

**Security Council**

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**Letter dated 31 December 2008 from the Chairman of
the Security Council Committee established pursuant to
resolution 1737 (2006) addressed to the President of the
Security Council**

I have the honour to transmit herewith the report of the Security Council Committee established pursuant to resolution 1737 (2006) (see annex), which covers the Committee's activities during the period from 1 January to 31 December 2008. The report is submitted in accordance with the note by the President of the Security Council of 29 March 1995 (S/1995/234).

(Signed) Jan **Grauls**
Chairman
Security Council Committee established
pursuant to resolution 1737 (2006)



Annex

Report of the Security Council Committee established pursuant to resolution 1737 (2006)

I. Introduction

1. The present report of the Security Council Committee established pursuant to resolution 1737 (2006) covers the period from 1 January to 31 December 2008.
2. From 1 January to 3 June 2008, the bureau consisted of Johan C. Verbeke (Belgium) as Chairman, with the delegations of Burkina Faso and Costa Rica providing the Vice-Chairmen. From 4 June to 31 December 2008, the bureau consisted of Jan Grauls (Belgium) as Chairman, with the delegations of Burkina Faso and Costa Rica continuing to provide the Vice-Chairmen.
3. During the reporting period, the Committee held five informal consultations. The web page of the Committee is available at: www.un.org/sc/committees/1737/index.shtml.

II. Background information

4. By its resolution 1737 (2006), the Security Council imposed certain measures relating to the Islamic Republic of Iran. These included a proliferation-sensitive nuclear-activities-related and nuclear weapon delivery systems-related embargo and targeted measures, including an assets freeze and a travel notification requirement imposed on persons and entities designated in the annex to the resolution and on any additional persons and entities designated by the Council or the Committee. The assets freeze also applies to the assets of persons or entities acting on behalf of or at the direction of designated persons or entities and of entities owned or controlled by them. In addition, the Council called upon all States to prevent specialized teaching or training of Iranian nationals in disciplines that would contribute to the Islamic Republic of Iran's proliferation-sensitive nuclear activities and the development of nuclear weapon delivery systems.
5. The Security Council Committee established pursuant to resolution 1737 (2006) was entrusted with undertaking the tasks set out in paragraph 18 of the resolution: to seek from States information regarding the actions taken by them to implement effectively the relevant measures and whatever further information it might consider useful in that regard; to seek from the International Atomic Energy Agency (IAEA) information regarding the actions taken by the Agency to implement effectively the relevant measures concerning the technical cooperation provided to the Islamic Republic of Iran by the Agency and whatever further information it might consider useful in that regard; to examine and take appropriate action on information regarding alleged violations of the relevant measures of resolution 1737 (2006); to consider and decide upon requests for exemptions from the relevant measures; to determine as may be necessary additional items the supply of which to the Islamic Republic of Iran would be prohibited; to designate as may be necessary additional individuals and entities as subject to the assets freeze and the travel notification requirement; to promulgate guidelines as may be necessary; and to report at least every 90 days to the Council.

6. By its resolution 1747 (2007), the Security Council imposed additional measures relating to the Islamic Republic of Iran. These included a ban on the export of arms and related materiel from the Islamic Republic of Iran, the designation of additional persons as subject to the assets freeze and to the travel notification requirement, and the designation of additional entities as subject to the assets freeze. In addition, the Council called upon all States to exercise vigilance and restraint in the supply of the seven categories of conventional weapons as defined for the purposes of the United Nations Register of Conventional Arms and related services to the Islamic Republic of Iran, and called upon all States and international financial institutions not to enter into new commitments for grants, financial assistance and concessional loans to the Government of the Islamic Republic of Iran, except for humanitarian and development purposes.

7. By its resolution 1803 (2008), the Security Council imposed further measures relating to the Islamic Republic of Iran. These included the broadening of the scope of the proliferation-sensitive nuclear activities and nuclear weapons delivery systems-related embargo, the introduction of a travel ban on persons designated in an annex to the resolution as well as on any additional persons designated by the Council or the Committee, and the expansion of the lists of persons and entities subject to the assets freeze and of persons subject to the travel notification requirement.

