



Council of the  
European Union

**Brussels, 23 May 2016**

**9345/16**

**LIMITE**

**CFSP/PESC 422  
RELEX 425  
MAMA 93**

**COVER NOTE**

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from: General Secretariat of the Council  
to: Delegations  
Subject: Coreu CFSP/0113/16

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Delegations will find attached an extract from Coreu CFSP/0113/16 of 28 April 2016.

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**Subject: COMAG COPOL CORLX – Restrictive measures against Syria: Modifying the Listings of 17 individuals**

1. On 12 October 2015, the Council adopted Decision 2015/1836 (CFSP) amending Decision 2013/255 (CFSP) and Regulation 2015/1828 amending Regulation 36/2012 concerning restrictive measures against Syria, noting that the Syrian regime continues to pursue its policy of repression and, given the gravity of the ongoing situation, recognised that it is necessary to maintain and ensure the effectiveness of the restrictive measures in place, by further developing them while maintaining its targeted and differentiated approach and bearing in mind the humanitarian conditions of the Syrian population.



2. Upon review



proposes modified statements of reasons



and further proposes de-listing two individuals, whom we have confirmed to be deceased.



**i. Ihab Makhoulf**

To be redesignated under under Articles 27 (2)(a), 27 (2)b, 28 (2)(b) and 28 (2)(a) of Council Decision 2013/255/CSFP as amended by Council Decision (CSFP) 2015/1836 and Articles 15 (1a)(a) and Article 15 (1a)(b) of Regulation (EU) No 36/2012 as amended by Council Regulation (EU) 2015/1828 (the Regulation). The following Statement of Reasons to be used:

*“Leading businessperson operating in Syria. Ihab Makhoulf is Vice President of, and holds significant influence over and interests in, Syriatel, the leading mobile telephone operator in Syria. He also has business interests in Ramak Construction Co and Syrian International Private University for Science and Technology (SIUST).*

*Ihab Makhoulf is an influential member of the Makhoulf family and closely connected to the Assad family; cousin of President Bashar Al-Assad.”*



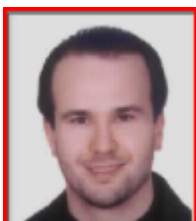
3. Member States will find attached in annex to this COREU the full details of these proposed modifications of the Statements of Reasons.



also invites Member States to consider the attached open source evidence supporting these proposals.

**Ihab Makhoulf**

a.k.a. Ehab Makhoulf, a.k.a. Iehab Makhoulf



Date of Birth: 21 January 1973

Place of Birth: Damascus, Syria

Passport No: 02848852

Business Interests: Vice Chairman of Syriatel, co-owner of SIUST, shareholder in RAMAK Construction Co, works for Makhoulf Finance Group.

Family Status: Maternal cousin of Bashar al-Assad, President of Syria. Son of Mohammed Makhoulf and brother of Hafez and Rami, twin brother of Iyab Makhoulf.

Current statement of reasons:

“Vice President of Syriatel, which transfers 50% of its profits to the Syrian government by way of its licensing contract.”

Proposed statement of reasons:

*“Leading businessperson operating in Syria. Ihab Makhoulf is Vice President of, and holds significant influence over and interests in, Syriatel, the leading mobile telephone operator in Syria. He also has business interests in Ramak Construction Co and Syrian International Private University for Science and Technology (SIUST).*

*Ihab Makhoulf is an influential member of the Makhoulf family and closely connected to the Assad family; cousin of President Bashar Al-Assad.”*

As noted by the Council in its Decision, because of the close control exercised over the economy by the Syrian regime, an inner cadre of leading businesspersons operating in Syria is only able to maintain its status by enjoying a close association with, and the support of, the regime and by having influence within it.

Ihab Makhoulf is a leading businessperson in Syria; he owns a significant interest in Syriatel, one of the two principal mobile telephone operators in Syria which contributed 50% of its revenue to the Syrian regime in 2015 under its licence agreement. He also holds business interests in a number of other companies including a construction company and a private university. He is also reported to have an interest in the Makhoulf Finance Group.

