

Implementation and monitoring of the EU sanctions' regimes, including recommendations to reinforce the EU's capacities to implement and monitor sanctions



Authors:

Clara PORTELA, Kim B. OLSEN

European Parliament coordinator:

Policy Department for External Relations
Directorate General for External Policies of the Union
PE 702.603 - October 2023



STUDY

Implementation and monitoring of the EU sanctions' regimes, including recommendations to reinforce the EU's capacities to implement and monitor sanctions

ABSTRACT

Sanctions imposed by the European Union (EU) against Russia following Russia's 2022 invasion of Ukraine brought about an unprecedented emphasis on sanctions implementation and enforcement, which – in contrast to decision-making – have traditionally relied on a decentralised system. This has resulted in a mosaic of practices across the EU, involving more than 160 designated competent authorities within Member States. While reflecting the principle of subsidiarity, this nevertheless poses a risk to the internal market's equity by triggering practical confusion and contradictory legal interpretations of key sanctions provisions between Member States. While EU institutions and Member States have rightly put the monitoring of the implementation and effectiveness of sanctions at the top of the agenda, more needs to be done. The EU should agree on a joint definition of what constitutes a competent national authority, ensure adequate guidance for the EU's economic operators, enhance the involvement of implementation and enforcement expertise in the planning phase of sanctions regimes, and design a new horizontal sanctions regime to counter circumvention. At the same time, the European Parliament should strengthen its organisational know-how, technical expertise and independent monitoring capacities, as well as demand more technical guidance from other EU institutions.

AUTHOR(S)

- Kim B. OLSEN, Research Fellow, German Council on Foreign Relations, Germany;
- Clara PORTELA, Professor, University of Valencia, Spain

The authors thank Sara Candel, José Vilar, Alba Brasó and Úrsula Caturla for diligent research assistance.

PROJECT COORDINATOR (CONTRACTOR)

- Trans European Policy Studies Association (TEPSA)

This paper was requested by the European Parliament's Committee on 21 March 2022.

The content of this document is the sole responsibility of the authors, and any opinions expressed herein do not necessarily represent the official position of the European Parliament.

CONTACTS IN THE EUROPEAN PARLIAMENT

Coordination: Michal MALOVEC, Policy Department for External Relations

Editorial assistant: Inge BRYN

Feedback is welcome. Please write to michal.malovec@europarl.europa.eu

To obtain copies, please send a request to poldep-expo@europarl.europa.eu

VERSION

English-language manuscript completed on 10 October 2023.

COPYRIGHT

Brussels © European Union, 2023

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

©Image on cover page used under licence from Adobe Stock.

This paper will be published on the European Parliament's online database, '[Think Tank](#)'

Table of contents

Table of figures	v
List of abbreviations	vi
Executive summary	viii
Résumé exécutif	xi
1 Introduction and policy context	1
1.1 Study's aim and broader context	1
1.2 Research methodology	3
1.3 Introduction to the various types of sanctions and the targeted approach	4
1.4 Overview of (inter-)institutional, legal, judicial, instrument-specific and policy-related aspects of EU sanctions use	8
1.5 Sanctions as an EU foreign and security policy tool	10
1.6 The impact of decision-making procedures on EU sanctions	12
1.7 International coordination processes	12
2 The implementation phase: sanctions implementation, enforcement and violations	14
2.1 Member States' sanctions implementation systems	15
2.1.1 Cyprus	15
2.1.2 Denmark	17
2.1.3 Germany	19
2.1.4 Latvia	21
2.1.5 Malta	23
2.1.6 Spain	24
2.2 Comparative assessments of Member State approaches	26
2.3 Case studies on EU sanctions violations and evasions regarding Russia and Syria	29

3	The monitoring and evaluation phase:	
	sanctions reporting and feedback mechanisms	32
3.1	Reporting, monitoring and feedback mechanisms	32
3.1.1	The European Commission	32
3.1.2	The EEAS	35
3.1.3	The Council	36
3.1.4	The European Parliament	38
3.2	Integration of evaluations and lessons learned	39
4	Preliminary assessments of recent reforms of EU sanctions policy	40
4.1	Reform initiatives to improve sanctions implementation and enforcement	40
4.2	Reform initiatives to counter sanctions circumvention	45
4.3	Extraterritorial enforcement of sanctions	47
4.4	Other relevant reform initiatives	49
5	Conclusions and recommendations	50
5.1	Synthesis of findings	50
5.2	Recommendations for EU institutions and Member States	52
5.3	Recommendations for the EP	53
6	References	55
7	Annexes	65
7.1	Overview of existing EU sanctions regimes	65
7.2	Overview of penalties for sanctions violations across EU Member States	79
7.3	Tasks of Member States' NCAs	80

Table of figures

Table 1: Summary overview of sanctions against Russia	6
---	---

List of abbreviations

ACI	Anti-Coercion Instrument
AFET	European Parliament's Committee on Foreign Affairs
BFF	Higher Federal Authority for Combating Financial Crime
CFSP	Common Foreign and Security Policy
CJEU	Court of Justice of the European Union
DG	Directorate-General
DG FISMA	European Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union
DG TAXUD	European Commission's Directorate-General for Taxation and Customs Union
DG TRADE	European Commission's Directorate-General for Trade
DPRK	Democratic People's Republic of Korea – North Korea
EEAS	European External Action Service
EP	European Parliament
EPPO	European Public Prosecutor's Office
EU	European Union
FAQ	Frequently Asked Questions
FIU	Financial Intelligence Unit
FPI	European Commission's Service for Foreign Policy Instruments
G7	Group of Seven
INSTEX	Instrument in Support of Trade Exchanges
LIBE	European Parliament's Committee on Civil Liberties, Justice and Home Affairs
MEP	Member of the European Parliament
MFA	Ministry of Foreign Affairs
NCA	National Competent Authority
OFAC	United States of America's Office of Foreign Assets Control
QMV	Qualified Majority Voting
RELEX	Council of the EU's Working Party of Foreign Relations Counsellors
SEA	Sanctions Enforcement Act
SEOK	Advisory Committee on Economic Sanctions
TFEU	Treaty on the Functioning of the European Union
TEU	Treaty on European Union

UK	United Kingdom
UN	United Nations
UNSC	United Nations Security Council
USA	United States of America
VP/HR	Vice President/High Representative

Executive summary

Introduction

- It is increasingly recognised that the use of sanctions is not cost-free for the European Union (EU) and its Member States, and that the effective implementation and enforcement of sanctions is a prerequisite for their geostrategic success, credibility and political sustainability.
- By assessing recent practical and institutional developments in the EU sanctions policy cycle, this Study demonstrates how EU institutions and Member States need to improve their engagement further in the various phases of policy-making: planning, implementation, and monitoring and evaluation.

Planning phase

- Following Russia's invasion of Ukraine in February 2022, the international coordination of unilateral sanctions, including those adopted by the EU, has increasingly taken place within the Group of Seven (G7) context. This reflects a trend responding to the decline in United Nations Security Council (UNSC) sanctions activity due to Russia's veto. Multilateral sanctions are increasingly replaced by the coordinated efforts of Western-led sanctions coalitions, usually including the United States of America, the EU, the United Kingdom, Canada, Australia and New Zealand. A set of like-minded partners also align fully or partially with these measures.
- Cooperation with these partners and increasing domestic costs for applying broad sanctions against large geostrategic adversaries, such as Russia, has increased pressure on the EU to improve its sanctions implementation record.
- The European Commission's proactive role in designing sanctions is altering the institutional balance in its favour, thereby helping it to realise its ambition of becoming *the* 'geopolitical Commission'.

Implementation phase

- In contrast to the centralised nature of EU sanctions decision-making, any implementation and enforcement has traditionally relied on a decentralised system, in accordance with the subsidiarity principle enshrined in the EU Treaty.
- The system's decentralised nature has resulted in a mosaic of implementation and enforcement practices across the EU, with more than 160 designated competent authorities in Member States. This scattered approach is no longer considered satisfactory given the new emphasis on uniform and strict implementation that was brought about by the 2022 sanctions against Russia.
- Member States rely on widely different 'national sanctions implementation systems', with variations in: the number of National Competent Authorities (NCAs), ranging from 1 to 27 designated; the centralisation or decentralisation of their domestic cooperation; the coordination forums within which they operate; as well as their (missing) mandates for granting authorisations and licences to private actors.
- Besides the general confusion and mutual misunderstanding such dissimilar implementation systems create for both public and private actors across the EU, this scattered approach leads to contradictions in Member States' legal interpretations of key sanctions provisions. This, in turn, poses a risk to the internal market's equity.
- Wide discrepancies between Member States are also amply documented in terms of penalties for sanctions violations. One of the first steps taken with a view to strengthening enforcement has been that of classifying the violation of sanctions as a 'Euro-crime' under Article 83.1 of the Treaty on the Functioning of the EU. This will allow the Commission to establish common definitions and minimum penalties for sanctions breaches throughout the EU.

Monitoring and evaluation phase

- Whereas the daily monitoring of sanctions implementation is predominantly led by the Commission, it is also assisted by the European External Action Service (EEAS) and the Council Secretariat, thereby establishing feedback loops to ensure a continued improvement of existing sanctions regimes.
- The institutions' heightened focus on monitoring sanctions implementation and effectiveness has increased the reporting requirements for NCAs amongst Member States. However, it is not always readily understood how this additional level of monitoring data informs policy-making.
- The European Parliament (EP) plays an active and notable advocacy role, taking early steps to increase its institutional capacities in the sanctions field. More concerted efforts could be undertaken to establish stronger know-how and better monitoring tools for Members of the European Parliament.
- Any evaluation of the performance of sanctions regimes is traditionally conducted in the geographical Council Working Parties' framework. However, there is still no agreed evaluative framework that could be applied to assess progress. Moreover, there is no mechanism foreseen for the collection of information that would build institutional memory about previous sanctions regimes, the formulation of lessons learned, or knowledge transfer from the UNSC context.
- The EU has started to frame initiatives to address any circumvention of sanctions. This important focus includes the appointment of an Envoy for the Implementation of Sanctions, whose role is still being developed.

Recommendations

To improve implementation and enforcement performance, it is recommended that the EU:

- Agrees on a joint definition of NCAs and their tasks with a view to facilitating coordination between different NCAs and with EU stakeholders;
- Ensures adequate guidance for EU economic operators to support their compliance with sanctions legislation;
- Enhances implementation and enforcement expertise in the planning phase of sanctions regimes, including in the EP and its Secretariat; and
- Designs a new horizontal sanctions regime to counter circumvention.

To improve scrutiny and political input, it is also recommended that the EP:

- Creates structures to foster technical understanding and know-how by formalising a Committee on Foreign Affairs' Working Group on sanctions, and, in the medium term, considers establishing a Subcommittee on Sanctions;
- Builds and retains technical expertise among EP advisors in the fields of sanctions, anti-money laundering and export controls. Dedicated training programmes could also be considered;
- Establishes, independently from those in other EU institutions, a monitoring repository that can serve as an independent and systemised knowledge base for the EP to obtain a better overview of general implementation challenges or possible specific cases of sanctions violations at the level of Member States;
- Demands technical briefings after each new/amended sanctions regime from the EEAS or the Commission to enhance the quality of the EP scrutiny. This would eventually also make the EP more influential in the design and management of EU sanctions policy. In the absence of formal powers in the sanctions decision-making process, the EP can avail itself of traditional tools of parliamentary

scrutiny to increase its influence¹ by providing informed recommendations to guide the design and amendment of sanctions.

¹ M. Goinard, [‘The Growing Role of the European Parliament as an EU Foreign Policy Actor’](#), in M. Westlake (ed), *The European Union’s New Foreign Policy*, Palgrave MacMillan, London, 2020, pp. 107-124.

Résumé exécutif

Introduction

- Alors qu'il est de plus en plus admis que le recours aux sanctions n'est pas gratuit pour l'Union européenne (UE) et ses États membres, il est également reconnu qu'une mise en œuvre et une application efficaces sont des conditions préalables à leur succès géostratégique, à leur crédibilité et à leur viabilité politique.
- En évaluant les récents développements pratiques et institutionnels dans le cycle politique de sanctions de l'UE, cette étude démontre comment les institutions de l'UE et les États membres doivent encore améliorer leur engagement dans les différentes phases de l'élaboration des politiques : la planification, la mise en œuvre, et le suivi et évaluation.

Phase de planification

- Depuis l'invasion de l'Ukraine par la Russie en février 2022, la coordination internationale des sanctions unilatérales, y compris celles adoptées par l'UE, se fait de plus en plus dans le cadre du Groupe des sept (G7). Cela reflète une tendance répondant au déclin des activités de sanctions du Conseil de sécurité des Nations unies (CSNU), en raison du veto de la Russie. Les sanctions multilatérales sont de plus en plus remplacées par les efforts coordonnés de coalitions de sanctions dirigées par l'Occident, comprenant généralement les États-Unis d'Amérique, l'UE, le Royaume-Uni, le Canada, l'Australie et la Nouvelle-Zélande. En outre, un ensemble de partenaires partageant les mêmes idées s'alignent également, totalement ou partiellement, sur ces mesures.
- La coopération avec ces partenaires et l'augmentation des coûts nationaux liés à l'application de sanctions d'envergure contre de grands adversaires géostratégiques, tels que la Russie, exercent une pression accrue sur l'UE pour qu'elle améliore son bilan en matière de mise en œuvre des sanctions.
- Le rôle proactif de la Commission européenne dans l'élaboration des sanctions modifie l'équilibre institutionnel en sa faveur, contribuant ainsi à réaliser son ambition de devenir la « Commission géopolitique ».

Phase de mise en œuvre

- Contrairement à la nature centralisée du processus décisionnel de l'UE en matière de sanctions, la mise en œuvre et l'application de celles-ci reposent traditionnellement sur un système décentralisé, conformément au principe de subsidiarité inscrit dans le traité de l'UE.
- La nature décentralisée du système a donné lieu à une mosaïque de pratiques de mise en œuvre et d'application à travers l'UE, avec plus de 160 autorités compétentes désignées dans les États membres. Cette approche dispersée n'est plus considérée comme satisfaisante, compte tenu de l'accent mis désormais sur une mise en œuvre uniforme et stricte, introduit par les sanctions de 2022 contre la Russie.
- Les États membres s'appuient sur des « systèmes nationaux de mise en œuvre des sanctions » très différents en ce qui concerne le nombre d'autorités nationales compétentes (ANC) impliquées (de 1 à 27 désignées), la centralisation ou la décentralisation de leur coopération nationale, les forums de coordination auxquels ils participent, ainsi que leurs mandats (ou leur absence) pour accorder des autorisations ou des licences aux acteurs privés.
- Outre la confusion générale et l'incompréhension mutuelle que ces systèmes de mise en œuvre dissemblables créent pour les acteurs publics et privés à travers l'UE, cette approche dispersée conduit à des contradictions dans les interprétations juridiques des principales dispositions en matière de

sanctions entre les États membres. Ce qui représente à son tour un risque pour l'équité du marché intérieur.

- Des écarts importants entre les États membres sont également amplement documentés en matière de sanctions pour les violations de celles-ci. L'une des premières mesures prises en vue de renforcer l'application des sanctions a été de classer la violation des sanctions comme un « eurocrime » en vertu de l'article 83, paragraphe 1, du traité sur le fonctionnement de l'UE. Cela permettra à la Commission d'établir des définitions communes et des sanctions minimales lors des violations de ces dernières dans l'ensemble de l'UE.

Phase de suivi et d'évaluation

- Alors que le suivi quotidien de la mise en œuvre des sanctions est principalement mené par la Commission, celle-ci est également assistée par le Service européen pour l'action extérieure (SEAE) et le Secrétariat du Conseil dans la mise en place de boucles de rétroaction, afin d'assurer une amélioration continue des régimes de sanctions existants.
- L'importance accrue accordée par les institutions au suivi de la mise en œuvre et de l'efficacité des sanctions a augmenté les exigences en matière de rapports pour les ANC des États membres, bien qu'à ce niveau, il ne soit pas toujours facile de comprendre comment ces données de suivi supplémentaires éclairent l'élaboration des politiques.
- Le Parlement européen (PE) joue un rôle de plaidoyer actif et notable, prenant des mesures précoces pour accroître ses capacités institutionnelles dans le domaine des sanctions. Des efforts plus concertés pourraient être entrepris pour établir un savoir-faire plus solide et de meilleurs outils de suivi à l'intention des membres du PE.
- Toute évaluation des performances des régimes de sanctions est traditionnellement menée dans le cadre des instances préparatoires géographiques du Conseil. Cependant, il n'existe pas encore de cadre d'évaluation convenu qui pourrait être appliqué pour évaluer les progrès. En outre, aucun mécanisme n'est prévu pour la collecte d'informations qui permettrait de constituer une mémoire institutionnelle sur les régimes de sanctions antérieurs, la formulation des enseignements tirés ou le transfert de connaissances à partir du contexte du CSNU.
- L'UE a commencé à prendre des initiatives pour lutter contre le contournement des sanctions. Cet objectif important comprend la nomination d'un envoyé pour la mise en œuvre des sanctions, dont le rôle est encore en cours d'élaboration.

Recommandations

Afin d'améliorer les performances en matière de mise en œuvre et d'application des sanctions, il est recommandé que l'UE :

- s'accorde sur une définition commune des ANC et de leurs tâches, afin de faciliter la coordination entre les différentes ANC et avec les parties prenantes de l'UE ;
- veille à ce que les opérateurs économiques de l'UE bénéficient d'orientations adéquates pour les aider à se conformer à la législation sur les sanctions ;
- renforce l'implication d'experts en matière de mise en œuvre et d'application dans la phase de planification des régimes de sanctions, y compris au sein du PE et de son Secrétariat ; et
- conçoive un nouveau régime de sanctions horizontales pour lutter contre le contournement.

Il est également recommandé que, pour améliorer le contrôle et la contribution politique, le PE :

- crée des structures pour favoriser la compréhension technique et le savoir-faire, en formalisant un groupe de travail sur les sanctions de la commission des affaires étrangères du PE, et à moyen terme, envisage de créer un « sous-comité sur les sanctions » ;
- développe et conserve l'expertise technique des conseillers du PE dans les domaines des sanctions, de la lutte contre le blanchiment d'argent et des contrôles à l'exportation. Des programmes de formation spécifiques pourraient également être envisagés ;
- crée, indépendamment de ceux des autres institutions européennes, un référentiel de suivi qui puisse servir de base de connaissances indépendante et systématisée pour le PE afin d'obtenir une meilleure vue d'ensemble des difficultés de mise en œuvre ou les cas éventuels de violation des sanctions au niveau national ;
- demande au SEAE ou à la Commission des briefings techniques après chaque nouveau/modifié régime de sanctions, afin d'améliorer la qualité du contrôle exercé par le PE, et à terme, devenir plus influent dans la conception et la gestion de la politique de sanctions de l'UE. En l'absence de pouvoirs formels dans le processus décisionnel en matière de sanctions, le PE peut recourir aux outils traditionnels du contrôle parlementaire pour accroître son influence², en fournissant des recommandations éclairées pour guider la conception et l'amendement des sanctions.

² M. Goinard, '[The Growing Role of the European Parliament as an EU Foreign Policy Actor](#)', in M. Westlake (ed), *The European Union's New Foreign Policy*, Palgrave MacMillan, London, 2020, pp. 107-124.

1 Introduction and policy context

1.1 Study's aim and broader context

Since the early 1990s, financial and economic sanctions have become an increasingly integrated aspect of the Common Foreign and Security Policy (CFSP). In the 'Basic Principles on the Use of Restrictive Measures (Sanctions)' of 2004³, Member States of the European Union (EU) emphasised their joint objective to use sanctions in the defence of human rights, democracy, the rule of law and good governance as well as to counter weapons of mass destruction and terrorism⁴.

Over the past 15 years, the number and especially scope of EU sanctions use has gradually intensified. The 41 EU sanctions regimes currently in place show great variation in terms of: their overall policy objectives; the type of measures involved (asset freezes, travel/visa bans, arms embargoes, sectoral restrictions); their geographical and/or thematic contexts; as well as their practical compatibility with sanctions regimes of other multilateral actors. These include, the United Nations (UN) as well as unilateral/autonomous senders such as the United States of America (USA), the United Kingdom (UK) and Canada⁵. The EU's sanctions operation launched against the Russian Federation in response to its war of aggression against Ukraine has opened a new chapter in EU sanctions policy⁶. Given the growing presence of financial and economic bans in EU sanctions packages as well as significant innovations in the sanctions field⁷, the comprehensive monitoring and evaluation of their implementation have become even more resource-demanding, complex and sensitive for EU institutions and Member States' authorities⁸.

In contrast, the implementation of EU sanctions has traditionally received less scholarly attention than both their adoption and effects on targets⁹. However, in times of rising global confrontations, where the EU is pivoting towards stronger use of its geo-economic power instruments both within and outside the CFSP structure, it has become clear that this also comes with increased expenditure for Member States and their citizens¹⁰. Given that expansive use of restrictive measures is associated with both political and economic costs, policy-makers must strive for a better understanding of their implementation and enforcement, the mechanisms at play and issues that surround them, as well as a more granular understanding of the strengths and weaknesses of EU sanctions. These costs might well be further enhanced should recent calls¹¹ for greater use of qualified majority voting (QMV) in the Council's decision-making processes become reality. While previous studies commissioned by the European Parliament's (EP) Committee on

³ Council of the European Union, '[Basic Principles on the Use of Restrictive Measures \(Sanctions\)](#)', 10198/1/04, REV 1, Brussels, 7 June 2004.

⁴ C. Portela, '[Sanctions, conflict and democratic backsliding](#)', *European Institute for Security Studies*, Brief 6, 2022.

⁵ F. Giumelli, et al, '[The when, what, where and why of European Union sanctions](#)', *European Security*, Vol 30, No 1, 2021, pp. 1-23.

⁶ C. Portela and J. Kluge, '[Slow-acting tools. Evaluating EU sanctions against Russia after the invasion of Ukraine](#)', *European Union Institute for Security Studies*, Brief 11, 2022.

⁷ C. Portela, '[Horizontal sanctions regimes: Targeted sanctions reconfigured?](#)', in C. Beaucillon (ed), *Research Handbook on Unilateral and Extraterritorial Sanctions*, Edward Elgar, Cheltenham, 2021, pp. 441-457.

⁸ R. Druláková and P. Přikryl, '[The implementation of sanctions imposed by the European Union](#)', *Central European Journal of International and Security Studies*, Vol 10, No 1, 2016, pp. 134-160; Portela, C., '[Implementation and enforcement](#)', in N. Helwig et al., *Sharpening EU sanctions policy*, Finnish Institute of International Affairs [Study commissioned by the Office of the Prime Minister of Finland], FIIA Report 63, Helsinki, 2020.

⁹ K. B. Olsen, '[The Geoeconomic Diplomacy of European Sanctions: Networked Practices and Sanctions Implementation](#)', Brill, Leiden, 2022; R. Druláková and S. Zemanová, '[Why the implementation of multilateral sanctions does \(not\) work: lessons learnt from the Czech Republic](#)', *European Security*, Vol 29, No 4, 2020, pp. 524-544.

¹⁰ K. B. Olsen, '[Diplomatic Realisation of the EU's "Geoeconomic Pivot": Sanctions, Trade, and Development Policy Reform](#)', *Politics and Governance*, Vol 10, No 1, 2022, pp. 5-15.

¹¹ European Parliament, '[Recommendation of 8 June 2022 to the Council and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on the EU's Foreign, Security and Defence Policy after the Russian war of aggression against Ukraine \(2022/2039\(INI\)\)](#)', P9_TA(2022)0235, 8 June 2022.

Foreign Affairs (AFET) have already addressed the impact and effectiveness of sanctions, this new Study is necessary to reflect not only the growing importance of sanctions as a foreign and security policy tool of the EU, but also the increasing emphasis on implementation¹².

Given the complexity of ensuring that any restrictive measures are subject to comprehensive monitoring and implementation, which are determined by various interweaving factors, this new Study focuses on six key issues that challenge contemporary EU sanctions implementation and enforcement policies:

- Firstly, **diverging implementation processes and uneven interpretations at Member State level** involving 160 national competent authorities¹³ (NCA), each operating with unique mandates, intra-government divisions of competencies and legal sanctions frameworks¹⁴;
- Secondly, the **lack of harmonisation in judicial sanctions enforcement and unequal penalisation of sanctions violations across Member States**, resulting in pervasive incentive structures for malign economic operators to engage in 'shopping' – and the question of whether the Commission's recent proposal to make sanctions violations a recognised crime at the EU-level will mitigate this risk¹⁵;
- Thirdly, and linked to the previous issue, **the EU's underdeveloped legal and practical mechanisms to address serious cases of sanctions evasion and circumvention** by EU-based individuals and entities, often with the involvement of public and private actors from third countries, thereby not only undermining the effectiveness of EU sanctions, but also their legitimacy;
- Fourthly, the **yet-to-be-understood outcomes of recent reform initiatives at EU-level** to enhance cooperation and information-sharing between EU institutions and Member States as well as strengthening the role of the Commission/the Vice President/High Representative (VP/HR) in guaranteeing a comprehensive implementation oversight across the EU¹⁶;
- Fifthly, the **longer-term consequences of nascent signs in shifting institutional balances within EU sanctions decision-making procedures**, both between the Commission/European External Action Service (EEAS)/VP/HR and the Council, in terms of preparing the composition of wide-scale EU sanctions regimes, as well as the EP's enhanced political involvement in addressing cases of enhanced and improved EU sanctions use¹⁷;

¹² C. Portela, '[Targeted sanctions against individuals on grounds of grave human rights violations – impact, trends and prospects at EU level](#)', Policy Department for External Relations, European Parliament, PE 603.869, April 2018; C. Portela, '[Impact of sanctions and isolation measures with North Korea, Burma/Myanmar, Iran and Zimbabwe as case studies](#)', Policy Department for External Relations, European Parliament, PE 433.794, May 2011.

¹³ Authors' calculation based on data from the [EU Sanctions Map](#); see Annex 7.3 for further details.

¹⁴ F. Giumelli, et al, '[United in Diversity? A Study on the Implementation of Sanctions in the European Union](#)', *Politics and Governance*, Vol 10, No 1, 2022, pp. 36-46; K. B. Olsen, '[Diplomats, Domestic Agency and the Implementation of Sanctions: The MFAs of France and Germany in the Age of Geoeconomic Diplomacy](#)', *The Hague Journal of Diplomacy*, Vol 15, No 1-2, 2020, pp. 126-154.

¹⁵ S. F. Kjeldsen and K. B. Olsen, '[Strict and Uniform: Improving EU Sanctions Enforcement](#)', German Council on Foreign Relations, DGAP Policy Brief, 2022; Genocide Network, '[Prosecution of sanctions \(restrictive measures\) violations in national jurisdictions: a comparative analysis](#)', Expert Report, EUROJUST, December 2021.

¹⁶ European Commission, '[The European economic and financial system: Fostering openness, strength and resilience](#)', COM/2021/32 final, 19 January 2021.

¹⁷ K. B. Olsen, '[The Sanctioning of Warfare: Early lessons from the EU's geoeconomic response to Russia's invasion of Ukraine](#)', Danish Institute for International Studies, DIIS Research Report, 2022; C. Portela, '[EU horizontal sanctions regimes: Questions of interface](#)', in S. Lohmann and J. Vorrath (eds), *International Sanctions: Improving Implementation through Better Interface Management*, Working Paper, German Institute for International and Security Affairs, Berlin, 2021.

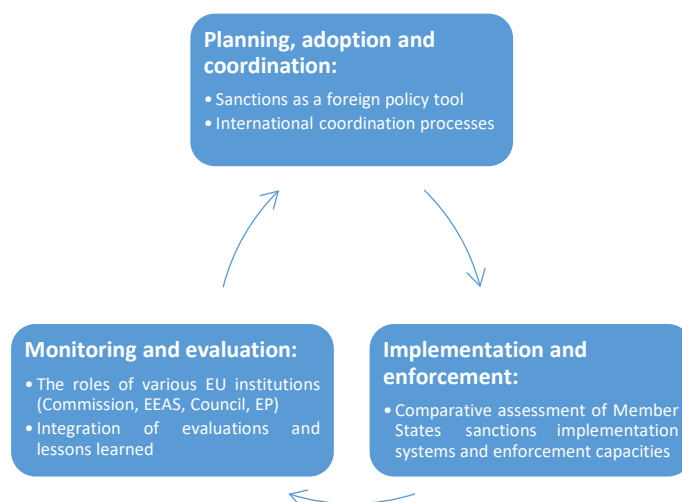
- And sixthly, **the impact of implementing autonomous EU sanctions in a sanctions coalition** with other like-minded countries, such as has been the case when wide-scale EU sanctions have been targeted at Russia, Belarus, Syria and Iran¹⁸.

