/2007 of 5 June 2007 amending Regulation \(EC\) No 423/2007 concerning restrictive measures against Iran.](#)

Article 3

1 A prior authorisation shall be required for the sale, supply, transfer or export, directly or indirectly, of the goods and technology listed in Annex II, whether or not originating in the Community, to any natural or legal person, entity or body in, or for use in, Iran.

2 Annex II shall include any goods and technology other than those included in Annex I, which could contribute to enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems, or to the pursuit of activities related to other topics about which the International Atomic Energy Agency (IAEA) has expressed concerns or identified as outstanding.

3 Exporters shall supply the competent authorities with all relevant information required for their application for an export authorisation.

4 The competent authorities of the Member States, as indicated in the websites listed in Annex III, shall not grant any authorisation for any sale, supply, transfer or export of the goods or technology included in Annex II, if they determine that the sale, supply, transfer or export thereof would contribute to one of the following activities:

- a Iran's enrichment-related, reprocessing or heavy water-related activities;

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- b the development of nuclear weapon delivery systems by Iran; or
- c the pursuit by Iran of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding.

5 Under the conditions set out in paragraph 4, the competent authorities of the Member States, as indicated in the websites listed in Annex III, may annul, suspend, modify or revoke an export authorisation which they have already granted.

6 Where they refuse to grant an authorisation, or annul, suspend, substantially limit or revoke an authorisation in accordance with paragraph 4, the Member States shall notify the other Member States and the Commission thereof and share the relevant information with them, while complying with the provisions concerning the confidentiality of such information of Council Regulation (EC) No 515/97 of 13 March 1997 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters⁽²⁾.

7 Before a Member State grants an export authorisation which has been denied by another Member State or States, in accordance with paragraph 4, for an essentially identical transaction and for which the denial is still valid, it will first consult the Member State or States which issued the denial as provided for in paragraphs 5 and 6. If, following such consultations, the Member State concerned decides to grant an authorisation, it shall inform the other Member States and the Commission thereof, providing all relevant information to explain the decision.

Article 4

It shall be prohibited to purchase, import or transport the goods and technology listed in Annex I, from Iran, whether the item concerned originates in Iran or not.

Article 5

[^{F21} It shall be prohibited:

- a to provide, directly or indirectly, technical assistance related to the goods and technology listed in the Common Military List of the European Union, or related to the provision, manufacture, maintenance and use of goods included in that list, to any natural or legal person, entity or body in, or for use in, Iran;
- b to provide, directly or indirectly, technical assistance or brokering services related to the goods and technology listed in Annex I, or related to the provision, manufacture, maintenance and use of goods listed in Annex I, to any natural or legal person, entity or body in, or for use in, Iran;
- c to provide investment to enterprises in Iran engaged in the manufacture of goods and technology listed in the Common Military List of the European Union or in Annex I;
- d to provide, directly or indirectly, financing or financial assistance related to the goods and technology listed in the Common Military List of the European Union or in Annex I, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of such items, or for any provision of related technical assistance to any natural or legal person, entity or body in, or for use in, Iran;
- e to participate, knowingly and intentionally, in activities, the object or effect of which is to circumvent the prohibitions referred to in points (a) to (d).

The prohibitions set out in this paragraph shall not apply to non-combat vehicles which have been manufactured or fitted with materials to provide ballistic protection, intended solely for protective use of personnel of the EU and its Member States in Iran.]

2 The provision of:

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- a technical assistance, or brokering services related to, goods and technology listed in Annex II and to the provision, manufacture, maintenance and use of these items, directly or indirectly to any person, entity or body in, or for use in Iran;
- b investment to enterprises in Iran engaged in the manufacture of goods and technology as listed in Annex II;
- c financing or financial assistance related to goods and technologies referred to in Annex II, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of these items, or for any provision of related technical assistance, directly or indirectly, to any person, entity or body in, or for use in Iran;

shall be subject to an authorisation of the competent authority of the Member State concerned.

3 The competent authorities of the Member States, as indicated in the websites listed in Annex III, shall not grant any authorisation for the transactions referred to in paragraph 2, if they determine that the action were to contribute to one of the following activities:

- a Iran's enrichment-related, reprocessing or heavy water-related activities;
- b the development of nuclear weapon delivery systems by Iran; or
- c the pursuit by Iran of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding.

Textual Amendments

- F2** Substituted by [Council Regulation \(EC\) No 618/2007 of 5 June 2007 amending Regulation \(EC\) No 423/2007 concerning restrictive measures against Iran.](#)

Article 6

The competent authorities of the Member States, as indicated in the websites listed in Annex III, may grant, under such terms and conditions as they deem appropriate, an authorisation for a transaction in relation to goods and technology, assistance, investment or brokering services referred to in Articles 2 or 5(1), where the Sanctions Committee has determined in advance and on a case-by-case basis that the transaction would clearly contribute neither to the development of technologies in support of Iran's proliferation sensitive nuclear activities, nor to the development of nuclear weapon development delivery systems, including where such goods and technology, assistance, investment or brokering services are for food, agricultural, medical or other humanitarian purposes, provided that:

- (a) the contract for delivery of the goods or technology, or for the provision of assistance, includes appropriate end-user guarantees, and
- (b) Iran has undertaken not to use the goods or technology concerned, or if applicable, the assistance concerned, in proliferation sensitive nuclear activities or for development of nuclear weapon delivery systems.