8. In addition, the Security Council called upon all States to exercise vigilance with regard to publicly provided financial support for trade with the Islamic Republic of Iran and activities of their financial institutions with banks in the Islamic Republic of Iran, and, in accordance with States' national legal authorities and legislation and consistent with international law, in particular the law of the sea and relevant civil aviation agreements, to inspect the cargoes to and from the Islamic Republic of Iran of aircraft and vessels, at their airports and seaports, owned or operated by two Iranian companies, provided that there were reasonable grounds to believe that the aircraft or vessel was transporting goods prohibited under resolution 1737 (2006), resolution 1747 (2007) or resolution 1803 (2008). In cases when the aforementioned inspection of cargoes is undertaken, the Council requires all States to submit to it within five working days a written report on the inspection.

9. By its resolution 1803 (2008), the Security Council also broadened the scope of the Committee's mandate as set out in paragraph 18 of resolution 1737 (2006) to include the measures imposed by resolutions 1747 (2007) and 1803 (2008).

10. By its resolution 1835 (2008), the Security Council reaffirmed resolutions 1737 (2006), 1747 (2007) and 1803 (2008), as well as resolution 1696 (2006), and also reaffirmed its commitment to an early negotiated solution through a dual-track approach to the Iranian nuclear issue and welcomed the continuing efforts in that regard. The Council also called upon the Islamic Republic of Iran to comply fully and without delay with its obligations under the four aforementioned resolutions and to meet the requirements of the IAEA Board of Governors.

III. Summary of the activities of the Committee

Revision of the guidelines of the Committee

11. The guidelines of the Committee for the conduct of its work were initially adopted on 30 May 2007. During informal consultations on 18 March and 15 April 2008, the members of the Committee discussed a revised text with a view to incorporating the relevant provisions of resolution 1803 (2008), which had been adopted on 3 March. The Committee approved the revised text on 24 April 2008 (see press release SC/9308). The guidelines, as revised, are available on the Committee's web page.

Consolidation of the lists of persons and entities

12. During informal consultations on 18 March and 15 April 2008, the members of the Committee also discussed consolidating into a single document the lists of names of persons and entities subject to the travel ban, travel notification requirement and/or assets freeze contained in the annexes to three separate resolutions of the Security Council: 1737 (2006), 1747 (2007) and 1803 (2008). The Committee approved the consolidated document on 24 April 2008 (see press release SC/9307). The consolidated list of these persons and entities is available on the Committee's web page.

Information sought and received from the International Atomic Energy Agency

13. In subparagraph 18 (b) of its resolution 1737 (2006), the Security Council tasked the Committee with seeking from the IAEA secretariat information regarding the actions taken by the Agency to implement effectively the measures imposed by paragraph 16 of the resolution, which defined the scope of the technical cooperation provided by IAEA to the Islamic Republic of Iran, and whatever further information it might consider useful in that regard.

14. On 27 March 2008, more than seven months after the receipt, on 22 August 2007, of the initial update to the report of IAEA of 9 February 2007, which had been transmitted to the Committee on 8 March 2007 (GOV/2007/7), the Committee invited the Agency to provide a further update to that report. In a letter dated 18 April 2008, IAEA informed the Committee that no projects had been added to its technical cooperation programme with the Islamic Republic of Iran since the issuance of its report, and provided an update on technical cooperation and technical assistance activities since 22 August 2007. Three requests for technical cooperation had been considered to be covered and had proceeded; two others had not. Forty-four requests for participation in technical assistance activities had been deemed to be in conformity with resolution 1737 (2006), whereas a further eight requests had not.