These key issues will together form the analytical focus of this study, designed to provide a series of forward-looking and tangible policy recommendations which aim to improve the effectiveness and impact of EU sanctions. Recommendations will be targeted at the EP's engagement (both in terms of legislation and scrutiny) as well as that of other EU institutional actors and Member States in this central aspect of contemporary CFSP efforts.

1.2 Research methodology

This study is structured around an analytical framework that separates the EU's sanctions policy cycle into three distinct, yet interlinked and inseparable, phases: (i) planning, adoption and coordination; (ii) implementation and enforcement; and (iii) monitoring and evaluation (which, ideally, should feed back into subsequent planning, adoption and coordination). Each phase will be analysed and discussed in relevant sections (see outline below). The study's key emphasis, though, will be one of the most understudied areas, namely implementation and enforcement¹⁹.

Figure 1: Outline of the EU's sanctions policy cycle



Source: authors' own compilation.

The choice of an analytical framework that separates the analysis of sanctions into different phases aligns with the empirical reality of how EU institutions and Member States approach the design and use of restrictive measures. Whereas the planning, adoption and coordination phase is characterised by a close collaboration between institutions and Member States, the implementation and enforcement phase is mainly the responsibility of Member States. The monitoring and evaluation phase again involves EU institutions, not least in terms of overseeing whether the implementation of restrictive measures is being

¹⁸ I. Borzyskowski and C. Portela, '[Sanctions cooperation and regional organisations](#)', in S. Aris, et al. (eds), *Inter-organisational Relations in International Security*, Routledge, London, 2018.

¹⁹ M. Esteban and C. Portela, '[EU sanctions against North Korea: Making a stringent UN sanctions regime even tougher](#)', in N. Casarini, et al. (eds), *Routledge Handbook of EU-Korea Relations*, Routledge, London, 2022; C. Portela, et al., '[Consensus against all odds: Explaining the persistence of EU sanctions on Russia](#)', *Journal of European Integration*, Vol 43, No 6, 2021, pp. 683-699; C. Portela, '[The EU, China and the Iranian nuclear question](#)' in J. Wouters, et al. (eds), *China, the EU and the Developing World*, Edward Elgar, Cheltenham, 2015.

followed diligently by Member States and to what degree various sanctions regimes are effective towards reaching their respective objectives.

The Study's primary data has been derived from: (i) document analysis; (ii) a review of the relevant scholarly literature; and (iii) a wide range of semi-structured interviews. These aimed at obtaining the most updated and comprehensive information on every topic²⁰ and were conducted with key stakeholders: representatives and experts from EU institutions (Directorates-General in the European Commission, the EEAS, the Council Secretariat); permanent EU representations; as well as other competent authorities across the Union. Included were: ministries of foreign affairs (MFAs); ministries of economics and finance; central banks; business and customs authorities; financial intelligence units; financial supervisory authorities; and business interest organisations.

The selection of respondents was driven by three overarching criteria. Firstly, they should cover issues from the high-range political sanctions negotiations among EU institutions and Member States to their practical implementation in the last link of the sanctions chain. Secondly, they should come from various geographical parts of the EU. Thirdly, they should be derived from both public and private/non-state sectors, particularly as recent studies have argued that the latter's views are often insufficiently reflected in both the design and evaluation of EU geo-economic policies²¹. Furthermore, to ensure that respondents could express themselves confidentially in interviews on sensitive topics, the Study's presentation of data preserves their anonymity.

The qualitative data collected for this study has been triangulated with other data sources to ensure that the study's findings and recommendations are robust and feasible. This includes data from interviews already conducted by the authors for previous studies about decision-making, monitoring, implementation and enforcement of EU sanctions policies as well as the EU's role as a comprehensive security actor in the geo-economics field. All interview data has further been triangulated through a thorough content analysis of relevant EU legal acts, resolutions and recommendations, policy documents, guidelines, best practices and press releases as well as previous research publications commissioned by the EP on similar topics²².

1.3 Introduction to the various types of sanctions and the targeted approach

Sanctions employed by the EU in its CFSP fall into two main categories:

²⁰ N. Helwig, et al., [Sharpening EU sanctions policy](#), Finnish Institute of International Affairs [Study commissioned by the Office of the Prime Minister of Finland], FIIA Report 63, Helsinki, 2020; K. Meissner, 'How to sanction international wrongdoing? The design of EU restrictive measures', *Review of International Organisations*, Vol 18, No 1, 2023, pp. 61–85; K. Urbanski, [The European Union and International Sanctions](#), Edward Elgar, Cheltenham, 2020.

²¹ K. B. Olsen, 'Goeconomic Diplomacy: Reforming the Instrumentalization of Economic Interdependencies and Power', in P. W. Hare, et al. (eds), *The Palgrave Handbook of Diplomatic Reform and Innovation*, Palgrave Macmillan, London, 2023, pp. 651–673.

²² E.g. Council of the European Union, [Restrictive measures \(Sanctions\) - update of the EU Best Practices for the effective implementation of restrictive measures](#), 10572/22, 27 June 2022; European Commission, 'The European economic and financial system: Fostering openness, strength and resilience', COM/2021/32 final, 19 January 2021; European Commission, [Proposal for a directive of the European Parliament and the of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures](#), COM(2022) 684 final, 2 December 2022; European Parliament, 'Resolution on the social and economic consequences for the EU of the Russian war in Ukraine – reinforcing the EU's capacity to act (2022/2653(RSP))', P9_TA(2022)0219, 19 May 2022; European Parliament, 'Recommendation to the Council and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on the EU's Foreign, Security and Defence Policy after the Russian war of aggression against Ukraine (2022/2039(INI))', P9_TA(2022)0235, 8 June 2022; M. Russell, 'Western sanctions and Russia: What are they? Do they work?', European Parliamentary Research Service, European Parliament, PE 698.930, February 2022.

- 1) measures of general application, which are directed at certain sectors and can have broader effects on the economy as a whole;
- 2) those applied against individuals and entities, whose identity is specified in an annex to the legislation. They typically consist of asset freezes and, in the case of natural persons, prohibitions of entry.

This basic categorisation has major implications: sanctions on individuals and entities are subject to scrutiny by the Court of Justice of the EU (CJEU), while broader economic sanctions are not subject to judicial review. The Court distinguishes between provisions of a general nature and measures targeting identified natural or legal persons named in the act concerned²³.

Another classification refers to the organisational logic of any given sanctions regime. This conventionally takes the form of a geographical or country regime, which comprises the imposition of restrictions affecting individuals, entities and certain sectors circumscribed to a specific territory – normally a country. Most sanctions regimes fall into this category. However, since the adoption of a sanctions list to counter-terrorism by the United Nations Security Council (UNSC) in the aftermath of 11 September 2001, thematic or horizontal sanctions regimes have become popular²⁴. The organising logic of such regimes is not geographically circumscribed; instead, it admits the designation of individuals and entities whose common denominator is the violation of a specific norm. Horizontal sanctions regimes entail measures affecting individuals and entities only, while country sanctions regimes can combine both above-mentioned categories. In addition to the counter-terrorism list, which is based on a UNSC resolution, the EU has adopted three sanctions regimes over the past decade, addressing chemical weapons use, cyberattacks and human rights abuses. One common denominator is the presence of Russian entities and individuals: notably, the Wagner group as well as individuals involved in the detention of Alexei Navalny are listed under the EU human rights sanctions regime²⁵. A sanctions regime targeting grand corruption is currently under development at the Council, following similar steps by the USA, Canada and most recently the UK²⁶.

A combination of both economic v. individual and geographic v. horizontal criteria has been adopted in the overview of sanctions against Russia detailed below (summary here in Table 1):

²³ L. Lonardo, '[Restrictive Measures: Constitutional Issues, Classification, Judicial Review](#)', in L. Lonardo (ed), *EU Common Foreign and Security Policy after Lisbon*, Springer, Cham, 2023, p. 78.

²⁴ C. Eckes, '[EU global human rights sanctions regime: is the genie out of the bottle?](#)', *Journal of Contemporary European Studies*, Vol 30, No 2, 2022, pp. 255-269.

²⁵ C. Portela, '[Horizontal sanctions regimes: Targeted sanctions reconfigured?](#)', in C. Beauchillon (ed), *Research Handbook on Unilateral and Extraterritorial Sanctions*, Edward Elgar, Cheltenham, 2021, pp. 441-457.

²⁶ A. Brzozowski, '[EU to extend sanctions framework to target corrupt foreigners](#)', *Euractiv*, 3 May 2023.

Table 1: Summary overview of sanctions against Russia

Russian activity targeted by sanctions	EU legal acts	Initially adopted and renewal period	Restrictive measures
Russia (actions destabilising Ukraine)	Council Decision 2014/512/CFSP Council Regulation (EU) No 833/2014	31 July 2014 Every 6 months	Listing of 71 entities related to financial measures (some listed in various categories). Listing of 20 entities related to media ban. Prohibition relating to arms export and import, firearms, dual-use goods, financial measures, aviation and space sector, critical infrastructure, media, road transport, storage capacity, maritime sector, to satisfy claims, trade of certain goods and minerals, luxury goods, technology and services.
Ukraine (Crimea and Sevastopol)	Council Decision 2014/386/CFSP Council Regulation (EU) No 692/2014	23 June 2014 Every 12 months	Prohibition relating to financial measures, investments and trade of certain goods and services.
Ukraine (territorial integrity)	Council Decision 2014/145/CFSP " Council Regulation (EU) No 269/2014	17 March 2014 Every 6 months	Listing of 576 persons and 280 entities.
Ukraine (non-government-controlled areas)	Council Decision (CFSP) 2022/266 Council Regulation (EU) 2022/263	23 February 2022 Every 12 months	Prohibition relating to financial measures, investments and trade of certain goods and services.
Chemical weapons	Council Decision (CFSP) 2018/1544 Council Regulation (EU) 2018/1542	15 November 2018 Every 12 months	Listing of 25 persons and 3 entities; these include 18 persons and 1 entity from Russia.
Cyber-attacks	Council Decision (CFSP) 2019/797 Council Regulation (EU) 2019/796	17 May 2019 Every 12 months	Listing of eight persons and four entities; these include six persons and two entities from Russia.
Human rights	Council Decision (CFSP) 2020/1999 Council Regulation (EU) 2020/1998	7 December 2020 Every 12 months	Listing of 55 persons and 20 entities; these include 18 persons and 8 entities linked to the Wagner Group and other associated groups.

Source: authors' own compilation based on a table prepared by A. Caprile and A. Delivorias, '[EU sanctions on Russia: Overview, impact, challenges](#)', Members' Research Service, European Parliament, PE 739.366, March 2023.

The most frequently used EU sanctions measures are prohibitions on entry, popularly called travel bans or visa bans, and asset freezes, both of which are applied via blacklist, or lists of designated individuals and entities featured in the annex of each sanctions regime. The freezing of assets makes it impossible for any target to move or actively use bank accounts, other financial depots and physical assets in EU Member States, such as real estate and vessels. EU-incorporated banks and operators are also banned from transferring funds to bank accounts held by blacklisted persons, albeit this freezing does not affect ownership.

Arms embargoes constitute one of the most widely applied sanctions, especially in situations of violent conflict. This pallet is complemented with a range of trade restrictions, which ban the import or export of selected goods and apply financial sanctions, which can take various forms such as: investment bans; prohibition on the creation of joint ventures; and prohibition of insurance or reinsurance. Trade and financial measures, which used to be rare in the early CFSP years, are today becoming increasingly frequent.

This subdivision is due to the application of a targeted approach, which consists in the design of measures to affect specifically those responsible for objectionable actions. The aim is to apply coercive pressure on transgressing parties – government officials, elites who support them or members of non-governmental entities. Conversely, this entails avoiding impact on others, namely population segments which ideally should be left uninvolved in the wrongdoing, whilst international trade relations must also remain unaffected. This rationale highlights a preoccupation with potential humanitarian impacts in any target country. However, whilst these measures certainly aim to avoid causing undue civilian suffering, which is clearly undesirable, regrettably total eradication cannot be guaranteed. Instead, efforts are made to lessen such effects, with official statements on targeted sanctions policies typically using terms such as 'minimising' or 'minimum'. The EU policy framework 'Basic Principles for the Use of Restrictive Measures' embraces the notion of targeting: 'Sanctions should be targeted in a way that has maximum impact on those whose behaviour we want to influence. Targeting should reduce to the maximum extent possible any adverse humanitarian effects or unintended consequences for persons not targeted'²⁷. This wording echoes the 1995 UNSC response to negative experiences with comprehensive embargoes such as those on Iraq, Haiti or Yugoslavia, which announced that 'any future sanctions regime should be directed to minimise unintended adverse side-effects of sanctions on the most vulnerable segments of targeted countries'²⁸.

This targeted approach not only permeates CFSP sanctions practice, but has long remained uncontroversial within EU decision-making circles. It became a flagship of EU policy and was therefore differentiated from other major senders, notably the USA²⁹. However, over the past decade, EU sanctions packages have become progressively broader in scope³⁰. This process of broadening sanctions design culminated in the sanctions rounds that followed Russia's invasion of Ukraine in February 2022, that saw

²⁷ Council of the European Union, '[Basic Principles on the Use of Restrictive Measures \(Sanctions\)](#)', 10198/1/04, REV 1, Brussels, 7 June 2004, p. 3.

²⁸ UNSC, '[Letter from the Permanent Representatives of China, France, the Russian Federation, the United States and the United Kingdom to the United Nations addressed to the President of the Security Council](#)', S/1995/300, 13 April 1995.

²⁹ K.A. Elliott, '[US approaches to multilateral sanctions: Co-operation and coercion intertwined](#)', in A. Charron and C. Portela (eds), *Multilateral Sanctions Revisited. Lessons learned from Margaret Doxey*, McGill-Queen's University Press, Montreal, 2022, pp. 34-50.

³⁰ C. Portela '[The changing nature of targeted sanctions: Evolution and assessment](#)', in A. Kellerhals, T. Baumgartner and C. Reber (eds), *European Integration Perspectives in Times of Global Crises*, Europa Institut, Zurich, 2023, pp. 73-87.

the imposition of increasingly far-reaching measures which are also susceptible to affecting the Russian population's living standards³¹. Since then, EU sanctions on Russia and its close associate Belarus have departed from its originally narrow conception so manifestly that observers not only question the targeted, temporary and preventive character of these measures but sometimes also speak of a sanctions revolution³².

1.4 Overview of (inter-)institutional, legal, judicial, instrument-specific and policy-related aspects of EU sanctions use

The governance of EU sanctions has traditionally been Member State-driven, which to date has translated into a predominance of intergovernmental decision-making. This has been characterised by a two-step procedure, which consists of an initial political Council Decision to impose the sanctions and a follow-up Council Regulation that specifies duties for companies. If any sanctions agreed include measures of an economic or financial nature – such as, typically, an asset freeze – those measures require the adoption of a Council Regulation for their implementation, which is superfluous only when the measures agreed do not touch upon the Community's competences, as with travel bans. Because this two-step procedure took shape before creation of the CFSP in 1992, it is regarded as an inter-pillar coordination mechanism that preceded the establishment of Maastricht's characteristic pillar structure³³.

Since the CFSP's creation, any political decision to impose sanctions takes the shape of a CFSP instrument – a Council Common Position until the Lisbon Treaty and a Council Decision thereafter – and is agreed upon by the Council by unanimity. Adoption of such a Regulation is subject to QMV. However, since the CFSP Decision and the Regulation are negotiated in parallel, both instruments are *de-facto*³⁴ subject to unanimous agreement. Over time, the contents of the CFSP Council Decision and Regulation have resembled each other so much that their contents largely overlap. However, for legal reasons, the legal instruments' duality persists³⁵.

In institutional terms, two sanctions teams have traditionally existed in different sections of the EU's bureaucracy: before the Lisbon Treaty, the CFSP instrument used to be prepared by a sanctions team based with the Council Secretariat, while the regulation was drafted by the Commission's Directorate General (DG) for External Relations. After Lisbon, the Council Secretariat team was transferred to the EEAS, while the Commission's team was placed with its Service for Foreign Policy Instruments (FPI). Although they remained institutionally separate, they were physically in contiguous corridors to facilitate informal coordination and exchange given the impossibility of a merger. However, as sanctions were gaining in importance towards the end of the last decade, Ursula von der Leyen's Commission transferred the team from FPI to the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (FISMA), where it could not only tap into its vast expertise on the financial sector, but was also endowed with additional human resources. For its part, the EEAS placed its sanctions team directly under the

³¹ K. Meissner and C. Graziani, ['The transformation and design of EU restrictive measures against Russia'](#), *Journal of European Integration*, Vol 45, No 3, 2023, pp. 377-394.

³² Y. Miadzvetskaya and C. Challet, ['Are EU restrictive measures really targeted, temporary and preventive?'](#), *Europe and the World: A law review*, Vol 6, No 1, 2022; M. Matthijs and S. Meunier, ['Europe's Geoeconomic Revolution. How the EU learned to wield its real power'](#), *Foreign Affairs*, September/October 2023; C. Challet, ['A Revolution within the EU's Common Foreign and Security Policy: EU Sanctions Adopted in Reaction to Russia's Aggression'](#), EU Law Live, 2022.

³³ O. Poeschke, ['Maastrichts langer Schatten: Das auswärtige Handeln der EU – Verschiebungen im institutionellen Gefüge?'](#), *Hamburg Review of Social Sciences*, Vol 3, No 1, 2008, pp. 37-69.

³⁴ All emphases from the authors.

³⁵ M. Gestri, ['Sanctions imposed by the European Union: Legal and institutional aspects'](#), in N. Ronzitti (ed), *Coercive Diplomacy, Sanctions and International Law*, Brill Nijhoff, Leiden, 2016, pp. 70-102.

authority of the Deputy Secretary General for Political Affairs³⁶. The EP, in turn, is kept informed of sanctions issues. However, due to the limited involvement in CFSP foreseen for this institution in the treaties, it remains otherwise excluded from the sanctions decision-making process.

As part of the CFSP, sanctions are subject to limited jurisdiction by the CJEU. Its own jurisprudence declared EU Courts competent to review the legality of decisions providing for restrictive measures against natural or legal persons imposed by the Council³⁷: ‘the Courts retain the competence to review the designation criteria to determine that they, in themselves, do not violate the fundamental rights of those who have been targeted’³⁸. A legal review of the designation criteria centres on two principles of legal certainty and proportionality, the latter being determined by the Grand Chamber of the Court³⁹, in accordance with Article 296 of the Treaty on the Functioning of the EU (TFEU). This states that ‘[w]here the Treaties do not specify the type of act to be adopted, the institutions shall select it on a case-by-case basis, in compliance with the applicable procedures and with the principle of proportionality’.

Over time, this jurisprudence has evolved certain obligations for the imposition of EU restrictive measures, especially concerning the formulation of designation criteria, which delimit the purpose behind the imposition of each restrictive measure and indicate how targeting members of specific categories aligns with a given foreign policy goal. When the EU Council ‘decides to impose asset freezes on any persons, it has to specify in the relevant legal act the criteria by which the targets of these sanctions are selected’⁴⁰.

The Court originally established that the presumed risk of circumvention is quite obvious between designated political leaders and their family members⁴¹. However, since the Al Assad case, it pointed out a possibility that ‘leaders could easily circumvent those measures by means of their relatives and associates’, thereby frustrating Council efforts to impose restrictive measures upon third country leaders⁴². Case law also established that the concept of a third country, within the meaning of Articles 60 and 301 European Communities, may include the rulers of such a country as well as individuals and entities associated with or controlled, directly or indirectly, by them⁴³, such as family members that have been proven to hold a sufficient link between them and the sanctioned regime. In the Tay Za ruling this reasoning was overturned, since the European Court of Justice annulled the designation of the applicant, disregarding the effectiveness rationale put forward by the Council. In this case⁴⁴, ‘the ECJ clarified that there is no presumption that family members of leading business figures in a third country also benefit from the economic policies of the government – on the sole ground of their family connection, irrespective of the personal conduct of such natural persons’⁴⁵. This interpretation has been reaffirmed in *Prigozhina v. Council* of 8 March 2023⁴⁶, where the Court annulled restrictive measures applied to Ms Violetta Prigozhina, mother

³⁶ EEAS, ‘[HQ Organisation chart](#)’, 1 November 2022.

³⁷ European Union, [Treaty on European Union \(Consolidated Version\)](#), [Treaty of Maastricht](#), 7 February 1992, Official Journal of the European Communities C 325/5; 24 December 2002, Article 24(2); European Union, [Consolidated version of the Treaty on the Functioning of the European Union](#), 13 December 2007, Official Journal of the European Union (OJ C 115/47) of 9 May 2008, Article 275(2).

³⁸ A. Pursiainen, ‘[Targeted EU Sanctions and Fundamental Rights](#)’, *Solid Plan Consulting*, 2017, p. 8.

³⁹ ECJ, ‘[National Iranian Oil Company v Council of the European Union](#)’, Case C-440/14, para 18-19, Judgment of the Court, 1 March 2016.

⁴⁰ A. Pursiainen, ‘[Targeted EU Sanctions and Fundamental Rights](#)’, *Solid Plan Consulting*, 2017, p. 7.

⁴¹ F. Finelli, ‘[Countering Circumvention of Restrictive Measures: The EU Response](#)’, *Common Market Law Review*, Vol 60, 2023, pp. 733–762, p. 759.

⁴² ECJ, ‘[Bouchra Al Assad v Council of the European Union](#)’, Case T-202/12, para. 99, Judgment of the Court, 12 March 2014.

⁴³ ECJ, ‘[Kadi and Al Barakat International Foundation v Council and Commission](#)’, joined Cases C 402/05 P and C 415/05, para. 166, Judgment of the Court, 3 September 2008.

⁴⁴ ECJ, ‘[Pye Phyo Tay Za v Council of the European Union](#)’, Case C-376/10, Judgment of the Court, 13 March 2012.

⁴⁵ F. Finelli, ‘[Countering Circumvention of Restrictive Measures: The EU Response](#)’, *Common Market Law Review*, Vol 60, 2023, pp. 733–762, p. 753.

⁴⁶ ECJ, ‘[Prigozhina v Council](#)’, Case T-212/22, para. 105, Judgment of the Court, 8 March 2023.

of Mr Yevgeniy Prigozhin, then head of the Wagner group and an individual who at that time had direct influence on the Kremlin and development of the war in Ukraine⁴⁷. The General Court determined that restrictive measures against Russia do not contain any reference to family relationships among the designation criteria⁴⁸. Thus, in the absence of additional evidence, the mere family link with an individual close to power centres is not deemed sufficient to establish an association that would justify a designation⁴⁹.

Lastly, another question pertains to the transfer of funds or assets to a person listed in a Council regulation by an EU operator before that person's listing. It was determined that the cumulative requirements of knowledge and intent are relevant factors to consider along with the existence of a deliberately created structure to aid a person in the evasion of a possible future listing; in particular, both requirements are considered to have been met when the EU operator 'deliberately seeks that object or effect or is at least aware that its participation may have that object or that effect and accepts that possibility'⁵⁰.

1.5 Sanctions as an EU foreign and security policy tool

Although no official document spells out escalation strategies for the use of restrictive measures, a standard sequencing can be discerned from EU practice⁵¹. Initiating the actual imposition of sanctions is sometimes preceded by the passing of CFSP acts enacting sanctions – a so-called sanctions framework – with an empty annex, indicating that the Council is ready to include entries, but that it will initially refrain from doing so, in the expectation that a crisis can be resolved, thus making designations unnecessary. This practice, common in the United Nations (UN) context, equates to a threat of sanctions imposition as it gives the target one last chance to desist from the condemned behaviour before sanctions are implemented. If this fails, a first round of designations materialises.

The first stage comprises blacklisting certain individuals on which travel bans and asset freezes are being applied, often accompanied by a few companies and agencies. The number of designations increases progressively in subsequent waves. The second stage includes an embargo on the supply of arms, equipment for internal repression and surveillance as well as dual-use items, in addition to a ban on the provision of related services and any form of military cooperation. The third stage prohibits the export or import of certain products and commodities, as well as the imposition of financial sanctions. This may take the form of trade bans or the blacklisting of state companies dealing with energy and commerce as well as key public entities such as the central bank and even commercial harbours. While the EU traditionally exercises caution in moving from the second to the third stage, it has crossed this threshold with increased frequency over the past decade⁵². Different targets are hit in each phase: the first narrowly focuses on key political figures; the second aims at the internal security establishment; whilst the third concerns state and business elites, clearly entailing broader ramifications for society.

In the current EU sanctions landscape, examples of all these escalation stages can be found (see also Table 1). The sanctions frameworks adopted by the EU on Lebanon in July 2021 and on Moldova in April

⁴⁷ F. Finelli, '[Countering Circumvention of Restrictive Measures: The EU Response](#)', *Common Market Law Review*, Vol 60, 2023, pp. 733–762, p. 758.

⁴⁸ ECJ, '[Prigozhina v Council](#)', Case T-212/22, para. 105, Judgment of the Court, 8 March 2023.

⁴⁹ C. Challet, '[Les sanctions de l'Union européenne adoptées en réaction à la guerre en Ukraine – Défis et enjeux pour le contrôle juridictionnel des mesures restrictives](#)', *Revue des affaires européennes*, No 1, 2023.

⁵⁰ ECJ, '[Criminal proceedings against Mohsen Afrasiabi and Others](#)', Case C-72/11, Judgment of the Court, 21 December 2011.

⁵¹ C. Portela, '[Sanctions, conflict and democratic backsliding](#)', *European Institute for Security Studies*, Brief 6, 2022.

⁵² K. Meissner, '[How to sanction international wrongdoing? The design of EU restrictive measures](#)', *Review of International Organisations*, Vol 18, 2022, pp. 61–85.

2023 were not accompanied by any designation at the time of enactment⁵³. However, within each stage different levels of severity are observable. Sanctions on Burundi never featured more than four designations⁵⁴. Those on Myanmar and Venezuela are examples of the second stage, where the export of technologies with military, repressive or surveillance applications is banned across the board⁵⁵. Sanctions on Syria are even more encompassing, representing the third stage, with measures covering, *inter alia*, gas, petrol products and a range of financial restrictions⁵⁶.

The sanctions packages launched in response to Russia's invasion of Ukraine since February 2022 deviate from this pattern. A first wave, adopted following the Russian Duma's official recognition of the breakaway republics in Donbas and prior to the military campaign, focused heavily on financial restrictions. One of the most far-reaching financial measures, the exclusion of various Russian banks from the SWIFT system as well as the outright blocking of some banks, was also imposed at this initial stage. Trade sanctions ensued very quickly after the military campaign was launched, including some unprecedented measures such as the withdrawal of Russia's Most-Favoured-Nation status, which entails tariff reductions for members of the World Trade Organization. Yet, the most distinctive feature of sanctions against Russia was how quickly different waves succeeded each other, eclipsing any speed with which the EU sanctions toolbox was deployed in reaction to the Syrian war breaking out in 2011⁵⁷.

In terms of geographical distribution, CFSP sanctions targets are concentrated in Sub-Saharan Africa and the Middle East, similarly to the distribution of UN sanctions targets. However, the EU differs from the UN by strongly focusing on its neighbourhood. This is particularly true of its Eastern neighbourhood, where a heightened sensitivity is displayed to developments endangering democratic governance or the security of its own citizens⁵⁸. Elsewhere, autonomous CFSP sanctions typically respond to democratic regression accompanied by the violent repression of civilians, as with the crisis afflicting Nicaragua since 2018⁵⁹. In response to the political crisis in Nicaragua, marked by a continued deterioration in the rule of law, democracy and human rights, the Council condemned 'the muzzling of political opponents, independent media and civil society, and the use of anti-terrorist laws to repress dissenting opinions'⁶⁰. It imposed an asset freeze on 21 people and 3 entities, prohibiting EU citizens and companies from engaging in investment and financial activities with the blacklisted individuals and entities. Individuals backlisted are also forbidden to travel to or transit within the EU. The measures were recently renewed as a result of 'the

⁵³ Council of the European Union, [Council Decision \(CFSP\) 2021/1277 of 30 July 2021 concerning restrictive measures in view of the situation in Lebanon](#), *Official Journal of the European Union*, OJ L 2771, 2 August 2021, pp. 16-23; Council of the European Union, [Council Decision \(CFSP\) 2023/891 of 28 April 2023 concerning restrictive measures in view of actions destabilising the Republic of Moldova](#), *Official Journal of the European Union*, OJ L 114, 2 May 2023, pp. 15-21.

