Reports of Cases

JUDGMENT OF THE GENERAL COURT (Second Chamber, Extended Composition)

10 December 2025*

(Commercial policy – Protection against the effects of the extraterritorial application of legislation adopted by a third country – Restrictive measures taken by the United States against Iran – Secondary sanctions preventing natural or legal persons of the European Union from having commercial relationships with undertakings targeted by those measures – Prohibition on complying with such legislation – Second paragraph of Article 5 of Regulation (EC) No 2271/96 – Commission decision authorising a legal person of the European Union to comply with that legislation – Notification of the decision to the undertaking targeted by the restrictive measures of the third country – Retroactive effect – Account taken of that undertaking's activities excluded from the scope of those measures)

In Case T-518/23,

Middle East Bank, **Munich Branch**, established in Munich (Germany), represented by C. Franz and N. Bornemann, lawyers,

applicant,

v

European Commission, represented by M. Kellerbauer and L. Puccio, acting as Agents,

defendant,

supported by

Clearstream Banking AG, established in Eschborn (Germany), represented by C. Schmitt and T. Bastian, lawyers,

intervener,

THE GENERAL COURT (Second Chamber, Extended Composition),

composed, at the time of the deliberations, of S. Papasavvas, President, A. Marcoulli (Rapporteur), J. Schwarcz, W. Valasidis and L. Spangsberg Grønfeldt, Judges,

Registrar: S. Jund, Administrator,

* Language of the case: German

having regard to the written part of the procedure, in particular:

– the statement in intervention of the intervener lodged at the Registry of the General Court on 22 March 2024;

– the statement of modification of the application lodged at the Court Registry on 22 October 2024 and the observations of the European Commission and the intervener lodged at the Court Registry on 20 November and 16 December 2024 respectively,

– the measure of organisation of procedure of 9 December 2024 and the Commission's reply lodged at the Court Registry on 20 December 2024,

– the new pleas in law lodged at the Court Registry on 27 January 2025 and the observations of the Commission and the intervener lodged at the Court Registry on 18 and 21 February 2025 respectively,

– the decision of the President of the Second Chamber, Extended Composition, not to place on the file the statement of modification of the application lodged at the Court Registry on 2 June 2025

further to the hearing on 10 June 2025,

makes the following

Judgment

1 By its action based on Article 263 TFEU, the applicant, Middle East Bank, Munich Branch, seeks the annulment of Commission Implementing Decision C(2023) 2963 final of 27 April 2023 granting an authorisation to the intervener, Clearstream Banking AG, pursuant to the second paragraph of Article 5 of Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom (OJ 1996 L 309, p. 1) ('the first contested decision'), and of Commission Implementing Decision C(2024) 4478 final of 24 June 2024 granting a new authorisation to the intervener pursuant to the same provision concerning certain securities and funds in the custody of, or deposited with, the intervener ('the second contested decision').

Background to the dispute and events subsequent to the bringing of the action

2 On 8 May 2018, the President of the United States of America announced his decision to withdraw the United States of America from the Iran Nuclear Deal, signed in Vienna (Austria) on 14 July 2015, and to reinstate the sanctions against Iran which had been lifted on the basis of that deal. Those sanctions prohibit, inter alia, persons within the jurisdiction of the United States of America (primary sanctions) and outside that jurisdiction (secondary sanctions), such as natural or legal persons of the European Union, from doing business with persons on the 'Specially Designated Nationals and Blocked Persons List' ('the SDN list'), maintained by the Office of Foreign Assets Control (OFAC) (United States).

The applicant, the intervener and their relationship

3 The applicant is the German branch of the Iranian bank, Middle East Bank (MEB). In 2019, the applicant acquired bonds on the basis of a deposit agreement concluded with another German bank.

4 MEB has been on the SDN list since November 2018, as regards primary sanctions, and since 8 October 2020, as regards secondary sanctions.

5 The intervener is a German company. It is responsible for the settlement of operations in securities, the safekeeping of securities and the management of domestic and foreign securities. It is the only securities depository bank authorised in Germany.

6 Thus, the intervener is responsible for the safekeeping of the applicant's securities.

7 Since the intervener blocked the applicant's securities, the applicant's German deposit bank was not in a position to execute an order for the sale of securities given by the applicant on 16 January 2020.

8 On 29 December 2020, not being able to obtain information on the position of its securities, the applicant brought an action against the intervener before the Landgericht Frankfurt am Main (Regional Court, Frankfurt am Main, Germany). That action was dismissed.

9 On 22 December 2021, the applicant brought an appeal before the Oberlandesgericht Frankfurt am Main (Higher Regional Court, Frankfurt am Main), before which the intervener produced, on 20 December 2022, the application for authorisation which it had submitted to the European Commission on 26 February 2021 pursuant to the second paragraph of Article 5 of Regulation No 2271/96 ('the first application for authorisation'). That appeal was dismissed.

10 On 4 and 11 April 2023 respectively, the intervener and the applicant each lodged an appeal on a point of law before the Bundesgerichtshof (Federal Court of Justice, Germany).

The contacts between the applicant and the Commission

11 Having become aware, on 2 January 2023, of the first application for authorisation, the applicant contacted the Commission by letter for the purpose of being heard in relation to that application. The Commission acknowledged receipt of that letter on 18 January 2023. On 25 January 2023, the applicant forwarded information to the Commission.

12 By letter of 1 March 2023, the Commission invited the applicant to submit observations on the first application for authorisation. The applicant submitted its observations on 7 March 2023. On 10 May 2023, it requested information on the outcome of the authorisation procedure.

13 By letter of 21 June 2023, the Commission informed the applicant that, on 27 April 2023, it had adopted the first contested decision and sent it a description of the scope of that decision.

The contested decisions

14 By the first contested decision, the Commission authorised the intervener to comply with certain laws of the United States of America specified in the annex to Regulation No 2271/96 ('the laws specified in the annex') in respect of the applicant's securities or funds which are in the custody of, or deposited with, the intervener for a period of 12 months ('the initial authorisation').

