

# Harmonisation of criminal offences and penalties for the violation of EU sanctions

In December 2022, the European Commission tabled a proposal for a directive laying out harmonised rules on criminal offences and penalties for the violation of Union (EU) restrictive measures. During its March plenary session, Parliament is due to vote on the political agreement reached in negotiations with the Council.

## Background

[Restrictive measures](#) (sanctions), such as arms embargoes, import and export bans on certain products, freezing of funds and economic resources, and travel bans, are one of the most important [tools](#) of EU foreign policy. Whereas the adoption of EU sanctions is centralised at EU level, their implementation and enforcement are in the remit of the Member States. In the context of Russia's war against Ukraine, ensuring the effective and consistent implementation of sanctions has become essential for the EU.

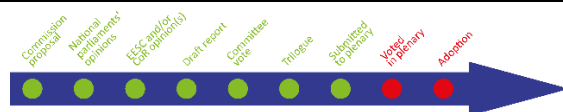
## European Commission proposal

The Council [Decision](#) of 28 November 2022, adding the violation of EU sanctions to the areas of 'particularly serious crime with a cross-border dimension' to [Article 83\(1\) TFEU](#), granted the EU the competence to harmonise measures in this field. On 2 December 2022, the Commission proposed a [directive](#) to harmonise criminal offences and penalties for the violation of EU restrictive measures, in order to facilitate the investigation, prosecution and sanctioning of such violations. Accordingly, Member States would have to criminalise a series of offences that constitute a violation of EU sanctions and have been committed with intent or serious negligence. Similarly, they would have to criminalise conduct intended to circumvent sanctions. Criminal offences committed by natural persons and involving funds or economic resources of at least €100 000 would be punishable by imprisonment of at least 1 year (for circumvention) or 5 years (for other offences). Legal persons would incur penalties consisting of criminal or non-criminal fines of at least 1 % or 5 % of their total annual worldwide turnover, depending on the offence. The proposal provides for the freezing and confiscation of proceeds of crime. It sets a 6-month transposition deadline.

## European Parliament position

On 6 July 2023, Parliament's Committee on Civil Liberties Justice and Home Affairs (LIBE) adopted its [report](#) and a mandate for interinstitutional negotiations. This decision was confirmed in plenary in July. The [report](#) included harsher penalties for natural persons (and set a maximum fine of no less than €10<sup>9</sup> million), and higher fines for legal persons (5 % or 15 % of their total annual worldwide turnover). It also extended the list of aggravating circumstances. On 9 June 2023, the Council had adopted its [general approach](#), which would limit the scope of the directive to serious violations and exclude acts committed with serious negligence. Fines for legal persons would stand at 1 % or 5 % of their total worldwide turnover or at €8 million or €40 million respectively, a choice left to Member States. The Council extended the transposition deadline to 12 months. On 12 December, the co-legislators reached a [provisional agreement](#) on the draft directive. It envisages the possibility of criminalising the commission of certain crimes involving serious negligence. The fines proposed by the Council as regards legal persons were maintained.

First-reading report: [2022/0398\(COD\)](#); Committee responsible: LIBE; Rapporteur: Sophia In 't Veld (Renew, the Netherlands). For further information, see our 'EU Legislation in progress' [briefing](#).



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