Implementation reports, briefings and other communications received from Member States

15. By paragraph 19 of its resolution 1737 (2006), the Security Council decided that all States would report to the Committee within 60 days of the adoption of that resolution on the steps they had taken with a view to implementing effectively paragraphs 3 to 8 and 10, 12 and 17 of the resolution. In paragraph 8 of resolution 1747 (2007), the Council called upon all States to report to the Committee within

60 days of the adoption of that resolution on the steps they had taken with a view to implementing effectively paragraphs 2 and 4 to 7 of the resolution. In paragraph 13 of resolution 1803 (2008), the Council called upon all States to report to the Committee within 60 days of the adoption of that resolution on the steps they had taken with a view to implementing effectively paragraphs 3, 5 and 7 to 11 of the resolution.

16. In a note verbale dated 27 March 2008, the Chairman of the Committee drew the attention of all Member States to paragraph 13 of resolution 1803 (2008). The note verbale — the fourth in a series — also served as a reminder to States that had not reported pursuant to the two previous resolutions that the deadlines set by those resolutions had passed. Those States were encouraged to submit separate reports pursuant to resolution 1737 (2006) and resolution 1747 (2007) — or a combined report pursuant to both resolutions — as well as resolution 1803 (2008). The Chairman also informed States that submissions pursuant to resolution 1737 (2006) and/or resolution 1747 (2007) that had already been received and published could be found on the Committee's web page, and that the Committee stood ready to consider any requests for guidance on future submissions.

17. Furthermore, on 19 May 2008, the members of the Committee agreed to post an informal guidance paper on the Committee's web page in order to assist Member States in writing their national reports. The informal paper was reviewed by the members of the Committee but was not endorsed by the Committee. The use of the paper is entirely optional.

18. By the end of the reporting period, the Committee had received 90 reports pursuant to resolution 1737 (2006), 77 reports pursuant to resolution 1747 (2007) and 63 reports pursuant to resolution 1803 (2008). Of those reports, some were combined under two or three resolutions. The reports were issued as official United Nations documents, unless a State requested that its report be kept confidential (see appendix for details).

19. Paragraphs 3 and 4 of resolution 1737 (2006) and paragraph 8 of resolution 1803 (2008) relate to the prohibition on the supply, sale or transfer of items, materials, equipment, goods and technology to the Islamic Republic of Iran that could contribute to enrichment-related, reprocessing or heavy-water-related activities, or to the development of nuclear weapon delivery systems, and to the prohibition on the transfer of any further items that, as determined by the State, would contribute to the pursuit of activities related to other topics about which IAEA had expressed concerns or which IAEA had identified as outstanding. During informal consultations on 15 October 2008, a member of the Committee provided a briefing on its efforts to implement the provisions set out in those paragraphs.

20. In paragraph 10 of its resolution 1803 (2008), the Security Council called upon all States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in the Islamic Republic of Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to the proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006). During informal consultations on 10 September 2008, a member of the Committee provided a briefing on its efforts to implement the provisions of that paragraph.

21. Also in connection with paragraph 10 of resolution 1803 (2008), two letters addressed to the President of the Security Council and subsequently issued as documents of the Council — the first submitted jointly by three Member States on 1 August (S/2008/520) and the second submitted by the Islamic Republic of Iran on 15 August (S/2008/554) — were circulated to the members of the Committee for their information. The letter from the three States, which was copied to the Chairman of the Committee, contained a list of banks domiciled in the Islamic Republic of Iran and their branches and subsidiaries abroad. The list was intended to assist States in their implementation of paragraph 10 of resolution 1803 (2008). The letter from the Islamic Republic of Iran was a direct response to the letter from the three States.

Notifications and requests for exemptions received from Member States and IAEA

22. By paragraph 5 of its resolution 1737 (2006), the Security Council required States to notify the Committee of the supply, sale or transfer of all items, materials, equipment, goods and technology covered by document S/2006/814 the export of which to the Islamic Republic of Iran is not prohibited by subparagraph 3 (b) of resolution 1737 (2006). During the period under review, the Committee received eight notifications of the supply of items relevant to the construction of the nuclear power plant in Bushehr, Islamic Republic of Iran, with reference to paragraph 5. During informal consultations on 15 October 2008, the Committee also received a briefing from a State in connection with a project, which fell within the scope of the provisions on IAEA cooperation as described in paragraph 16 of resolution 1737 (2006), aimed at strengthening the effectiveness of the regulatory oversight of the safety at that nuclear power plant.