Ihab Makhoulf's ongoing business dealings in Syria through his ownership or control of significant companies in the telecommunications, construction, financial services and education sectors sustain the Syrian economy and thereby support the Syrian regime to maintain its continued violent repression of the Syrian civilian population.

Member of Makhoulf Family:

Along with the Assad family, the Makhoulf family is specifically listed in Articles 27 (2)(b) and 28(2)(b) of the Decision and Article 15 (1a)(b) of the Regulation. As noted by the Council in its Decision, power has been traditionally exercised on a family basis in Syria and power in the present Syrian regime is concentrated in influential members of the Assad and Makhoulf families. Ihab Makhoulf is an influential member of the Makhoulf family, one of Syria's leading families. He is the son of Mohamed Makhoulf and brother of Hafez, Rami and Iyab Makhoulf. As well as being a member of the powerful Makhoulf family, he is also the cousin of Bashar al-Assad, President of Syria and therefore connected closely to the Assad family.

Anisa Makhoulf, mother of Bashar al-Assad is Ihab Makhoulf's aunt.

Makhoulf's status as a core member of the Makhoulf family, together with his business role and influence within Syriatel as well as working for and/or having an interest in other companies operating in Syria, together with his activities for those companies inside and outside Syria for corporate benefit evidence Ihab Makhoulf's status as a leading businessperson operating in Syria. We therefore believe the necessary threshold for listing has been met.

We are satisfied that Ihab Makhoulf continues to meet the listing criteria under which he is currently listed. We also consider Ihab Makhoulf's status as (i) a leading businessperson operating in Syria and (ii) a member of the Makhoulf family, meets the new status-based listing criteria set out in the Decision and the Regulation.

All research cited below was carried out between 19 January 2016 and 4 February 2016.

Family Member: Makhoulf

Ihab Makhoulf is the brother of Hafez, Rami and Iyab Makhoulf and is the son of Mohammed Makhoulf. He is a maternal cousin of Bashar al-Assad, President of Syria.

<https://www.washingtoninstitute.org/uploads/Documents/infographics/SyriaRegimeChart20150526v2.pdf>

His relationship to other members of the Makhoulf family is a matter of public record reported in many articles. The relevant section from an Al Araby article dated August 2015 concerning family relationships between Ihab and his father and brothers appears in the article below.

<http://www.alaraby.co.uk/english/features/2015/8/17/exclusive-assads-sanctions-busting-ties-to-israeli-business-tycoon>

Leading Businessperson:

Ihab (a.k.a Ehab) Makhoulf is a leading businessman operating in Syria. He is listed as Vice Chairman of Syriatel, the leading mobile telecommunications operator in Syria.

<http://investorrelations.syriatel.sy/Topic.aspx?id=734&p=4>

[As of 18 May 2015 he was listed as owning 14.66% shares in Syriatel, according to The Syria Report.](#)

<http://www.syria-report.com/directory/it-and-telecommunications/telecommunications-operators/syriatel>

Syriatel is currently the leading telecoms operator in Syria, having increased its market share in 2015 when compared to its competitor MTN. Syriatel paid over SYP 19.96 billion for its licence to the Syrian government in the first 6 months of 2015. Under its 20 year operating licence Syriatel paid 50% of its revenue to the regime in 2015, with the licence payments falling to 20% of its revenue in 2018. Given the increasing profits being generated by Syriatel, this contribution to the Syrian economy by a company on which Ihab Makhoulf is on the Board and is a shareholder, is significant in financially supporting the economy and therefore the Syrian regime.

<http://www.syria-report.com/news/telecoms-it/syriatel-market-share-rises-mtn-reports-increasing-damages-its-network>

Ihab Makhoulf has a range of other business interests operating in Syria. For example he is also listed by The Syria Report as owning 10% shares in RAMAK Contracting Co. One of the other shareholders of RAMAK is Al Mashreq Investment Fund, in which his brother Rami is reported to have an interest.

<http://www.syria-report.com/databank/newly-established-companies/ramak-contracting-co>

Ihab Makhoulf's diverse business interests extend to the education sector; notably through his co-ownership of the Syrian International Private University for Science and Technology (SIUST). He is quoted as owning a majority shareholding of 51% of shares in SIUST. This university has 6 faculties, including petroleum engineering and IT.