15 By the second contested decision, the Commission granted a new authorisation to the intervener allowing it to comply with the laws specified in the annex in respect of the applicant's securities or funds in the custody of, or deposited with, the intervener for a further period of 12 months ('the new authorisation').

Forms of order sought

16 The applicant claims, in essence, that the Court should:

– annul the first and second contested decisions (together, 'the contested decisions');

– declare the refusal of access to, and disclosure of, those contested decisions to be unlawful;

– prohibit the Commission from 'extending' the initial authorisation;

– order the Commission to pay the costs;

– order the intervener to bear its own costs.

17 Furthermore, the applicant asks the Court 'to rule on the admissibility of the action in the light of [its] interest in bringing proceedings … without going to the substance of the case' and to order the Commission to produce the first contested decision.

18 The Commission contends that the Court should:

– dismiss the action in its entirety;

– order the applicant to pay the costs.

19 The intervener contends that the Court should:

– dismiss the action in its entirety;

– order the applicant to pay the costs, including those incurred by the intervener.

Law

20 It should be noted that, although in all the documents lodged before the Court, the applicant submitted a total of nine heads of claim, the scope, numbering and wording of which have been progressively amended, its claims must be understood as they appear in paragraph 16 above.

Nevertheless, in so far as, at the hearing, it also stated that it sought the annulment of a third Commission implementing decision, it is necessary to define the subject matter of the dispute before ruling on the heads of claim referred to in that paragraph.

21 Moreover, at the outset, in so far as the applicant is asking the Court to order the Commission to produce the first contested decision (see paragraph 17 above), suffice it to state that such a procedural application does not, strictly speaking, constitute a 'form of order' within the meaning of Article 76(e) of the Rules of Procedure of the General Court (see, to that effect, judgment of 7 November 2002, *G* v *Commission*, T-199/01, EU:T:2002:271, paragraph 27), but rather a request that the Court, in essence, adopt a measure of inquiry under Article 91(b) of those rules. In that regard, it must be borne in mind that, in response to the measure of organisation of procedure, the Commission produced that decision and the second contested decision, with the result that that request is devoid of purpose.

Preliminary observations on the subject matter of the dispute

22 At the hearing, the applicant submitted that the form of order set out in paragraph 16 above should also cover a third Commission implementing decision granting the intervener a new authorisation allowing it to comply with the laws specified in the annex until April 2026 in respect of the applicant's securities or funds in the custody of, or deposited with, the intervener, the existence of which had been confirmed by the Commission at the hearing.

23 In that regard, suffice it to note that, under Article 86(1) of the Rules of Procedure, in the version resulting from the amendments of 12 August 2024 (OJ L, 2024/2095) which entered into force on 1 September 2024, an applicant may modify the application no later than two weeks after service of a decision fixing the date of the hearing or before service of the decision of the General Court to rule without an oral part of the procedure. In the present case, since the decision to fix the date of the hearing was served on the applicant on 11 April 2025, the period of two weeks after service of that decision expired on 25 April 2025, with the result that the request made by the applicant at the hearing to extend the action to the third Commission implementing decision referred to in paragraph 22 above was submitted out of time and is therefore inadmissible.

The applicant's second and third heads of claim

24 First, at the hearing, the applicant stated that, although, in its view, there was no longer any need to adjudicate on the third head of claim referred to in paragraph 16 above, by which it requested the Court to prohibit the Commission from 'extending' the initial authorisation, it had not withdrawn that head of claim and maintained that the Court should rule on it.

25 In that regard, suffice it to recall that, when exercising judicial review of legality under Article 263 TFEU, the Court has no jurisdiction to issue directions to the institutions, bodies, offices and agencies of the European Union (see order of 22 September 2016, *Gaki* v *Commission*, C-130/16 P, not published, EU:C:2016:731, paragraph 14 and the case-law cited). Consequently, that application must be rejected on the ground that the Court lacks jurisdiction to hear and determine it.

26 Second, as regards the second head of claim referred to in paragraph 16 above, by which the applicant asks the Court to declare the refusal to grant access to and to disclose the contested decisions to be unlawful, suffice it to recall that the Court has no jurisdiction when exercising

judicial review of legality under Article 263 TFEU to issue declaratory judgments (see judgment of 4 February 2009, *Omya* v *Commission*, T-145/06, EU:T:2009:27, paragraph 23 and the case-law cited). Consequently, that application must be rejected on the ground that the Court lacks jurisdiction to hear and determine it.

The applicant's first head of claim

27 In support of the first head of claim referred to in paragraph 16 above, by which the applicant asks the Court to annul the contested decisions, the applicant raises three pleas in law, alleging in essence, first, infringement by the Commission of the principle of non-retroactivity in the first contested decision, second, infringement of its procedural rights and, third, the erroneous exercise by the Commission of its discretion. In addition, following the production of the contested decisions before the Court in response to the measure of organisation of procedure, it raised four new pleas in law, alleging in essence, fourth, an error of fact, fifth, infringement by the Commission of the principle of non-retroactivity in the second contested decision, sixth, the imprecise nature of the contested decisions and, seventh, an error of assessment on the part of the Commission.

28 It is appropriate therefore to examine the pleas put forward by the applicant in support of its application for annulment of the contested decisions by starting with the second plea, then the fourth plea, then the first and fifth pleas, and ending with the third, sixth and seventh pleas.

The second plea in law, alleging, in essence, infringement of the applicant's procedural rights

29 The applicant claims that, since it was granted a hearing, the first contested decision should have been reasoned and should have been communicated to the applicant in its entirety. It adds that it has an interest in knowing the reasons for that decision and that, in the present case, the question which arises is how its arguments were taken into account.

30 The Commission and the intervener refute those arguments.

31 It is common ground that, in the present case, after the adoption of the contested decisions, the Commission did not communicate to the applicant the full text, but only a description of the scope of the first contested decision. Moreover, the full text of those decisions was communicated to the applicant only in the context of the present proceedings, as was recalled in paragraph 21 above.