23. Subparagraphs 13 (a) and 13 (b) of resolution 1737 (2006) provide for exemptions to the assets freeze, for basic expenses and extraordinary expenses respectively, as determined by the relevant States and subject to a Committee decision. In 2008, the Committee received and granted two requests for exemptions under subparagraph 13 (b).

24. Subparagraph 13 (d) of resolution 1737 (2006) provides for an exemption to the assets freeze for activities directly related to the items specified in subparagraphs 3 (b) (i) and (ii) of the resolution, which have been notified by the relevant States to the Committee. In 2008, the Committee received one such notification from IAEA.

25. Paragraph 15 of resolution 1737 (2006) provides for an exemption to the assets freeze for making or receiving payments, or authorizing the unfreezing of funds, in connection with contracts entered into prior to the listing of persons and entities referred to in the annexes to resolutions 1737 (2006), 1747 (2007) and 1803 (2008), which have been notified by the relevant States to the Committee. In 2008, the Committee received four such notifications.

Ninety-day reports to the Security Council

26. Under the provisions of subparagraph 18 (h) of resolution 1737 (2006), the Chairman must report to the Security Council at least every 90 days on the Committee's activities. Accordingly, the Chairman briefed the Council on 17 March,

13 June, 11 September and 10 December 2008 (see S/PV.5853, S/PV.5909, S/PV.5973 and S/PV.6036).

Responses to queries received from Member States

27. As part of its role of monitoring the implementation of the measures imposed by the Security Council by resolutions 1737 (2006), 1747 (2007) and 1803 (2008), the Committee responded to four written queries received from Member States.

IV. Violations and alleged violations of the sanctions regime

28. During informal consultations on 28 April 2008, it was brought to the Committee's attention that, as reported in the media, a Government had made a public statement that there had been a contravention of resolutions 1747 (2007) and 1803 (2008) on its territory with respect to the export ban on arms and related material from the Islamic Republic of Iran. On 9 May 2008, the Committee approved the dispatch of letters to the States concerned seeking clarifications and additional information. The Committee received a reply, dated 20 June 2008, from only the State that had made the announcement, providing an explanation of the actions taken by that State to address the situation and containing assurances that that State would continue to fully implement the relevant resolutions.

V. Observations and conclusions

29. The primary responsibility for the implementation of the measures imposed by the Security Council rests with Member States. For its part, in facilitating and monitoring the implementation of the relevant measures, the Committee will continue to discharge its mandate as effectively and efficiently as possible, and it stands ready to consider any proposals that fall within its purview.

Appendix

List of reports received from Member States pursuant to paragraph 19 of resolution 1737 (2006), paragraph 8 of resolution 1747 (2007) and paragraph 13 of resolution 1803 (2008)