<http://www.syria-report.com/directory/various/education/syrian-international-private-university-science-technology-siust>

Ihab Makhoulf has been involved in a range of other business interests operating in Syria. For example he is also listed by The Syria Report as owner (holding 15% of shares) and General Manager of Islamic Financial Services Company though reports suggest this company may have been dissolved in 2013.

<http://www.syria-report.com/directory/banking-and-finance/brokerage-investment-banks/islamic-financial-services-company>

<http://www.syria-report.com/news/finance/islamic-financial-services-dissolve>

However, Ihab Makhoulf appears to remain involved in financial services, reportedly working for Makhoulf Finance Group, where he appears to be the CEO and Managing Director. He seems to have been corresponding directly with business owners.

<http://www.spamcaution.com/spam-report/business-owners-wanted-makhoulf-finance-group-lt-colgreene-simmelp-com-gt-c959349.html>

Makhoulf Finance Group appears listed in internet trade directories, confirming Ihab Makhoulf's role as a senior executive.

<http://www.zoominfo.com/p/Ihab-Makhoulf/-2058357984>

Makhoulf Finance Group has an active domain name registered to a company based in Pennsylvania, USA.

<http://wa-com.com/makhoulf-fg.com>

Makhlouf Finance Group appears to be currently operating in the USA. Research reveals it is listed as a member of the Ventura Country Real Estate Investors Club based in Thousand Oaks, California, and has been a member since 26 May 2014. Ihab Makhlouf's brother Rami appears to be the contact under the member listing. The company seems to be actively seeking real estate investment opportunities through its club membership.

<http://www.meetup.com/VCREIC/member/148522642/>

Ihab Makhlouf's previous business ventures also include Vice Chairmanship of Al Aqeelah Takaful Insurance, from which he reportedly stepped down in 2011. He is also reported to have been on the Board of Syria International Investment Bank until his resignation at around the same time.

<http://www.syria-report.com/news/economy/ihab-makhlouf-resigns-board-listed-company>

Ihab Makhlouf has also owned an interest in duty free shops throughout Syria through Syrian retailer Ramak Duty Free shops. His shares were reportedly sold to a group of Kuwaiti investors and are now operated by Orient Gate Duty Free Shops Ltd.

<http://www.orientgatedf.com.sy/index2.php?id=about>

The Syrian duty free shops are now operated under the name Orient Gate Duty Free shops. However RAMAK Duty Free shops seems to retain a connection; as shown on the Orient Gate travel retail website, where the RAMAK company name continues to be used along with the Orient Gate name. The Orient Gate Facebook page states they have been operating at Damascus Airport since 1997 (when RAMAK was running the duty free shops).

<http://www.orientgatedf.com.sy/index2.php?id=about>

[https://www.facebook.com/OrientGateDF/info/?ref=page\\_internal#!/OrientGateDF/info/?tab=page\\_info](https://www.facebook.com/OrientGateDF/info/?ref=page_internal#!/OrientGateDF/info/?tab=page_info)

Ihab Makhlouf has reportedly used his business ventures to channel goods into Syria circumventing sanctions. The Wall Street Journal reported that during 2011 in a deal with Syria Duty Free Shops (SDFS, which was at the time part owned by Mr Makhlouf), Japan Tobacco International sold 450,000 cartons of cigarettes to SDFS which it delivered to a Cyprus based intermediary for delivery to SDFS outlets in Syria. The report states that this sale (and others) "provided the regime with a cash infusion at a time of growing economic isolation, because the cigarettes could be resold for much more than they cost".

<http://www.wsj.com/articles/SB10000872396390444233104577595221203321922>

A March 2014 report by Al Akhbar implicated Ihab Makhoulf in a smuggling operation along with Ayham al-Assad, the President's paternal cousin, suggesting broader family business ties aimed at ensuring goods could be imported into Syria covertly. It appears from the reports that there was an issue with non payment of duties which may have caused a rift between Ihab Makhoulf and Maher al-Assad resulting in Ihab Makhoulf leaving Syria, however it is not possible to confirm where Ihab Makhoulf is currently located.

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