32 However, in the first place, it should be noted that, as the applicant itself submits, Regulation No 2271/96 does not require the Commission to communicate a decision granting an authorisation under the second paragraph of Article 5 thereof to the third party targeted by the restrictive measures of the third country ('the third party targeted by the restrictive measures'), such as the applicant, in respect of which a party applying for authorisation, such as the intervener, has been authorised to comply with the laws specified in the annex. This is also the case for Commission Implementing Regulation (EU) 2018/1101 of 3 August 2018 laying down the criteria for the application of the second paragraph of Article 5 of Regulation No 2271/96 (OJ 2018 L 199 I, p. 7), Article 5(3) of which provides only that the final decision is to be notified by the Commission to the party applying for authorisation.

33 Moreover, the applicant does not rely on any specific provision in support of the second plea. However, in so far as the applicant appears to claim that the second paragraph of Article 296 TFEU indirectly requires the statement of reasons for the contested decisions to be communicated to it, it should be noted that, although that provision concerns the statement of reasons for legal acts, it does not in any way govern the issue of the persons to whom a legal act must be communicated. In addition, in the latter regard, it should be borne in mind that, in accordance with the third subparagraph of Article 297(2) TFEU, decisions specifying an addressee are to be notified to that person. In the present case, the contested decisions designate only the intervener as an addressee and the applicant does not claim that it has that status.

34 Furthermore, in so far as the applicant's arguments concerning the statement of reasons for the first contested decision should be understood, despite their general nature, as claiming that there was an alleged failure to state reasons for that decision as regards the observations which it submitted to the Commission, suffice it to note that, in recital 14 of that decision, the Commission set out the arguments put forward by the applicant and its replies to those arguments. No failure to state reasons can therefore be found in that respect.

35 In the second place, the applicant submits that, since it was heard during the administrative procedure leading to the adoption of the first contested decision, it should have received the full text of the contested decisions.

36 It is true, as is apparent from paragraphs 12 and 13 above, that the applicant, after making a request to the Commission, was in fact heard during the administrative procedure which led to the adoption of the first contested decision and was informed by the Commission of the outcome of that procedure by receiving a description of the scope of that decision.

37 However, those circumstances are not capable, as such, of giving rise to new obligations on the part of the Commission vis-à-vis the applicant, in particular obligations to communicate the contested decisions in favour of the applicant.

38 Regulation No 2271/96 and Implementing Regulation 2018/1101 do not provide for any procedural role for the third parties targeted by the restrictive measures, who are neither informed nor heard by the Commission in the procedure for the adoption of a decision under the second paragraph of Article 5 of Regulation No 2271/96. In other words, the EU legislature chose to establish a system in which the interests of those third parties are not to be taken into account and those third parties are not to be involved in procedures conducted under that provision (see, to that effect, judgment of 12 July 2023, *IFIC Holding* v *Commission*, T-8/21, EU:T:2023:387, paragraphs 107 and 111).

39 Thus, even if, in a given case, the Commission decides to hear the third party targeted by the restrictive measures, in particular in order to obtain information, or to inform that party of the existence or the outcome of a procedure conducted under the second paragraph of Article 5 of Regulation No 2271/96, such a circumstance cannot have the effect of altering the balance of the system established by the legislature in the context of that regulation and, in particular, of imposing on the Commission the obligation to communicate to such a third party a decision taken under that provision.

40 Moreover, contrary to what is suggested by the applicant, the existence of such an obligation on the part of the Commission cannot depend on the interest, or even the usefulness, which the applicant could derive from it, on the ground, inter alia, that it would be of interest to know how its arguments were taken into account.

41 It follows therefore that, in the present case, the mere fact that the Commission, at the applicant's request, heard the applicant during the administrative procedure that led to the adoption of the first contested decision and communicated to it a description of the scope of that decision did not give rise to an obligation on the Commission's part to communicate that decision, or indeed the second contested decision, to the applicant.

42 In the third place, in so far as the applicant alleges an infringement of its procedural rights in that the Commission should have communicated the contested decisions to it as soon as they were adopted, it must be borne in mind that, as is apparent from paragraphs 38 to 41 above, it does not have such rights under the system established by Regulation No 2271/96 and Implementing Regulation 2018/1101.

43 The view cannot therefore be taken that, by failing to communicate to the applicant the full text of the contested decisions after they were adopted, the Commission in any way infringed procedural rights which the applicant did not hold, and could not have held, under the system established by Regulation No 2271/96 and Implementing Regulation 2018/1101.

44 In the fourth place, in any event, it must be borne in mind that, although failure to communicate a measure may affect the point at which the time limit for bringing proceedings begins to run, it does not in itself justify the annulment of that measure. It is true that it cannot be ruled out that an applicant may present arguments to demonstrate that, in a given case, the failure to communicate an act resulted in a breach of its rights that would justify the annulment of that act (see, to that effect, judgment of 27 July 2022, *RT France* v *Council*, T-125/22, EU:T:2022:483, paragraph 82).

45 However, in the present case, the applicant has not presented to the Court any arguments from which it may be concluded that the failure to communicate the full text of the contested decisions after they were adopted would have adversely affected its rights in such a way as to justify in itself the annulment of those decisions.

46 Furthermore, it should be noted that, after having been informed of the scope of the first contested decision by the Commission, the applicant was in a position to bring the present action before the Court in order to challenge its legality.

47 It follows from all of the foregoing that the second plea in law is unfounded and must therefore be rejected.

The fourth plea in law, alleging, in essence, an error of fact

48 The applicant claims that the contested decisions were taken on an incorrect factual basis. The Commission wrongly stated in recital 13 of the first contested decision and in recital 11 of the second contested decision that MEB was owned by the Islamic Republic of Iran, when it is a bank listed on the Tehran Stock Exchange (Iran) whose shares are mainly held by private investors. In recital 37 of the first contested decision, the Commission attached decisive importance to that incorrect assertion, by classifying MEB as an 'Iranian entity'. In addition, in recitals 21 and 22 of

that decision, it took into account an agreement concluded with the United States authorities by a sister company of the intervener concerning the Iranian central bank and therefore a different situation from that of a private company established in Iran, such as MEB.

