

Security Council Committee established pursuant to resolution 1737 (2006)

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

Madam President, distinguished delegates,

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 an extended period from 6 March to 15 July 2013, during which time the Committee held three informal consultations and conducted additional work using the no-objection procedure envisioned by paragraph 15 of the guidelines for the conduct of its work.

2. I would like to begin by updating the Council on progress the Committee has made on a number of matters included in my report on 6 March.

3. In March I reported that the Committee was exploring appropriate responses to the Panel's unanimous conclusion in its report of 11 January 2013 that Iran's launches of the Shahab 1 and 3 missiles during the Great Prophet 7 exercises constituted a violation of paragraph 9 of resolution 1929 (2010). The Committee wrote to Iran on 12 April seeking its comment, within fifteen days, on the Panel's conclusion. Regrettably Iran has not answered to date. The Committee notes that the President of the Security Council subsequently reached out to the Iranian mission on June 28 to inquire whether a response would be forthcoming. The Committee is currently considering additional follow up actions, including the issue of an Implementation Assistance Notice on Iran's prohibited ballistic missile programme. A number of Committee members expressed the view, as confirmed by the Panel of Experts, that the launches constituted a clear violation of resolution 1929 (2010), and that therefore all Member States should redouble their efforts to implement ballistic missile-related sanctions on Iran. At this stage some Committee members cannot share this view. The Committee intends to provide an update on this issue in its next 90-day report.

4. I also referred to an incident reported by a Member State, involving the interception in January 2013 of a vessel suspected of carrying illicit weapons from Iran to be delivered to that State. The Panel of Experts submitted its report to the Committee on the results of its investigation into this incident on 22 April; and the Committee held informal consultations on 29 April to discuss the report. In this report the experts concluded that the case constituted either a violation or "probable violation" of paragraph 5 of resolution 1747 (2007). Several Committee members stated that the evidence presented in the report was sufficient to assert that Iran was in violation of its obligations, illustrating a pattern of sanctions evasion through arms smugglings in the Middle East. Other Committee members stated that the lack of stronger evidence as to the provenance of the arms, such as documentation, justified the lack of definitive conclusion. The Committee agreed to send a letter to Iran bringing to its attention the Panel's conclusion, expressing concern about the Panel's findings and asking for its comment. The letter was sent on 21 May seeking Iran's comment within 15 days and I again regret to inform you that, to date, Iran has also not responded to this letter.

5. The Committee continues to discuss whether and how to respond to the Panel's compilation of publicly available statements made by Iranian officials and

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alleged recipients of Iranian military assistance, including Palestinian Islamic Jihad, Hamas and Hezbollah, regarding potential violations of paragraph 5 of resolution 1747 (2007). While some Committee members saw value in getting Iran's official position on this matter, others believed that, in the absence of physical corroborative evidence such as actual seized arms or related materiel, such a letter would be premature. The Panel is now investigating the substance of these reported statements to determine whether such corroborative evidence exists and the Committee looks forward to receiving its report in due course.

Madam President,

6. During the current reporting period, the Committee received communications from several Member States relating to actions they had taken to implement the relevant Security Council measures.

7. One State, by a letter dated 4 March 2013, transmitted a report on shipments confiscated by its authorities during the third and fourth quarters of 2012 and measures taken to prevent transit of shipments to Iran that are suspected to contain prohibited items. Another State, by a note verbale dated 8 March, brought to the attention of the Committee the case of an individual found guilty of exporting prohibited dual-use goods, in the form of control valves, to Iran. By two separate letters, both dated 18 April, a State informed the Committee of court cases against two Iranian nationals accused of illegally exporting and attempting to export dual-use items to Iran. Another State reported on 12 April that a third State had returned to it a fiber optic gyroscope after discovering that the item was to be re-exported from that third State to Iran. Finally, on 6 June, a State informed the Committee that an inspection undertaken on cargo bound for Iran had revealed a shipment of carbon fibre destined for Iran. A forfeiture order was applied to the cargo, which was shipped without the necessary permits. The Panel has already concluded its investigations into the case involving the export of control valves and is currently investigating the other cases.

8. On 21 May 2013, a State provided additional information that the State said may be useful to the Committee and the Panel of Experts in carrying out their mandates

Madam President,

9. During the informal consultations of 28 May, the Coordinator of the Panel of Experts briefed the Committee on the Panel's 2013 final report, which has since been published as Council document S/2013/331. In her briefing to the Committee, she stressed that Iran continued to seek items for its prohibited activities from abroad by using complex procurement methods, including front companies, false documentation, and intermediaries. To deal with such practices, States required additional vigilance and expertise, especially in identifying dual-use items. In that respect, she encouraged the Committee to find ways to assist States implement the sanctions measures, including by offering guidance on the language of resolutions and on States' reporting obligations. She further stressed the Panel's assessment that Iran remains dependant on foreign imports for key components for its prohibited nuclear and missile programs, which indicates the ongoing relevance of the sanctions.

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Committee members welcomed the Panel's final report. Other Committee members reiterated the Panel should continue to work within its mandate and under the direction of the Committee, and emphasized the importance for the Committee to follow the Panel's work.

10. The Committee continued its deliberations on the Panel's report during informal consultations on 17 June, when it discussed in detail the recommendations made by the Panel in the report. The Committee is currently considering proposed responses to these recommendations, including on the implementation of those recommendations which attract the consensus support of the Committee.