⁵⁴ Council of the European Union, [Council Decision \(CFSP\) 2021/1826 of 18 October 2021 amending Decision \(CFSP\) 2015/1763 concerning restrictive measures in view of the situation in Burundi](#), *Official Journal of the European Union*, OJ L 369, 19 October 2021, p. 15.

⁵⁵ Council of the European Union, [Council Decision \(CFSP\) 2022/243 of 21 February 2022 amending Decision 2013/184/CFSP concerning restrictive measures in view of the situation in Myanmar/Burma](#), *Official Journal of the European Union*, OJ L 40, 21 February 2022, pp. 28-39; Council of the European Union, [Council Decision \(CFSP\) 2021/1965 of 11 November 2021 amending Decision \(CFSP\) 2017/2074 concerning restrictive measures in view of the situation in Venezuela](#), *Official Journal of the European Union*, OJ L 400, 12 November 2021, pp. 148-156.

⁵⁶ Council of the European Union, [Council Decision \(CFSP\) 2021/855 of 27 May 2021 amending Decision 2013/255/CFSP concerning restrictive measures against Syria](#), *Official Journal of the European Union*, OJ L 188, 28 May 2021, pp. 90-99.

⁵⁷ C. Portela, 'The EU sanctions operation against Syria: Conflict management by other means', *UNISCI Journal*, Vol 23, No 1, 2012, pp. 151-158.

⁵⁸ C. Portela, 'Sanctions and the European Neighbourhood Policy' in T. Demmelhuber, A. Marchetti and T. Schumacher (eds), *Routledge Handbook on the European Neighbourhood Policy*, Routledge, Abingdon, 2017.

⁵⁹ Council of the European Union, [Council Decision \(CFSP\) 2019/1720 of 14 October 2019 concerning restrictive measures in view of the situation in Nicaragua](#), *Official Journal of the European Union*, OJ L 262, 15 October 2019, pp. 58-63.

⁶⁰ [EU Sanctions Map](#), concerning Nicaragua. See 'More information'.

unjustified decision of the Nicaraguan regime to expel the Head of the EU Delegation from the country and cut diplomatic ties with the Kingdom of the Netherlands⁶¹.

1.6 The impact of decision-making procedures on EU sanctions

Both sanctions formulation and imposition have traditionally been subject to intergovernmental action, reflecting a choice to keep their eminently Member State-driven character. This means that the Commission has traditionally been relegated to a secondary role in the design and management of sanctions packages. However, the increasingly economic nature of CFSP sanctions and heightened attention devoted to the current sanctions operation against Russia over Ukraine has presented the Commission with an opportunity to enhance its role in sanctions formulation. Indeed, the Commission has been responsible for tabling sanctions packages to the Council⁶². This dovetails with the Commission's declared intention to become a geopolitical Commission. Meanwhile, the EP has become increasingly active in requesting the imposition of sanctions or upgrades in existing regimes; however, its lack of competencies in the sanctions process has so far limited any impact.

One of the most recent debates in sanctions policy concerns the unanimity requirement, a decision-making method that effectively holds the imposition or renewal of sanctions regimes hostage to individual Member States which are sometimes driven to advance unrelated agendas by threatening their veto. In order to facilitate consensus and create greater incentives for cooperation, an initiative among Member States to introduce QMV in sanctions decision-making has been gathering momentum over recent years. This issue is likewise at the core of demands from a coalition of Member States who have recently called for the stronger use of QMV in various aspects of CFSP decision-making⁶³.

1.7 International coordination processes

Although the EU agrees to its own autonomous sanctions, in the absence of a UNSC mandate, UN practice is nevertheless a determinant in constructing EU sanctions. The circumstances tend to depend on whether the UN acts or not. As with the UN, the EU frequently applies sanctions in situations of armed conflict. However, since the UN Charter empowers the UNSC to impose mandatory measures in situations which endanger international peace and security, it often addresses violent conflict with sanctions itself, thus obviating the need for any autonomous action by the EU. Yet, Brussels sometimes complements UN measures with additional restrictions that reinforce those agreed upon in New York⁶⁴. By contrast, the UN lacks a mandate to address situations of democratic regression, such as *coups d'état*. This constitutes the main scenario that attracts any imposition of sanctions by the EU, alongside the USA and other partners. Warfighting and democratic backsliding are almost invariably accompanied by human rights violations; thus, the protection of human rights features prominently among justifications adduced for sanctions enactment. In the context of violent conflict, human rights abuses are conflated with breaches of humanitarian law, while in the case of democratic regressions, emphasis is placed on the breach of human rights that are closely related to the democratic process, such as the freedom of expression, demonstration or association⁶⁵.

⁶¹ Council of the European Union, '[Nicaragua: EU sanctions regime prolonged for a further year](#)', Press Release, 13 October 2022.

⁶² K. B. Olsen, '[The Sanctioning of Warfare: Early lessons from the EU's geoeconomic response to Russia's invasion of Ukraine](#)', Danish Institute for International Studies, DIIS Research Report, 2022.

⁶³ A. Baerbock, et al., '[It's time for more majority decision-making in EU foreign policy](#)', *Politico*, 12 June 2023.

⁶⁴ T. Biersteker and C. Portela, '[EU sanctions in context: Three types](#)', *European Union Institute for Security Studies*, Brief No 26, July 2015.

⁶⁵ C. Portela, '[European Union Sanctions as a Foreign Policy Tool: Do They Work?](#)', in S. Gareis, G. Hauser and F. Kernic (eds), *Europe as a Global Actor*, Budrich, Opladen, 2012, pp. 429-440.

Moreover, EU and UN sanctions practices are closely interlinked. Outside the UN framework, the EU's partner has traditionally been the USA, with the origins of autonomous sanctions practice by the then European Community Member States going back to US sanctions exercises in which Washington D.C. requested the cooperation of its European allies in situations such as the Iran hostage crisis. Today, CFSP sanctions are still wielded jointly with the USA, often following its lead⁶⁶. At the same time, EU sanctions practice remains more limited in scope than Washington's: the EU selects a smaller range of targets, with its economic and financial restrictions generally being more modest⁶⁷. Furthermore, thanks to its policy of promoting alignment among accession candidates and other countries in its Eastern neighbourhood, the EU has consolidated itself as a regional sanctions leader. Strictly speaking, rather than using coordination, alignment is achieved by inviting third countries to associate themselves with EU sanctions, which leads to variations from partner to partner, depending on the sanctions regimes at hand.

Following the invasion of Ukraine in February 2022, the international coordination of unilateral sanctions has taken more precise contours. In contrast to previous sanctions packages, measures had already been agreed in the Group of Seven (G7) context before they were adopted by the Council. Thus, we are witnessing a trend in which the decline in UNSC sanctions activity due to Russia's refusal to agree to any new sanctions regimes is increasingly being replaced by the coordinated efforts of a Western sanctions coalition⁶⁸. Its core group comprises the USA, the EU, the UK and Canada, also closely coordinated with Five Eyes partners Australia and New Zealand as members⁶⁹. The privileged forum for sanctions coordination is the G7 framework, where leaders from the USA, Canada, the UK and Japan meet with France, Germany and Italy in the presence of the Commission and European Council presidents. Like-minded partners such as Japan – another G7 member – and South Korea have also joined the sanctions coalition. In addition, certain European countries which routinely align with EU sanctions, such as members of the European Free Trade Association, EU accession candidates and other aspirants have adopted, fully or partially, many of the measures enacted by the EU⁷⁰. The same applies to Switzerland, which presents itself as model enforcer of sanctions⁷¹. Whereas recent proposals have suggested broadening the sanctions coalition by using diplomatic dialogue, positive incentives and economic pressure, it is conceivable that most coalition members would probably have hard-to-alter political and/or economic positions. Indeed, some of the EU's traditional alignment partners, such as Norway, have not adopted certain measures or, as with Serbia, refused to support certain sanctions⁷².

However, these coordination efforts also unfold parallel to a movement that seeks to contest the legality as well as the legitimacy of sanctions. The UN General Assembly regularly adopts resolutions condemning what they call unilateral coercive measures, positing their incompatibility with the principles of sovereign equality, respect for state sovereignty and non-intervention⁷³. It is noteworthy that the key reason for contestation is the enforcer's identity: these resolutions challenge the authority of individual states (or

⁶⁶ P. Van Elsuwege and V. Szép, '[The Revival of Transatlantic Partnership? EU-US Coordination in Sanctions Policy](#)', in E. Fahey (eds) *The Routledge Handbook on Transatlantic Relations*, Routledge, Abingdon, 2023, pp. 81-95.

⁶⁷ C. Portela, '[Creativity wanted: Countering the extraterritorial effects of US sanctions](#)', *European Institute for Security Studies*, Brief 22, 2021.

⁶⁸ A. Charron, et al., '[Multilateral sanctions: Growing complexity in a contested world](#)', in A. Charron and C. Portela (eds), *Multilateral Sanctions Revisited. Lessons learned from Margaret Doxey*, McGill-Queen's University Press, Montreal, 2022, pp. 239-246.

⁶⁹ The 'Five Eyes' is an intelligence alliance comprising the USA, the UK, Canada, Australia and New Zealand.

⁷⁰ P. Cardwell and E. Moret, '[The EU, sanctions and regional leadership](#)', *European Security*, Vol 32, No 1, 2023, pp. 1-21; E. Hellquist '[Either with us or against us? Third-country alignment with EU sanctions against Russia/Ukraine](#)', *Cambridge Review of International Affairs*, Vol 29, No 3, 2016, pp. 997-1021.

⁷¹ M. Leutenegger, '[Despite criticism, the Swiss say they're model enforcers of Russia sanctions](#)', *Swissinfo*, 3 July 2023.

⁷² S. Poli and F. Finelli, '[Context specific and structural changes in the EU restrictive measures adopted in reaction to Russia's aggression on Ukraine](#)', *Rivista Eurojus*, Vol 3, 2023, pp. 19-49.

⁷³ A. Hofer, '[Creating and contesting hierarchy: the punitive effect of sanctions in a horizontal system](#)', *Revista CIDOB d'Afers Internacionals*, No 125, 2020, pp. 15-37.

coalition of states) to impose unilaterally a material deprivation against another state⁷⁴. By contrast, the use of sanctions by the UNSC is not questioned. Supporters of these resolutions, traditionally states from the Global South, have been joined by Russia over the past decade, giving more visibility to the anti-sanctions campaign. A further element is the post of UN Special Rapporteur on the Negative Impact of Unilateral Coercive Measures on the Enjoyment of Human Rights, created at the UN Human Rights Council in 2014. Mandate holders, currently Belarusian scholar Alena Douhan after succeeding to the retired Algerian diplomat Idriss Jaiziry in 2020, present regular reports and make non-binding statements.

2 The implementation phase: sanctions implementation, enforcement and violations

While the adoption of sanctions legislation at EU level is centralised, by contrast implementation remains in the hands of Member States⁷⁵. This system is set out in two key documents: The 'Guidelines on implementation and evaluation of restrictive measures in the framework of the EU', first adopted in 2003 and updated in 2018; and the 2015 'Best Practices on Effective Implementation of Financial Restrictive Measures', updated in summer 2022⁷⁶. Both deal with the standardisation of wording and common definitions for legal instruments, while the political aspects of sanctions policy are discussed elsewhere in the 'Basic Principles for the Use of Restrictive Measures', the EU's policy framework referred to earlier⁷⁷.

EU sanctions legislation stipulates the conditions under which exemptions may be dispensed⁷⁸. The procedure for granting exemptions to private operators varies, depending on whether the regime originates from the UNSC or the EU as an autonomous undertaking⁷⁹. Given the former, despite EU implementation authority, granting exemptions remains with whichever UN Sanctions Committee is responsible for the sanctions regime at hand. In accordance with the UNSC resolution text, requests for exemptions by Member States are processed by the UN Sanctions Committee. By contrast, for autonomous sanctions regimes, exemptions are granted by designated National Competent Authorities (NCAs), which make decisions on a case-by-case basis, ensuring that they are not misused to circumvent the objectives of the ban⁸⁰. Member States then notify each other of exemptions granted and inform the Commission accordingly.

Not all measures require private sector involvement, as some are implemented directly by Member States. This applies notably to entry bans, where Member States operate a no-objection procedure. In other words, any Member State wishing to grant an exemption simply notifies the Council directly. The exemption is then granted unless another Member State raises an objection within two working days, in which case the Council, acting under a qualified majority ruling, may grant the exemption⁸¹.

⁷⁴ A. Hofer, ['The developed/developing divide on unilateral coercive measures: Legitimate enforcement or illegitimate intervention?'](#), *Chinese Journal of International Law*, Vol 16, No 2, 2017, pp. 175–214.

⁷⁵ E. Martin, ['La politique de sanctions de l'Union Européenne. Ambition multilatérale contre logique de puissance'](#), Etudes de l'Ifr, Institut français des relations internationales, Paris, 2019.

⁷⁶ Council of the European Union, [Restrictive measures \(Sanctions\) - update of the EU Best Practices for the effective implementation of restrictive measures](#), 10572/22, 27 June 2022.

⁷⁷ Council of the European Union, ['Basic Principles on the Use of Restrictive Measures \(Sanctions\)'](#), 10198/1/04, REV 1, 7 June 2004.

⁷⁸ Council of the European Union, ['Guidelines on implementation and evaluation of restrictive measures \(sanctions\) in the framework of the EU Common Foreign and Security Policy'](#), 5664/18, 4 May 2018, p. 12.

⁷⁹ When the UNSC agrees on sanctions, the EU passes legislation to implement the bans stipulated in UNSC Resolutions. When the EU decides its own measures, it adopts exactly the same type of legislation as when it implements UNSC decisions, but it does not act under its authority.

⁸⁰ Council of the European Union, ['Guidelines on implementation and evaluation of restrictive measures \(sanctions\) in the framework of the EU Common Foreign and Security Policy'](#), 5664/18, 4 May 2018, p. 12..

⁸¹ Council of the EU, ['Council Decision 2013/255/CFSP of 31 May 2013 concerning restrictive measures against Syria'](#), *Official Journal of the European Union*, OJ L 147/14, 1 June 2013, Art. 72(7), p. 19.

Hence, sanctions implementation and enforcement form a highly decentralised endeavour. EU legislation exhorts Member States to impose penalties for violations of bans. According to the Guidelines, Member States must ensure that bans are not only implemented and complied with but must also lay down penalties applicable to breaches of sanctions legislation⁸². Thus, each Member State is responsible for designating implementation and enforcement authorities, endowing them with the appropriate powers and ability to pass national laws penalising breaches and determining penalties.

This decentralisation that characterises the enforcement system is based on a principle of subsidiarity, enshrined in the EU Treaty. Accordingly, matters are deemed to be handled most effectively at a level closest to the citizen, given that the national legislator is best positioned to consider local conditions. Locating the authority to determine penalties with Member States facilitates coherence with the legal tradition of each country and ensures that any fines match local standards.

As with other fields of EU action, the Commission is responsible for collecting information on laws and associated penalties in each Member State as well as checking their adequacy and alignment with the provisions of EU sanctions legislation. Should there be any misalignment, the Commission approaches whichever Member State is at fault to invite corrective action and then, as a last resort, has the power to launch an infringement procedure in the event of failure to implement EU legislation. Other than supervision by the Commission, the current system foresees a mechanism for information exchange among Member States on interpretation, implementation and enforcement issues, always keeping the EEAS and the Commission advised. The Guidelines state that Member States must inform each other about: assets frozen and the amounts concerned; derogations granted; measures taken in implementation of sanctions legislation; violation and enforcement problems; and relevant judgments by national courts⁸³.

2.1 Member States' sanctions implementation systems

The following section analyses and compares six Member States' implementation and enforcement approaches. These represent cases involving highly diverging: national implementation systems (number of NCAs, level of centralisation); enforcement practices (type and severity of the punishment of sanctions violations); as well as size (small, medium or large Member States) and geographical location within the EU (north, south, east, west). Although not representative of all Member States, these approaches nevertheless illustrate broad and diverse varieties of activity across the EU.

2.1.1 Cyprus

In the Republic of Cyprus, implementation of international sanctions takes place via Law 58(I) of 2016, also called the Implementation of the Provisions of the UNSC Resolutions or Decisions (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures) Law. This law stipulates which authority – Ministry or Department – is competent to implement a particular sanctions measure, referring to those entities listed under Article 59 of the Prevention and Fight against Money Laundering Laws of 2007 and 2016. Under this article, one can find a list of specific supervisory authorities for specific matters, such as: (i) the Central Bank of Cyprus in respect of matters concerning credit institutions, including credit branches having the operation of the competent authority in a Member State, being in charge of functions of an economic and financial nature; (ii) the Securities Market Commission in relation to the services and activities provided by investment firms as defined in the Investment Services and Activities and Regulated Markets Law, as amended; (iii) the Superintendence of Insurance in relation to the activities determined by the Insurance and Reinsurance and Related Activities Law, as amended or

⁸² Council of the European Union, '[Guidelines on implementation and evaluation of restrictive measures \(sanctions\) in the framework of the EU Common Foreign and Security Policy](#)', 5664/18, 4 May 2018, p. 19.

⁸³ Council of the European Union, '[Guidelines on implementation and evaluation of restrictive measures \(sanctions\) in the framework of the EU Common Foreign and Security Policy](#)', 5664/18, 4 May 2018, p. 50.

replaced; or (iv) the Council of the Institute of Chartered Accountants of Cyprus, for the professional activities of a member of the Institute of Chartered Accountants of Cyprus.

Even though the MFA lacks specific competences in sanctions implementation and enforcement, this governmental institution acts as a coordinating body for the elaboration of national opinion, since it requests, where relevant, recommendations from competent services and authorities. In addition, it informs national authorities and those services that are competent when EU restrictive measures are adopted, modified or terminated. Likewise, it transmits to the European institutions any requests or consultations between the 27 Republics' authorities, as well as requests for the release of certain foreign funds or within Cyprus any that have been blocked as a result of the EU sanctions. It also informs EU bodies about the application of exceptions provided for in the EU Council's Decisions and Regulations. Hence, the MFA plays an important role of coordination and communication between Cyprus and the European institutions, as well as a joint opinion in the context of international relations.

In terms of enforcement, Law 58(I) of 2016 refers to section 59 of the Prevention and Combating of Money Laundering Laws of 2007, stipulating that the Council of Ministers may appoint any Supervisory Authority (hereafter the Authority) it considers necessary for, *inter alia*, the purpose of preventing money laundering and financing terrorism. In order to combat any obstacles that intervene during the achievement of these purposes, the Authority shall issue directives, which shall be binding and mandatory, detailing how such provisions must be applied. The Authority shall issue instructions to those subject to its supervision and in the event of a person's non-compliance it may take the measures contained in the sixth paragraph of Article 59 of the Laws on Prevention and Combating Money Laundering. This features a section relating to offences for non-compliance with any decisions of the competent authorities, stating that a person infringing any of the Decisions and Regulations of the Council of the EU shall be guilty of an offence and, without prejudice to any other legal provision providing for a greater penalty, may be convicted: (a) if a natural person, to imprisonment for a term not exceeding two years or to a fine not exceeding EUR 100 000, or both; or (b) if a legal person, to a fine not exceeding EUR 300 000. The penalties presented here and prosecution for such may be carried out only following approval from the Attorney General of the Republic of Cyprus. The Director of the Customs Department exercises the power to conciliate infringements by virtue of statutory provisions.

The Advisory Committee on Economic Sanctions (SEOK), another key body, was established by the Decision of the Council of Ministers No 73.606 from 25 May 2012 and amended by the Decision of the Council of Ministers No 13 April 2022. The Chairman of SEOK is the Minister of Finance and its members are representatives of various Departments and Ministries, among which should be highlighted, *inter alia*: Legal Service, Ministry of Finance, Ministry of Economy, MFA, Ministry of Justice and the Prosecutor's Office. The competencies exercised by SEOK include:

- Firstly, examining requests originating from financial institutions, for the release of funds and financial resources falling within the exceptions/derogations provided for in EU Council Decisions and Regulations (restrictive measures) and UNSC Resolutions/Decisions (sanctions);
- Secondly, examining requests for any exceptions to EU restrictive measures concerning the acceptance of deposits and provision of a crypto-asset wallet, account or custody service;
- Thirdly, examining requests for providing services to persons or entities affected by the application of UNSC economic sanctions and EU restrictive measures – request SEOK 2;
- Fourthly and finally, conducting an in-depth analysis and supervision of requests concerning the erroneous freezing of funds in credit institutions.

The case of Cyprus is of particular interest in view of recent statements from the European Commissioner for Justice Didier Reynders on the freezing of funds for Russians sanctioned by the Union, since Nicosia has frozen assets worth only EUR 110 million, while other Member States have frozen between EUR 2 to 4 billion

each⁸⁴. As the Commissioner rightly points out, the frozen Cypriot sum is comparatively low. In consequence, the EU plans to establish a review mechanism to influence how Cyprus applies such sanctions, given that the country has received generous Russian investments which, as reported by the Central Bank of Cyprus in a 2020 report, total EUR 96 billion. Cyprus President Nikos Christodoulides vowed to take iron-fisted action against breaches of sanctions measures after the USA and the UK designated several Cypriot citizens as legal entities in a round of sanctions targeting the financial networks of two Russian oligarchs. The current situation regarding Cypriot implementation of sanctions is tense. International authorities are perceiving irregularities in their application while national authorities do not want to see their country's name stained by any media scandal. Although Cyprus is formally committed to the implementation of sanctions and has mechanisms at a national level, in practice these provisions and regulatory apparatus are not fully applied according to media reports⁸⁵.

2.1.2 Denmark

With its 18 designated NCAs working together in clearly operationalised structures⁸⁶, the Danish sanctions implementation system is decentralised, yet relatively coordinated. The MFA acts as a key coordination body among the NCAs and heads the Danish government's 'EU Special Committee for Sanctions', which comprises the designated NCAs and other authorities relevant to a specific EU sanctions regime. The Special Committee was established in 2011 and has retained its core functions ever since. These include: (i) intra-government deliberations on possible Danish inputs to EU-level negotiations about the design of new or the amendment of existing EU restrictive measures; (ii) division of implementation tasks/responsibilities between NCAs based on detailed and joint assessments by the committee of CFSP decisions and regulations; as well as (iii) the formulation of joint rules and guidance to be followed by all NCAs in their respective implementation and enforcement of sanctions measures.

Specifically, consultations regarding the division of implementation tasks and responsibilities based on individual CFSP legal acts stand out as the key tenet for Denmark's sanctions implementation system. Whenever a new CFSP decision or regulation that includes EU restrictive measures is adopted, the MFA will host a meeting between NCAs to assess the individual paragraphs and sub-paragraphs, thereby establishing which NCA carries responsibility for the correct implementation of each sanctions provision. When an NCA is delegated accordingly, it is also charged with responsibility for ensuring the provision of derogations for citizens and economic operators.

This dissection and designation of responsibilities according to specific paragraphs of the EU legal acts is ultimately based on a voluntary commitment by NCAs to find agreement on a fair division of implementation responsibilities between them. This is particularly the case as no NCA – including the coordinating MFA – has the authority to dictate a certain sanctions provision to be taken on by a specific NCA. When no NCA is willing to recognise its responsibility in relation to a specific sanctions provision, the correct implementation of any specific provision remains the responsibility of all NCAs until a particular NCA is ultimately found and designated.

Whilst at times burdensome, this coordination process was set up by a government decision more than a decade ago, based on specific negative experiences about the risk that no NCA might by default feel responsible for a certain sanctions provision. Denmark has no specific sanctions law that establishes specific agency responsibilities in this field. The cross-governmental sanctions committee was hence established to ensure that no sanctions provision could remain unaddressed or 'fall between two stools' at a domestic implementation level. The negative side of this hand-held task division is that NCAs might be

⁸⁴ M. Hadjicostis, '[Cyprus behind on freezing Russian assets, EU official says](#)', *Ekatimerini*, 5 May 2023.

⁸⁵ Ibidem.

⁸⁶ Danish Ministry of Foreign Affairs, '[Ansvarlige Myndigheder](#)', 2023.

pressured into taking responsibility for a certain sanctions provision. Particularly for NCAs with limited previous legal and institutional experiences along with expertise in the area of sanctions implementation, even a small implementation responsibility under a specific EU sanctions regime can be very cost intensive.

While intra-agency cooperation in the Special Committee has been strengthened and formalised over the past years, no significant changes were experienced regarding EU sanctions against Russia in 2022, given that coordination between NCAs key to the Danish sanctions implementation system seemed to be relatively well-prepared to cope with the significant increase of sanctions measures to be handled. At the same time, Danish NCAs were faced with a range of practical consequences resulting from the sanctions' increasing scope and complexity. Wherever CFSP regulation paragraphs, for example, entailed various forms of prohibitions (trade of goods, services, transactions, financing, etc.), even the meticulous and meeting-intensive coordination system applied in the Danish implementation system failed to prevent disagreements and misunderstandings between NCAs completely so far as their respective implementation responsibilities and mandates were concerned. Furthermore, Danish NCAs have been faced with media criticism for giving incoherent answers concerning questions on whether the Danish State Pilotage's assistance to Russian cargo ships, carrying crude oil through Danish waters, has been undertaken in line with existing EU sanctions provisions⁸⁷.

In terms of practical sanctions implementation, the Danish Business Authority plays a key role in Denmark's implementation system as it oversees both asset freezes on listed individuals as well as the trade with sanctioned and dual-use goods. Other key NCAs include the financial supervisory authority, the customs authority, and – particularly in relation to the Russia sanctions of 2022 – the maritime and transportation authorities. The Business Authorities' sanctions unit, which is one of the best staffed among Danish NCAs, consists of 8 to 10 full-time staff members. As is the case for many Danish NCAs, the Business Authority is responsible both for answering questions from economic operators in relation to sanctions compliance and monitoring possible cases of sanctions violations. In this work, the Business Authority can make use of the elaborate Central Business Register, which contains primary data on all businesses in Denmark. This provides Danish authorities with a direct overview of, *inter alia*: ownership and management structures; annual financial reports; and numbers of employees. This is data which can, for example, be of direct use in determining which assets are held by listed individuals.

In Denmark, sanctions violation is regarded as a crime. Enforcement is based on the Danish penal code's para. 110c, which stipulates that such offences can be punished with a fine (the maximum is not defined) or prison sentences of up to four years. This process is based on a certain level of cooperation between NCAs and law enforcement authorities. In cases of a suspected sanctions violation, the NCA responsible usually conducts a preliminary investigation. If a suspicion is confirmed, the case is sent to the Special Crime Unit, responsible for investigating and prosecuting cases of complex economic crime. According to interviews, the Business Authority conducted around 55 preliminary investigations of possible sanctions violations in 2022 alone. Three of these cases were hereafter forwarded to law enforcement authorities for further investigation. As with most national implementation systems across the EU, Danish NCAs have only limited capacities for proactive monitoring and controlling the actions of individuals, financial institutes and economic operators in efforts to pre-empt possible sanctions violations. These are most often investigated based on specific indications or allegations through direct contact with economic operators, media investigations, or whistle-blowers.

The Danish law enforcement system in relation to sanctions violations has been strengthened in recent years and now includes a Special Crime Unit, which holds overall responsibility for investigating cases of sanctions violations. Changes to the law enforcement system were based to a large extent on lessons learned from previous cases of alleged or sentenced cases of EU sectoral sanctions violations. The most

⁸⁷ E. Ditzel and J. K. Bohr, '[Statsejet selskab har hjulpet russisk olieeksport på trods af sanktioner](#)', TV2 Nyhederne, 26 April 2023.

prominent relates to a Danish oil bunkering company, which in 2021 was sentenced in court for violating the EU's sanctions regime against Syria. The court found that 172 000 tons of jet fuel to Syria had been sold via a Russian intermediary by the company, although it denied any knowledge of the jet fuel's ultimate destination. The court argued that the company should have realised it to be predominantly probable that the fuel was to be used by the Russian military in Syria⁸⁸. For Danish law enforcement, the lessons learned did not so much pertain to the sentencing itself, but more to the investigation process. According to media reports, this investigation had been rather lengthy and characterised by ambiguities as to whether the case was to be investigated by domestic intelligence services, central police units, or local police units⁸⁹. Danish police had therefore strengthened its human resources, capacities and workflows in the sanctions enforcement field.

