



General Court of the European Union

PRESS RELEASE No 99/13

Luxembourg, 6 September 2013

Judgments in Joined Cases T-35/10 and T-7/11 Bank Melli Iran;
Case T-493/10 Persia International Bank plc;
Joined Cases T-4/11 and T-5/11 Export Development Bank of Iran;
Case T-12/11 Iran Insurance Company;
Case T-13/11 Post Bank Iran;
Case T-24/11 Bank Refah Kargaran;
Case T-434/11 Europäisch-Iranische Handelsbank AG;
Joined Cases T-42/12 and T-181/12 Naser Bateni;
Case T-57/12 Good Luck Shipping, and
Case T-110/12 Iranian Offshore Engineering & Construction Co. v Council

Press and Information

The General Court annuls the acts of the Council freezing the funds of seven companies and one person in connection with the restrictive measures taken against Iran with the aim of preventing nuclear proliferation

Bank Melli Iran and Europäisch-Iranische Handelsbank remain on the list of those whose funds are frozen

In order to apply pressure on Iran to end its proliferation-sensitive nuclear activities and the development of nuclear weapon delivery systems, the Council of the European Union adopted decisions and regulations freezing the funds of persons and entities identified by the Council as being involved in nuclear proliferation. The persons and entities concerned are named in a list annexed to each of those regulations, together with a statement of the Council's reasons for including each person or entity.

The persons and entities in the cases before the Court had been designated by decisions of the Council as having been involved in Iran's nuclear programme, and their names were therefore listed in the annexes to the regulations providing for the funds of such persons to be frozen.

The persons and entities concerned brought actions before the Court for annulment of the decisions and regulations by which the restrictive measures had been adopted against them or maintained in force.

By its judgments, delivered today, **the General Court has annulled the acts of the Council in so far as they concern some of the applicants.**

With regard to **Post Bank Iran, Iran Insurance Company, Good Luck Shipping and Export Development Bank of Iran**, the Court finds that **the Council has not proved the facts of which it accuses those four companies** and that the Council could not, therefore, properly establish that they had provided support for nuclear proliferation. Consequently, the acts of the Council requiring the funds of those companies to be frozen have been annulled.

The Court has also annulled the relevant acts in so far as they concern **Mr Bateni, Persia International Bank and Iranian Offshore Engineering & Construction Co.** In each of those cases, the Court finds that **the Council made an error of assessment inasmuch as the facts and evidence on which it relied** (in the case of Mr Bateni, the fact that he is or was director of a designated company; in the case of Persia International Bank, the fact that Bank Mellat, a designated company, owns 60% of its share capital; and in the case of Iranian Offshore Engineering & Construction, the fact that it was subject to three export denials) **do not by themselves justify the adoption and/or maintenance of the restrictive measures.**

In the case of **Bank Refah Kargaran**, the Court finds that the Council breached the obligation to state reasons and the obligation to disclose to Bank Refah Kargaran the evidence used against it. The single reason given – that Bank Refah Kargaran had taken over ongoing operations from Bank Mellī after Bank Mellī became subject to restrictive measures – is not sufficiently detailed, since the Council did not identify any specific operation purportedly ‘taken over’ from Bank Mellī and carried out by Bank Refah Kargaran. Accordingly, the Court has annulled the acts of the Council imposing restrictive measures on Bank Refah Kargaran.

As regards **Europaïsch-Iranische Handelsbank**, the Court has annulled the acts of 23 May 2011 in so far as they concern that company on the ground that the Council merely adopted the listing proposal of a Member State without evaluating the allegations contained within it. However, in adopting the December 2011 acts maintaining that bank on the list, the Council did not commit the same procedural error, and all the other arguments on which the bank relied are also rejected by the Court, which holds, *inter alia*, that the transactions carried out by Europaïsch-Iranische Handelsbank on behalf of designated Iranian entities justify the adoption of restrictive measures against it. Consequently, those more recent acts have not been annulled and the funds of Europaïsch-Iranische Handelsbank remain frozen.

Lastly, the Court has dismissed the action of Bank Mellī Iran in its entirety, holding in particular that the fact that Bank Mellī Iran ensured that scholarships were paid on behalf of the Atomic Energy Organisation of Iran (AEOI) after restrictive measures had been adopted against AEOI by the United Nations Security Council constitutes support for nuclear proliferation.

The Court’s annulment of the acts concerned will not take immediate effect. The effects of any acts that have been annulled will be maintained until expiry of the period for bringing an appeal (that is to say, two months and ten days from notification of the judgment), or, if an appeal is brought, once that appeal is dismissed. During that period, the Council can remedy the infringements established by adopting, if appropriate, new restrictive measures with respect to the persons and entities concerned.

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.

Unofficial document for media use, not binding on the General Court.

The full texts of the judgments ([T-35/10 and T-7/11](#), [T-493/10](#), [T-4/11 and T-5/11](#), [T-12/11](#), [T-13/11](#), [T-24/11](#), [T-434/11](#), [T-42/12 and T-181/12](#), [T-57/12](#) and [T-110/12](#)) are published on the CURIA website on the day of delivery.

Press contact: Christopher Fretwell ☎ (+352) 4303 3355