11. In connection with the Panel of Experts, I am happy to report that, following the Council's decision in resolution 2105 (2013) of 5 June 2013 to extend the Panel's mandate until 9 July 2014, the Secretariat has now finalized the administrative steps related to the experts' appointment. On 3 July 2013, the Panel submitted its Programme of Work for the upcoming year, in accordance with paragraph 3 of resolution 2105. On behalf of the Committee, I would like to recognise the efforts of the Panel in assisting the Committee's work, and we look forward to a further twelve months of close and fruitful collaboration with the Panel under its new mandate.

Madam President,

12. I am happy to report that the Committee adopted, on 21 March, its Programme of Work for the first half of 2013, which was forwarded for your Excellency's attention on 26 March. The Committee has already taken steps to implement this document, including by updating two important documents: the "Handout Describing the Implementation of Resolutions 1737, 1747, 1803, and 1929" and the "Fact Sheet on the Committee and the Panel of Experts." The "Fact Sheet" has been brought to the attention of Member States through a note verbale dated 30 April and both documents are available on the Committee's website.

13. Also in conformity with its Programme of Work, on 24 June the Committee, with the assistance of its Panel of Experts, held an open briefing to share information about the work of the Committee and the Panel. The briefing was an important opportunity to engage with the UN membership on the Committee's work and provide greater access and transparency to its operation; and in this respect I am pleased to report attendance of over 100 delegates and a vigorous question and answer session following our presentations. I believe this briefing was of great value both for the participants but also for the Committee and I will continue to look for such opportunities for engagement.

14. According to its Programme of Work, the Committee is considering additional action to promote national implementation reporting, transparency and coordination with other Security Council subsidiary bodies; review the Consolidated List of Individuals and Entities subject to assets freeze and travel ban; review its responses to reported incidents of non-compliance; and offer guidance to States through implementation assistance notices. I hope to update the Council on several of these activities in my next report to the Council in September.

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Madam President,

15. On 26 March 2013, the Committee received, through the Focal Point for De-Listing, a de-listing request from the First East Export Bank (FEEB), an entity that is currently on the Committee's Consolidated List. On 27 June, the Focal Point forwarded to the Committee additional information from the petitioner. The Committee, following the procedure set out in resolution 1730 (2006), has informed the Focal Point, through a letter dated 1 July, that it would require an additional 90 days to consider this request.

16. The Committee currently has before it a proposal received on 7 June to designate an entity pursuant to paragraph 26 of resolution 1929.

17. I referred in my last report to a pending request to exempt a designated individual from the travel ban to attend the high-level International Atomic Energy Agency conference in Saint Petersburg in June 2013. I can now advise that the Committee granted that request, but did not grant a subsequent request to extend that exemption for the individual to attend the Forum for Gas Exporting States, held in Moscow in July 2013. The Committee also denied a request to exempt from the travel ban a second designated individual to attend the June IAEA conference in Saint Petersburg.

18. During the reporting period the Committee received one notification with reference to paragraph 5 (c) of resolution 1737 (2006) concerning the delivery of ionizing radiation sources to be used for quality control of welded joints on gas mains; and one notification pursuant to paragraph 5 of resolution 1737 (2006) and paragraph 4 of resolution 1747 (2007) concerning payments made under a contract entered into prior to the listing of a person or entity.

Madam President,

19. The Committee continues its efforts to assist States and international organizations implement the relevant Security Council measures. During the reporting period, the Committee answered questions submitted by two States as to whether certain specified entities were included in the Consolidated List. The Committee encourages all Member States to consult the List posted on the Committee's website.

20. During the reporting period, the Committee received a number of written inquiries concerning the implementation of the sanctions. The United Nations Compensation Committee (UNCC) asked the Committee, by a letter dated 14 March, to confirm that the release of funds for two environmental claims to Iran would not contravene the sanctions regime. The Committee is discussing an appropriate response and my hope is that we will be able to advise UNCC very soon. Another organization part of the United Nations system, which requested confidentiality, requested on 4 April that the Committee assess how the activities it was planning to undertake in Iran might be implemented without violating the sanctions regime. Subsequently, by a letter dated 10 April, the organization withdrew its request indicating that it had decided to put on hold its activities in Iran.

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21. By a letter dated 6 May, a State requested clarification on the applicable notification system regarding shipments confiscated in accordance with the relevant resolutions. The Committee is currently considering an answer and it is my hope that we will find a mechanism to provide such advice to all Member States so that we can facilitate their efforts to comply with the Council measures.

22. By a letter dated 29 May, a State asked the Committee for additional information regarding an individual on the Consolidated List. The Committee was regrettably unable to provide any information in addition to that contained on the Consolidated List. I would like to renew the appeal for Member States to provide, on a voluntary basis, additional identifying information regarding the listed individuals and entities. Such information is essential for the proper implementation of the sanctions measures.

Thank you.

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ANNEX

1. During the reporting period, the Panel conducted visits to Israel (13-14 March), Namibia (14-15 March), Georgia (25-26 March), Djibouti (26-27 March), Ethiopia (28 March-1 April), Sweden (8-10 April), Egypt (22-23 April), United Arab Emirates (12-16 May), Togo (14 and 17 May), Kyrgyzstan (9-11 June) and Tajikistan (12-15 June) to discuss matters pertaining to the mandate of the Panel, including the implementation of relevant Security Council resolutions.

2. Members of the Panel attended the following workshops: Institute for Strategic Studies (ISS) Workshop (Lome, Togo, 15-16 May), King's College London Workshop (London, United Kingdom, 4-5 June); Financial Action Task Force Working Group Meeting (Oslo, Norway, 16-21 June); Annual Meeting of the Asia Pacific Group on Money Laundering (Shanghai, China, 12-16 July).