49 The Commission and the intervener refute those arguments.

50 At the outset, it should be noted that, although, in recital 13 of the first contested decision and recital 11 of the second contested decision, the Commission stated that MEB was owned by the Islamic Republic of Iran, the applicant stated, without being validly contradicted by the Commission, that MEB was a private Iranian bank. When questioned in that regard at the hearing, the Commission admitted that the information in the file did not permit the inference that MEB was owned by the Islamic Republic of Iran.

51 However, even if the statement in the contested decisions relating to the ownership of MEB were incorrect, that would have no impact on the legality of those decisions.

52 As is apparent from recitals 12 and 13 of the first contested decision and recitals 10 and 11 of the second contested decision, those decisions are not based on whether MEB is owned by the Islamic Republic of Iran, but on the fact, not disputed by the parties, that MEB is on the SDN list concerning secondary sanctions. It is therefore the fact that MEB is targeted by those sanctions, provided for by the laws specified in the annex, in connection with the harm that would arise for the intervener and the European Union in the event of non-compliance with those laws, which led the intervener to seek authorisation from the Commission to comply with those laws and the Commission to grant that authorisation. By contrast, the fact that MEB might be owned by public or private entities is irrelevant in that respect.

53 Furthermore, contrary to what is claimed by the applicant, it is not apparent from the contested decisions that, in support of the assessments which led it to grant the initial authorisation, the Commission relied on the fact that MEB was allegedly owned by the Islamic Republic of Iran.

54 First, although the Commission referred to MEB as an ‘Iranian’ entity in recital 37 of the first contested decision, that statement cannot be understood as meaning that the Commission relied on the consideration that MEB was owned by the Islamic Republic of Iran. It is common ground that MEB is listed on the Tehran Stock Exchange, with the result that the Commission was entitled to refer to it as an ‘Iranian’ entity irrespective of its public or private ownership. Moreover, in the application, the applicant itself described MEB as an ‘Iranian’ bank.

55 Second, although the Commission referred to a transaction concluded with the United States authorities by a sister undertaking of the intervener in recitals 21 and 22 of the first contested decision (and in recital 27 of, and footnote 10 to, the second contested decision), the fact, alleged by the applicant, that that transaction concerned that undertaking’s relationship with the Iranian central bank, and not with a private entity, is likewise of no consequence and does not mean that the Commission relied on an irrelevant factor. It is apparent from those recitals that, by referring to that transaction, the Commission sought to provide an example of the risk incurred by the intervener in the event of an infringement of the laws specified in the annex and of a transaction concluded for that purpose with the United States authorities, irrespective of the public or private ownership of the entity with which that undertaking had had a commercial relationship.

56 It follows from all the foregoing that the fourth plea in law is unfounded and must therefore be rejected.

The first and fifth pleas in law, alleging, in essence, infringement of the principle of non-retroactivity

57 The applicant claims that the initial authorisation and the new authorisation were given retroactive effect. According to the applicant, in the first contested decision, adopted on 27 April 2023, the Commission authorised the intervener to block its assets upon the submission of the first application for authorisation, namely 26 February 2021. Similarly, the second contested decision became applicable upon the expiry of the initial authorisation. However, according to the applicant, in view of the principles of legal certainty and the protection of legitimate expectations, legal acts cannot, in principle, be applied retroactively. Neither Regulation No 2271/96 nor Implementing Regulation 2018/1101 provide for such retroactive effect, which is even expressly excluded by the Commission Guidance Note of 7 August 2018 entitled 'Questions and Answers: adoption of update of [Regulation No 2271/96]' (OJ 2018 C 277 I, p. 4; 'the Guidance Note'), which states that an application for authorisation does not have suspensive effect and that those applying for authorisation are required to comply with Regulation No 2271/96 until the authorisation is granted. The applicant submits that it could therefore legitimately assume that those authorisations would not have retroactive effect.

58 The applicant adds that the first paragraph of Article 5 of Regulation No 2271/96 primarily protects EU operators against the application of the laws specified in the annex and that derogations therefrom may be made only in exceptional cases, so that retroactive authorisation constitutes an error for the effective and dissuasive application of that regulation. The distinction made by the Commission between the lack of suspensory effect of an application for authorisation within the meaning of the Guidance Note and the possibility of the authorisation having retroactive effect is artificial and is not provided for in that regulation. Moreover, in the present case, the applicant claims that it is unable to understand how such retroactive effect would avoid serious harm to the interests of the European Union or of the party applying for authorisation, since the full authorisation was not sent to it. Furthermore, in the applicant's submission, it is not necessary for the protection offered by an authorisation against sanctions under EU law to be retroactive, where the applicant is adversely affected by the retroactive effect of the authorisation.

59 The Commission and the intervener refute those arguments.

60 The principle of legal certainty – which is one of the general principles of EU law and the corollary of which is the principle of the protection of legitimate expectations – requires that rules of law be clear and precise, and predictable in their effect, so that interested parties can ascertain their position in situations and legal relationships governed by European Union law (see judgment of 25 September 2024, *Kirimova* v *EUIPO*, T-727/20 RENV, EU:T:2024:646, paragraph 44 and the case-law cited). That is the case, in particular, where those rules may have adverse consequences for individuals and undertakings (see judgment of 27 November 2024, *Nord Stream 2* v *Parliament and Council*, T-526/19 RENV, EU:T:2024:864, paragraph 45 and the case-law cited).