2.1.3 Germany

Germany has traditionally designated two bodies as NCAs responsible for the implementation of EU restrictive measures: the German Central Bank; and the Federal Office for Economic Affairs and Export Control. The latter is a federal agency subordinated to the Federal Ministry for Economic Affairs and Climate Action. The division of tasks and responsibilities between these two authorities is clear. Whereas the Central Bank, and in particular its Financial Sanctions Service Centre, carries responsibility for implementing restrictive measures concerning funds, financing, and financial assistance, the Federal Office is in charge of implementing trade measures covering goods, economic resources, technical assistance, brokering services, services and investments⁹⁰. Consequently, it is only these two NCAs that can give economic operators relevant authorisations based on derogations in CFSP legal acts. Other authorities, even if not officially designated as NCAs, have traditionally also played a role in Germany's sanctions implementation. These include the German Financial Intelligence Unit (FIU) and the Federal Financial Supervisory Authority, both of which are often involved in sanctions-related matters through their roles in combatting money laundering and terrorism financing. Also featured are the Federal Criminal Police Office and the Customs Criminal Office, the latter ultimately overseeing any specific import and export of goods.

The German sanctions implementation system is in some respects significantly dissimilar from that of other Member States, many of which would often have designated either their MFA or Ministry of Economic Affairs as a (coordinating) competent authority. German ministries have traditionally been less involved in the administrative implementation and monitoring of restrictive measures, albeit a classic exception was one of the most politically sensitive cases of possible sanctions violation. This involved the EU sanctioning North Korea – Democratic People's Republic of Korea (DPRK) – and this country's embassy in Berlin. The DPRK's embassy had leased a building on its premises that was then converted into a hostel in central Berlin. Such an arrangement became detrimental to UN sanctions in November 2016 with the adoption of UNSC resolution 2321, but it took until May 2020 for the hostel to be conclusively closed. Observers argue that the delay was not only caused by insufficient comparability between UN sanctions and EU law, but also because German authorities at federal and regional levels did not agree on their individual responsibilities and mandates for sanctions enforcement⁹¹.

With the Russia sanctions of 2022, Germany's institutional and legal approaches to implementation became subject to various significant changes. It was assessed, both by experts and the German

⁸⁸ Danmarks Domstole, '[Dom i straffesag om levering af jetbrændstof i strid med EU's sanktioner](#)', *Retten i Odense*, 14 December 2021.

⁸⁹ M. Friis, et al, '[OVERBLIK Sagen om Dan-Bunkering og jetbrændstof til Syrien](#)', *DR Nyheder*, 25 June 2019.

⁹⁰ Bundesministerium für Wirtschaft und Klimaschutz, '[Außenwirtschaftsrecht – Embargoes](#)', 2023.

⁹¹ S. Talmon, '[Germany takes three and a half years to enforce UN sanctions against North Korea](#)', *GPIL – German Practice in International Law*, 26 October 2021.

government, that Germany's lack of a specific sanctions law led to a series of implementation obstacles that needed to be corrected⁹². Experts have further pointed out that Germany's inadequate effectiveness in implementing measures relating to anti-money laundering also impacts negatively on its capacities to monitor the implementation of certain financial sanctions⁹³. In a direct reaction to the EU's first sanctions packages directed at Russia in February and March 2022, the German government created a Sanctions Taskforce jointly led by the Federal Ministry for Economic Affairs and Climate Action together with the Federal Ministry of Finance. Both ministries and the German Federal Foreign Office operated in parallel, bolstered by new organisational units focusing exclusively on sanctions implementation and enforcement.

In May 2022 a further step was taken when Germany's Bundestag adopted the so-called Sanctions Enforcement Act I (SEA I), a legal act described by the governing parties as a range of short-term measures to close regulatory gaps at the sanctions enforcement level⁹⁴. A key challenge to be addressed was the inadequate capabilities of responsible authorities in the area of implementing, monitoring and enforcing the freezing of non-financial assets of listed individuals. Given the extensive use of such listings under the EU's 2022 sanctions measures and public demand for authorities to document the amount and nominal value of Russian assets being frozen, it had become increasingly evident that the German authorities neither held sufficient competencies nor the right to share and access information across government bodies at federal and state levels. Consequently, the FIU and the Federal Financial Supervisory Authority were legally nominated to become more actively involved in the field of sanctions implementation. Furthermore, more authorities were given the right to access the German Transparency Register, the official platform for data on beneficial owners. Moreover, SEA I places the criminal obligation on listed individuals to report their assets to the relevant German authorities. The German government has highlighted in its public communication how this reporting requirement for individuals listed under the Russia-related sanctions has since become an EU-wide measure through the seventh sanctions package of July 2022⁹⁵.

The sequel to SEA I, the Sanctions Enforcement Act II, was adopted by the German Parliament in December 2022⁹⁶. It created *inter alia* the legal grounds for creating a new Central Office for Sanctions Enforcement. This Central Office, operational since January 2023 as part of the General Directorate of Customs, has been designated with responsibilities for monitoring and enforcement of individual listings, meaning that it has been equipped with powers to investigate the correct implementation of individual asset freezes. These responsibilities had previously rested with the 16 German states, a decentralised and somehow scattered implementation approach that was found to be inefficient and inappropriate in light of the massive new Russia-related listings of 2022.

Furthermore, the Central Office is easily capable of managing the central register of sanctions-related assets in Germany (accessible by all designated authorities) and coordinating on sanctions implementation matters, not least in questions relating to specific implementation cases involving numerous German authorities. The German government has announced plans eventually to move the new Central Office for Sanctions Enforcement from the organisational auspices of the General Directorate of Customs to a new and independent higher Federal Authority for Combating Financial Crime (BFF)⁹⁷. The BFF, which is

⁹² Bundesministerium für Wirtschaft und Klimaschutz, '[Die Sanktionsdurchsetzungsgesetze](#)', 27 March 2023.

⁹³ Euro SIFMANet, '[European Sanctions and Illicit Finance Monitoring and Analysis Network: Berlin Report](#)', Conference Report, Royal United Services Institute for Defence and Security Studies, December 2022.

⁹⁴ Bundesministerium der Finanzen, '[Erstes Gesetz zur effektiveren Durchsetzung von Sanktionen \(Sanktionsdurchsetzungsgesetz\)](#)', 27 May 2022.

⁹⁵ Council of the European Union, '[Russia's aggression against Ukraine: EU adopts "maintenance and alignment" package](#)', Press Release, 710/22, 21 July 2022.

⁹⁶ Bundesministerium der Finanzen, '[Sanktionsdurchsetzungsgesetz II: Sanktionen konsequent umsetzen](#)', 16 December 2022.

⁹⁷ Bundesministerium der Finanzen, '[Voller Einsatz gegen Finanzkriminalität](#)', 25 August 2022.

scheduled to receive between 180 and 200 staff members, is meant to be fully operational by early 2025. However, specific details have yet to be implemented, which also includes a decision to possibly nominate either the Central Office for Sanctions Enforcement or later the BFF as an additional German NCA. Domestically, the German government's projected plans have been the subject of criticism from German main opposition parties, the Christian Democratic Union of Germany and the Christian Social Union in Bavaria, who, in line with recommendations from various police and customs unions, have argued for the strengthening of existing structures rather than establishing anything new⁹⁸.

In terms of enforcement, Germany considers sanctions violations either to be administrative offences or crimes as stipulated by the German Foreign Trade Act (especially sections 17-19), which are enforced by the Customs Administration and German states' Public Prosecutor's Offices respectively. Where EU sanctions have been breached due to negligence, the violation is regarded as an administrative offence carrying a fine for individuals of up to EUR 500 000, depending on the offender's financial circumstances. This crime can also be subject to prison terms varying between 1 and 5 years (for a reckless violation of arms embargoes or intentional violations of other sanctions) and up to 10 years (specifically in cases of intentional violations of arms embargoes)⁹⁹. Given Germany's federal structure, each German state's Public Prosecutor's Office has the authority to investigate cases of possible sanctions violations. This decentralised approach to sanctions enforcement has so far meant that German federal authorities have only limited oversight regarding the number of investigations into possible sanctions violations across the whole of Germany.

2.1.4 Latvia

The Latvian sanctions implementation system is heavily decentralised and consists of 27 officially designated NCAs¹⁰⁰, some of which are explicitly named in Latvia's Law on International and National Sanctions from 2016¹⁰¹. The Latvian MFA, which also represents Latvia in EU negotiations on restrictive measures, is the designated authority to lead domestic coordination between NCAs and in this capacity heads up various coordination bodies and mechanisms. A key central forum headed by the MFA is the Latvian Sanctions Coordination Council, which is also anchored in Latvia's sanctions law and convenes at least four times annually. The Coordination Council comprises around 35 member institutions from both the public (NCAs and other relevant authorities) and private sectors (chambers of commerce, employer's organisations, etc.). Within this gathering, key developments are discussed in terms of new sanctions provisions and amendments, with members being given opportunities to exchange views and challenges *vis-à-vis* sanctions implementation and enforcement. In addition, the MFA also heads up a more informal core group comprising the five to seven Latvian NCAs most involved in sanctions implementation and enforcement. In weekly meetings, experts and mid-level decision-makers discuss current issues and specific cases that require special attention from the authorities.

Apart from the MFA, NCAs most involved in sanctions implementation and enforcement include the Latvian central bank, the FIU and the customs authority (embedded in the State Revenue Service). Given that many NCAs derive their legal mandate in the field of sanctions implementation directly from the Latvian sanctions law (Article 13)¹⁰², they are mandated to act relatively independently within their areas of responsibility. This further underscores the decentralised nature of Latvia's sanctions implementation system. Whereas the clear division of tasks and competencies between a wide range of competent

⁹⁸ Deutscher Bundestag, '[Zentralstelle für Sanktions-durchsetzung stößt auf Ablehnung](#)', 22 November 2022.

⁹⁹ M. Walther, et al., '[Sanctions Germany](#)', *International Comparative Legal Guides*, 30 September 2022.

¹⁰⁰ Latvian Ministry of Foreign Affairs, '[Competent Authorities regarding National and International Sanctions](#)', 18 August 2021.

¹⁰¹ Parliament of Latvia, '[Starptautisko un Latvijas Republikas nacionālo sankciju likums](#)', 2021/200.11, 15 October 2021.

¹⁰² Parliament of Latvia, '[Starptautisko un Latvijas Republikas nacionālo sankciju likums](#)', 2016/31.1, 15 February 2016.

authorities is deemed useful, Latvian authorities have experienced cases where the authorities of individual NCAs have not been evident.

This has particularly been the case following EU sanctions against Russia and Belarus in 2022, namely because Latvia as a geographical neighbour is a key hub for EU transportation and trade with both sanctioned countries. As the many sanctions packages of 2022 and 2023 added complexities to CFSP legal acts, the number of cases in which many Latvian NCAs have had to become engaged to fulfil specific implementation tasks has increased. Many Latvian NCAs, including the customs authority, have had to change their internal operational procedures significantly by increasing their human resources capacity to respond to the enormous implementation demands related to the Russia and Belarus sanctions.

With regards to substantial financial aspects encompassing Russia sanctions, the Latvian sanctions implementation system was better prepared, both in terms of updated legal frameworks and organisational resources. Since 2019, following a set of recommendations from the Financial Action Task Force, Latvia had significantly modernised its national anti-money laundering system, leading to better supervision and improved control systems in its financial sector¹⁰³. Whereas the FIU mainly controls suspicious transaction reports and the compliance of financial institutes, it is the role of the Central Bank to ensure the freezing of assets of listed individuals. Since January 2023, the Central Bank has taken over additional responsibilities relating to supervising and promoting development of the financial and capital markets as well as the functions of the resolution authority¹⁰⁴ – which has further centralised Latvian efforts in the field of financial supervision. Notwithstanding significant advances and reforms in the financial field, Latvian NCAs have communicated publicly that the risk for particularly sanctions circumvention remains high¹⁰⁵.

The decentralised nature of Latvia's sanctions implementation system has also posed some challenges for its economic operators seeking specific guidance on sanctions compliance. This is not least true in cases where operators are seeking specific authorisations based on an EU sanctions derogation. Following the Russia and Belarus sanctions of 2022, Latvian NCAs have experienced numerous cases in which they have not been mandated by national laws to provide operators with the relevant authorisations. This issue is not novel, yet had never played a substantial role with regard to previous EU sanctions regimes as prior to the 2022 sanctions Latvian financial institutions and businesses had experienced only very little exposure to cases where it would have been necessary to apply for an authorisation. Since February 2022, not least given the strong trade-related integration between some of Latvia's economic sectors with Russia, according to interviews, Latvian economic operators and financial institutions have generally not been able to obtain the relevant authorisations in a comprehensive and timely manner. This has in turn led to frustrations among both public and private stakeholders, particularly in cases where the granting of authorisations has been more easily accessible in other EU Member States.

Such vagueness regarding the division of tasks and NCAs' legal mandates has led to a reflection process in Latvia as to whether the sanctions implementation system needs to be further centralised and/or streamlined. Organisational reforms could involve the creation or designation of an authority with a stronger and more operational coordination mandate than is currently held by the MFA. This reflection process is ongoing and any outcome, both in organisational and legal terms, is therefore still pending.

¹⁰³ Euro SIFMANet, ['European Sanctions and Illicit Finance Monitoring and Analysis Network Riga Report'](#), Conference Report, Royal United Services Institute for Defence and Security Studies, April 2023; Council of Europe, ['Anti-money laundering and counter-terrorist financing measures'](#), Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism, MONEYVAL (2019)25, December 2019.

¹⁰⁴ English Latvian Public Broadcasting, ['Financial regulator ready for central bank merger from January 1'](#), Latvian Public Broadcasting, 28 December 2022.

¹⁰⁵ K. Markovskis, ['A year of sanctions against Russia: risks still remain high'](#), *Latvijas Banka*, 14 March 2023.

In Latvia, the violation of international sanctions is considered a crime. According to Latvian criminal law (section 84), a violation can in normal circumstances be punished with four years of prison, probationary supervision, community service, or a fine of up to EUR 1 000 000. If substantial harm has been caused by the violation, prison sentences can extend up to five or even eight years if the latter has been committed by a group or a public official¹⁰⁶. Depending on the type of suspected sanctions violations, relevant Latvian NCAs can contact a range of different law enforcement units for further investigation. Whereas suspected crimes in the field of financial sanctions, for example, are reported to the state security service, suspected violations of trade-related sanctions are directed to the tax and customs police department. In 2022, NCAs reported a significant uptick in suspicions of sanctions violations or circumventions, with the Latvian FIU having received reports on 281 suspicious cases, a 20-fold increase compared to previous years¹⁰⁷. Latvian customs stopped more than 3 000 shipments to and from Russia and Belarus. Prosecuting authorities had by February 2023 launched 121 proceedings, 10 of which had been sent for trial.

2.1.5 Malta

The legal basis for sanctions implementation in Malta can be found in Chapter 365 of the National Interest (Enabling Powers) Act, which enables restrictions on trade and travel. This Act empowers the Minister to create regulations that are deemed necessary to implement any provisions of an international treaty, or to order the prohibition of trade and travel with other countries or regions if it is in Malta's national interests. Moreover, the Minister may also call for, *inter alia*: (i) the designation of any person or entity; (ii) the freezing of property, funds or assets of a natural or legal person; and (iii) the freezing of any property owned, controlled, either wholly or jointly, directly or indirectly, by a person or entity or if the property is generated from funds or assets owned by the designated person or entity. Furthermore, the Minister may order that: (iv) no Maltese person or entity provides property, financial or other services to a designated person or entity; and (v) there be an investigation of any matter either related to any person or entity, the confiscation of assets or properties, or any other stated provision.

The Act designates a competent authority to implement sanctions in Malta, namely, the Sanctions Monitoring Board (hereafter the Board), which is responsible for applying international sanctions, having been set up by the Act within the MFA. This Board is able to take decisions, make recommendations, grant authorisations, issue rulings and refer to other authorities, delegating them to take any necessary action. Board members are as follows: Ministry for Foreign and European Affairs and Trade; Office of the Attorney General; Financial Intelligence Analysis Unit; Malta Security Services; Malta Police; Office of the Prime Minister; Ministry for Home Affairs, Ministry responsible for Defence; Ministry of Finance; Ministry responsible for the Economy; Trade department; Customs department; Central bank of Malta; Malta financial services authority; Ministry responsible for maritime affairs; Ministry responsible for aviation affairs; Ministry responsible for lands; and the Ministry responsible for immigration. Thus, even though EU Regulations list a single NCA for Malta, which may generate the impression that the implementation system is highly centralised, it amalgamates many different actors in the state bureaucracy with diverse competences. The 18 different authorities that make up the Board convene daily, have a clear distribution of competencies and employ four full-time staff members working exclusively on sanctions.

The Board's responsibilities, as stipulated under the National Interest Act (hereafter the Act), must primarily ensure that sanctions created either because of the Act, by the Council of the EU, or by the UNSC are followed and applied. It proposes the listing of individuals or businesses to the Council of the EU and the UNSC. Alternatively, under the national process, the following actions apply: receive and evaluate requests for de-listing, this is removing stock from a stock exchange, or even property, from specific individuals or

¹⁰⁶ Parliament of Latvia, '[Krimināllikums](#)', 199/200, 8 July 1998.

¹⁰⁷ English Latvian Public Broadcasting, '[More sanctions breaches noted in Latvia this year](#)', *Latvian Public Broadcasting*, 21 March 2023.

businesses that no longer meet the conditions for designation or had been designated in error; and authorise access to funds that are frozen or other assets and stocks that the Board believe are required to cover basic costs, or for the payment of reasonable costs and fees for legal, medical or professional services. The Board can also take decisions, make recommendations, grant authorisations, issue rulings, guidance or notices and refer those issues to the appropriate authorities for action, assistance or information. These functions may be assigned by the Prime Minister who finds justification within the Act.

According to the Act, the Minister may also, on the advice or recommendation of the Attorney General and the Board: order the designation of any individual or entity; without prior warning for any natural or legal person in Malta immediately freeze every property that they may have and any other people or entities that may be mentioned in the order; ensure that no citizen of Malta or any organisation based there shall offer real estate properties, financial services or other services on behalf of a person or organisation designated; set up an investigation of any matter relating to the designation of any person or organisation, the seizure of the property that belongs to any person or entity and the applicability of the provisions of any other law regarding a specific person's or entity's property; or the revocation or modification of any of the aforementioned directives.

Under the Maltese system, anybody who violates sanctions will be found guilty of an offence and be imprisoned under sentences ranging from 12 months to 12 years or an economic sanction of not less than EUR 25 000 and not more than EUR 5 000 000, subject to individual circumstances. It is also possible that both sanctions can be applied concurrently. For administrative breaches, such as a failure to have in place and implement procedures that help control the implementation of sanctions, the Board can impose administrative sanctions that go from EUR 100 to EUR 300 for first-time offences and between EUR 300 to EUR 800 for those that are serious or repeated. Furthermore, individuals cannot inform a customer, an entity, or any other third party that they may be breaching a sanction imposed by the EU, UN or national legislation, as this constitutes a violation of Article 17 (7) Act as illegal tipping off or disclosing information.

Malta differentiates between natural and legal persons. For the former, under criminal law penalties of up to 12 years imprisonment and fines of up to EUR 5 000 000 can be applied. For legal persons, there are no administrative law sanctions, but the country does have criminal law sanctions that range from EUR 87 000 to EUR 870 000 or 10 % of annual turnover, depending on circumstances¹⁰⁸. According to recent data collected by EU Agency for Criminal Justice Cooperation, Malta features some of the most severe penalties for sanctions violations in the EU context¹⁰⁹.

2.1.6 Spain

Spain lacks a centralised system for sanctions implementation; hence, it involves various governmental departments and agencies. At the Ministry of Industry, Trade, and Tourism, units concerned with sanctions implementation include: the unit of Foreign Investments, which supervises investment operations; the unit of International Trade of Goods, which approves export and import licenses; and the unit of International Trade of Services and Digital Trade, which has competences related to financial transactions. Moreover, alongside the Ministry of Defence, the Ministry of Industry has a significant involvement in the military sector. Through its Inter-Ministerial Regulatory Board for Foreign Trade in Defence and Dual-Use Goods, the Ministry of Industry regulates the import and export of military hardware. The General Under-directorate of Inspection and Control of Capital Movements, part of the Ministry of Economic Affairs, verifies compliance with the law. Furthermore, this unit provides advice to any entity or individual on how to proceed with the freezing. In addition, based on the Royal Decree 304/2014, which implements Law

¹⁰⁸ F. Giumelli et al, '[United in Diversity? A Study on the Implementation of Sanctions in the European Union](#)', *Politics and Governance*, Vol 10, No 1, 2022, pp. 36-46.

¹⁰⁹ Genocide Network, '[Prosecution of sanctions \(restrictive measures\) violations in national jurisdictions: a comparative analysis](#)', Expert Report, EUROJUST, December 2021.

10/2010 of 28 April, it has responsibilities in the prevention of money laundering and terrorist financing, including the competence to freeze funds. For its part, the Ministry of Transport's DG of Merchant Marine supervises compliance with restrictions at sea, while the DG of Civil Aviation deals with air control. Lastly, the Ministry of Interior implements travel restrictions.

There is constant inter-departmental contact, with the MFA assuming a coordinating function. Mindful of the need to respect each department's competences, the Ministry follows a policy of non-interference. In order to facilitate coordination, the Ministry has set up an Inter-Ministerial group for the Implementation of International Sanctions, designed to meet regularly in order to discuss transversal issues of common interest. While the meeting is highly appreciated for its informative and networking value, the growing volume of sanctions measures and designations evidence its limitations. The launch of sanctions packages addressing the Russian invasion of Ukraine led to an intensification of informal contacts between the agencies concerned, always with the MFA acting as a coordinating point.

Two main challenges affect Spain's capacity to implement and enforce sanctions. The first is staff shortages. According to stakeholders, the number of people allocated to sanctions implementation is about half of that of other countries, where seven to eight full-time members usually bear responsibility for the same file. The second challenge refers to a shortage of national legislative resources dedicated to sanctions implementation, with national regulations being necessary to complement those of the EU. While the European Commission's Frequently Asked Questions (FAQs) are often useful, they are not legally binding. Consequently, there is a perceived risk of the lack of consistency with implementation by other Member States. Lastly, methods and procedures for detecting possible instances of evasion still need to be developed. Dedicated national legislation for the implementation of sanctions, ideally in the form of an Omnibus law, would remedy this situation¹¹⁰.

A seminar held by the Centre for Financial Crime and Security Studies at the Royal United Services Institute, along with Spanish representatives from major financial institutions and relevant authorities including the Spanish FIU, Ministry of Finance and Ministry of Defence assessed the implementation of sanctions in Spain and identified certain deficiencies. It was highlighted that, with the sole exception of an amendment to allow the freezing of unregistered assets¹¹¹, Madrid has not passed any new legislation to implement sanctions in its territory since February 2022. Moreover, Spain lacks a well-developed legal framework to implement sanctions. The current framework distributes responsibilities among various segments of the administration¹¹², which causes delays in transposing new designated entities into national sanctions lists and the lack of procedures for directly receiving foreign requests to freeze assets. In contrast to other Member States which individually introduced their own sanctions lists¹¹³, Spain has refrained from making any designations beyond those effected in conjunction with other countries¹¹⁴. Thanks to a good understanding of sanctions by the private sector and its strong commitment to implement them effectively, it is relied upon by public authorities to provide information on the ownership and control of entities by designated individuals.

¹¹⁰ Anonymous interviews with stakeholders, 21 April 2023 and 4 May 2023.

¹¹¹ Euro SIFMANet, '[European Sanctions and Illicit Finance Monitoring and Analysis Network: Madrid Report](#)', Conference Report, Royal United Services Institute for Defence and Security Studies, June 2023.

¹¹² Spanish Ministry of Foreign Affairs, European Union and Cooperation, '[Sanciones internacionales](#)' ['International Sanctions'], accessed 31 May 2023.

¹¹³ Euro SIFMANet, '[European Sanctions and Illicit Finance Monitoring and Analysis Network: Warsaw Report](#)', Conference Report, Royal United Services Institute for Defence and Security Studies, March 2023.

¹¹⁴ Financial Action Task Force (FATF), '[Anti-Money Laundering and Counter-Terrorist Financing Measures – Spain, Fourth Round Mutual Evaluation Report](#)', 2014, accessed 30 May 2023.

Nevertheless, Spain's track record is satisfactory when it comes not only to the implementation of financial sanctions, especially those enforced against Iran since 2010, but also the absence of major scandals or fines for breaching sanctions among Spanish financial institutions. Moreover, the country has voluntarily complied with US sanctions over the years¹¹⁵. In June 2022, four months after the initial Russian invasion of Ukraine, gas imports from Russia to Spanish territory increased by 3 %¹¹⁶, positioning Russia as the second-largest natural gas supplier to Spain. This increase of natural gas import from Russia was justified by the Minister of Ecological Transition, since the new commercial activities Spain held with Russia were part of agreements concluded prior to the Russian invasion of Ukraine. Despite its conspicuous nature, this increase did not amount to a breach of EU sanctions.

2.2 Comparative assessments of Member State approaches

The above assessment of six Member States' approaches to sanctions implementation and enforcement demonstrates a great variety in terms of their institutional, organisational and legal setups. Evidently, the current arrangements do not guarantee uniform implementation of EU sanctions, as it leaves individual Member States with considerable room for manoeuvre¹¹⁷, creating the risk of significant discrepancies in terms of implementation and enforcement. Moreover, complete harmonisation of sanctions implementation and enforcement across all 27 Member States is not realistic for the foreseeable future. Some comparative assessment of the different sanctions implementation systems might foster critical thinking and dialogues on mutual best practices as well as lessons learned. At the same time, a ranking between the various systems would be futile because administrative and legal traditions across Member States would, in any case, not allow for a one-size-fits-all model. By way of disclaimer in our comparative assessment, it is worthwhile recalling that the number or visibility of detected deficits in sanctions implementation is not a reliable metric to assess each country's compliance or the quality of its enforcement system. The lack of reports on instances of evasion may simply reveal a lack of adequate detection capacities. A country with a good implementation record but excellent detection mechanisms is more likely to make headlines about sanctions evasion than a country with deficient implementation and limited detection mechanisms. Ironically, while the country with better capacities might suffer from worse press, the fact that evasion episodes are reported at all may indicate that its enforcement system is actually operational.

A key difference between Member States' sanctions implementation systems is the **number and types of NCAs involved**. Member States have designated varying numbers of NCAs from one (Croatia, Cyprus, Finland, Malta) or two (France, Germany, Greece, Italy, Portugal) to 18 (Denmark) or as many as 27 (Latvia) (see also Annex 7.3). This also points to the question as to whether Member States agree on the principles whereon an NCA should be designated. From stakeholder feedback in various Member States, it seems for example that some define NCAs as authorities that have the right to grant authorisations and binding legal answers, whereas others define NCAs as all authorities that take part in any aspect of implementation (and at times, enforcement) of sanctions provisions. Others, such as Malta, operate through a single Board as their NCA, which might obscure the fact that several authorities are directly and actively involved in daily sanctions implementation. Furthermore, NCAs may differ considerably in terms of size, investigative

¹¹⁵ Euro SIFMANet, '[European Sanctions and Illicit Finance Monitoring and Analysis Network: Madrid Report](#)', Conference Report, Royal United Services Institute for Defence and Security Studies, June 2023.

¹¹⁶ El Economista.es, '[España compra a Rusia una cifra histórica de gas en junio y ya es su segundo proveedor](#)', Press Release, 11 June 2022.

¹¹⁷ E. Martin, '[La politique de sanctions de l'Union Européenne. Ambition multilatérale contre logique de puissance](#)', Etudes de l'Ifr, Institut français des relations internationales, Paris, 2019.

capacity, manpower and expertise at their disposal¹¹⁸. Accordingly, their ability to detect and prosecute evasion may vary. Neither the Guidelines nor EU legislation stipulate *what* specific resources Member States need to make available to ensure optimal compliance by domestic actors. In other words, possible deficiencies in state capacity for sanctions implementation and enforcement remain unaddressed¹¹⁹.

