

Security Council Committee established pursuant to resolution 1737 (2006)

90-day report pursuant to paragraph 18 (h) of resolution 1737 (2006)

Madam President,

1. I have the honour to present the report of the Committee established pursuant to resolution 1737 (2006), in accordance with paragraph 18 (h) of the same resolution. The present report covers the period from 13 December 2013 to 19 March 2014, during which time the Committee held two informal meetings, one informal informal meeting, and conducted additional work using the no-objection procedure envisioned by paragraph 15 of the guidelines for the conduct of its work.

2. The Committee presented its Annual Report to the President of the Security Council on 27 December 2013. The Annual Report provides a useful snapshot of the range of activities pursued by the Committee in accordance with its mandate in 2013. I would particularly like to highlight the Committee's communications with Member States and international organisations on matters of implementation and compliance. Providing guidance to Member States who request assistance with their implementation of the relevant provisions of the key resolutions is a critical dimension of the Committee's program of work; and I encourage Member States to take us up on our offer.

3. Another aspect of our work highlighted by the Annual Report is the reports from Member States of action they have taken to enforce the sanctions measures. Some of these cases related to violations of national implementation measures investigated by local enforcement authorities. For others, the Member State concerned invited the Panel of Experts to investigate the incident, in particular those that appeared to be a breach by Iran of its obligations under the resolutions. I cannot overstate the importance to the Committee's work of these incident reports, and the willingness of Member States to invite the Panel of Experts to participate in the investigation of such incidents.

4. The Committee twice reached out to Iran last year in relation to incidents investigated by the Panel of Experts: we wrote on 12 April 2013 in relation to the Panel's unanimous conclusion that Iran's launches of the Shahab 1 and 3 missiles during the Great Prophet 7 exercises contravened paragraph 9 of resolution 1929 (2010); and on 21 May 2013 in relation to the Panel's conclusion that an intercepted arms shipment in Yemen was at the very least a probable violation by Iran of paragraph 5 of resolution 1747 (2007). Iran has still not replied, and the Committee continues to call on Iran to do so.

Madam President,

5. Although the Committee remains mindful of ongoing talks between the P5+1 and Iran following the Joint Plan of Action agreed in Geneva on 24 November 2013, the work of both the Committee and the Panel of Experts remain unchanged for 2014. As I mentioned during my last report in December 2013, the Security Council measures

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imposed by resolutions 1737, 1747, 1803, and 1929 remain in effect; and Member States continue to have an obligation to implement them duly.

6. The Committee adopted its Programme of Work for the period 1 January to 30 June 2014 on 24 January and has already been actively engaged with Member States.

7. The Committee received multiple communications from several Member States updating the Committee on the outcome of enforcement actions they had taken. One Member State reported on the steps it had taken to prevent multiple attempts in 2011 and 2012 by Iran to procure carbon fibre suspected of being in violation of relevant Security Council resolutions. Another Member State informed the Committee of the confirmation of the judgment against a person found guilty of violating its laws implementing the Council's sanctions on Iran.

8. The Committee continued to consider its response to the Report by the Panel of Experts which had concluded that Iran's attempted procurement of carbon fibre in December 2012 (the goods were intercepted and seized by a Member State) contravened the resolutions.

9. The Permanent Representative of a Member State named in media reports as having contracted to procure arms from Iran in contravention of paragraph 5 of resolution 1747 called on me in my capacity as Chair of the Committee to deny the reports. The Permanent Mission also sent a note verbale to the Committee in similar terms. The Panel of Experts is separately engaging with the Member State on the reports.

10. During the reporting period, the Committee has responded to requests for guidance from Member States covering a range of issues: from notification requirements, and engagement with the originating State of seized items; to the supply of target shooting ammunition to Iran for sport shooting purposes; to updated lists of designated individuals, entities and goods to which the sanctions apply. The Committee is also working with an international organisation on clarifying whether a particular proposal for technical assistance to Iran is compatible with the sanctions regime.

11. The Committee has also engaged with a number of Member States over the past three months on the implementation of the targeted financial sanctions regime. The Committee provided additional identifying information of a listed individual from publicly available sources, including photographs, to assist a Member State clarify a possible match. The Committee similarly responded to another State's request for assistance in determining whether particular entities were included in the Committee's Consolidated List.

12. And the Committee itself received assistance from a Member State, which transmitted to the Committee a list of persons who had traveled through the country with names similar to those of listed individuals; and provided additional identifying information for these possible matches that was missing from the Committee's consolidated list, such as birth dates and passport numbers. This data will allow the

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Committee to determine whether any of the individuals were indeed listed individuals travelling in contravention of the travel ban; and, in that case, to strengthen the effectiveness of both the travel ban and targeted financial sanctions by including the new identifying data to the consolidated list.