61 The principle of legal certainty, as a general rule, precludes an EU measure from taking effect from a point in time before its publication or notification, as appropriate. It may exceptionally be otherwise where the purpose to be achieved so demands and where the legitimate expectations of those concerned are duly respected (see, to that effect, judgments of 26 April 2005, '*Goed Wonen*', C-376/02, EU:C:2005:251, paragraph 33; of 13 February 2019, *Human Operator*, C-434/17, EU:C:2019:112, paragraph 36; and of 8 March 2023, *Assaad* v *Council*, T-426/21, EU:T:2023:114, paragraph 212).

62 As a preliminary point, it must be stated that, contrary to what is suggested by the Commission and the intervener, the applicant is justified in claiming that the initial authorisation and the new authorisation were granted in favour of the intervener retroactively by the two contested decisions.

63 First, as regards the first contested decision, it is true that it is apparent from Article 3 thereof that it is valid for a period of 12 months from the date of its notification. However, Article 1 of that decision states, in accordance with recital 39 thereof, that the intervener is authorised to comply with the laws specified in the annex in respect of the applicant 'from the date of its application for such authorisation'. As is apparent from recital 7 of that decision, the first application for authorisation was submitted by the intervener to the Commission on 26 February 2021. Consequently, the initial authorisation granted by such a decision does indeed have retroactive effect, since it is apparent from a combined reading of Articles 1 and 3 of that decision that the date that authorisation took effect was fixed, not as the date of notification to the intervener of the decision in question (adopted on 27 April 2023), but beforehand, as the date of that application for authorisation (26 February 2021).

64 Second, as regards the second contested decision, it is apparent from Article 3 thereof that it is valid, in accordance with recital 43 of that decision, for a period of 12 months from the date of 'expiry of the [initial authorisation] (26 April 2024)'. Consequently, the new authorisation granted by that decision does indeed have retroactive effect, since the date that authorisation took effect was fixed, not as the date of notification to the intervener of that decision (adopted on 24 June 2024), but beforehand, as the date of expiry of the initial authorisation (26 April 2024).

65 In those circumstances, it is necessary to examine whether, as the applicant claims, the Commission unduly granted, retroactively, the initial authorisation and the new authorisation in favour of the intervener, bearing in mind that the applicant is referred to in the grounds and operative part of the contested decisions. It is therefore in relation to the applicant's position that the lawfulness of that retroactivity must be examined.

66 In the first place, the applicant submits that Regulation No 2271/96, Implementing Regulation 2018/1101 and the Guidance Note do not expressly provide for the possibility of retroactively granting the intervener authorisation, such as the initial authorisation or the new authorisation granted by the contested decisions, and even expressly exclude such a possibility.

67 In that regard, suffice it to note that, where the conditions referred to in paragraph 61 above are satisfied, the power of the EU institutions, bodies, offices and agencies to adopt, exceptionally, an act having retroactive effect stems from the general principles of EU law, without it being subject to the existence of an explicit legal basis in the legislation concerned (see, to that effect, judgment of 21 February 2024, *NRW. Bank* v *SRB*, T-466/16 RENV, EU:T:2024:111, paragraph 165).

68 Consequently, the absence of an express legal basis does not preclude the Commission, exceptionally, from retroactively granting an applicant authorisation under the second paragraph of Article 5 of Regulation No 2271/96, provided that the two cumulative conditions referred to in paragraph 61 above are met, that is to say, first, that the aim pursued by the contested measure requires that it be given retroactive effect and, second, that the legitimate expectations of those concerned have been duly respected.

69 Moreover, it should be noted that, contrary to what the applicant argues, none of the acts relied on by the applicant expressly excludes the possibility of retroactively granting authorisation such as the initial authorisation or the new authorisation granted by the contested decisions. Moreover, the applicant does not refer specifically to any provision in support of its arguments, but merely relies, in order to establish the existence of legitimate expectations, on the answer to question 20 of the Guidance Note, the scope of which will be examined below.

70 In the second place, as regards the two cumulative conditions referred to in paragraph 61 above, the applicant submits, in essence, first, that the retroactivity of the initial authorisation and that of the new authorisation were not justified by the Commission and, second, that it could expect that those authorisations would not be granted with retroactive effect in the light of the content of the Guidance Note.

– *The purpose justifying retroactivity*

71 In so far as authorisation by way of derogation granted by the Commission under the second paragraph of Article 5 of Regulation No 2271/96 is to prevent, in specific and duly justified circumstances, serious damage to the interests of the European Union or the applicant resulting from non-compliance with the laws specified in the annex (see, to that effect, judgment of 12 July 2023, *IFIC Holding* v *Commission*, T-8/21, EU:T:2023:387, paragraph 112), it cannot be ruled out that, in pursuing such an objective, the Commission may be required to confer retroactive effect on such authorisation if this proves necessary in view of the objective to be achieved, regardless even of whether or not such retroactive effect has been requested by the party applying for authorisation.

72 It should be noted that the first condition referred to in paragraph 61 above, which relates to the objective to be achieved, involves ascertaining whether the retroactive decision is intended to satisfy at least one objective of general interest (see, to that effect, judgment of 28 January 2016, *Éditions Odile Jacob* v *Commission*, C-514/14 P, not published, EU:C:2016:55, paragraph 50). In that regard, it is clear from the case-law that EU acts with retroactive effect must include in the statement of reasons, clearly and unequivocally, particulars which justify the desired retroactive effect (see judgment of 9 September 2020, *Slovenia* v *Commission*, T-626/17, EU:T:2020:402, paragraph 122 and the case-law cited).

73 In the present case, it must be pointed out that, in the contested decisions, the Commission expressly stated the reasons which led it to confer retroactive effect on the initial authorisation and the new authorisation.

74 First, recital 39 of the first contested decision states that the Commission decided to grant the initial authorisation from the date of the first application for authorisation, since that grant had been delayed on account of policy assessments and not due to any fault on the part of the intervener. In that regard, recitals 37 and 38 of that decision further explain those policy assessments and their link with the objectives pursued by Regulation No 2271/96 and with the general policy objectives of the European Union. It therefore follows, in essence, from that decision that the prolonged duration – however regrettable – of the administrative procedure which led to the deferred adoption of that decision, for policy reasons independent of the intervener, led the Commission to grant that authorisation retroactively.

