

The Rt. Hon. Baroness Catherine Ashton  
High Representative of the Union for  
Foreign Affairs and Security Policy  
Vice President of the European Commission  
BERL 12  
200 Rue de la Loi  
B-1047 Brussels

22 February 2011

Dear High Representative,



I am writing to express my concern over the implementation of EU Sanctions against Iran (Council Regulation 961/2010) and the extra-territorial impact of the US Comprehensive Iran Sanctions Accountability and Divestment Act of 2010.

We wish to raise two issues regarding the above-mentioned legislation:

## 1. Dialogue with business

BUSINESSEUROPE urges for a better exchange of information between the European Commission, national authorities and the business community. Whereas the main responsibility of implementation is in the hands of national authorities, the European Commission should provide information and advice to European companies and monitor the implementation of these EU rules. This will improve the transparency, harmonised interpretation and facilitate compliance with EU rules by companies.

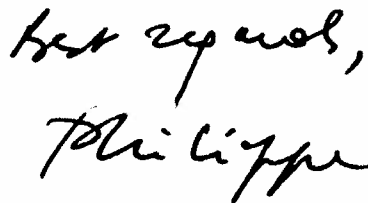
## 2. Extra-territorial impact of US Sanctions

We are still very concerned about the extra-territorial impact of US sanctions which is creating serious problems for companies – especially SMEs - to recoup their investments in Iran or to engage in trade authorised under the regulation. Few European banks are willing to provide credit or services to these European companies as they risk exposing themselves to investigation under US sanctions legislation.

Barring a solution with the US on extra-territoriality, the EU should encourage member state financial institutions (national/central banks) to take up the role that private sector banks can no longer fulfil. Such measures exist in Korea and should be relatively simple to emulate in Europe.

We hope that you can urgently address these two issues.

Yours sincerely,



Philippe de Buck