Article 7

1 All funds and economic resources belonging to, owned, held or controlled by the persons, entities and bodies listed in Annex IV shall be frozen. Annex IV shall include the persons, entities and bodies designated by the United Nations Security Council or by the Sanctions Committee in accordance with paragraph 12 of UNSCR 1737 (2006).

2 All funds and economic resources belonging to, owned, held or controlled by the persons, entities and bodies listed in Annex V shall be frozen. Annex V shall include natural and

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legal persons, entities and bodies, not covered by Annex IV, who, in accordance with Article 5(1)(b) of Common Position 2007/140/CFSP, have been identified as:

- a being engaged in, directly associated with, or providing support for, Iran's proliferation-sensitive nuclear activities, or
- b being engaged in, directly associated with, or providing support for, Iran's development of nuclear weapon delivery systems, or
- c acting on behalf of or at the direction of a person, entity or body referred to under (a) or (b), or
- d being a legal person, entity or body owned or controlled by a person, entity or body referred to under (a) or (b), including through illicit means.

3 No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of the natural or legal persons, entities or bodies listed in Annexes IV and V.

4 The participation, knowingly and intentionally, in activities the object or effect of which is, directly or indirectly, to circumvent the measures referred to in paragraphs 1, 2 and 3 shall be prohibited.

Article 8

By way of derogation from Article 7, the competent authorities of the Member States, as indicated in the websites listed in Annex III, may authorise the release of certain frozen funds or economic resources, if the following conditions are met:

- (a) [F²the funds or economic resources are the subject of a judicial, administrative or arbitral lien established before the date on which the person, entity or body referred to in Article 7 has been designated by the Sanctions Committee, the Security Council or by the Council or of a judicial, administrative or arbitral judgment rendered prior to that date;]
- (b) the funds or economic resources will be used exclusively to satisfy claims secured by such a lien or recognised as valid in such a judgment, within the limits set by applicable laws and regulations governing the rights of persons having such claims;
- (c) the lien or judgment is not for the benefit of a person, entity or body listed in Annex IV or V;
- (d) recognising that the lien or judgment is not contrary to public policy in the Member State concerned; and
- (e) if Article 7(1) applies, the Sanctions Committee has been notified by the Member State of the lien or judgment.

Textual Amendments

- F2** Substituted by [Council Regulation \(EC\) No 618/2007 of 5 June 2007 amending Regulation \(EC\) No 423/2007 concerning restrictive measures against Iran.](#)

Article 9

By way of derogation from Article 7 and provided payment by a person, entity or body listed in Annex IV or V is due under a contract, agreement or obligation that was concluded by, or arose for the person, entity or body concerned, before the date on which that person, entity or body has been designated by the Sanctions Committee, the Security Council or by the Council, the competent authorities of the Member States, as

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indicated in the websites listed in Annex III, may authorise, under such conditions as they deem appropriate, the release of certain frozen funds or economic resources, if the following conditions are met:

- (a) the competent authority concerned has determined that:
 - (i) the funds or economic resources shall be used for a payment by a person, entity or body listed in Annex IV or V;
 - (ii) the contract, agreement or obligation will not contribute to the manufacture, sale, purchase, transfer, export, import, transport or use of goods and technology listed in Annexes I and II; and
 - (iii) the payment is not in breach of Article 7(3);
- (b) if Article 7(1) applies, the Member State concerned has notified the Sanctions Committee of that determination and its intention to grant an authorisation, and the Sanctions Committee has not objected to that course of action within ten working days of notification; and
- (c) if Article 7(2) applies, the Member State concerned has notified that determination of its competent authority and its intention to grant an authorisation to the other Member States and to the Commission at least two weeks prior to the authorisation.

Article 10

1 By way of derogation from Article 7, the competent authorities of the Member States, as indicated in the websites listed in Annex III, may authorise, under such conditions as they deem appropriate, the release of certain frozen funds or economic resources, or the making available of certain funds or economic resources, if the following conditions are met:

- a the competent authority concerned has determined that the funds or economic resources are:
 - (i) necessary to satisfy the basic needs of persons listed in Annex IV or V, and their dependent family members, including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
 - (ii) intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services; or
 - (iii) intended exclusively for payment of fees or service charges for routine holding or maintenance of frozen funds or economic resources; and
- b if the authorisation concerns a person, entity or body listed in Annex IV, the Member State concerned has notified the Sanctions Committee of that determination and its intention to grant an authorisation, and the Sanctions Committee has not objected to that course of action within five working days of notification.

2 By way of derogation from Article 7, the competent authorities of the Member States, as indicated in the websites listed in Annex III, may authorise the release of certain frozen funds or economic resources or the making available of certain funds or economic resources, after having determined that the funds or economic resources are necessary for extraordinary expenses, provided that

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- a if the authorisation concerns a person, entity or body listed in Annex IV, the Sanctions Committee has been notified of this determination by the Member State concerned and that the determination has been approved by that Committee, and
- b if the authorisation concerns a person, entity or body listed in Annex V, the competent authority has notified the grounds on which it considers that a specific authorisation should be granted to the other competent authorities of the Member States and to the Commission at least two weeks before the authorisation.