This extensive variety of competent authorities – combined with different legal and administrative traditions – paves the way for a significant variation in terms of any **centralisation or decentralisation of sanctions implementation** at Member State level. In centralised systems, a few NCAs carry the main implementation responsibility and often cooperate with other relevant authorities based on *ad hoc* demands or long-established working relationships. Whereas this approach might be functional in various national settings, it gives little transparency for economic operators to understand which national or sub-national administrative bodies are involved in practical sanctions implementation. Moreover, a heavily centralised implementation system might be slower in responding to new types of restrictive measures, which might in turn lead to the demand for involving additional forms of expertise and authorities into the small circle of implementing institutions. Conversely, decentralised systems might respond to new measures more quickly but can be prone to inconsistent implementation across the many NCAs involved. This can become a problem for citizens or economic operators, who either receive conflicting messages from different NCAs or experience a ‘passing of the buck’ between different NCAs which claim that certain sanctions regime elements are not within their realm of responsibility.

Such bureaucratic confusion might carry particularly negative effects when citizens or economic operators seek to **apply for authorisations** based on specific derogations in a sanctions regime. If these are hard to obtain due to bureaucratic inconsistencies and a lack of responsibility-division, individuals from one Member State can be seen as experiencing less comprehensive treatment from their own NCAs than they would in another Member State. This not only distorts the level playing field between businesses and economic operators acting within the EU’s common market (particularly in cases with broad sectoral sanctions in place), but can also lead to public doubt as to whether EU sanctions regimes are implemented as intended. Nevertheless, even if Member States find it difficult to honour the demands from business associations calling for one-stop-shop solutions for implementation guidance and authorisation issuances, the ambition to make it as easy as possible for economic operators to approach NCAs should be prioritised.

The non-harmonised system for granting exemptions further affords third-country actors ample opportunities for **selective shopping between Member States**. While EU firms are obliged to obtain authorisations from the authority responsible for their country, nothing prevents external actors from approaching other Member States. Since national authorities enjoy discretion in determining whether a specific request falls under an exemption, interpretations may vary. When a national authority rejects an application for exemption, the requesting entity may approach another Member State in the hope of eventually receiving a positive answer. National authorities face mixed incentives. On the one hand, they might interpret prohibitions with laxity out of humanitarian concerns, or out of a desire not to obstruct legitimate trade flows needlessly. On the other hand, authorising a request rejected elsewhere may incur reputational costs. The only entity foreseen for conflict resolution here is the European Commission. Any Member State that objects to an authorisation granted by another may notify the Commission, which can then approach the national authority that is allegedly in the wrong to request withdrawal. While the Commission retains the option of launching an infringement procedure against a state in the hypothetical case that it refuses to enforce sanctions legislation, this scenario has never materialised.

¹¹⁸ E. Dall, ‘[A New Direction for EU Sanctions: The New Commission and the Use of Sanctions](#)’, Commentary, *The Royal United Services Institute*, 21 November 2019; C. Golumbic and R. Ruff, ‘[Who do I call for an EU sanctions exception? Why the EU economic sanctions regime should centralize licensing](#)’, *Georgetown Journal of International Law*, Vol 44, 2013, pp. 1007-1053.

¹¹⁹ C. Portela, ‘[Implementation and enforcement](#)’, in N. Helwig et al., *Sharpening EU sanctions policy*, Finnish Institute of International Affairs [Study commissioned by the Office of the Prime Minister of Finland], FIIA Report 63, Helsinki, 2020.

Closely linked hereto is the question of **coordination measures between NCAs** and the basis upon which a division of implementation responsibilities is decided. Whereas some Member States have adopted specific sanctions laws or specific paragraphs to other national laws stipulating the specific responsibilities of individual authorities, others rely on coordination on a case-by-case basis. Largely due to EU restrictive measures having their legal basis in a CSFP regulation or implementing regulation, sanctions regimes have direct effect at Member State level. Irrespective of the system applied, this direct translation demands implementing authorities to be very attentive in ensuring that any provision or element of an EU sanctions regime is being designated to a specific national authority.

This also warrants consideration of designating a **coordinating authority for sanctions implementation**. Some Member States have traditionally not appointed such units, although adoption of the far-reaching Russia-sanctions of 2022 have led some to reconsider the risks of not setting up specific authorities to oversee implementation across various measures and sectors. Numerous Member States, but far from all, here rely on their MFAs or Ministries of Economics to coordinate between their NCAs, specifically because they are often leading or at least heavily involved in the planning and adoption phase of any restrictive measures.

Reflections about **the role of MFAs in sanctions implementation** seems to be of particular importance. As restrictive measures are ultimately a CFSP tool, MFAs will have followed their adoption closely. Notwithstanding different administrative traditions at Member State level, this means that MFAs direct involvement during the implementation phase can help in streamlining the sanctions policy cycle from planning to implementation, monitoring and evaluation. At the same time, Member States should be aware that MFA's involvement as both negotiators and key implementers will often lead to a more 'politicised' oversight of the implementation process. More technical-minded authorities tasked with implementing CFSP legal acts might detect that MFAs are more attentive to the political motives behind a certain sanctions provision and, possibly, the concern to coordinate closely with NCAs from other Member States. On balance, this diplomatic engagement in the implementation phase might be a valuable pathway for ensuring more bilateral exchanges and engagements between EU institutions and Member States.

Such exchanges on the operational/technical level have certainly proven important during implementation of the Russian sanctions. Quickly adopting a series of very extensive sanctions packages meant that certain **legal acts and provisions were open to different interpretations among NCAs**, ranging from specific terms (such as transit and import) to the broader consequences of given measures, namely what constitutes ownership and control in relation to a listed individual. While these interpretations are most likely less linked to the organisational structure of Member States' administrative systems/types of NCAs and more to their national legal frameworks and traditions, the current level of discrepancies between various Member States' interpretation of key sanctions provisions and terms is anything but helpful in attempting to ensure a comprehensive sanctions implementation across the EU.

A key aspect hereof relates to **the legal value that various NCAs put on the guidance sheets and FAQs provided by the Commission**. Whereas authorities in some Member States use such documentation as direct rulings for legal interpretations, authorities are more hesitant about their legal value and hence primarily base their approaches on legal acts and court decisions. Such patchy use of joint documentation merely exacerbates the problem of uneven sanctions implementation across the EU.

Finally, and building on the above, a key question for many Member States will be on how to **enhance implementation and enforcement capacities**, given the unprecedented centrality that this has achieved in EU sanctions policy following the 2022 invasion of Ukraine¹²⁰. This is both true in the short term (in response to the Russia sanctions), as already undertaken by many Member States, and in the longer term,

¹²⁰ V. Szép and R. Chawla, 'The EU's 2022 Sanctions against Russia: External Shocks Altering EU Restrictive Measure Practices?', *Hungarian Yearbook of International Law*, 2023, pp. 196-211.

where all 27 would be well-advised to engage in wholehearted evaluation processes about the strengths and weaknesses of their national implementation systems. Existing formats such as the Working Party of Foreign Relations Counsellors (RELEX)/Sanctions group, for instance, could be used to compare and discuss such lessons learned. However, this would require Member States' representatives to engage in such exchanges with a joint will for mutual learning rather than aims to 'convince' others about any superiority of one sanctions implementation system over others.

2.3 Case studies on EU sanctions violations and evasions regarding Russia and Syria

Lessons from previous EU sanctions regimes have shown the importance for Member States to ensure coherent and comprehensive sanctions implementation and enforcement. Among the EU's numerous sanctions regimes (see Annex 7.1 for an overview), those targeted at Russia (2014-ongoing) and Syria (2011-ongoing) stand out as two of the most significant in terms of understanding the risk of sanctions violations and evasion due to insufficient action and oversight from both EU institutions and Member States.

In this respect, these two EU sanctions regimes share certain important characteristics. Both are autonomous in that no agreement could be reached within the UNSC (of which Russia is a permanent member) on multilateral sanctions and have been implemented in parallel with autonomous sanctions regimes launched by like-minded partners, such as the USA, the UK (post-Brexit) and Canada. Furthermore, both regimes are among the most comprehensive ever adopted by the EU in terms of their individual listings and sectoral measures involved. Moreover, contrary to the EU's sanctions on Iran – which were first enhanced and, subsequently, reduced by the EU according to the state of the international negotiations on Iran's nuclear capabilities – the regimes against Russia and Syria have been consistently in place, albeit expanded since adoption. Even before February 2022, which has marked a fundamental shift in the EU's willingness to deploy wide-ranging restrictive measures, violations against these encompassing and long-standing regimes serve as cases to portray at least four vulnerabilities to EU sanctions implementation and enforcement.

Firstly, as the EU's use of both individual and sectoral measures have evolved, NCAs and other authorities involved at Member State level have often been able to **improve their implementation and enforcement capacities only on a learning-by-doing basis** after a specific case of sanctions violation was detected. Hence, the comprehensive regimes against Russia and Syria have been instrumental in terms of enhancing the EU's awareness of possible sanctions violations. Whenever a new type of sanctions provision is being introduced in EU legal acts, national authorities with little prior exposure to restrictive measures will not have the relevant institutional expertise or experience to foresee possible implementation challenges. Various incidents of sanctions violations, particularly relating to the Syria regime, illustrate this point. In 2019, the Penal Court of Antwerp (Belgium) found three businesses guilty of exporting high purity isopropanol, which under certain circumstances can be used in the production of chemical weapons, to Syria in breach of the EU restrictive measures (EU Regulation No 36/2012). While the businesses were sentenced with fines between EUR 75 000 and EUR 500 000 and some managers received prisons sentences of between 4 and 12 months, public criticism was also raised against Belgian customs authorities for not having identified and stopped the shipment as a sanctions violations case, but that the case was ultimately uncovered through investigations by media and civil society¹²¹. In 2021, the Court of Odense (in Denmark) sentenced a Danish oil bunkering company for 33 transactions of jet-fuel that ended

¹²¹ S. Marks, '[Belgian exporters found guilty of sending chemicals to Syria](#)', *Politico*, 7 February 2019.

up in Syria via an intermediary, also in breach of the same EU regulation¹²². The ensuing lengthy and non-linear investigation by Danish authorities likewise led to public criticism (see section 3.1.2). Noting that Belgium and Denmark were strong political supporters of an encompassing sanctions regime against Syria, the cases illustrate how NCAs and other EU Member States' authorities can be overwhelmed and insufficiently aware of their implementation and enforcement roles until they are faced with a specific, and at times high-profile, case of sanctions violations. This 'reactive' approach negatively impedes the EU's overall sanctions implementation.

Secondly, an assessment of both regimes demonstrates how only **limited public data** is accessible about actual cases of sanctions violations committed in EU Member States. Previous studies have shown how only a few published cases exist, which complicates and impedes potential for lessons learning within and across Member States between regulators, academics, economic actors and their advisors as well as ultimately the courts¹²³. This is particularly the case with wide-spanning sanctions regimes that encompass both individual listings and sectoral measures, which might increase their implementation complexity. Whereas the number of well-established and publicly discussed violation cases against the EU's Syria sanctions regime are more prominent, pre-2022 only a few cases of *possible* breaches in the EU's Russian sanctions regimes have been publicised. These include allegations against the transfer of wind-turbines by a German corporate entity's Russian subsidiary to Crimea¹²⁴ or the participations of various Dutch companies in supplying equipment for construction of the Kerch Bridge between Russia and Crimea¹²⁵. However, limited public information about these cases makes it difficult to access the reasoning and possible consequences of EU sanctions law enforcement critically.

Thirdly, the cases illustrate how **EU legal provisions are often too complicated** to understand for economic operators and organisations that are possibly impacted by sanctions provisions, but do not have access to the necessary legal compliance resources. This issue was particularly critical regarding sanctions against Syria, not least because they were targeted against a regime which had launched and escalated military assaults against its own population, causing enormous humanitarian consequences. However, even if the sanctions provisions encompassed humanitarian exemptions, their extent and limits would though often be difficult to understand in practice for banks, non-governmental organisations, international organisations and others working in the conflict context¹²⁶. With the massive extension of Russia-related sanctions from 2022, which has led to a much wider array of public and private actors whose actions might be implied by the restrictive measures, issues of over-complexity within CFSP decisions and regulations have again become critical. The technical, lengthy and intricate nature of EU sanctions hence enhances the risk that even benign public and private actors, who intend to comply with all sanction provisions, will unwillingly violate them, thus hampering their strict implementation and enforcement.

Fourthly and finally, the critical issue of **sanctions evasion has proven a serious challenge** in both cases. This includes: the use of shell companies to hide ownership and control structures involving sanctioned individuals and goods¹²⁷; the illicit movement of financial and non-financial assets out of the sanction

¹²² Danmarks Domstole, '[Dom i straffesag om levering af jetbrændstof i strid med EU's sanktioner](#)', Retten i Odense, 14 December 2021.

¹²³ S. F. Kjeldsen and K. B. Olsen, '[Strict and Uniform: Improving EU Sanctions Enforcement](#)', German Council on Foreign Relations, DGAP Policy Brief, 2022.

¹²⁴ J. Ewing and A. E. Kramer, '[Germany's Siemens Says Russian Partner Violated Crimea Sanctions](#)', *New York Times*, 10 July 2017.

¹²⁵ Reuters Staff, '[Dutch firms probed for alleged breaches of EU sanctions on Russia](#)', *Reuters*, 4 May 2018.

¹²⁶ E. Moret, '[Humanitarian impacts of economic sanctions on Iran and Syria](#)', *European security*, Vol 24, No, 2015, pp. 120-140; K. B. Olsen, *The Geoeconomic Diplomacy of European Sanctions: Networked Practices and Sanctions Implementation*, Brill, Leiden, 2022.

¹²⁷ T. Fox, K. Shaar, '[Syria using maze of shell companies to avoid sanctions on Assad regime's elite](#)', *The Guardian*, 22 March 2022; Syria Legal Development Programme, Baytna, '[Tactics of Sanctions Evasion in Syria](#)', January 2022; B. Barry, '[Russian Oligarchs Obscure Their Wealth Through Secretive Isle of Man Network](#)', *Wall Street Journal*, 25 October 2022.

sender's jurisdiction or to non-sanctioned individuals¹²⁸; the obscuration of payments and money transfers to or from sanctioned individuals¹²⁹; and the use of shadow fleets to continue prohibited shipping¹³⁰. Our case studies reveal a novel problem in terms of sanctions implementation shared by Madrid, Nicosia and Valetta, namely that of vessels operating under various flags participating in the shipment of Russian oil in international waters, thereby exploiting the lack of jurisdiction by these littoral countries outside their own territorial limits¹³¹. This provides evidence of a need for enforcement authorities to upgrade detection capacities beyond standards existing to date.

As these challenges are similar across sanctions regimes from various sanctions senders (EU, USA, UK, Canada, Australia, Japan, etc.) closer cooperation – both internally in the EU and between the EU and its like-minded partners – has for long been a critical shortfall. Institutional innovations, such as the establishment from March 2022 of the EU-internal and Commission-led Freeze and Seize Task Force as well as the international Russian Elites, Proxies, and Oligarchs Task Force, have been important developments to enhance such cooperation. At the same time, these new measures could be expanded further to include coverage of sanctions regimes beyond the Russian case.

At the same time, a certain degree of circumvention is embedded in the current practice of sanctions formulation and management, as they are often threatened, pre-announced, or simply made more likely by the enactment of sanctions legislation which, whilst allowing the Council to blacklist individuals, does not include any listings. This was so with the sanctions framework on Lebanon adopted in 2021¹³², or on Moldova adopted recently¹³³, neither of which were accompanied by any designations. Indeed, if no designations are made because the potential targets did not meet the designation criteria, it is understood that the underlying threat has proved effective. Similarly, once a sanctions framework is in place, the threats of designation can be issued to potential targets, deterring them from displaying the behaviour that would make them eligible for listing. This practice of issuing sanctions threats, common among senders such as the UN, is regarded as one of the most promising uses that can be made of the sanctions tool¹³⁴. Scholars tend to consider this policy more effective than imposing sanctions, even if the success of such threats is scarcely publicised. However, the downside is that it allows potential targets ample time to move assets across borders and conceal their ownership in various ways. Such circumvention has to date been tolerated by drafters for the sake of broader deterrence considerations.

In the past decade, EU institutions and Member States have been through **an extensive learning process** of how to mitigate the risk and answer to actual cases of sanctions violations and evasions. Previous and

¹²⁸ H. Davies, '[Leak reveals Roman Abramovich's billion-dollar trusts transferred before Russia sanctions](#)', *The Guardian*, 6 January 2023; S. Boscia, '[UK sanctions "fixers" hiding money for oligarchs Abramovich and Usmanov](#)', *Politico*, 12 April 2023.

¹²⁹ P. Hille, '[FinCEN Files: The art of evading sanctions](#)', *Deutsche Welle*, 24 September 2020; W. Alalwani and K. Shaar, '[A Comprehensive Review of the Effectiveness of US and EU Sanctions on Syria](#)', Publication, Middle East Institute, 6 August 2021; M. Martini, '[Enforcing sanctions against Russian kleptocrats just got harder](#)', *Politico*, 3 January 2023; G. Wolff, et al., '[Toughening Financial Sanctions on Russia](#)', Policy Brief, German council on Foreign Relations, 16 May 2023.

¹³⁰ P. Karasz and R. Minder, '[Gibraltar Seizes Syria-Bound Tanker Thought to Be Carrying Iranian Oil](#)', *New York Times*, 4 July 2019; J. Stockbruegger, '[The threat from Russia's fleet of "ghost tankers"](#)', *EUObserver*, 13 April 2023; G. Gavin, '[EU wants to put the squeeze on Russian crude smugglers](#)', *Politico*, 11 May 2023.

¹³¹ G. Gavin, '[Fight against "shadow fleet" shipping Russian oil takes EU into uncharted waters](#)', *Politico*, 22 May 2023; A. Sanchis, '[Rusia ha encontrado una manera de evitar las sanciones y enviar petróleo barato a China: las aguas de Ceuta](#)', *Magnet*, 7 February 2023.

¹³² Council of the European Union, '[Council Decision \(CFSP\) 2021/1277 of 30 July 2021 concerning restrictive measures in view of the situation in Lebanon](#)', *Official Journal of the European Union*, L 2771, 2 August 2021, p. 16–23.

¹³³ Council of the European Union, '[Council Decision \(CFSP\) 2023/891 of 28 April 2023 concerning restrictive measures in view of actions destabilising the Republic of Moldova](#)', *Official Journal of the European Union*, L 114, 2 May 2023, p. 15–21.

¹³⁴ C. Morgan, N. Bapat and V. Krustev, '[The Threat and Imposition of Economic Sanctions, 1971–2000](#)', *Conflict Management and Peace Science*, Vol 26, No 1, 2009, pp. 92–110; J. Hovi, R. Huseby and D. Sprinz, '[When Do \(Imposed\) Economic Sanctions Work?](#)', *World Politics*, Vol 57, No 4, 2005, pp. 479–499.

current cases certainly reinforce the claim that further institutional and technical resources are needed at all levels.

3 The monitoring and evaluation phase: sanctions reporting and feedback mechanisms

The following section looks at various EU institutions' sanctions activities to assess their monitoring and evaluation roles as well as their capacities and resources to inspect and report on sanctions implementation and enforcement at Member State level.

3.1 Reporting, monitoring and feedback mechanisms

3.1.1 The European Commission

In its role as guardian of the Treaties, the Commission holds key responsibility for monitoring the correct implementation of EU Council decisions and regulations, including any restrictive measures. Under the guidance of DG FISMA, this institution monitors sanctions implementation and enforcement largely under three thematic headings. Firstly, it oversees whether the implementation and enforcement of individual and sectoral sanctions is being carried out at Member State level in accordance with EU regulations. As with other fields within its competences, the Commission is empowered to initiate an infringement procedure in cases of non-compliance, albeit no such action has been taken to date. Secondly, it assists Member States in monitoring sanctions' economic effects on targets. This can include checking the value of frozen assets from listed individuals and entities or from other finance-sector related measures as well as the restrictive measures' impact on the EU's trade relations with a third country. Thirdly, the Commission advises public and private Member State actors on the interpretation of sanctions provisions. To this end, the Commission issues guidance notices which are posted online.

The Commission's key DG in this regard is DG FISMA, whose capacities and human resources have steadily been growing over recent years. The DG's Sanctions unit is currently staffed with 20-25 full time employees, a number that has been increasing since the imposition of EU's wide-ranging Russia sanctions of 2022. The unit was transferred from the FPI and in late 2022 saw the appointment of an International Special Envoy for the Implementation of EU Sanctions. This position is organisationally tied to the Director-General of DG FISMA's office and has, since January 2023, been held by a senior EU diplomat, David O'Sullivan. Other Commission DGs are playing substantial roles in the monitoring of sanctions implementation. This includes: DG for Trade (DG TRADE), which monitors trade flows between the EU and a sanctioned country, as well as third countries used as proxies for sanctions circumvention; DG Taxation and Customs Union (DG TAXUD), which is tasked with monitoring the customs union and the joint customs borders; together recently with DG for Justice and Consumers (DG JUST), which is entrusted with monitoring the freezing and seizing of financial and non-financial assets held by listed individuals and entities.

The Commission's combined monitoring capacities for EU restrictive measures have substantially expanded over the past years. Institutional changes have taken place, particularly against a backdrop of criticism about the Commission's historically narrow role in the sanctions monitoring field. Formal reporting channels between the Commission and Member States have traditionally not been used comprehensively. This includes the RELEX/Sanctions working group where the number of notifications from Member States to the Commission on possible implementation challenges or outright violations pertaining to various sanctions regimes were deemed to be limited and often insufficient in scope¹³⁵.

¹³⁵ K. B. Olsen, [*The Geoeconomic Diplomacy of European Sanctions: Networked Practices and Sanctions Implementation*](#), Brill, Leiden, 2022.

Observers have also noted that the Commission has yet to launch an infringement procedure against any Member State due to incorrect applications of EU Council decisions or regulations, even if evidence for such allegations has been put forward publicly by representatives from civil society and the media¹³⁶. Given that restrictive measures are a CFSP matter, which ultimately rests in the hands of the Council, observers have argued that the Commission has traditionally remained reticent to criticise Member States publicly for deficient sanctions implementation¹³⁷.

However, in interviews for this Study, stakeholders also pointed to two main drivers of change that have recently improved the Commission's monitoring and guidance capacities. The first has predominately been endogenous, emanating from both the Commission itself and impetus from various Member States. Taking up its mandate in 2019, the Commission President Ursula von der Leyen invoked certain institutional reforms to alter its handling of sanctions implementation monitoring. The abovementioned move of competencies away from the FPI to the Commission's DG FISMA has been assessed by observers as an indication of the Commission's willingness to align the issue of sanctions implementation closer with its technical oversight of the EU's financial sector. This objective was further reinforced in January 2021, when the Commission presented a wide range of reform initiatives to strengthen the EU's horizontal implementation of sanctions (for a detailed assessment of the reform initiatives, see section 5.1).

The Commission's initiative had been preceded by a non-paper formulated by a range of Member States including the Czech Republic, Denmark and the Netherlands. In this non-paper, which is not publicly accessible, Member States presumably called for a strengthening of the EU's overall sanctions implementation and enforcement as well as a general review of existing EU sanctions regimes' effectiveness and relevance, some of which was also reflected in the Commission's subsequently published communication. This can hence be seen as an attempt by some Member States to shape the way sanctions implementation and monitoring could be redesigned in terms of new concrete tools and focus areas. However, this is also a signal to the Commission and other EU institutions forming part of the CFSP that Member States understand sanctions as being subject to their prerogative.

A second impulse came from Russia's military invasion of Ukraine and the EU's extensive sanctions response thereto. Ever since the Council adopted the first sanctions packages against Russia and Belarus in early 2022, both EU institutions and Member States have been even more resolved to advance a thorough and equal sanctions implementation across the EU. As a result, stakeholders from both EU institutions and Member States have been registering a growing interest from all sides to contribute to a more transparent reporting and knowledge-sharing implementation culture. This was, for example, reflected in the Dutch-sponsored non-paper about strengthening the EU's sanctions capacity and its countering of sanctions circumvention¹³⁸. This proposal *inter alia* called for a platform which can provide common analysis on individual cases of circumvention to be established at the EU-institutional level. Among many Member States, the Commission's proactive monitoring role is generally seen as a positive and relevant development. This concerns both the drive to enhance a systemic overview of implementation structures, processes and results at the Member State level as well as attempts to guide Member States and private actors actively in countering possible sanctions violations and circumvention (on the latter, see section 5.2 for further details).

¹³⁶ European Center for Constitutional and Human Rights, '[Joint Letter in support of the complaint submitted to the European Commission on 28 June 2018 against the Government of the Italian Republic - Italy's failure to prevent entry to Ali Mamluk infringes European Union law](#)', 28 June 2018.

¹³⁷ K. B. Olsen, [The Geoeconomic Diplomacy of European Sanctions: Networked Practices and Sanctions Implementation](#), Brill, Leiden, 2022.

¹³⁸ Dutch Government, '[Non-paper on strengthening EU sanctions capacity and countering sanctions circumvention](#)', Platform open overheidsinformatie, February 2023.

It is broadly acknowledged that the scattered and highly diverse approaches to sanctions implementation and enforcement at Member State level can be understood only if relevant data is shared and compiled by the Commission. In interviews, stakeholders from both the government and private spheres pointed particularly to the Russia sanctions of 2022 as a turning point in boosting the Commission's role for developing sanctions implementation guidance. It is noted how DG FISMA and other DGs respond more comprehensively to requests by NCAs and European businesses on how to interpret certain provisions in the various sanctions regimes. Particularly those stakeholders who have been working on the implementation of EU restrictive measures over a period of years recognise how the Commission's provision of guidance and FAQs have increased very significantly.

At the same time, both public and private stakeholders at both EU and Member State level express frustration about insufficient guidance received during the first year of the expanded Russia-related sanctions in 2022. This critique is less targeted against the Commission's work quality, but rather at resources invested. Most observers recognise how the avalanche of questions directed at DG FISMA and others were impossible to answer meticulously with the current (human) resources allocation. Even where staffing in relevant units across the Commission, the EEAS and the Council has increased, this underscores a certain mismatch between the EU's political ambitions (designing multiple and large-scale sanctions packages with high frequency) and any resources that are being prioritised to the guidance and monitoring of their practical implementation through Member States.

Observers at Member State level highlight how the Commission has significantly increased its work on collecting and compiling data to improve the monitoring of sanctions implementation across the EU. The newly established Sanctions Information Exchange Repository, a database designed to enable prompt reporting and exchange of information between the Commission and Member States is widely seen as a step in the right direction. Similarly, it is acknowledged how the Commission is seeking to enhance its understanding of Member State implementation through the sending of questionnaires and physical visits to Member States' NCAs – even if this is also widely interpreted as evidence of how the Commission's oversight of how individual Member States' sanctions implementation system function has until recently been less than comprehensive.

NCAs and other Member State authorities are furthermore expressing varying degrees of limited understanding about the specific purpose behind the Commission's extensive data compilation and how this will positively help to improve sanctions implementation at Member State level. This is not least because such compilation requirements tie up significant resources in NCAs, which in many cases operate with only relatively small teams dedicated to sanctions implementation. In interviews, NCAs express that these rising documentation and reporting requirements, coupled with tasks to guide and oversee the implementation of the rapidly increasing scale and scope of EU sanctions regimes, have put significant strains on their limited resources. This is particularly the case where Member States do not have access to detailed and comprehensive registers on, for example, ownership of businesses and real estate (see section 3.2.1 for a detailed discussion).

In addition to its proactive data collection from Member States, the Commission is also obliged to receive various forms of information as stipulated in relevant regulations, albeit this has been difficult to achieve. A recent case in point relates to a provision from the 10th sanctions package against Russia in February 2023, within which EU natural and legal persons are obliged to report on assets of the Russian Central Bank which they hold, control or act as counterparties. This reporting obligation was originally due to be met within two weeks from adoption of the relevant Council Regulation on 26 February 2023, where public and private stakeholders were charged with sending such information to both the relevant NCAs and the Commission. However, because the format of such reporting was not clarified in detail from the outset, relevant competent authorities received a barrage of questions from confused stakeholders. Further

clarification was provided only in late April, when the Commission updated its Consolidated FAQs on the implementation of Council Regulation No 833/2014 and Council Regulation No 269/2014¹³⁹.