75 Second, recital 43 of the second contested decision states that the Commission decided to grant the new authorisation from the expiry date of the initial authorisation for reasons of continuity in view of the risks to the interests of the intervener and the European Union. Bearing in mind that, pursuant to the second paragraph of Article 3 of the first contested decision, the intervener was required to apply for any new authorisation three months before the expiry of that decision, it is apparent from recital 14 of the second contested decision that the intervener did in fact apply for a new authorisation on 25 January 2024, that is to say, three months before the expiry of the initial authorisation. It therefore follows, in essence, from that decision that it was the – equally regrettable – prolonged duration of the administrative procedure that led to the adoption of that decision, which led the Commission to grant the new authorisation retroactively in the interests of continuity with the first contested decision.

76 In that regard, although the applicant had initially disputed the lack of justification for the retroactive effect decided by the Commission, it did not subsequently, after receiving the full text of the contested decisions produced by the Commission in response to the measure of organisation of procedure, including in its new pleas, put forward any argument to challenge the merits of the assertions in those decisions regarding the justification for that retroactive effect. Since none of the applicant's arguments refers to those assertions, the applicant has failed to show that the retroactive effect decided by the Commission in the present case is inappropriate or unnecessary in view of the objective to be achieved.

77 At most, the applicant, in the fourth plea and at the hearing in response to the questions put by the Court, disputed the finding made in recital 37 of the first contested decision that MEB is 'Iranian'. Nevertheless, that finding is not inaccurate for the reasons set out in paragraph 54 above. Moreover, in any event, such an argument by the applicant is not capable of establishing the existence of any error of law or of assessment that may have been committed by the Commission as regards the justification for retroactivity.

78 Consequently, since none of the applicant's arguments is capable of calling into question the explanations provided by the Commission in the contested decisions as regards the justification for the retroactivity decided in those decisions, it must be held that the applicant has not demonstrated that the first condition referred to in paragraph 61 above, relating to the objective to be achieved, was not satisfied.

– *The legitimate expectation on the part of the applicant capable of being created by the Guidance Note*

79 The protection of legitimate expectations is one of the conditions to be satisfied in order that an EU act might have retroactive effect, in keeping with the principle of legal certainty (judgment of 8 March 2023, *Assaad* v *Council*, T-426/21, EU:T:2023:114, paragraph 226).

80 In that regard, it must be borne in mind that, since the retroactivity of an EU measure is permitted only exceptionally, an individual cannot be required to adduce evidence of having received assurances that an act having retroactive effect would not be adopted, but it is for the Court to ascertain, on the basis of the arguments of that individual and taking account of all the circumstances of the case, that the act at issue was adopted with due regard to the latter's legitimate expectations (see, to that effect, judgment of 8 March 2023, *Assaad* v *Council*, T-426/21, EU:T:2023:114, paragraphs 227, 235 and 236).

81 According to the applicant, in essence, it was the Guidance Note, and more specifically the answer to question 20 of that note, which gave rise to a legitimate expectation on its part that authorisation granted under the second paragraph of Article 5 of Regulation No 2271/96 would not have retroactive effect.

82 In that regard, it must be borne in mind that it is true that the Guidance Note does not establish binding rules or legal interpretations (judgment of 21 December 2021, *Bank Melli Iran*, C-124/20, EU:C:2021:1035, paragraph 61).

83 Nevertheless, it has been held that, although internal measures adopted by an EU administrative authority may not be regarded as 'rules of law' which the administration is always bound to observe, they nevertheless form rules of practice from which the administration may not depart in an individual case without giving reasons that are compatible with the principle of equal treatment. In adopting such rules of conduct and announcing by publishing them that they will henceforth apply to the cases concerned, the administrative authority in question imposes a limit on the exercise of its discretion and cannot depart from those rules under pain of being found, where appropriate, to be in breach of the general principles of law, such as equal treatment or the protection of legitimate expectations (see judgment of 25 September 2024, *Kirimova* v *EUIPO*, T-727/20 RENV, EU:T:2024:646, paragraph 49 and the case-law cited).

84 Thus, the EU administration is required to observe the principle of the protection of legitimate expectations when it applies the indicative rules which it has imposed on itself (see, to that effect, judgment of 30 May 2013, *Quinn Barlo and Others* v *Commission*, C-70/12 P, not published, EU:C:2013:351, paragraph 53).

85 The Guidance Note, as stated in its introductory paragraphs, aims 'to provide guidance on the application of certain provisions of [Regulation No 2271/96]'. It cannot therefore be ruled out that statements in that note may be perceived as rules indicating the practice which the Commission proposes to follow in the application of that regulation and are therefore capable of giving rise to a legitimate expectation on the part of the persons concerned, which must nevertheless be assessed on a case-by-case basis, according to the content of the statements concerned.

86 In the present case, the answer to question 20 of the Guidance Note on which the applicant relies, entitled 'What are the effects of the authorisation?', reads as follows:

'The request for an authorisation does not have suspensive effect. The authorisation in the form of a Commission Implementing Decision becomes effective as of the date when it is notified to the [party applying for authorisation]. In the meanwhile, EU operators are under obligation to apply [Regulation No 2271/96].'

87 However, contrary to what is claimed by the applicant, such statements cannot be understood as a self-imposed limitation of the Commission's power to give retroactive effect to any authorisation granted under the second paragraph of Article 5 of Regulation No 2271/96.

88 In the first place, although the heading of question 20 refers to the 'effects of the authorisation', the statements provided by the Commission in the first and third sentences of the answer refer rather to the consequences of the application for authorisation. Thus, the Guidance Note recalls, in the first sentence of the answer, that such an application does not suspend the obligations

arising from Regulation No 2271/96, with the result that, after the submission of the application, as stated in the third sentence of the answer, the operators covered by those obligations must continue to comply with them pending the Commission's decision.