	<i>Reports pursuant to resolution 1737 (2006)</i>	<i>Reports pursuant to resolution 1747 (2007)</i>	<i>Reports pursuant to resolution 1803 (2008)</i>
Albania	S/AC.50/2007/9		
Algeria	S/AC.50/2007/65 (combined report)		
Andorra	S/AC.50/2007/50		
Argentina	S/AC.50/2007/57	S/AC.50/2007/57/Add.1 and 2	S/AC.50/2008/60
Australia	S/AC.50/2007/27	S/AC.50/2007/70	S/AC.50/2008/19
Austria	S/AC.50/2007/11	S/AC.50/2007/66	S/AC.50/2008/2
Azerbaijan	S/AC.50/2007/107 (combined report)		S/AC.50/2008/44
Bahrain	S/AC.50/2007/67	S/AC.50/2007/121	S/AC.50/2008/12 and Add.1
Bangladesh	S/AC.50/2007/47		
Belarus	S/AC.50/2007/41	S/AC.50/2007/77	S/AC.50/2008/16
Belgium	S/AC.50/2007/10	S/AC.50/2007/74	S/AC.50/2008/14
Brazil	S/AC.50/2007/26	S/AC.50/2007/82	S/AC.50/2008/63
Brunei Darussalam	S/AC.50/2008/1 (combined report)		S/AC.50/2008/64
Bulgaria	S/AC.50/2007/2 and Add.1	S/AC.50/2007/108 and Add.1	S/AC.50/2008/11
Cambodia	S/AC.50/2007/125		
Canada	S/AC.50/2007/33	S/AC.50/2007/75	S/AC.50/2008/5
China	S/AC.50/2007/22	S/AC.50/2007/99	S/AC.50/2008/18
Costa Rica	S/AC.50/2007/71 (combined report)		
Croatia	S/AC.50/2007/15	S/AC.50/2007/117	S/AC.50/2008/61
Cuba	S/AC.50/2007/38	S/AC.50/2007/89	S/AC.50/2008/38
Cyprus	S/AC.50/2007/128 (combined report)		S/AC.50/2008/65
Czech Republic	S/AC.50/2007/14		
Denmark	S/AC.50/2007/13	S/AC.50/2007/85	
Ecuador	S/AC.50/2007/129 (combined report)		
Egypt	S/AC.50/2007/59	S/AC.50/2007/68	S/AC.50/2008/3
Estonia	S/AC.50/2007/49	S/AC.50/2007/113	

	<i>Reports pursuant to resolution 1737 (2006)</i>	<i>Reports pursuant to resolution 1747 (2007)</i>	<i>Reports pursuant to resolution 1803 (2008)</i>
Finland	S/AC.50/2007/19	S/AC.50/2007/97	S/AC.50/2008/26
France	S/AC.50/2007/17	S/AC.50/2007/84	S/AC.50/2008/39
Georgia	S/AC.50/2007/29		
Germany	S/AC.50/2007/37	S/AC.50/2007/98	S/AC.50/2008/15
Germany (on behalf of the European Union)	S/AC.50/2007/28 S/AC.50/2007/105 (combined report)		
Ghana	S/AC.50/2007/136		
Greece	S/AC.50/2007/60	S/AC.50/2007/122	
Grenada	S/AC.50/2007/140		
Guatemala	S/AC.50/2007/100 (combined report)		S/AC.50/2008/33
Hungary	S/AC.50/2007/81 (combined report)		S/AC.50/2008/59
India	S/AC.50/2007/20	S/AC.50/2007/123	S/AC.50/2008/49
Indonesia	S/AC.50/2007/5		S/AC.50/2008/10
Israel	S/AC.50/2007/141 (combined report)		
Italy	S/AC.50/2007/25	S/AC.50/2007/103	S/AC.50/2008/47
Jamaica			S/AC.50/2008/21
Japan	S/AC.50/2007/16	S/AC.50/2007/79	S/AC.50/2008/24
Jordan	S/AC.50/2007/119 (combined report)		S/AC.50/2008/17
Kazakhstan	S/AC.50/2007/39	S/AC.50/2007/102	S/AC.50/2008/36
Kuwait	S/AC.50/2007/118 (combined report)		S/AC.50/2008/57 and Add. 1
Kyrgyzstan	S/AC.50/2007/53	S/AC.50/2008/50	S/AC.50/2008/53
Latvia	S/AC.50/2007/62	S/AC.50/2007/91	
Libyan Arab Jamahiriya	S/AC.50/2007/61	S/AC.50/2007/69	S/AC.50/2008/51
Liechtenstein	S/AC.50/2007/31		S/AC.50/2008/27
Lithuania	S/AC.50/2007/34	S/AC.50/2007/90	S/AC.50/2008/55
Luxembourg	S/AC.50/2007/64		
Malta	S/AC.50/2007/7	S/AC.50/2007/63	S/AC.50/2008/35
Mauritius	S/AC.50/2007/35 and Add.1	S/AC.50/2007/106	S/AC.50/2008/58
Mexico	S/AC.50/2007/58	S/AC.50/2007/94	S/AC.50/2008/45
Monaco	S/AC.50/2007/130	S/AC.50/2007/126	

