

BANKING (FOREIGN EXCHANGE) REGULATIONS 1959
SANCTIONS AGAINST SYRIA – AMENDMENT TO THE ANNEX

EXPLANATORY STATEMENT

The Reserve Bank of Australia, following a directive from the Australian Government under the *Banking (Foreign Exchange) Regulations 1959*, currently administers financial sanctions against certain key persons and entities responsible for, or involved in, human rights abuses in Syria.

The Australian Government has reviewed the list of persons and entities subject to financial sanctions and has directed the Reserve Bank to add 8 new persons and 6 new entities to the Annex of names. Details of the changes to the Annex can be found in Attachment A.

The updated Annex now contains 34 persons and 13 entities and is referred to in each of the following instruments:

- (i) Direction relating to foreign currency transactions and to Syria (dated 16 June 2011) pursuant to regulation 5 of the *Banking (Foreign Exchange) Regulations 1959*, (FRLI reference number F2011L01115).
- (ii) Variation of Exemption (dated 16 June 2011) relating to sub-regulation 6(1) of the *Banking (Foreign Exchange) Regulations 1959*, (FRLI reference number F2011L01114).
- (iii) Variation of Exemption (dated 16 June 2011) relating to sub-regulation 8(1)(a) of the *Banking (Foreign Exchange) Regulations 1959*, (FRLI reference number F2011L01113).

All three instruments were originally published in the Commonwealth of Australia Gazette No. GN24, 22 June 2011. The original instruments foresaw that the Annexes may be periodically reviewed and stated that any amendments to the Annexes shall be taken as being part of the original instruments as from the date specified in the amendments. This is the second update to the Annex.

The Department of Foreign Affairs and Trade advised the Reserve Bank that it has consulted with other relevant government departments, including Treasury, regarding the subject matter of these instruments. In order to meet the policy objective of prohibiting unauthorised financial transactions involving the persons and entities specified in the instruments and prevent disclosure of the sanctions before their implementation, the Reserve Bank is satisfied that wider consultation beyond those already undertaken by the Department of Foreign Affairs and Trade would be inappropriate (sub-sections 18 (1) and 18 (2)(e) of the *Legislative Instruments Act 2003*).

ATTACHMENT A

This attachment provides details of the changes to the Syria Annex. 8 persons and 6 entities have been added.

NAMES THAT HAVE BEEN ADDED:

Reference No.	Name	Details
2011SYR0034	Chaliche, Zoulhima	Born in 1946 or 1951 in Kerdaha. Head of Presidential Security and involved in violence against demonstrators; first cousin of President Assad.
2011SYR0035	Chaliche, Riyad	Director of the Military Housing Establishment, who has provided funds to the Assad regime; first cousin of President Assad.
2011SYR0036	Jabir, Ayman	Associate of Mahir al-Assad, involved with the Shabiha military. Directly involved in the repression and violence against the civilian population and co-ordination of Shabiha militia groups.
2011SYR0037	Makhlouf, Mohammed	aka Abu Rami. Close associate and maternal uncle of Bashar and Mahir al-Assad. Business associate and father of Rami, Ihab and Iyad Makhlouf.
2011SYR0038	Mufleh, Mohammad	Head of Syrian Military Intelligence in the town of Hama.
2011SYR0039	Qaddur, Khalid	Has close ties to Rami Makhlouf, a cousin of President Assad who is listed for the financial support he provides to the regime.
2011SYR0040	al-Quwatli, Ra'if	Has close ties to Rami Makhlouf, a cousin of President Assad, who is listed for the financial support he provides to the regime.
2011SYR0041	Younes, Major General Tawfiq	Head of the Department for Internal Security of the General Intelligence Directorate.

Total: 8

ENTITIES THAT HAVE BEEN ADDED:

Reference No.	Name	Details
2011SYR0042	Commercial Bank of Syria	A Syrian state-owned financial institution which provides financial support to the regime and is an agent of designated Syrian and North Korean WMD proliferators and engaging in dealings with designated Iranian banks.
2011SYR0043	Hamcho International	aka Hamsho International Group. Controlled by Mohammad Hamcho or Hamsho and provides funding to the Assad regime.

2011SYR0044	Military Housing Establishment	aka MILIHOUSE. A public works company controlled by Riyad Chalice and the Syrian Ministry of Defence; provides funding to the regime.
2011SYR0045	Syrian Lebanese Commercial Bank	Owned or controlled by the Commercial Bank of Syria
2011SYR0046	Syrian Political Security Directorate	Has been responsible for human rights abuses in the Syrian city of Daraa in March and April 2011.
2011SYR0047	Syriatel	Owned or controlled by Rami Makhlouf, Syrian businessman and regime insider and by Al Mashreq Investment Fund, both of which are already listed by Australia.

Total: 6