89 As the Commission observed, in essence, in its written pleadings, the issue of the consequences of submitting an application for authorisation is separate from the issue of the date on which any authorisation that may be adopted at the end of the administrative procedure initiated by the submission of that application takes effect.

90 In the second place, in the second sentence of the answer, the Guidance Note states that any authorisation in the form of a Commission Implementing Decision 'becomes effective' as of the date when it is notified to the party applying for the authorisation. While it is true that that statement concerns the point from which an authorisation 'becomes effective' in the form of an implementing decision notified to the party applying for authorisation, it merely reflects, in that regard, the content of the third subparagraph of Article 297(2) TFEU.

91 In accordance with the third subparagraph of Article 297(2) TFEU, which constitutes a general rule concerning the entry into force of decisions which designate an addressee, such decisions take effect by notification to their addressees (judgment of 13 February 2019, *Human Operator*, C-434/17, EU:C:2019:112, paragraph 32).

92 However, just as it follows from the case-law that the general rule under the third subparagraph of Article 297(2) TFEU cannot be understood as precluding the possibility that, exceptionally, the date a decision designating an addressee takes effect may be set as a date before the date it is notified to that addressee if the conditions recalled in paragraph 61 above are met (see, to that effect, judgment of 13 February 2019, *Human Operator*, C-434/17, EU:C:2019:112, paragraphs 36 and 37), the same applies, even more so, for the second sentence of the answer to question 20 of the Guidance Note. Indeed, case-law acknowledges that the date an act enters into force does not necessarily coincide with the date it takes effect, since, under certain conditions, that act may be recognised as having retroactive effect (see, by analogy, judgment of 9 October 2025, *On Air Media Professionals and Different Media*, C-416/24 and C-417/24, EU:C:2025:765, paragraphs 44 to 47).

93 Thus, the second sentence of the answer to question 20 of the Guidance Note cannot be understood as meaning that, in the Commission's practice, the date on which an authorisation takes effect will necessarily coincide, in all cases, with the date on which the decision establishing that authorisation is notified to the party applying for authorisation.

94 It follows that, taken as a whole, the answer to question 20 of the Guidance Note does not in fact contain any indicative rule of conduct which the Commission has imposed on itself concerning the retroactivity of any authorisation, since that answer merely reminds those applying for authorisation, in essence, that they remain subject to the obligations arising from the first paragraph of Article 5 of Regulation No 2271/96 pending the Commission's decision on their application for authorisation and that any decision by the Commission granting them a derogation authorisation under the second paragraph of that provision will enter into force from the date on which it is notified to them. On the other hand, the statements made in that answer do not determine the date a potential authorisation takes effect and, in particular, do not specify whether that date may have retroactive effect.

95 It follows from the foregoing that, contrary to what the applicant claims, the Guidance Note cannot give rise to a legitimate expectation that an authorisation granted under the second paragraph of Article 5 of Regulation No 2271/96 would not have retroactive effect and that, consequently, the applicant's arguments are not capable of demonstrating that the second condition referred to in paragraph 61 above, relating to the legitimate expectations of the persons concerned, was not satisfied.

96 It follows from all of the foregoing that the Commission did not disregard the derogations from the principle of non-retroactivity which it is possible, exceptionally, in the circumstances set out in paragraph 61 above, to allow and that, consequently, it did not infringe that principle. Accordingly, the first and fifth pleas in law must be rejected.

The third, sixth and seventh pleas in law, alleging, in essence, an error of assessment and the imprecise nature of the contested decisions

97 The applicant claims that the Commission exercised its discretion incorrectly and disproportionately. It submits that, since it offers services exclusively in the humanitarian sector, there was no threat to the intervener in that regard under the laws specified in the annex. According to the applicant, the Commission therefore wrongly authorised the intervener to block all its assets without restriction, without taking account of the fact that the assets used for humanitarian operations were not covered by the sanctions provided for in those laws. The Commission should therefore have limited the scope of the initial authorisation and of the new authorisation.

98 According to the applicant, the operative parts of the contested decisions are excessive, unclear and misleading, in view of the information contained in recital 14 of the first contested decision and in recital 42 of the second contested decision. Those operative parts are absolute in scope, confer a margin of discretion on the intervener and do not reflect the limitations contained in those recitals, which they ultimately contradict.

99 The applicant adds that the Commission should have ascertained which sanctions the applicant was exposed to and which transactions fell within the scope of the laws specified in the annex, particularly since the applicant had proved that it carried out exclusively humanitarian operations, which were expressly excluded from the scope of the sanctions provided for in those laws. According to the applicant, the interests of the European Union could not be seriously harmed as a result of actions in the humanitarian field, and the intervener's application is due solely to the dispute between them. It submits that the intervener cannot decide when a transaction comes under those sanctions, when such an assessment should be made by the Commission.

100 The Commission and the intervener refute those arguments.

101 First, it should be noted that the applicant's line of argument is based on incorrect premisses, since, contrary to what it claims, it is expressly apparent from the contested decisions, not only that the Commission took into account the applicant's observations relating to the activities which, according to the applicant, fell outside the scope of the sanctions, but also that, in view of those observations, the Commission limited the scope of the initial authorisation and the new authorisation to situations in which the laws specified in the annex required the intervener to behave in a certain way towards the applicant.

102 First, in recital 14(2) of the first contested decision, the Commission referred to the applicant's observation that the sanctions were not applicable on the ground that certain operations did not fall within their scope and, consequently, stated that the initial authorisation authorised the intervener only to 'comply' with the laws specified in the annex and that, accordingly, the operations exempted by those laws were not covered by that authorisation either. Second, in line with that statement, Article 1 of the first contested decision merely authorises the intervener to 'comply' with those laws, and only 'to the extent necessary' to 'freeze' certain property and 'refuse' certain operations.