Madam President

13. As we are approaching the end of the Panel of Experts' current mandate and the submission of its next final report in May, I thought it would be timely to inform the Council of the outcome of the Committee's deliberations on the Panel's recommendations to the Committee from its report of May 2013.

14. The Panel's first recommendation was to designate an entity the Panel found to be in violation of paragraph 12 of resolution 1929 (2010) for procuring valves for use in the Arak Heavy Water reactor. The Committee stands ready to consider such a designation if and when a Member State puts the designation to the Committee, as required by the Committee's Guidelines.

15. Second, the Panel recommended that the Committee encourage States to be alert to attempted procurement of any items destined for an end use prohibited by the resolutions. This is a reference to the fact that the obligation to prevent the supply to Iran of all items which could contribute to Iran's prohibited nuclear and missile-related activities applies not only to items included in the lists named in the resolutions and updated by the Committee, but to *any further items* if the Member State determines that they could contribute to those prohibited activities.

16. The Committee continues to discuss if some form of written guidance for Member States on this obligation is necessary. In the meantime, we encourage any Member State with questions concerning the scope of this obligation to contact the Committee.

17. The Panel's third recommendation related to vessels under the control of the Irano Hind Shipping Company (IHSC), which is a designated entity under sanctions. The IHSC was dissolved by its joint venture partners in the first part of 2013, preventing the Committee from taking up this recommendation.

18. Fourth, the Panel recommended that the Committee consider providing guidance to States on how to implement aspects of the targeted financial sanctions which extend the application of the measure to agents and affiliates of designated persons and entities. Noting the language identified in this recommendation is used in targeted financial sanctions under other Council resolutions, the Committee has been reluctant to consider this question unilaterally. We have, however, begun a process of consultation with other relevant sanctions committees to consider this issue collectively.

19. The Panel's fifth recommendation was for the Committee to provide guidance on the modalities surrounding a State's inspection of cargoes and possible seizing of goods suspected to be in contravention of the resolutions, including such matters as timing and

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content of reports to the Committee and inviting inspection by the Panel. The Committee is developing text to include in the Committee's Fact Sheet and other relevant Committee documents.

20. Finally, the Panel recommended that the Committee address discrepancies in the list where designated individuals no longer hold the positions identified in those designations. The Committee is indeed taking this forward, as part of the comprehensive review of the Committee's List mentioned in part 1 (e) of the Committee's Programme of Work.

Madam President,

21. I'd like to turn now to conditional exceptions to the ban on supplying nuclear-related items to Iran, notably in relation to items for light-water reactors, which the Council considers to be less proliferation-sensitive than heavy-water reactors. The Committee must be notified of supplies to Iran of items falling under this exception, and during the reporting period, the Committee received one such notification by a Member State concerning the delivery of items for reactor unit 1 of the Bushehr nuclear power plant.

22. With regard to the obligation of Member States to freeze assets on their territory that are owned or controlled by a person or entity listed by the Council or the Committee and to prevent any assets being made available to such persons or entities, the Committee received one notification from a Member State pursuant to paragraph 15 of resolution 1737 (2006) and paragraph 4 of resolution 1747 (2007), which allows for payments owed by a listed person or entity under a contract entered into prior to the listing to be made from that person or entity's frozen funds, subject to notification to the Committee.

Thank you.

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ANNEX

During the reporting period, at the invitation of the countries concerned, the Panel of Experts conducted visits to Singapore (12 December 2013), the former Yugoslav Republic of Macedonia (16 to 17 December 2013), Switzerland (19 December 2013), Albania (19 to 20 December 2013), Republic of Korea (22 to 23 January 2014), Spain (29 to 30 January 2014), United Arab Emirates, (10 to 14 February 2014), France (17 February 2014), United Kingdom (4 to 6 March 2014), Greece (10 to 11 March), Italy (13 March), and Bosnia and Herzegovina (17 to 18 March) to discuss the measures taken by these countries to implement resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010).

The Panel of Experts and its individual members also participated in a number of relevant international meetings, conferences and seminars including Institut de Relations Internationales et Strategiques Seminar, Conference on the Financing of Proliferation of Weapons of Mass Destruction, Financial Action Task Force Plenary and Working Group Meetings, Asian Export Control Seminar, speaking at King's College and Workshop on Non-Proliferation and Export Compliance in the Composites.