3 The relevant Member State shall inform the other Member States and the Commission of any authorisation granted under paragraphs 1 and 2.

Article 11

1 Article 7(3) shall not prevent financial or credit institutions in the Community from crediting frozen accounts where they receive funds transferred by third parties to the account of a listed natural or legal person, entity or body, provided that any additions to such accounts will also be frozen. The financial or credit institution shall inform the competent authorities about such transactions without delay.

2 Article 7(3) shall not apply to the addition to frozen accounts of:

- a interest or other earnings on those accounts; or
- [^{F2}b payments due under contracts, agreements or obligations that were concluded or arose before the date on which the person, entity or body referred to in Article 7 has been designated by the Sanctions Committee, the Security Council or by the Council;]

provided that any such interest, other earnings and payments are frozen in accordance with Article 7(1) or 7(2).

Textual Amendments

- F2** Substituted by [Council Regulation \(EC\) No 618/2007 of 5 June 2007 amending Regulation \(EC\) No 423/2007 concerning restrictive measures against Iran.](#)

Article 12

1 The freezing of funds and economic resources or the refusal to make funds or economic resources available, carried out in good faith on the basis that such action is in accordance with this Regulation, shall not give rise to liability of any kind on the part of the natural or legal person or entity or body implementing it, or its directors or employees, unless it is proved that the funds and economic resources were frozen or withheld as a result of negligence.

2 The prohibitions set out in Articles 5(1)(c) and 7(3) shall not give rise to liability of any kind on the part of the natural or legal persons or entities concerned, if they did not know, and had no reasonable cause to suspect, that their actions would infringe these prohibitions.

Article 13

1 Without prejudice to the applicable rules concerning reporting, confidentiality and professional secrecy, natural and legal persons, entities and bodies shall:

- a supply immediately any information which would facilitate compliance with this Regulation, such as accounts and amounts frozen in accordance with Article 7, to the competent authorities of the Member States, as indicated in the websites listed in Annex III, where they are resident or located, and shall transmit such information, directly or through the Member States, to the Commission;

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- b cooperate with the competent authorities, as indicated in the websites listed in Annex III, in any verification of this information.

2 Any additional information directly received by the Commission shall be made available to the Member State concerned.

3 Any information provided or received in accordance with this Article shall be used only for the purposes for which it was provided or received.

Article 14

The Commission and Member States shall immediately inform each other of the measures taken under this Regulation and shall supply each other with any other relevant information at their disposal in connection with this Regulation, in particular information in respect of violations and enforcement problems and judgments handed down by national courts.

Article 15

1 The Commission shall:

- a amend Annex I on the basis of determinations made by either the United Nations Security Council or the Sanctions Committee;
- b amend Annex III on the basis of information supplied by Member States;
- c amend Annex IV on the basis of determinations made by either the United Nations Security Council or the Sanctions Committee.

2 The Council, acting by qualified majority, shall establish, review and amend the list of persons, entities and bodies referred to in Article 7(2) and in full accordance with the determinations made by the Council in respect of Annex II to Common Position 2007/140/CFSP. The list in Annex V shall be reviewed in regular intervals and at least every 12 months.

3 The Council shall state individual and specific reasons for decisions taken pursuant to paragraph 2 and make them known to the persons, entities and bodies concerned.

Article 16

1 Member States shall lay down the rules on penalties applicable to infringements of this Regulation and shall take all measures necessary to ensure that they are implemented. The penalties provided for shall be effective, proportionate and dissuasive.

2 Member States shall notify the Commission of those rules without delay after the entry into force of this Regulation and shall notify it of any subsequent amendment.

Article 17

1 Member States shall designate the competent authorities referred to in this Regulation and identify them in or through the websites as listed in Annex III.

2 Member States shall notify the Commission of their competent authorities without delay after the entry into force of this Regulation and shall notify it of any subsequent amendment.

Article 18

This Regulation shall apply:

- (a) within the territory of the Community;

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- (b) on board any aircraft or any vessel under the jurisdiction of a Member State;
- (c) to any person inside or outside the territory of the Community who is a national of a Member State;
- (d) to any legal person, entity or body which is incorporated or constituted under the law of a Member State;
- (e) to any legal person, entity or body in respect of any business done in whole or in part within the Community.

Article 19

This Regulation shall enter into force on the day 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.

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Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 423/2007 (repealed). (See end of Document for details)

- (1) [^{F1}OJ L 88, 29.3.2007, p. 58.]
- (2) OJ L 82, 22.3.1997, p. 1. Regulation as last amended by Regulation (EC) No 807/2003 (OJ L 122, 16.5.2003, p. 36).

Textual Amendments

- F1** Inserted by Council Regulation (EC) No 618/2007 of 5 June 2007 amending Regulation (EC) No 423/2007 concerning restrictive measures against Iran.

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