103 Furthermore, although Article 1 of the second contested decision is identical in content to that of the first contested decision, recital 42 of the second contested decision expressly states that, in the light of MEB's activities in the field of humanitarian operations, the new authorisation authorises the intervener to freeze certain assets and refuse certain operations only in so far as that is required by the laws specified in the annex and that, accordingly, any operation exempted by those laws is not covered by that authorisation either.

104 In those circumstances, there is no contradiction between the grounds and the operative part of the contested decisions, nor do they lack clarity with regard to the scope of the initial authorisation and the new authorisation.

105 Second, the findings made in paragraphs 101 and 103 above also entail that, contrary to what is suggested by the applicant, the scope of the initial authorisation and of the new authorisation, and therefore of the contested decisions, is similarly not excessive or absolute, or even disproportionate or imprecise, but that it is limited solely to the conduct in which the intervener is required to engage under the laws specified in the annex, strictly to the extent that it authorises the intervener to freeze certain assets and to refuse some of the applicant's operations under those laws.

106 Third, in so far as the applicant submits that it was for the Commission to identify each operation in respect of which the intervener was authorised to comply with the laws specified in the annex, suffice it to state that such a line of argument cannot be accepted either, since it is based on a misunderstanding not only of the scope of the contested decisions, as explained in paragraphs 101 to 103 above, but also of the scope of the assessment carried out by the Commission under the second paragraph of Article 5 of Regulation No 2271/96.

107 When assessing an application for authorisation under the second paragraph of Article 5 of Regulation No 2271/96, the Commission is required only to examine whether the interests of the party applying for authorisation or those of the European Union are likely to suffer serious harm in the event that the party applying for that authorisation does not comply with the laws specified in the annex vis-à-vis a third party targeted by the restrictive measures. In so far as such a third party is targeted by those laws, the examination required by that provision is independent of the issue of whether some of that third party's operations could be exempted under those laws.

108 Thus, it is not for the Commission, under the second paragraph of Article 5 of Regulation No 2271/96, to classify any operations or assets of that third party in the light of the laws specified in the annex, since the Commission cannot verify either the typology of an operation or asset of such a third party or its situation in relation to those laws and any exemptions therefrom. Therefore, contrary to what the applicant is requesting, it is not necessary in the present case for

the Court to order an expert's report in order to interpret the scope of those laws or to adopt other measures in order to obtain expert reports on the applicant's activities or to hear its auditors as witnesses in that regard.

109 Fourth, the fact relied on by the applicant that the intervener interprets the initial authorisation and the new authorisation too broadly as authorising it to freeze all its assets is irrelevant. Such a fact relates to the proper application of those authorisations by the intervener, and not to the lawfulness of the contested decisions granting those authorisations.

110 Moreover, contrary to what is suggested by the applicant, the initial authorisation and the new authorisation leave no discretion to the intervener in that respect. If the laws specified in the annex do not impose on it the obligation to freeze certain assets or to refuse some of the applicant's operations, those authorisations do not apply and the intervener is required to comply with the prohibition laid down in the first paragraph of Article 5 of Regulation No 2771/96.

111 Fifth, in so far as the applicant alleges a misuse of powers, in so far as the initial authorisation and the new authorisation were granted because of the dispute between the applicant and the intervener before the German courts, it is sufficient to note that the first contested decision does not contain any indication to that effect, but is based on other considerations. Moreover, although it is apparent from recitals 18 and 19 of the second contested decision that the intervener referred to that dispute in its new application for authorisation, it is also apparent from recital 20 of that decision that the Commission expressly excluded its relevance for the purposes of granting a possible new authorisation under the second paragraph of Article 5 of Regulation No 2271/96. The present claim cannot therefore be accepted.

112 It follows from all of the foregoing that the applicant's arguments do not demonstrate either that the Commission made an error of assessment, particularly as regards the scope of the initial authorisation and the new authorisation, or that the contested decisions are imprecise in that regard, or that the Commission misused its powers. The third, sixth and seventh pleas in law must therefore be rejected.

113 The application for annulment of the contested decisions must therefore be dismissed as unfounded.

114 Consequently, the action must be dismissed in its entirety, without there being any need to rule on its admissibility, on which the applicant asks the Court to rule without going to the substance of the case (see paragraph 17 above) in order to clarify, in its view, 'the relationship between the action for annulment and [any] preliminary ruling procedure', about which the intervener expressed doubts. First, as regards the applicant's request, while it is true that Article 130(1) of the Rules of Procedure provides that the defendant may request the Court to rule on the inadmissibility of the action without going to the substance of the case, such a request cannot be made, within the meaning of that article, by the applicant. Second, with regard to the doubts raised by the intervener, it should be noted that a party which is granted leave to intervene in a dispute in support of the defendant has no standing to raise a plea of inadmissibility not set out in the form of order sought by the defendant, and therefore the Court is not required to rule expressly on the merits of that plea of inadmissibility (see, to that effect, judgment of 7 December 2022, *PNB Banka* v *ECB*, T-275/19, EU:T:2022:781, paragraphs 93 and 94 and the case-law cited). In any event, in the circumstances of the present case, since the examination of the admissibility of the action requires a complex analysis, the proper administration of justice

justifies the dismissal of the action on the merits without a prior ruling on its admissibility (see, to that effect, judgment of 26 February 2002, *Council* v *Boehringer*, C-23/00 P, EU:C:2002:118, paragraph 52).

Costs

115 Under Article 134(1) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since the applicant has been unsuccessful, it must be ordered to bear its own costs and to pay the costs incurred by the Commission and the intervener, in accordance with the form of order sought by them.

On those grounds,

THE GENERAL COURT (Second Chamber, Extended Composition)

hereby:

1. **Dismisses the action;**

2. **Orders Middle East Bank, Munich Branch to bear its own costs and to pay those incurred by the European Commission and by Clearstream Banking AG.**

Papasavvas Marcoulli Schwarcz

Valasidis Spangsberg Grønfeldt

Delivered in open court in Luxembourg on 10 December 2025.

[Signatures]