In addition to monitoring the effects of sanctions on economic operators, the Commission also traces cumulative trade data relating to sanctioned goods and services, including dual-use items. This trade data, compiled and assessed by DG TRADE and DG TAXUD, is used particularly for monitoring abnormalities in export or import flows with third countries in order to detect possible instances of sanctions circumvention (see section 5.2 for further details). As for the dual-use measures incorporated in the Russia sanctions regime, DG TRADE has been able to use and expand existing dual-use reporting systems which also include sanctions-relevant data. Formal reporting about Member States' authorisations and denials relating to dual-use provisions are often flanked by the facilitation of more informal processes and exchanges between relevant NCAs as well as *ad hoc* consultations with economic operators and exporters.

The Commission's internal coordination on the monitoring of sanctions implementation and enforcement has been strengthened as a function of the recent Russia-related sanctions packages. Since February 2023, relevant stakeholders (*inter alia*, DG FISMA, DG TRADE, DG TAXUD, DG for Energy, DG Mobility and Transport, the Secretary-General's office, European Anti-Fraud Office, the Joint Research Centre) have formalised their coordination efforts in a new Inter-Service Group. This has replaced various informal coordination formats, often led by the Secretary-General's office, which had developed particularly during 2022 between various DGs and services. While it is still too early to assess the Inter-Service Group's added value, the mere formalisation of internal work flows and coordination efforts points in a positive direction.

3.1.2 The EEAS

The EEAS's key responsibility in the area of sanctions monitoring relates to overseeing and reviewing the EU's individual measures. Formally, the VP/HR is responsible for preparing and tabling CFSP Council decisions, which gives EEAS the role of collecting and compiling proposals for new listings of individuals and entities under various sanctions regimes. This includes not only information about the name and justification for listing a specific person or entities based on the criteria set out in the relevant legal acts, but also a corresponding evidence package with open-source material underpinning these claims. Such information is either compiled by the EEAS itself or more often reflects suggestions and additional information submitted by a Member State or group of Member States.

Proposed listings are first subject to initial consultations in the relevant Council working group. Based hereon, the EEAS drafts a formal Council Decision, which will be accompanied by an implementing regulation drafted by the Commission sanctions' team, the latter being required to effect asset freezes on listed individuals and entities. These draft legal texts are then discussed simultaneously among Member States, counselled by the Council's Legal Service, in the RELEX-format to ensure their legal validity and consistency. Council Decisions are ultimately approved by the second configuration of the Committee of the Permanent Representatives of the Governments of the Member States to the EU and unanimously adopted by the Council of Ministers.

Once adopted, in practical terms the EEAS then operates as the owner of these individual listings under the EU's various sanctions regimes. Together with Member States it conducts periodic reviews of listed individuals according to the sunset clause of each specific Council decision. While most listings are valid for 12 months, some, such as those related to Russia and Ukraine, must be reviewed every 6 months. The Russia/Ukraine-related sanctions regimes alone contain more than 1 500 persons and 300 entities, a number that has rapidly increased since February 2022. To date, a total of 3 490 persons and 973 entities

¹³⁹ European Commission, '[FAQs – Sanctions Russia Consolidated](#)', DG FISMA, April 2023.

are individually listed in the EU's Consolidated list of persons, groups and entities subject to EU financial sanctions¹⁴⁰ across 49 sanctions regimes currently implemented (see Annex 7.1 for a detailed overview). Even if various listings require significantly varying degrees of periodical diligence, simply because the possible change of behaviour and/or material status of some individuals and entities is more prevalent and/or likely than others, the monitoring and review resources required from the EEAS and Member States to review the listings contained in the EU's sanctions regimes are substantial and increasing.

The review of listed persons and entities is a key aspect of EU sanctions monitoring. If listings are either insufficiently substantiated or erroneous, this opens a pathway for listings to be challenged at the CJEU. Although they are normally reviewed collaboratively by the EEAS and Member State(s) originally proposing the listings, stakeholders note in interviews that the reviewing burden has particularly increased for the EEAS. Others also lament that the input from Member States is not always of sufficiently quality. This puts an additional burden on the EEAS sanctions unit, which consists of 8 to 10 full-time staff members. Not least this is caused by the fact that over past decades the EU has consistently added and expanded sanctions regimes at a greater pace than terminating those in force. In other words, the sheer number of sanctions regimes and individual listings has only ever been on the rise.

The steep increase of Russia-related sanctions particularly has added another complicating factor to the review process, namely the complexity of political and business ties within which listed persons and entities are involved. This aspect predominately relates to the activities of many listed Russian oligarchs and economic operators in multi-layered, complex and non-transparent ownership structures, often designed to operate outside the reach of law enforcement concerned with anti-money laundering. These complexities add to the information needed for comprehensively describing, monitoring and reviewing individual listings. In this situation, the EEAS might at times be more limited than the diplomatic services of Member States in that it is normally not granted widespread access to intelligence information collected by Member States, which can serve as relevant background information.

By contrast, the EEAS does possess potentially unique information access through a wide-ranging network of EU Delegations. Any information collected by Delegations about listed persons and entities is frequently used to update and review various sanctions regimes. This is, according to observers, not least the case in country contexts where only a limited number of Member States have access to fine-grained country specific information, such as the Democratic Republic of Congo or Myanmar. In cases where a substantial number of Member States have well-established information channels and invest resources in utilising them, such as in Russia or Belarus, the added value of information obtained by Delegations is deemed – by some but not all interviewed stakeholders – to play a less critical role. In interviews, stakeholders from other EU institutions further assess that Delegations can play a downstream role in explaining EU sanctions measures to local authorities of their host countries, not least in third countries where local economic operators are suspected of engaging in the circumvention of EU sanctions.

3.1.3 The Council

Besides its decision-making prerogative in CFSP matters, this institution plays an important role in monitoring sanctions implementation, particularly in terms of amending existing legal acts to counter possible unforeseen negative consequences and unintended loopholes. To do so, the Council receives information provided through various feedback mechanisms on the practical implications of already adopted sanctions decisions and regulations.

One of the most important of these is embodied by the RELEX/Sanctions group, which primarily comprises Member States' capital-based sanctions coordinators. Meetings in this group, usually quarterly, provide

¹⁴⁰ European Commission, '[Consolidated list of persons, groups and entities subject to EU financial sanctions](#)', DG FISMA, April 2023.

Member State sanctions representatives with a forum to engage in direct coordination with their capital-based counterparts, the Council's Legal Service, the Commission, the EEAS together with various invited third-party actors including non-governmental organisations.

Stakeholders argue in interviews that the group's added value has been increasing over recent years, particularly when it comes to discussing more fundamental questions about the means and instruments that EU institutions and Member States have at hand in sanctions implementation processes. This assessment should also be seen against the backdrop of a traditional critique looking at this group's ability to discuss openly specific implementation difficulties at Member State level. It has been assessed that given such broad participation in the meeting format, critical or sensitive matters – such as information about early-warnings of alleged sanctions violations in particular Member States – would rarely be discussed openly¹⁴¹. Hence, stakeholders interviewed also welcome the idea behind establishment of a Commission-led Sanctions Information Exchange Repository, which should result in more streamlined reporting. However, the actual value of this repository for the Council's ability to track and react swiftly to sanctions implementation challenges has yet to be seen.

Through its broad and holistic discussions, the RELEX/Sanctions format also enhances possibilities for capital-based sanctions coordinators to learn about implementation challenges in other Member States. This information can be used to raise early warnings about such potential developments at domestic levels, which – particularly in those national sanctions implementation systems where there is a strong coordination between NCAs – gives other national authorities opportunities to sharpen their domestic monitoring regarding specific risks. In other words, this feedback mechanism within the Council not only provides potential for legal amendments to counter non-foreseen implementation results, but also strengthens individual Member States' awareness about specific implementation issues already experienced elsewhere.

Another important role for the Council is to ensure any adopted measures' legal robustness and viability. Its Legal Service registers and responds to litigation cases raised against the institution at EU courts based on complaints by either natural or legal persons from inside or outside the Union. Such proceedings habitually either argue that the reason for a specific individual listing or the provided evidence is not legally sufficient or that a certain sectoral measure is targeted at specific individuals or entities unfairly. When EU courts rule a specific sanction ground to be insufficient and annul the listing, the Council has often reintroduced the individual in questions to the sanctions list with additional information in the statement of reasons in line with the court ruling.

Historically, according to observers interviewed, the Council has won 231 and lost 145 of such court cases. Furthermore, more than 150 cases have been withdrawn, normally because the sanctions regime in question was removed by the Council prior to a court decision. Its Legal Service comprises 10-12 full-time staff members, most of whom are not committed solely to working on sanctions-related issues. To ensure sufficient resources for addressing an increasing number of litigation cases, third-party legal assistance is also engaged.

Over time, the Council has increased its ability to provide evidence supporting its rights to invoke specific sanctions. Not least, this is a result of the Council's lessons learned from Courts rulings on previous sanctions cases. However, given the broad nature and scale of the Russia-related sanctions in 2022, with more than 1 400 new listings introduced within a calendar year, it is yet to be seen how EU courts will react to the wave of litigations that may be forthcoming, mindful of complaints that have already been received. The courts' first rulings in this respect are expected by end of 2023, depending on which this could raise

¹⁴¹ K. B. Olsen, [*The Geoeconomic Diplomacy of European Sanctions: Networked Practices and Sanctions Implementation*](#), Brill, Leiden, 2022.

new discussions about the reach and limits of individual restrictive measures as well as concerns about the relationship between the Council's use thereof and its commitment to ensuring the EU's rule of law.

3.1.4 The European Parliament

The EP's interest in the use and comprehensive implementation of restrictive measures was clearly reflected in its January 2023 annual report on implementation of the CFSP¹⁴². In mentioning 'sanction' no fewer than 26 times, the EP focused particularly on: (i) expanding the number of individual Russia-related listings taking into account the list of 6 000 individuals presented by Alexei Navalny's Anti-Corruption Foundation; (ii) targeting restrictive measures in third countries that facilitate Russia's war on Ukraine, including sanctions circumvention; (iii) enabling an enhanced role for the EP in proposing cases of serious human rights violations, mindful of the EU human rights sanctions regime; and (iv) calling on the Council to introduce QMV for the adoption of restrictive measures within this regime.

In the absence of a formal role in CFSP adoption processes, the EP predominantly seek influence for EU restrictive measures through informal conversations with representatives from other EU institutions, Member State governments and parliaments as well as public communication and adoption of formal resolutions in the EP's plenary sessions. Furthermore, specific sanctions-related topics are at times found on the AFET committee's agenda. In March 2023, AFET invited the Commission's new Sanctions Envoy to a non-public debate (in camera) on his new role and the Commission's ambitions for preventing sanctions circumvention. The implementation of sanctions is followed specifically by Members of the European Parliament (MEPs) with interests not only in targeted countries and sectors, but also horizontal issues subject to EU sanctions regimes, such as human rights, cyber-security, chemical weapons and terrorism. On the EU's Russia-related sanctions, a group of around 20 MEPs engage in informal consultations as well as the preparation of questions for relevant commissioners and the drafting of EP resolutions on the issue. In addition, other groups of MEPs at times engage directly with the DGs' experts tasked with monitoring sanctions effectiveness and implementation.

The EP's overall participation in monitoring sanctions implementation, enforcement and circumvention is hence a committed endeavour, albeit yet to be streamlined. It is therefore commendable that AFET has recently decided on mandate enhancement for the pre-existing Working Group on Eastern Partnership. It is set to focus on the sanctions subject more comprehensively by effectively acting as the AFET Working Group on Sanctions until the end of the EP's ninth legislative term in 2024. This capacity development on the side of MEPs is certainly a necessary and crucial step in the right direction. While other EU institutions have in recent years built and expanded their technical knowledge of 'how the sanctions instrument works' (namely through the Council's RELEX and RELEX/Sanctions formation, the Commission's DGs FISMA, TRADE and TAXUD as well as the EEAS's sanctions unit), the EP's key focus on sanctions-related issues is still driven by political interests, or more specifically in the targets of various EU sanctions regimes. Given AFET's broad mandate, the committee is obliged to discuss a wide range of issues during its limited sessions, meaning that sanctions-specific issues are not discussed too often, even if the trend is increasing. Such infrequent engagement with sanctions issues deprives the EP of its ability to compile joint repositories of data and knowledge relevant in monitoring possible implementation and enforcement difficulties across Member States. Hence, individual MEPs' attempts to build larger networks of parliamentarians from inside and outside the EU are useful vehicles for such information exchanges, albeit more systemised and institutionalised efforts could be employed to ensure that such knowledge is compiled in a methodical and operational manner. AFET – and other relevant EP committees (Civil Liberties, Justice and Home Affairs [LIBE], Economic and Monetary Affairs, International Trade, Development) and subcommittees (Security and Defence, Human Rights) addressing sanctions-related

¹⁴² European Parliament, '[European Parliament resolution of 18 January 2023 on the implementation of the common foreign and security policy – annual report 2022 \(2022/2048\(INI\)\)](#)', P9_TA(2023)0009, 18 January 2023.

issues – should thus consider how their joint technical expertise could be enhanced, not least across legislative periods. Such technical expertise could best be preserved and broadened in the EP's General Secretariat and its various DGs. This type of technical capacity building would further inform the EP's political scrutiny of sanctions matters.

3.2 Integration of evaluations and lessons learned

The evaluation of sanctions regimes performance in bringing about the desired political outcomes in target countries is traditionally conducted in the framework of a country-specific Council Working Party responsible for monitoring the situation. Their work is supported by desk officers at the EEAS, albeit there is no clearly defined mandate for the EEAS sanctions unit or geographical sections to monitor progress driven by the sanctions regime. Moreover, there is no mechanism foreseen for the provision of institutional memory on previous sanctions regimes, or for the formulation of lessons learnt in the EEAS machinery. Similarly, there is no agreed evaluative framework that could be applied to assess progress¹⁴³. While the EU is responsible for giving effect to sanctions regimes adopted by the UNSC, institutional contact to UNSC sanctions policies is limited to the organisation of a bi-annual EU-UN sanctions seminar in New York with the participation of RELEX counsellors, where both Member State representatives, UN Secretariat officials and civil society experts are invited to participate in a dialogue session.

Nevertheless, the Council's habit of reviewing sanctions regimes periodically when the legal act approaches its expiry date has been praised because it compels Member States to take stock of situations in target countries, thereby preventing sanctions regimes from falling into oblivion due to emphasis on other foreign policy priorities. A recent report by the Canadian Senate has recommended adoption of a similar mechanism to the Canadian government¹⁴⁴. In addition, the 2014 EU sanctions regime on Russia compelled the Commission to start monitoring economic effects on the Russian economy and that of Member States, an exercise it conducts jointly with their domestic authorities.

The evaluation of CFSP sanctions hence suffers from different challenges. Firstly, it is a topic which is rarely if ever investigated, given CFSP sanctions have traditionally received less attention than those by the USA as top global sender. Secondly, no official evaluations by EU institutions or Member States are publicly available. Beyond these circumstances, the scientific methodology used for sanctions evaluation faces daunting difficulties. Most analyses distinguish between economic and political effectiveness. The former refers to the effectiveness in inflicting disutility on the target while the latter refers to efficacy in compelling policy changes. The yardstick for measuring a successful sanctions regime is an 'observable change in behaviour, and policy outcomes judged against the stated policy goal of the sender country'¹⁴⁵. Yet, quantifying such changes is fraught with difficulties as sender countries rarely announce their goals unequivocally. Until the late 1990s, EU sanctions were imposed without any spelling out of policy goals pursued. Instead, legal acts quoted the circumstances leading to sanctions enactment without indicating the reforms expected from target authorities. It could merely be presumed that sanctions were imposed to restore the *status quo ante*.

Another methodological challenge consists of drawing the line between attainment of the policy goal and any contribution that sanctions made towards it, captured in the notions of policy outcome and sanctions

¹⁴³ R. Druláková, et al., '[Assessing the effectiveness of EU sanctions policy](#)', *Central European Journal of International and Security Studies*, Vol 4, No 1, 2010, pp. 101-121.

¹⁴⁴ Senate of Canada, '[Strengthening Canada's Autonomous Sanctions Architecture: Five-Year Legislative Review of the Sergei Magnitsky Law and the Special Economic Measures Act](#)', Committee report, Ottawa, May 2023.

¹⁴⁵ G. Hufbauer, et al., *Economic Sanctions Reconsidered*, Peterson Institute for International Economics, Washington D. C., 1985, p. 32.

contribution¹⁴⁶. Statements by decision-makers cannot be considered reliable sources, as both sides may be willing to promote different readings of the events. Moreover, in the presence of concurrent policy tools such as mediation or the threat of force, some authors question the feasibility of determining that sanctions were responsible for a specific outcome and caution against any claims for effectiveness that do not apply strict criteria¹⁴⁷.

Nevertheless, notwithstanding various challenges marring the measuring of sanctions efficacy, evaluations abound. Some report success rates for CFSP sanctions similar to those of other senders, which oscillate between 10 % and 30 % of the total¹⁴⁸. Certain analyses have attempted to evaluate two specific functions of sanctions in addition to their coercive intent, suggesting that their containment and signalling capacity display a higher level of effectiveness¹⁴⁹. In general, current assessments of EU sanctions do not suggest that they are more than moderately successful¹⁵⁰. However, the literature suffers from a bias towards on the one hand more difficult cases, which attract the most public attention and on the other hand successful cases that often unfold under the radar in terms of the media.

EU institutions, including the dedicated sanctions units at the Commission and EEAS, traditionally lack the mandate to monitor the effects of CFSP sanctions beyond the duties of relevant desk officers and geographical working groups¹⁵¹. No agreed metrics exist for such monitoring, given that evaluations are performed on an *ad hoc* basis with results not being made public¹⁵². To a certain extent, the sanctions against Russia in 2014 marked a departure from earlier practice: following enactment of measures, the Commission regularly evaluated their impact on the Russian economy and their effects on the economies of EU Member States. However, no monitoring of humanitarian effects takes place. Nonetheless, the monitoring exercise taking place under the Russia sanctions regime falls on desk officers as a new task, rather than becoming the core mission of specialised staff members¹⁵³.

4 Preliminary assessments of recent reforms of EU sanctions policy

This section discusses recent initiatives for improving sanctions implementation and enforcement, as well as the EU's enhanced focus on sanctions circumvention and other relevant areas.

4.1 Reform initiatives to improve sanctions implementation and enforcement

Having been announced as part of the Commission's reform initiatives in January 2021, the **EU sanctions whistle-blower tool** has been operational on the webpage of DG FISMA since March 2022. It provides two avenues for individuals, companies and organisations to share information about possible violations of EU restrictive measures, via either direct email to DG FISMA or an online form that ensures the reporting

¹⁴⁶ Ibidem.

¹⁴⁷ R. Pape, 'Why Economic Sanctions Still Do Not Work', *International Security*, Vol 23, No 1, 1998, pp. 66-77.

¹⁴⁸ M. Brzoska, 'Research on the effectiveness of international sanctions', in H. Hegemann, R. Heller and M. Kahl (eds), *Studying 'effectiveness' in International Relations*, Verlag Barbara Budrich, Leverkusen, 2013, pp. 143-160.

¹⁴⁹ E. Moret, et al., *The New Deterrent*, Graduate Institute, Geneva, 2016.

¹⁵⁰ For the case of the 2014 Russia sanctions, see e.g. E. Christie, 'The design and impact of Western economic sanctions against Russia', *The RUSI Journal*, Vol 161, No 3, 2016, pp. 52-64; R. Connolly, 'The Empire strikes back. Economic statecraft and the securitisation of political economy in Russia', *Europe-Asia Studies*, Vol 68, No 4, 2016, pp. 750-773.

¹⁵¹ A. de Vries, et al., 'Improving the effectiveness of sanctions: A checklist for the EU', Centre for European Policy Studies, CEPS special report No 95, 2014.

¹⁵² R. Druláková, et al., 'Assessing the effectiveness of EU sanctions policy', *Central European Journal of International and Security Studies*, Vol 4, No 1, 2010, pp. 101-121.

¹⁵³ C. Portela, 'The changing nature of targeted sanctions: Evolution and assessment', in A. Kellerhals, T. Baumgartner and C. Reber (eds), *European Integration Perspectives in Times of Global Crises*, 13th Network Europe Conference, Athens, 19 – 22 June 2022 Europa Institut, Zurich, 2023.

individual's anonymity. Allegations received are then assessed to determine whether the Commission or NCAs in specific Member States should investigate concerns being raised. Various stakeholders confirm in interviews that the whistle-blower tool has already been used on some occasions and that such cases have been evaluated in relevant systems. Given its confidentiality it is though not possible to assess the tool's overall performance, not least because the Commission has no full legal competency to track a specific whistle-blower case following transfer to an NCA at Member State level. Nevertheless, non-governmental stakeholders do express their appreciation of the tool's existence, although they point to the risks of unwarranted violations against economic operators, who when targeted with allegations of sanctions violations need to prioritise substantial resources to such cases. At the same time, they also point out that the tool provides for better protection than previously where suspicions about sanctions violations had to be raised informally with either EU institutions or NCAs. This was particularly challenging for potential non-EU whistle-blowers, who either would not know which institution or authority to approach, or would not be reassured that the information conveyed would be treated in a confidential manner in all parts of the EU system.

Because the EU's decentralised system for sanctions implementation and enforcement bears inherent potential for fragmentation, the Commission has started to take some mitigating steps¹⁵⁴. While its renewed activity in this regard pre-dates the Russian invasion of Ukraine launched in February 2022, the wave of sanctions unleashed at that time added new impetus to these efforts. The most evident outcome has been the **criminalisation of sanctions violations as a Euro crime** under Article 83.1¹⁵⁵. The Commission first proposed identifying the violation of EU sanctions as an area of crime that meets the criteria specified in Article 83(1) TFEU, popularly known as Euro crimes, a classification that enabled the Commission to propose legislation to approximate the definition of criminal offences as well as penalties in Member States¹⁵⁶. This proposal was justified on the grounds that violations may help to perpetuate threats to peace and security, as well as the rule of law, democracy and human rights in third countries, which often have a cross-border dimension. Specifically, it was posited that the violation of sanctions is a 'particularly serious area of crime, since it may perpetuate threats to international peace and security, undermine the consolidation and support for democracy, the rule of law and human rights and result in significant economic, societal and environmental damage'¹⁵⁷. The current set-up allows individuals and companies contemplating circumvention to shop around; in other words, they should seek to conduct their activities and exchanges in the Member State with the laxest standard of implementation and enforcement at any given point in time, while preventing the establishment of equity and equality for EU operators.

By June 2022, the Council had reached an agreement on wording and requested that the EP give consent for the draft Council decision to add violations of Union restrictive measures to the areas of crime laid down

¹⁵⁴ European Commission, '[The European economic and financial system: Fostering openness, strength and resilience](#)', COM/2021/32 final, 19 January 2021.

¹⁵⁵ European Commission, '[Proposal for a directive of the European Parliament and the of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures](#)', COM(2022) 684 final, 2 December 2022.

¹⁵⁶ European Commission, '[Towards a Directive on criminal penalties for the violation of Union restrictive measures](#)', COM(2022) 249 final, 25 May 2022.

¹⁵⁷ This wording from European Commission, '[Towards a Directive on criminal penalties for the violation of Union restrictive measures](#)', COM(2022) 249 final, 25 May 2022, p. 4 is reflected in preambular paragraph 10 of: Council of the European Union, [Council Decision \(EU\) 2022/2332 of 28 November 2022 on identifying the violation of Union restrictive measures as an area of crime that meets the criteria specified in Article 83\(1\) of the Treaty on the Functioning of the European Union](#), *Official Journal of the European Union*, OJ L 308/18, 29 November 2022, pp. 18-21.

in Article 83(1) TFEU¹⁵⁸. The EP gave its consent to the emergency procedure on 7 July 2022¹⁵⁹. The resulting Council Decision 2022/2332 was then adopted on 28 November 2022¹⁶⁰. Immediately after adoption, the Commission tabled a draft Directive on 2 December 2022 proposing the establishment of minimum rules concerning the definition of criminal offences and penalties for sanctions violation¹⁶¹. While work on the Directive is still ongoing¹⁶², it is expected to be fully adopted before the end of 2023.

Although this initiative has been widely welcomed as it is expected to harmonise the typification of sanctions violation and associated penalties throughout the EU, thereby improving both sanctions implementation and enforcement, some reservations have been expressed by civil society actors in the review conducted by the European Economic and Social Committee (EESC)¹⁶³. Primarily, they complained that the EP had given its consent to the draft Council decision via an urgent procedure, obviating deliberation by its LIBE Committee, thereby lowering the usual standard of democratic scrutiny. Similarly, the Commission refrained from conducting an impact assessment, with reference to the 'urgent need to hold accountable individuals and legal persons involved in the violation of Union restrictive measures'¹⁶⁴, thus skipping an element of key importance for assessing any policy proposal. Legal experts lament omission of the impact assessment as a vehicle to ensure respect of the principles of subsidiarity and proportionality in the Area of Freedom, Security and Justice, as it would have provided evidence that the harmonisation of criminal rules was the ideal option to achieve the proposed objective¹⁶⁵. This is especially important since legal experts contend that creating an obligation for Member States to establish criminal penalties requires a particularly high standard of justification due to the consequential implications for transgressor¹⁶⁶. The EESC regretted the Commission's failure to include it among the actors it involved in its consultations during the preparatory phase of the draft directive¹⁶⁷. Certain EESC recommendations were echoed in a report adopted by the LIBE Committee regarding the draft directive received from Council and Commission, including exempting humanitarian aid and support workers from the application of the Directive as well as encouraging the Council and Commission to ensure that appropriate resources for the effective investigation and prosecution of violation of EU restrictive measures are made available to help Member States implement the directive¹⁶⁸. In contrast to the EESC, the LIBE Committee suggested

¹⁵⁸ Council of the European Union, '[Sanctions: Council requests European Parliament consent to add the violation of restrictive measures to the list of EU crimes](#)', Press Release, 626/22, 30 June 2022.

¹⁵⁹ European Parliament, '[Identification of the violation of Union restrictive measures as crimes under Article 83\(1\) of the TFEU](#)', legislative resolution, 2022/0176(NLE), 7 July 2022.

¹⁶⁰ Council of the European Union, '[Council Decision \(EU\) 2022/2332 of 28 November 2022 on identifying the violation of Union restrictive measures as an area of crime that meets the criteria specified in Article 83\(1\) of the Treaty on the Functioning of the European Union](#)', *Official Journal of the European Union*, OJ L 308/18, 29 November 2022, pp. 18-21.

¹⁶¹ European Commission, '[Proposal for a directive of the European Parliament and the of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures](#)', COM(2022) 684 final, 2 December 2022.

¹⁶² European Parliament, '[Definition of criminal offences and penalties for the violation of Union restrictive measures](#)', procedure file, 2022/0398(COD), July 2023.

¹⁶³ European Economic and Social Committee, '[Opinion on the Criminalisation of violations of sanctions](#)', SOC/739-EESC-2022, 22 March 2023.

¹⁶⁴ European Commission, '[Proposal for a directive of the European Parliament and the of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures](#)', COM(2022) 684 final, 2 December 2022.

¹⁶⁵ S. Poli and F. Finelli, '[Context specific and structural changes in the EU restrictive measures adopted in reaction to Russia's aggression on Ukraine](#)', *Rivista Eurojus*, Vol 3, 2023, pp. 19-49.

¹⁶⁶ J. Öberg, '[Do we really need criminal sanctions for the enforcement of EU law?](#)', *New Journal of European Criminal Law*, Vol 5, No 3, 2014, pp. 370-387.

¹⁶⁷ European Economic and Social Committee, '[Opinion on the Criminalisation of violations of sanctions](#)', SOC/739-EESC-2022, 22 March 2023.

¹⁶⁸ European Parliament, '[Report on the proposal for a directive of the European Parliament and of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures](#)', (COM(2022)0684 – C9-0401/2022 – 2022/0398(COD)), A9-0235/2023, 7 July 2023.

certain measures that went beyond proposals presented in the draft Directive, such as increasing the fines for legal persons breaching sanctions and adding aggravating circumstances¹⁶⁹.

