



Press and Information

Court of Justice of the European Union  
**PRESS RELEASE No 14/16**  
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Judgment in Case C-176/13 P  
Council v Bank Mellat

## **The Court of Justice confirms the annulment of the fund-freezing measures in place against Bank Mellat since 2010**

*The Council failed to provide sufficient grounds or evidence*

In order to strengthen efforts to combat Iran's nuclear proliferation-sensitive activities and the development of nuclear weapon delivery systems in Iran, the Council froze the funds of various Iranian financial entities, including Bank Mellat,<sup>1</sup> from 2010 onwards. The reasons given for freezing Bank Mellat's funds were essentially as follows: 'Bank Mellat engages in a pattern of conduct which supports and facilitates Iran's nuclear and ballistic missile programmes. It has provided banking services to United Nations and EU listed entities or to entities acting on their behalf or at their direction, or to entities owned or controlled by them. It is the parent bank of First East Export [FEE] which is designated under United Nations Security Council Resolution 1929'.

Bank Mellat successfully challenged the freezing of its funds before the General Court.<sup>2</sup> The Council subsequently appealed to the Court of Justice to have the General Court's judgment set aside.

In today's judgment, the Court of Justice, confirming the principles established in *Kadi II*,<sup>3</sup> finds, as did the General Court, that the first two sentences of the reasons set out above do not enable Bank Mellat to establish specifically which banking services it provided to which entities, particularly as the persons whose accounts were managed by Bank Mellat are not identified.

As regards the reason citing the fact that Bank Mellat is the parent company of FEE (designated by the United Nations Security Council), the Court of Justice notes that, according to the General Court's findings, the Council did not produce any evidence that would have enabled the Courts of the EU to determine whether that reason was well founded. The Court of Justice also declares that justifying the freezing of Bank Mellat's funds on the basis of the freezing of FEE's funds, when FEE was designated in the United Nations resolution because of the very activities being carried out by Bank Mellat, is a circular argument.

As regards the Council's argument that the evidence concerning Bank Mellat's support for Iran's nuclear activities comes from confidential sources which, if disclosed, would enable those who provided the information to be identified (which could endanger their safety and their lives), the Court notes that that argument was relied on for the first time at the stage of the appeal, and is therefore inadmissible.

The Court of Justice therefore dismisses the Council's appeal. Since all the measures concerning Bank Mellat have been annulled, its funds are deemed not to have been frozen between 26 July

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<sup>1</sup>Bank Mellat's funds ceased to be frozen on 16 January 2016 in the context of the lifting of the majority of international sanctions against Iran.

<sup>2</sup>Case [T-496/10](#) Bank Mellat v Council.

<sup>3</sup>Cases: Commission, Council and United Kingdom v Yassin Abdullah Kadi [C-584/10 P](#), [C-593/10 P](#) and [C-595/10 P](#); see Press Release [No 93/13](#). In its judgment, the Court confirmed that the Courts of the EU must in particular determine whether the reasons relied on by the competent EU authority are sufficiently detailed and specific. That EU authority must produce relevant information and evidence to enable the Courts of the European Union to determine whether the reasons for the listing are substantiated.

2010 (date of the first freezing measure) and 16 January 2016 (date on which the freeze was lifted).

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**NOTE:** An appeal, on a point or points of law only, may be brought before the Court of Justice against a judgment or order of the General Court. In principle, the appeal does not have suspensive effect. If the appeal is admissible and well founded, the Court of Justice sets aside the judgment of the General Court. Where the state of the proceedings so permits, the Court of Justice may itself give final judgment in the case. Otherwise, it refers the case back to the General Court, which is bound by the decision given by the Court of Justice on the appeal.

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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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