	<i>Reports pursuant to resolution 1737 (2006)</i>	<i>Reports pursuant to resolution 1747 (2007)</i>	<i>Reports pursuant to resolution 1803 (2008)</i>
Netherlands	S/AC.50/2007/48	S/AC.50/2007/73	S/AC.50/2008/32
New Zealand	S/AC.50/2007/36	S/AC.50/2007/132	S/AC.50/2008/22
Niger	S/AC.50/2007/135 (combined report)		
Norway	S/AC.50/2007/6	S/AC.50/2007/93	S/AC.50/2008/4
Oman	S/AC.50/2008/62		
Pakistan	S/AC.50/2007/12	S/AC.50/2007/96	S/AC.50/2008/6
Panama	S/AC.50/2007/139 (combined report)		
Peru	S/AC.50/2007/44	S/AC.50/2007/86	S/AC.50/2008/41
Philippines	S/AC.50/2007/137 (combined report)		
Poland	S/AC.50/2007/43	S/AC.50/2007/95	S/AC.50/2008/37
Portugal	S/AC.50/2007/56	S/AC.50/2007/111	S/AC.50/2008/30
Qatar	S/AC.50/2007/24 and Add.1	S/AC.50/2007/87	S/AC.50/2008/25
Republic of Korea	S/AC.50/2007/51	S/AC.50/2007/115	S/AC.50/2008/28
Republic of Moldova	S/AC.50/2007/127 (combined report)		
Romania	S/AC.50/2007/30	S/AC.50/2007/101	S/AC.50/2008/52
Russian Federation	S/AC.50/2007/8 and Add.1	S/AC.50/2007/92 and Add.1	S/AC.50/2008/13 and Add.1
Saudi Arabia	S/AC.50/2007/120		S/AC.50/2008/56
Serbia	S/AC.50/2007/52	S/AC.50/2007/131	
Singapore	S/AC.50/2007/45	S/AC.50/2007/116	S/AC.50/2008/43
Slovakia	S/AC.50/2007/42	S/AC.50/2007/78	S/AC.50/2008/9
Slovenia	S/AC.50/2007/23		S/AC.50/2008/54
South Africa	S/AC.50/2007/4	S/AC.50/2008/40	
Spain	S/AC.50/2007/55	S/AC.50/2007/112	S/AC.50/2008/46
Sri Lanka		S/AC.50/2007/133	
Suriname	S/AC.50/2007/138 (combined report)		
Sweden	S/AC.50/2007/21	S/AC.50/2007/83	
Switzerland	S/AC.50/2007/40	S/AC.50/2007/109	S/AC.50/2008/20
Thailand	Not published	Not published	S/AC.50/2008/29
The former Yugoslav Republic of Macedonia	S/AC.50/2007/1	S/AC.50/2007/114	S/AC.50/2008/42

	<i>Reports pursuant to resolution 1737 (2006)</i>	<i>Reports pursuant to resolution 1747 (2007)</i>	<i>Reports pursuant to resolution 1803 (2008)</i>
Turkey	S/AC.50/2007/32		
Ukraine	S/AC.50/2007/80 and Add.1 (combined report)		S/AC.50/2008/7
United Arab Emirates	S/AC.50/2007/46	S/AC.50/2007/104	
United Kingdom of Great Britain and Northern Ireland	S/AC.50/2007/3	S/AC.50/2007/72	S/AC.50/2008/31
United States of America	S/AC.50/2007/18	S/AC.50/2007/88	S/AC.50/2008/34
Uruguay	S/AC.50/2007/134 and Add.1		S/AC.50/2008/8
Uzbekistan	S/AC.50/2007/124 (combined report)		S/AC.50/2008/23
Viet Nam	S/AC.50/2007/54	S/AC.50/2007/110	S/AC.50/2008/48
Yemen	S/AC.50/2007/76		