Traditionally, the main tool employed by the EU to **assist economic operators** in their efforts to comply is the issuing of guidance. This practice has seen major expansion since February 2022 with phrasing frequently requiring further clarification, a development that is hardly surprising given the speed at which sanction waves were adopted. While the issuing of guidance has been highlighted as a dynamic and helpful tool in jurisdictions such as Canada where this practice is lacking, European operators have sometimes expressed dissatisfaction with their non-binding nature. Indeed, guidance notices are invariably accompanied by the disclaimer stating that only the CJEU can issue binding interpretations of EU law¹⁷⁰. Other initiatives to support EU businesses and economic operators in their implementation efforts include the allocation of funding to support the development of information technology tools which improve the dissemination of information on sanctions¹⁷¹. Most recently, the Commission has for the first time set up a contact point for non-EU authorities and operators in the form of a dedicated mailbox¹⁷². Generally, the contact point is meant to encourage non-EU authorities and operators to contact the Commission directly when they face difficulties in interpreting EU sanctions. There is also an anti-disinformation dimension to this initiative, as it is designed to dispel false narratives about bans purportedly affecting food supplies¹⁷³ and thereby help ensure that the flow of agri-food products and fertilisers continues unimpeded to their countries.

The various reform attempts of recent years demonstrate a **significant increase in the EU's level of ambition to make use of sanctions as a credible CFSP tool** and **strive for equity**, particularly for EU companies and market actors. Driven by the overall rise in political attention devoted to the topic, EU institutions and Member States are currently pushing ideas about institutional and policy changes in many directions, which at the same time heightens the risk that the many reform initiatives and ideas launched in parallel do not necessarily work in conjunction with one another. Recurring conversations centre on a centralisation of implementation capacities in Brussels. Both academics¹⁷⁴ and policy-makers, such as the French Minister of the Economy and Finance Bruno Le Maire¹⁷⁵, have previously discussed the merits of establishing an **EU equivalent to the US Office of Foreign Assets Control (OFAC)**. Over the past year, this issue of further centralising EU implementation oversight has likewise been raised by policy-makers such as Commissioner Mairead McGuinness¹⁷⁶ and the Dutch Minister of Foreign Affairs Wopke Hoekstra¹⁷⁷. However, the joint characteristics for such proposals are not yet clear. For instance, will a movement of implementation competencies and capacities from the level of Member States to EU-level require the establishment of a new authority (including a secretariat and a formal mandate), or could such

¹⁶⁹ C.C. Cîrlig, '[Proposal for a directive on the violation of Union restrictive measures](#)', Briefing, EPRS, European Parliament, PE 751.409, July 2023.

¹⁷⁰ See for instance: European Commission, '[Commission Guidance Note on the Provision of Humanitarian Aid in Compliance with EU Restrictive Measures \(Sanctions\)](#)', Commission Notice, C(2022) 4486 final, 30 June 2022, p. 2.

¹⁷¹ Council of the European Union, '[Council Decision \(CFSP\) 2022/1506 of 9 September 2022 - on a European Union action to support the development of information technology tools to improve the dissemination of information on Union restrictive measures](#)', *Official Journal of the European Union*, OJ L232/30, 12 September 2022, p. 30–31.

¹⁷² European Commission, '[European Commission sets up central contact point on EU sanctions for foreign authorities and operators](#)', News Article, DG FISMA, 27 April 2023.

¹⁷³ J. Borrell, '[Yes, sanctions against Russia are working](#)', *A window to the world blog*, 28 August 2023.

¹⁷⁴ K. B. Olsen, '[Geoeconomic Diplomacy: Reforming the Instrumentalization of Economic Interdependencies and Power](#)', in P. W. Hare, et al. (eds), *The Palgrave Handbook of Diplomatic Reform and Innovation*, Palgrave Macmillan, London, 2023, pp. 651–673; F. Giumelli, '[Implementation of Sanctions: European Union](#)', in M. Asada (ed), *Economic Sanctions in International Law and Practice*, Routledge, London, 2020, pp. 116–135.

¹⁷⁵ News Wires, '[France urges Europe to push back against 'unacceptable' US sanctions on Iran](#)', *France 24*, 11 May 2018.

¹⁷⁶ S. Fleming and A. Bounds, '[Brussels pushes for tougher sanctions enforcement via EU-wide body](#)', *Financial Times*, 3 July 2022.

¹⁷⁷ A. Brzozowski, '[Netherlands calls for EU sanctions enforcement headquarters](#)', *Euractiv*, 20 February 2023.

centralisation efforts be realised by enhancing existing structures, as also proposed in the Dutch-led non-paper of early 2023¹⁷⁸. Proponents of an institutionalised centralisation of implementation competencies most certainly envision that a stronger monitoring capacity and expertise in Brussels will hold Member States more accountable in the sanctions field. However, a significant challenge would then emerge in the provision of authorisations based on specific derogations, which is the act that comes closest to, yet not completely comparable with, OFAC's central task of granting general or specific licenses to allow for exceptions to US prohibitions¹⁷⁹. For example, if economic operators from all Member States would have to apply for such authorisations in Brussels this would require a substantial level of country-level expertise and human resources.

One of the key reasons why the establishment of a centralised EU structure overseeing sanctions implementation has not gained further political traction is therefore most likely related to Member States' concerns about the effectiveness and viability of such a body, not least in terms of the actual authority it would hold. A major lesson learned from the first year of implementing Russia sanctions packages has been that this enhances cooperation between EU institutions, NCAs, business representatives and experts is central, namely because the actual level of implementation will be determined in the last link of the sanctions implementation chain. The Dutch-led non-paper therefore rightly states that cooperation between agencies like customs, tax authorities and prosecutors, the intelligence community, as well as research institutes and statistics agencies is crucial. Thus, it would seem more sensible to enhance cooperation between NCAs and relevant technical experts from EU institutions, possibly in the form of institutionalised forums or network structures. Conversations about major long-term institutional reforms are hence important, but should not lead to sanctions stakeholders losing sight of the imminent challenge, namely finding out how best to improve the streamlining of NCA efforts across and between Member States with respect, but without fear, for the principle of subsidiarity.

Moreover, plans for the **confiscation of Russian assets** faces important legal obstacles¹⁸⁰. CFSP sanctions freeze the assets of designated individuals and entities, but they do not affect ownership. Confiscating assets is normally reserved for applications to acts of a criminal nature, which in the legal systems of many EU Member States requires a judicial order, if not an indictment. Thus, moving from freezing to confiscation entails transgressing a legal boundary for the first time in a field where the EU enjoys limited competence. Nevertheless, the political imperative is powerful: four member states – the Baltics and Slovakia – have officially espoused such a course¹⁸¹, and Canada adopted legislation last year allowing to confiscate frozen assets¹⁸². Accordingly, the Commission is in the midst of rolling out a two-tier strategy in the hope of surmounting legal difficulties. The plan consists firstly in ensuring that sanctions violation becomes a criminal offence throughout the EU, a goal that is being pursued via its categorisation as Euro crime. Following last year's approval of such labelling, the current negotiation of a directive on the definition of penalties applicable to sanctions (see below) is aimed at facilitating the confiscation of assets. The strategy's second element concerns a proposed directive on Asset Recovery and Confiscation¹⁸³. The proposal for this directive had already been put forward prior to Russia's invasion of Ukraine on 24 February 2022 and was originally designed to tackle organised crime. It is expected that elements can be included which in combination with the criminalisation of sanctions violation would make possible the confiscation

¹⁷⁸ Dutch Government, '[Non-paper on strengthening EU sanctions capacity and countering sanctions circumvention](#)', Platform open overheidsinformatie, February 2023.

¹⁷⁹ OFAC, '[Basic Information on OFAC and Sanctions](#)', Office of Foreign Assets Control, U.S. Department of the Treasury.

¹⁸⁰ Economic Crime Law, '[The EU proposal on sanctions and confiscation: Good, but not fit-for-purpose?](#)', 26 May 2022.

¹⁸¹ Governments of Estonia, Latvia, Lithuania and Slovakia, '[Joint Statement Calling to use the frozen Russian assets for rebuilding Ukraine](#)', 24 May 2022; J. Strupczewski '[Four EU countries call for use of Russian assets to rebuild Ukraine](#)', *Reuters*, 23 May 2023.

¹⁸² See Government of Canada, '[Special Economic Measures Act](#)', S.C. 1992, c. 17, 21 August 2023, Section 5.6.

¹⁸³ European Parliament, '[Asset recovery and confiscation](#)', procedure file, 2022/0167(COD), June 2023.

of Russian assets to fund the reconstruction of Ukraine. However, difficulties in overcoming various legal hurdles, both under international law¹⁸⁴ and in the criminal law systems of all EU Member States, are complicating negotiations, which are still ongoing and whose outcome is still unknown.

4.2 Reform initiatives to counter sanctions circumvention

The issue of **sanctions circumvention** – or sanctions busting – is a well-known phenomenon in the literature. This includes the role of third-party states or groups which engage in activities that help a state under sanctions either to cushion their effects or obviate them entirely. Egregious cases of sanctions circumventions have, for example, been documented with regards to Iran¹⁸⁵, the DPRK – North Korea¹⁸⁶ and most recently Russia¹⁸⁷. In *legal* terms, the prohibition against participating, knowingly and intentionally, in the circumvention of EU restrictive measures already features in various CFSP regulations. The EU's overall *political* interest in questions of circumvention relating to its role as a sanctions sender has, at best, been relatively modest. Indeed, the EU was itself previously accused by US stakeholders of aiding circumvention of any extraterritorial effects from US sanctions against Iran through creation of the Instrument in Support of Trade Exchanges (INSTEX; for more details see section 5.3)¹⁸⁸.

The 11th package of sanctions adopted by the Council against Russia on 23 June 2023 established the fight against circumvention as one of its priority objectives. It applied additional restrictive measures to 71 individuals and 33 entities responsible for actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine¹⁸⁹, as well as 104 new listings of various sectors and categories of individuals and entities, including IT companies that provide critical technology and software to the Russian intelligence community¹⁹⁰. To date, the EU has blacklisted almost 1 800 individuals and entities¹⁹¹. In particular, this 11th package of sanctions introduced a novel anti-circumvention tool that enables the EU to restrict the sale, supply, transfer or export of sensitive dual-use goods and technology, or goods and technology that might contribute to the enhancement of Russia's military, technological or industrial capacities or to the development of Russia's defence and security sector in a way that strengthens its ability to wage war¹⁹². Moreover, unprecedented reporting obligations have been in place since 2022. Firstly, EU persons are required to supply NCA with detailed information on assets which have been frozen or should have been treated as frozen, in addition to information on assets which have been subject to any transfer, access or dealing shortly before the listing. Secondly, even Russian targets have been requested to submit

¹⁸⁴ A. Dornbierer, '[From sanctions to confiscation while upholding the rule of law](#)', Basel Institute of Governance, Working paper 42, February 2023.

¹⁸⁵ B. R. Early, *Busted sanctions: Explaining why economic sanctions fail*, Stanford University Press, Stanford, 2015.

¹⁸⁶ B. Habib, '[The enforcement problem in Resolution 2094 and the United Nations Security Council sanctions regime: sanctioning North Korea](#)', *Australian Journal of International Affairs*, Vol 70, No 6, 2016, pp. 50-68.

¹⁸⁷ J. Schott, '[Economic sanctions against Russia: How effective? How durable?](#)', Policy Brief, Peterson Institute for International Studies, Vol 23, No 3, April 2023.

¹⁸⁸ T. Stoll, et al., '[Extraterritorial sanctions on trade and investments and European responses](#)', Directorate General for External Policies of the Union, European Parliament, PE 653.618, November 2020; K. Johnson, '[EU Offers Up a Meager Workaround to U.S. Iran Sanctions](#)', *Foreign Policy*, 31 January 2019.

¹⁸⁹ Council of the European Union, '[11th package of sanctions on Russia's war of aggression against Ukraine: additional 71 individuals and 33 entities included in the EU's sanctions list and new tools to counter circumvention and information warfare](#)', Press Release, 23 June 2023.

¹⁹⁰ Ibidem.

¹⁹¹ ECJ, '[National Iranian Oil Company v Council of the European Union](#)', Case C-440/14, para 18-19, Judgment of the Court, 1 March 2016.

¹⁹² Council of the European Union, '[Council Regulation \(EU\) 2023/1214 of 23 June 2023, amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#)', *Official Journal of the European Union*, OJ L 1951, 23 June 2023, pp. 1-329, para. 13.

self-declarations of their assets. Failure to comply with this obligation constitutes circumvention in the eyes of the Council and can give rise to penalties¹⁹³.

With the widespread concerns about systemic circumvention of the extensive sanctions directed against Russia and Belarus in 2022, EU institutions and Member States are now paying heed to this critical issue. Various novel pathways have been developed, including the appointment of an **EU Sanctions Envoy** as well as certain amendments to Council Regulation No 833/2014 aimed to empower the EU in actively targeting entities and countries who might engage in such activities. As also called for by the EP¹⁹⁴, this includes outreach to some EU candidate or potential candidate countries, not least because a progressive alignment with CFSP policies is requested prior to EU accession. Recent in-house studies for the EP¹⁹⁵ have for example documented how the alignment with CFSP restrictive measures against Russia varies greatly amongst the six Western Balkans countries and Türkiye. Conversely, Albania, Kosovo and Montenegro have shown a high level of sustained commitment to align with EU's sanctions against Russia and North Macedonia followed suit in 2022. Whereas domestic disagreements in Bosnia and Herzegovina over the question of aligning with EU sanctions against Russia has resulted in a non-alignment on the issue, Serbia (where over 80 % of the population allegedly reject the idea of sanctioning Russia) and Türkiye have consistently decided not to levy sanctions¹⁹⁶.

While much of the Sanctions Envoy's work is still ongoing, which would make a comprehensive assessment premature at the time of writing, certain more fundamental questions do need to be addressed.

Firstly, any overarching discussion of how the EU's evolving approach to targeting third-party states with restrictive measures relates to its long-standing principled opposition to the extraterritorial effects of autonomous sanctions regimes (see section 5.3 for more details on reforms within the blocking statute). However, the EU's enhanced engagement with third countries on sanctions circumvention can become a litmus test for how well institutions and Member States are able to combine various instruments from the EU toolboxes relating to security, trade, financial, and development policies¹⁹⁷. For this to happen, the EU Sanctions Envoy¹⁹⁸ with the necessary **encompassing autonomies** must be granted the ability to present both carrots (such as enhancement of existing partnership or cooperation agreements, offering of technical assistance) and sticks (such as listings of entities, curbing of trade in specific goods, reduction of existing partnership and development cooperation agreements) when entering into dialogues and negotiations with third countries.

Secondly, EU institutions and Member States should enhance their **joint understanding** of when a possible sanctions circumvention is based on benign or malign behaviour. Here it is critical to understand that third countries, in which circumvention is happening or is even facilitated, might neither be aware nor have the technical expertise and capacities to counter such behaviour. Other studies have, for example,

¹⁹³ Council of the European Union, '[Council Regulation \(EU\) 2022/1273 of 21 July 2022 amending Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)', *Official Journal of the European Union*, OJ L 194, 21 July 2022, pp. 1-4.

¹⁹⁴ European Parliament, '[European Parliament recommendation of 8 June 2022 to the Council and the Vice President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the EU's Foreign, Security and Defence Policy after the Russian war of](#)', P9_TA(2022)0235, 8 June 2022.

¹⁹⁵ I. Stasiukevych, M. Malovec, '[EU sanctions against Russia: alignment of the EU enlargement countries](#)', AFET committee, July 2022.

¹⁹⁶ B. Stanicek and A. Caprile, '[Russia and the Western Balkans: Geopolitical confrontation, economic influence and political interference](#)', Briefing, European Parliamentary Research Service, PE 747.096, April 2023.

¹⁹⁷ K. Meissner and C. Portela, '[Beyond Foreign Policy? EU Sanctions at the Intersection of Development, Trade, and CFSP](#)', *Politics and Governance*, Vol 10, No 1, 2022; K. B. Olsen, '[Diplomatic Realisation of the EU's "Goeconomic Pivot": Sanctions, Trade, and Development Policy Reform](#)', *Politics and Governance*, Vol 10, No 1, 2022, pp. 5-15.

¹⁹⁸ European Commission, '[EU appoints David O'Sullivan as International Special Envoy for the Implementation of EU Sanctions](#)', News Article, 13 December 2022.

recently suggested that the international sanctions coalition agrees on a ‘traffic light system’ to assess compliance by third-party states¹⁹⁹. In this respect, the EU Sanctions Envoy is taking a very positive and proactive approach by prioritising diplomatic outreach to both international sanctions partners and to possible circumvention-prone countries, also with a view to reducing antagonism and seeking avenues for further policy alignment. In the same vein, it is reassuring to learn that that DG FISMA is establishing more formalised mechanisms and contact points for foreign authorities as well as operators interested in understanding the technical aspects and possible effects of EU sanctions regime²⁰⁰.

Thirdly, EU institutions and Member States should consider how to approach the challenge of sanctions circumvention in a **broader perspective across EU sanctions regimes**. As noted, this issue is by no means a phenomenon solely related to the Russian case, even though this has been a trigger and remains the main concern concerning current efforts. However, many of the latest legal innovations in this field have so far been added only in the Russia-related Council Regulation No 833/2014. EU institutions and Member States hence need to reflect on whether the clauses relating to sanctions circumvention should become a standard feature for all EU sanctions regimes.

As an alternative, to address the circumvention issue more horizontally, **establishing a new horizontal sanctions regime** to target individuals and entities partaking in systemic circumventions of EU sanctions could also be considered, akin to the current thematic EU sanctions regimes on: (i) terrorism; (ii) chemical weapons; (iii) cyber-attacks; and (iv) human rights abuses (see section 6.2 for more details).

4.3 Extraterritorial enforcement of sanctions

Prior to the Russian invasion of Ukraine, a key concern was how to protect European economic operators from the **extraterritorial enforcement** of US sanctions. Although secondary sanctions and extraterritorial effects are often used interchangeably, these terms refer to separate notions. In contrast to primary sanctions, secondary sanctions target non-US individuals and entities that engage in transactions involving a US sanctions target. However, US primary sanctions can already display extraterritorial effects by virtue of Washington’s extensive interpretation of its jurisdiction. Instead of determining their applicability by country of incorporation, US sanctions legislation extends to all US entities, including overseas branches and subsidiaries. Significant extraterritorial effects of these unusually broad primary sanctions emanate from the dominance of the US dollar in trade and capital markets. Each transaction passes through the US financial system, since non-US banks operate via a correspondent account with an American bank. Given that these banks are required to observe US sanctions regulations, this affects transactions between non-US banks located overseas. Foreign firms do not need to be fined to be deterred from disobeying US bans, because as soon as they feature on a US blacklist, other banks will refuse to transact with them, rendering business impracticable²⁰¹. This extraterritorial application of sanctions, both primary and secondary, has a major impact on Europe by causing US sanctions to prevail over domestic European law. Far from being a merely economic issue, the extraterritorial effects of US sanctions constitute a geopolitical challenge. The EU is directly affected by the extraterritorial impact of US sanctions against third countries such as Iran, Russia or Cuba²⁰². Secondary sanctions punish European firms which engage in dealings with third states

¹⁹⁹ The International Working Group on Russian Sanctions, ‘[Action Plan 2.0 Strengthening - Sanctions against the Russian Federation](#)’, Working Group Paper, No 11, Stanford University, 24 April 2023.

²⁰⁰ European Commission, ‘[European Commission sets up central contact point on EU sanctions for foreign authorities and operators](#)’, News Article, DG FISMA, 27 April 2023.

²⁰¹ E. Servettaz, ‘[A sanctions primer. What happens to the targeted?](#)’, *World Affairs*, Vol 177, No 2, 2014, pp. 84-89.

²⁰² V. Sinkkonen, ‘[The United States in the Trump era](#)’, in N. Helwig, J. Jokela, C. Portela (eds), *Sharpening EU Sanctions Policy*, Finnish Institute for International Affairs, Helsinki, 2020, pp. 53-68.

under Washington's sanctions²⁰³. Even though these restrictions are not embraced by the EU, European firms are compelled to observe them, or over-comply²⁰⁴. This applies particularly to banks, which need access to the US financial market in order to conduct dollar-denominated operations; consequently, European firms must forego business opportunities in markets, such as Iran, which are in theory available to them.

This issue had caused **transatlantic tensions** in the early 1990s²⁰⁵, but became particularly dominant under the Trump administration, when three major developments produced markedly detrimental consequences for the EU. Firstly, the Presidential waivers were lifted which had protected European companies from the application of sanctions legislation with extraterritorial effects, notably the Helms-Burton Act that penalised any business links with Cuba which involved expropriated US assets. Secondly, in parallel the number of designations under the Venezuela, Iran and DPRK sanctions skyrocketed. Thirdly and most importantly, Washington's withdrawal in May 2018 from the Joint Comprehensive Plan of Action which had put an end to the dispute with Iran over its nuclear programme, coupled with its reinstatement of sanctions with extraterritorial application, impeded the full resumption of trade between the EU and Iran.

The withdrawal of European companies from Iran undermines the EU's foreign policy objectives, as it reduces incentives for the Iranian leadership to uphold the Joint Comprehensive Plan of Action. In response, France, Germany and the UK created a vehicle for bilateral trade, **INSTEX**. Belgium, Denmark, Finland, the Netherlands and Sweden became shareholders, alongside non-EU Member Norway²⁰⁶, later being joined by Spain. However, INSTEX did not process its first transaction until March 2020, facilitating the export of medical goods after Iran had been hit by the COVID-19 pandemic²⁰⁷. Nor did it overcome private sector reluctance to be seen in breach of US sanctions, a clear preference being to retain access to the US market and avoid fines by OFAC²⁰⁸, a particularly acute danger following the US threat to sanction anyone using the channel²⁰⁹. As a result, there was scarce trade between the EU and Iran despite INSTEX, which caused tensions with an Iranian leadership unconvinced of European commitment to re-launch bilateral business. In March 2023, barely four years after its creation in January 2019, shareholders dissolved the entity citing continued obstruction from Iran²¹⁰.

In addition to the development of INSTEX by three Member States, Brussels reactivated the dormant **Blocking Statute** of 1996²¹¹. Resort to this legislation followed by expiry of the waiver exempted EU firms from any effects resulting from the Helms-Burton Act, which penalises companies conducting business with Cuba. Since the Blocking Statute had remained in force despite the waivers, the Commission could add US sanctions against Iran to its annex. With this move, Brussels unequivocally rebuffed the

²⁰³ G. Fontanelli, 'Cosi la tagliola delle nuove sanzioni USA contro l'Iran può chiudersi sulle imprese italiane', *Panorama*, 24 May 2018.

²⁰⁴ C. Portela 'How the EU learned to love sanctions', in M. Leonard (ed), *Connectivity Wars*, European Council on Foreign Relations, London, 2016, pp. 36-42.

²⁰⁵ A. Falke, 'The EU-US conflict over sanctions policy: confronting the Hegemon', *European Foreign Affairs Review*, Vol 5, No 2, 2000, pp. 139-163.

²⁰⁶ Ministry of Foreign Affairs of Finland, 'Joint statement on joining INSTEX by Belgium, Denmark, Finland, the Netherlands, Norway and Sweden', 29 November 2019.

²⁰⁷ A. Brzozowski, 'EU's INSTEX mechanism facilitates first transaction with pandemic-hit Iran', *Euractiv*, 1 April 2020.

²⁰⁸ F. Giumelli and M. Onderco, 'States, firms, and security: How private actors implement sanctions, lessons learned from the Netherlands', *European Journal of International Security* Vol 6, No 2, 2021, pp. 190-209.

²⁰⁹ A. Brzozowski, 'EU's INSTEX mechanism facilitates first transaction with pandemic-hit Iran', *Euractiv*, 1 April 2020.

²¹⁰ British Foreign, Commonwealth & Development Office, 'The 10 INSTEX shareholder states have decided to liquidate INSTEX due to continued obstruction from Iran: E3 statement', Press Release, UK Government, 9 March 2023.

²¹¹ European Commission, *Commission Delegated Regulation (EU) 2018/1100 of 6 June 2018 - amending the Annex to Council Regulation (EC) No 2271/96 protecting against the effects of extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom*, *Official Journal of the European Union*, OJ L199/1, 7 August 2018.

extraterritorial application of sanctions. However, since the legislation makes it illegal for European companies to comply with US sanctions, they face the precarious choice between risking fines and exclusion from the US market, or breaching EU law. This Blocking Statute has since been criticised for downloading the transatlantic dispute to firms rather than solving the problem at a political level²¹² and consequently the Commission announced its intention to update the Blocking Statute, albeit action is still pending.

4.4 Other relevant reform initiatives

Alongside exponential developments in the field of CFSP restrictive measures, an inter-institutional political agreement to design a new **Anti-Coercion Instrument** (ACI)²¹³ was concluded between the Council and the EP. Besides agreeing on possible measures to respond to a third party's coercive behaviour against the EU – such as increased customs duties, import or export licences and restrictions in the field of services or public procurement – this political agreement also settled the key issue of institutional balance between the Commission and the Council. Whereas the Council – and hence the Member States – will determine what constitutes economic coercion and have a role in determining the EU's response measures, implementing power will rest with the Commission. This critical difference in responsibility between the ACI and CFSP restrictive measures reflects an attempt by EU institutions predominantly to focus the ACI's application as a tool to counter trade conflicts rather than foreign and security policy conflicts. At the same time, these developments in the two fields of trade or CFSP align, in that practitioners and stakeholders in all EU institutions who have previously worked in either field will in future have to establish new working relationships and understandings.

Executing the **European Economic Security Strategy**, as proposed by Commission president Ursula von der Leyen in spring 2023 and presented by the Commission on 20 June 2023, will represent a specific development from this evolving relationship²¹⁴. A similar pathway has been opened by Commissioner McGuinness' reform suggestion about possibly enhancing the new EU **Anti-money Laundering Authority's** role²¹⁵ to include overseeing (specific parts of) the implementation of CFSP restrictive measures. Tellingly, this idea has yet to be underpinned with a specific proposal. It should therefore be considered whether such institutionalisation in practice would solve the fundamental challenges: dissimilar conceptions, functioning and the operational capacities of Member States' national sanctions implementation systems.

A reform initiative that has recently experienced more political traction has been the suggestion by some Member States, such as Germany and France, to **extend the European Public Prosecutor's Office (EPPO)'s competences** to violations of EU restrictive measures²¹⁶. Related thoughts have also been expressed by the EP's president and by some EP groups²¹⁷. The EPPO has itself responded positively to an

²¹² T. Ruys and C. Ryngaert, '[Secondary Sanctions: A weapon out of control? The International legality of, and European responses to, US secondary sanctions](#)', *British Yearbook of International Law*, 2020.

²¹³ Council of the European Union, '[Trade: political agreement on the anti-coercion instrument](#)', Press Release, 239/23, 28 March 2023.

²¹⁴ European Commission, '[Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre](#)', SPEECH/23/2063, 30 March 2023; European Commission, '[Joint Communication to the European Parliament, the European Council and the Council on "European Economic Security Strategy"](#)', JOIN(2023) 20 final, 20 June 2023.

²¹⁵ C. Remeur, '[Anti-money-laundering authority \(AMLA\): Countering money laundering and the financing of terrorism](#)', European Parliamentary Research Service, European Parliament, PE 733.645, May 2023.

²¹⁶ E. Dupond-Moretti, M. Buschmann, '[Violations of EU sanctions must be prosecuted by the European Public Prosecutor's Office](#)', *Le Monde*, 29 November 2023.

²¹⁷ EPPO, '[European Chief Prosecutor Laura Kövesi meets the President of European Parliament Roberta Metsola](#)', European Public Prosecutor's Office, 26 October 2022; C. Rhawi, '[Expand EPPO's mandate to stop Russian oligarchs from circumventing EU sanctions](#)', *Renew Europe*, 14 June 2023.

inquiry from Commissioner Reynders about a possible extension of the mandate²¹⁸. In January 2023, the Commissioner confirmed to the EP that ‘the Commission has started assessing what role the EPPO could play in the investigation and prosecution of violations of EU restrictive measures (sanctions)’ while emphasising that an extension of the EPPO’s mandate into the field of restrictive measures would require a unanimous decision by the European Council, cf. Article 86(4) TFEU²¹⁹. A specific reform proposal has yet to be tabled.

Pan-European discussions around the use of restrictive measures have lately seen a substantial uptick among research institutions, think tanks and civil society. Based on citizens consultations, **The Conference on the Future of Europe**, for example, recommended to the EU that ‘[sanctions] against third countries should be proportional to the action that triggered it and be effective and applied in due time’²²⁰. In pointing to the critical issue of proportionality, the Conference called on policy-makers to use sanctions instruments in a measured way fit for the policy problem at hand. Such reminders are not least relevant in times where the EU – and other Western polities – use sanctions as projected solutions to different and difficult foreign security policy challenges. Focusing on proportionality mitigates the risk that comes with ‘having such a powerful hammer, [which] means that all of the world’s challenges can appear as nails’²²¹.

5 Conclusions and recommendations

5.1 Synthesis of findings

Being conducted during times when the EU’s approach to the use of sanctions is subject to significant changes, this Study has sought to focus on a range of general questions and challenges that EU stakeholders are confronted with in the fields of sanctions implementation and enforcement.

This has demonstrated how Member States and institutions are evolving in their respective roles and responsibilities, either those determined by EU treaties or established in practice over the past decades. Such changing approaches are visible in all phases of the sanctions policy cycle.

The planning phase:

- **Has recently undergone major transformations regarding the inter-institutional balances:** this is specifically the case between the Commission and the Council. Not least in planning the Russia sanctions in 2022, the Commission has taken a much more proactive role in terms of coordinating positions and finding consensus.
- **Is characterised by increasingly important international sanctions coalitions:** sanctions planning is not only subject to change internally between EU Member States, but also externally with like-minded partners and members of an evolving international sanctions coalition formed mainly out of deliberations in the G7. As illustrated in the Study, this external coordination with third-countries also has its limits, particularly because many non-Western EU partners often take a critical stance towards the legitimacy of using unilateral coercive measures.
- **Demonstrates how international coordination is paramount:** any political hesitance and disagreement to engage in the planning and adoption of sanctions in coordination with international partners also has a direct bearing on the EU’s abilities to implement and enforce sanctions at home.

²¹⁸ EPPO, ‘[European Chief Prosecutor Laura Kövesi speaks at the Bundestag](#)’, European Public Prosecutor’s Office, 9 November 2022.

²¹⁹ European Parliament, ‘[Answer given by Mr Reynders on behalf of the European Commission](#)’, E-003966/2022(ASW), 23 January 2023.

²²⁰ Conference on the Future of Europe, ‘[Report on the final outcome](#)’, Report, May 2022.

²²¹ D. Mortlock and B. O’Toole, ‘[US sanctions: Using a coercive and economic tool effectively](#)’, Issue Brief, Atlantic Council, 8 November 2018.

The implementation phase:

- **Remains an area where many Member States still need to enhance and streamline their actions:** as demonstrated in the case studies, Member States have widely different sanctions implementation systems and allocated resources. The various numbers and types of NCAs engaged in 27 different domestic contexts make it difficult for EU economic operators, particularly when working across the Union, to seek the correct legal guidance and licences under each EU sanctions regime. This, in turn, might undermine the internal market's equity.
- **Is characterised by a scattered NCA landscape which complicates cross-EU knowledge sharing on the expert level:** for instance, a specific NCA involved in sanctions implementation or enforcement in one Member State might not have a direct counterpart in another Member State. The complex conglomerate of NCAs also means that at best only very few stakeholders in the Commission can view the various national sanctions implementation systems and thus help to establish contacts and create mutual understandings across the EU.
- **Demands from EU institutions to provide legal clarity at a detailed level:** on the one hand, EU institutions – wary that sanctions implementation and enforcement remains an area of subsidiarity – are sometimes overly reluctant to present NCAs or economic operators with clear and actionable interpretations of CFSP Regulations. Member States, on the other hand, do not agree with how much legal and practical weight should be given to the Commission's written guidance and FAQs when interpreting certain sanctions provisions in their national contexts.
- **Needs further work in the field of enforcement:** the extensive work on a new Directive for defining sanctions as Euro crimes is commendable. Nevertheless, major discrepancies will remain between Member States, which underscores the need for more detailed policy debates on how to improve the streamlining of EU actions in this field.

The monitoring and evaluation phase:

- **Has in recent years received heightened attention across institutions:** this has impacted positively the EU's joint capacities to oversee and adjust its sanctions regimes. Organisational reforms implemented by the current Commission have helped to streamline various DGs' engagement in the sanctions field and helped to create a much clearer distinction of tasks to be conducted by the EEAS, the Commission and the Council.
- **Is subject to a broad range of organisational innovations:** these changes do not merely raise the monitoring and oversight capacities of key Brussels-based actors, such as DG FISMA. They also enhance the documentation and reporting obligations for NCAs, which, particularly in national implementation systems with limited resources, can be seen as an additional burden to already strained human resources.
- **Needs to be further developed in terms of information-sharing:** the responsibility and accountability of all stakeholders involved in the monitoring and evaluation of sanctions implementation and enforcement needs to be improved. This is not least the case in terms of ensuring that institutions' information requests to Member States are specific and concise. Such enhanced precision, in turn, also makes it paramount that NCAs respond to requests in a timely and comprehensive manner.

For the EP:

- **This developing landscape also calls for action:** despite the level of information-sharing and coordination between Member States and amongst EU institutions primarily responsible in CFSP sanctions field being anything but straightforward, the tendency is nevertheless positive. The

Commission, the EEAS and the Council are enhancing their capacities and such expertise, experience and knowledge among stakeholders in these institutions will be increasing further over the coming years. If the EP and its Members wish to enhance their role in monitoring the development and implementation of one of the CFSP's most used instruments, they should engage in nurturing and expanding their own capacities in the field.

5.2 Recommendations for EU institutions and Member States

Based on these findings, four recommendations are now suggested for EU institutions and Member States formally engaged in the implementation and enforcement of restrictive measures:

- **Agree on a joint definition of NCAs and the tasks they are designated to undertake:** at the same time, respect must be applied to the principle of subsidiarity, in that extreme discrepancies between Member States' designations of NCAs runs counter to the aim of enhancing implementation and enforcement capacities across the EU. Hence, instead of leaving it completely open for Member States to define the type of NCAs designated in EU regulations, they should agree on certain key responsibilities that need to be pinned to a specific NCA in each national context, including overall coordination; financial issues; arms and dual-use measures; and trade arrangements. Such standardisation of NCA typologies would not only make it easier for economic operators to understand which authority to contact for a specific sanctions-related issue, but it would also facilitate clearer coordination between NCAs and stakeholders in EU institutions holding a specific responsibility or expertise for a given sanctions area.
- **Ensure adequate guidance for EU economic operators to support their compliance with sanctions legislation:** fresh attention devoted to detecting, prosecuting and punishing sanctions violations ought to be matched by a comparable effort to guide economic operators and civil society actors in their implementation of sanctions. Deficiencies in sanctions implementation emanating from a lack of awareness among private sector stakeholders should be addressed by NCAs' proactive contact efforts²²², mindful that most EU economic operators are small and medium sized enterprises having little familiarity with sanctions legislation duties, given that economic measures were narrow and infrequent in past practice²²³. The EP should encourage the Commission to continue its efforts in improving support given to economic operators and civil society, following the EESC's opinion²²⁴.
- **Enhance the involvement of implementation and enforcement expertise in the planning phase of sanctions regimes:** not least in times where the EU is enhancing its use of sectoral sanctions measures, it is becoming evident how sanctions are implemented at the intersection of security policies and state-market relations. The Russian sanctions of 2022 proved how they can have negative intended and unintended implementation consequences for the sanction sender both in security-related and economic fields. Solid sanctions planning is therefore heavily contingent on integrating relevant expertise and lessons learned from both the public²²⁵ and private sectors²²⁶. EU institutions and Member States should thus enhance the involvement of such

²²² R. Druláková and S. Zemanová, '[Why the implementation of multilateral sanctions does \(not\) work: lessons learnt from the Czech Republic](#)', *European Security*, Vol 29, No 4, 2020, pp. 524-544.

²²³ C. Portela, '[The changing nature of targeted sanctions: Evolution and assessment](#)', in A. Kellerhals, T. Baumgartner and C. Reber (eds), *European Integration Perspectives in Times of Global Crises*, Europa Institut, Zurich, 2023, pp. 73-87.

²²⁴ European Economic and Social Committee, '[Opinion on the Criminalisation of violations of sanctions](#)', SOC/739-EESC-2022, 22 March 2023.

²²⁵ K. B. Olsen, '[Europa har brug for en bedre strategisk kobling af geoøkonomi og sikkerhedspolitik](#)', DIIS Policy Brief, Danish Institute for International Studies, 2022.

²²⁶ SIFMANet, '[Recommendations for Effective Sanctions Against Russia](#)', Centre for Financial Crime & Security Studies, 2023; K. B. Olsen, '[Goeconomic Diplomacy: Reforming the Instrumentalization of Economic Interdependencies and Power](#)', in P. W. Hare, et al. (eds), *The Palgrave Handbook of Diplomatic Reform and Innovation*, Palgrave Macmillan, London, 2023, pp. 651-673.

expertise and consider consultation formats, including the EP and its Secretariat's participation, that would allow for the involvement of stakeholders outside the traditional CFSP structures in the sanctions planning phase.

- **Design a new horizontal sanctions regime to counter circumvention:** EU institutions and Member States could consider approaching the issue of sanctions circumvention on a more horizontal level, similar to the sanctions regimes levied against perpetrators of human rights, cybercrimes, terrorism, or the proliferation and use of chemical weapons. Stakeholders could consider adopting a new thematic sanctions regime, which can be used to target persons, entities or bodies in third-countries who are systemically involved in circumventing or evading EU sanctions regimes. Instead of anchoring provisions against sanctions circumvention in each specific regime (as was done in the 11th package²²⁷ amending the regime targeting Russia), a horizontal regime would give the Council a more general and holistically applicable instrument to target circumvention in all regimes implemented by the EU. Just as is the case with other horizontal sanctions regimes, those targeted at sanctions circumvention and evasion could help to establish a sufficiently deterrent and dissuasive tool that can be utilised quickly, specifically and upon demand by EU institutions and Member States to counter and condemn malign actors by imposing individual sanctions upon them. Such a regime should be enforceable only under current jurisdictional rules in order to observe traditional EU jurisdictional interpretation and avoid jurisdictional conflicts.

5.3 Recommendations for the EP

Following on from the previous section, four further recommendations are suggested as points of departure for reflecting on how to expand and optimise EP involvement in monitoring and scrutinising EU sanctions implementation and enforcement:

- **Create structures to foster technical understanding and expertise:** CFSP restrictive measures form a key tool which is not only complex, but also highly diverse. No two EU sanctions regimes are the same, which means that implementation and enforcement efforts will differ. Hence, for MEPs to engage in sanctions monitoring at a detailed and consistent level, it is essential that organisational structures are created which can not only foster sufficient knowledge on the issue, but also enhance its consultative and scrutiny role (as foreseen in Article 36 of the Treaty on European Union). This could be done in the short term by further formalising the activities and terms of reference for the nascent AFET Working Group on sanctions. In the medium term, the EP could consider establishing a Subcommittee on Sanctions, much like the Subcommittee on Human Rights and the Subcommittee on Security and Defence.
- **Build and retain technical expertise among EP advisors:** the EP Secretariat should consider employing staff with specific expertise in the fields of sanctions, anti-money laundering and export controls. Staff endowed with specialised knowledge should be available in key units, such as the Policy Department at the DG External Policies of the Union and the EP Research Service. Such enhancement of specialised human resources will grant MEPs better access to technical knowledge necessary to assess the political, economic and humanitarian effects of such measures. Beyond enhancing the MEPs' understanding of existing implementation and enforcement challenges, staff members equipped with this technical knowledge could help prepare relevant EP

²²⁷ Council of the European Union, '[Council Regulation \(EU\) 2023/1214 of 23 June 2023 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#)', *Official Journal of the European Union*, L 1591, 23 June 2023, pp. 1-329.

resolutions, providing some continuity across legislatures and enhancing the quality of scrutiny. Dedicated training programmes could also be contemplated.

- **Establish an independent monitoring repository:** as EU sanctions are implemented on the level of Member States, problems of implementation and enforcement will often emerge in country-specific contexts without necessarily being reported by international media. This also means that the EP cannot rely on retrieving all relevant information from other EU institutions to assess the viability and effectiveness of the EU's adopted sanctions regimes. To strengthen its independent role in monitoring and scrutinising the effectiveness of sanctions implementation at the Member State level, the EP could build a knowledge base, independent from those of particularly the Council and the Commission, about implementation challenges or possible cases of sanctions violations at a national level. This information, bringing together open source reports and submissions by member state enforcement agencies, should be compiled in a monitoring repository, which would provide MEPs with opportunities to create a systemised overview of EU sanctions implementation and enforcement independently of those collected by the Commission and the Member States, hence vastly increasing their ability to raise critical questions about either specific cases or more systemic issues with other EU institutions and Member States.
- **Demand technical briefings after each new/amended sanctions regime:** AFET, or its specific Working Group, should receive a technical briefing each time an EU sanctions regime is adopted or amended. Besides the presence of the VP/HR and the responsible officials at EEAS, the Commission's increasing centrality in the development of sanctions regimes, most evident in the current sanctions addressing Russian aggression in Ukraine²²⁸, calls for the presence of officials from the sanctions unit at DG FISMA. This briefing should ensure that MEPs are familiarised with each development on the EU sanctions map, their underlying rationales and their expected impact. So far, AFET debates tend to centre on the request to impose, tighten and occasionally lift sanctions, but little attention is paid to issues surrounding the design or composition of sanctions packages. Hence, a more structured dialogue with other EU institutions around specific sanctions measures would enhance MEPs' understanding of sanctions while affording them increased opportunities for scrutiny. Over time, as MEPs improve their understanding of sanctions and their use by Council and Commission, the quality of their scrutiny would improve and eventually become more influential in policy design and management. Without formal powers in the sanctions decision-making process, the EP can use the traditional tools of parliamentary scrutiny to increase its influence²²⁹ by providing informed recommendations to guide the design and amendment of CFSP Decisions and Regulations.

²²⁸ C. Håkansson, 'The Ukraine war and the emergence of the European commission as a geopolitical actor', *Journal of European Integration*, 2023; C. Portela and J. Kluge, 'Slow-acting tools. Evaluating EU sanctions against Russia after the invasion of Ukraine', *European Union Institute for Security Studies*, Brief 11, 2022.

²²⁹ M. Goinard, 'The Growing Role of the European Parliament as an EU Foreign Policy Actor', in M. Westlake (ed), *The European Union's New Foreign Policy*, Palgrave Macmillan, London, 2020, pp. 107-124.

6 References

- Alalwani, W. and Shaar, K., '[A Comprehensive Review of the Effectiveness of US and EU Sanctions on Syria](#)', Publication, Middle East Institute, 6 August 2021.
- Baerbock, A., Lahbib, H., Asselborn, J., Hoekstra, W., Aurescu, B., Fajon, T. and Albares Bueno, J. M., '[It's time for more majority decision-making in EU foreign policy](#)', *Politico*, 12 June 2023.
- Barry, B., '[Russian Oligarchs Obscure Their Wealth Through Secretive Isle of Man Network](#)', *Wall Street Journal*, 25 October 2022.
- Biersteker, T. and Portela, C., '[EU sanctions in context: Three types](#)', *European Union Institute for Security Studies*, Brief No 26, July 2015.
- Borrell, J., '[Yes, sanctions against Russia are working](#)', *A window to the world blog*, 28 August 2023.
- Borzyskowski, I. and Portela, C., '[Sanctions cooperation and regional organisations](#)', in S. Aris et al. (eds), *Inter-organisational Relations in International Security*, Routledge, Abingdon, 2018.
- Boscia, S., '[UK sanctions "fixers" hiding money for oligarchs Abramovich and Usmanov](#)', *Politico*, 12 April 2023.
- British Foreign, Commonwealth & Development Office, '[The 10 INSTEX shareholder states have decided to liquidate INSTEX due to continued obstruction from Iran: E3 statement](#)', Press Release, UK Government, 9 March 2023.
- Brzoska, M., '[Research on the effectiveness of international sanctions](#)', in H. Hegemann, R. Heller and M. Kahl (eds), *Studying 'effectiveness' in International Relations*, Verlag Barbara Budrich, Leverkusen, 2013, pp. 143–160.
- Brzozowski, A., '[EU to extend sanctions framework to target corrupt foreigners](#)', *Euractiv*, 3 May 2023.
- Bundesministerium der Finanzen, '[Erstes Gesetz zur effektiveren Durchsetzung von Sanktionen \(Sanktionsdurchsetzungsgesetz\)](#)', 27 May 2022.
- Bundesministerium der Finanzen, '[Sanktionsdurchsetzungsgesetz II: Sanktionen konsequent umsetzen](#)', 16 December 2022.
- Bundesministerium der Finanzen, '[Voller Einsatz gegen Finanzkriminalität](#)', 25 August 2022.
- Caprile, A. and Delivorias, A., '[EU sanctions on Russia: Overview, impact, challenges](#)', Members' Research Service, European Parliament, PE 739.366, March 2023.
- Cardwell, P. and Moret, E., '[The EU, sanctions and regional leadership](#)', *European Security*, Vol 32, No 1, 2023, pp. 1-21.
- Challet, C., '[A Revolution within the EU's Common Foreign and Security Policy: EU Sanctions Adopted in Reaction to Russia's Aggression](#)', *EU Law Live*, 2022.
- Challet, C., '[Les sanctions de l'Union européenne adoptées en réaction à la guerre en Ukraine – Défis et enjeux pour le contrôle juridictionnel des mesures restrictives](#)', *Revue des affaires européennes*, No 1, 2023.
- Charron, A., Eckert, S. and Portela, C., '[Multilateral sanctions: Growing complexity in a contested world](#)', in A. Charron and C. Portela (eds), *Multilateral Sanctions Revisited. Lessons learned from Margaret Doxey*, McGill-Queen's University Press, Montreal, 2022, pp. 239-246.
- Christie, E., '[The design and impact of Western economic sanctions against Russia](#)', *The RUSI Journal*, Vol 161, No 3, 2016, pp. 52-64.
- Cîrlig, C.C., '[Proposal for a directive on the violation of Union restrictive measures](#)', Briefing, EPRS, European Parliament, PE 751.409, July 2023.
- Conference on the Future of Europe, '[Report on the final outcome](#)', Report, May 2022.

Connolly, R., [‘The Empire strikes back. Economic statecraft and the securitisation of political economy in Russia’](#), *Europe-Asia Studies*, Vol 68, No 4, 2016, pp. 750-773.

Council of Europe, [‘Anti-money laundering and counter-terrorist financing measures’](#), Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism, MONEYVAL (2019)25, December 2019.

Council of the European Union, [‘11th package of sanctions on Russia’s war of aggression against Ukraine: additional 71 individuals and 33 entities included in the EU’s sanctions list and new tools to counter circumvention and information warfare’](#), Press Release, 23 June 2023.

Council of the European Union, [Council Regulation \(EU\) 2023/1214 of 23 June 2023, amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine](#), *Official Journal of the European Union*, OJ L 195I, 23 June 2023.

Council of the European Union, [Council Decision \(CFSP\) 2023/891 of 28 April 2023 concerning restrictive measures in view of actions destabilising the Republic of Moldova](#), *Official Journal of the European Union*, OJ L 114, 2 May 2023.

Council of the European Union, [‘Trade: political agreement on the anti-coercion instrument’](#), Press Release, 239/23, 28 March 2023.

Council of the European Union, [Council Decision \(EU\) 2022/2332 of 28 November 2022 on identifying the violation of Union restrictive measures as an area of crime that meets the criteria specified in Article 83\(1\) of the Treaty on the Functioning of the European Union](#), *Official Journal of the European Union*, OJ L 308/18, 29 November 2022.

Council of the European Union, [‘Nicaragua: EU sanctions regime prolonged for a further year’](#), Press Release, 13 October 2022.

Council of the European Union, [Council Decision \(CFSP\) 2022/1506 of 9 September 2022 - on a European Union action to support the development of information technology tools to improve the dissemination of information on Union restrictive measures](#), *Official Journal of the European Union*, OJ L 232/30, 12 September 2022.

Council of the European Union, [‘Council Regulation \(EU\) 2022/1273 of 21 July 2022 amending Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine’](#), *Official Journal of the European Union*, OJ L 194, 21 July 2022.

Council of the European Union, [‘Russia’s aggression against Ukraine: EU adopts “maintenance and alignment” package’](#), Press Release, 710/22, 21 July 2022.

Council of the European Union, [‘Sanctions: Council requests European Parliament consent to add the violation of restrictive measures to the list of EU crimes’](#), Press Release, 626/22, 30 June 2022.

Council of the European Union, [Restrictive measures \(Sanctions\) - update of the EU Best Practices for the effective implementation of restrictive measures](#), 10572/22, 27 June 2022.

Council of the European Union, [Council Decision \(CFSP\) 2022/243 of 21 February 2022 amending Decision 2013/184/CFSP concerning restrictive measures in view of the situation in Myanmar/Burma](#), *Official Journal of the European Union*, OJ L 40, 21 February 2022.

Council of the European Union, [Council Decision \(CFSP\) 2021/1965 of 11 November 2021 amending Decision \(CFSP\) 2017/2074 concerning restrictive measures in view of the situation in Venezuela](#), *Official Journal of the European Union*, OJ L 400, 12 November 2021.

Council of the European Union, [Council Decision \(CFSP\) 2021/1826 of 18 October 2021 amending Decision \(CFSP\) 2015/1763 concerning restrictive measures in view of the situation in Burundi](#), *Official Journal of the European Union*, OJ L 369, 19 October 2021.

- Council of the European Union, '[Council Decision \(CFSP\) 2021/1277 of 30 July 2021 concerning restrictive measures in view of the situation in Lebanon](#)', *Official Journal of the European Union*, L 277I, 2 August 2021.
- Council of the European Union, '[Council Decision \(CFSP\) 2021/855 of 27 May 2021 amending Decision 2013/255/CFSP concerning restrictive measures against Syria](#)', *Official Journal of the European Union*, OJ L 188, 28 May 2021.
- Council of the European Union, '[Council Decision \(CFSP\) 2019/1720 of 14 October 2019 concerning restrictive measures in view of the situation in Nicaragua](#)', *Official Journal of the European Union*, OJ L 262, 15 October 2019.
- Council of the European Union, '[Guidelines on implementation and evaluation of restrictive measures \(sanctions\) in the framework of the EU Common Foreign and Security Policy](#)', 5664/18, 4 May 2018.
- Council of the EU, '[Council Decision 2013/255/CFSP of 31 May 2013 concerning restrictive measures against Syria](#)', *Official Journal of the European Union*, OJ L 147/14, 1 June 2013.
- Council of the European Union, '[Basic Principles on the Use of Restrictive Measures \(Sanctions\)](#)', 10198/1/04, REV 1, Brussels, 7 June 2004.
- Dall, E., '[A New Direction for EU Sanctions: The New Commission and the Use of Sanctions](#)', Commentary, *The Royal United Services Institute*, 21 November 2019.
- Danmarks Domstole, '[Dom i straffesag om levering af jetbrændstof i strid med EU's sanktioner](#)', *Retten i Odense*, 14 December 2021.
- Davies, H., '[Leak reveals Roman Abramovich's billion-dollar trusts transferred before Russia sanctions](#)', *The Guardian*, 6 January 2023.
- De Vries, A., Portela, C. and Guijarro, B., '[Improving the effectiveness of sanctions: A checklist for the EU](#)', *Centre for European Policy Studies*, CEPS special report No 95, 2014.
- Deutscher Bundestag, '[Zentralstelle für Sanktions-durchsetzung stößt auf Ablehnung](#)', 22 November 2022.
- Ditzel, E. and Bohr, J. K., '[Statsejet selskab har hjulpet russisk olieeksport på trods af sanktioner](#)', *TV2 Nyhederne*, 26 April 2023.
- Dornbierer, A., '[From sanctions to confiscation while upholding the rule of law](#)', *Basel Institute of Governance*, Working paper 42, February 2023.
- Druláková, R. and Přikryl, P., '[The implementation of sanctions imposed by the European Union](#)', *Central European Journal of International and Security Studies*, Vol 10, No 1, 2016, pp. 134-160.
- Druláková, R. and Zemanová S., '[Why the implementation of multilateral sanctions does \(not\) work: lessons learnt from the Czech Republic](#)', *European Security*, Vol 29, No 4, 2020, pp. 524-544.
- Druláková, R., Rolenc, J. M., Travníková, Z. and Zemanová, S., '[Assessing the effectiveness of EU sanctions policy](#)', *Central European Journal of International and Security Studies*, Vol 4, No 1, 2010, pp. 101-121.
- Dupond-Moretti, E. and Buschmann, M., '[Violations of EU sanctions must be prosecuted by the European Public Prosecutor's Office](#)', *Le Monde*, 29 November 2023.
- Dutch Government, '[Non-paper on strengthening EU sanctions capacity and countering sanctions circumvention](#)', Platform open overheidsinformatie, February 2023.
- Early, B., *Busted sanctions: Explaining why economic sanctions fail*, Stanford University Press, Stanford, 2015.
- Eckes, C., '[EU global human rights sanctions regime: is the genie out of the bottle?](#)', *Journal of Contemporary European Studies*, Vol 30, No 2, 2022, pp. 255-269.
- Economic Crime Law, '[The EU proposal on sanctions and confiscation: Good, but not fit-for-purpose?](#)', 26 May 2022.
- El Economista.es, '[España compra a Rusia una cifra histórica de gas en junio y ya es su segundo proveedor](#)', Press Release, 11 June 2022.

- Elliott, K. A., '[US approaches to multilateral sanctions: Co-operation and coercion intertwined](#)', in A. Charron and C. Portela (eds.), *Multilateral Sanctions Revisited. Lessons learned from Margaret Doxey*, McGill-Queen's University Press, Montreal, 2022, pp. 34-50.
- English Latvian Public Broadcasting, '[More sanctions breaches noted in Latvia this year](#)', *Latvian Public Broadcasting*, 21 March 2023.
- English Latvian Public Broadcasting, '[Financial regulator ready for central bank merger from January 1](#)', *Latvian Public Broadcasting*, 28 December 2022.
- EPPO, '[European Chief Prosecutor Laura Kövesi speaks at the Bundestag](#)', European Public Prosecutor's Office, 9 November 2022.
- EPPO, '[European Chief Prosecutor Laura Kövesi meets the President of European Parliament Roberta Metsola](#)', European Public Prosecutor's Office, 26 October 2022.
- Esteban, M. and Portela C., '[EU sanctions against North Korea: Making a stringent UN sanctions regime even tougher](#)', in N. Casarini et al. (eds), *Routledge Handbook of EU-Korea Relations*, Routledge, Abingdon, 2022.
- European Center for Constitutional and Human Rights, '[Joint Letter in support of the complaint submitted to the European Commission on 28 June 2018 against the Government of the Italian Republic - Italy's failure to prevent entry to Ali Mamluk infringes European Union law](#)', 28 June 2018.
- European Commission, '[Joint Communication to the European Parliament, the European Council and the Council on "European Economic Security Strategy"](#)', JOIN(2023) 20 final, 20 June 2023.
- European Commission, '[Consolidated list of persons, groups and entities subject to EU financial sanctions](#)', DG FISMA, April 2023.
- European Commission, '[European Commission sets up central contact point on EU sanctions for foreign authorities and operators](#)', News Article, DG FISMA, 27 April 2023.
- European Commission, '[Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre](#)', SPEECH/23/2063, 30 March 2023.
- European Commission, '[EU appoints David O'Sullivan as International Special Envoy for the Implementation of EU Sanctions](#)', News Article, 13 December 2022.
- European Commission, '[Proposal for a directive of the European Parliament and the of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures](#)', COM(2022) 684 final, 2 December 2022.
- European Commission, '[Commission Guidance Note on the Provision of Humanitarian Aid in Compliance with EU Restrictive Measures \(Sanctions\)](#)', Commission Notice, C(2022) 4486 final, 30 June 2022.
- European Commission, '[Towards a Directive on criminal penalties for the violation of Union restrictive measures](#)', COM(2022) 249 final, 25 May 2022.
- European Commission, '[The European economic and financial system: Fostering openness, strength and resilience](#)', COM/2021/32 final, 19 January 2021.
- European Commission, '[Commission Delegated Regulation \(EU\) 2018/1100 of 6 June 2018 - amending the Annex to Council Regulation \(EC\) No 2271/96 protecting against the effects of extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom](#)', *Official Journal of the European Union*, OJ L199/1, 7 August 2018.
- European Court of Justice, '[Prigozhina v Council](#)', Case T-212/22, para. 105, Judgment of the Court, 8 March 2023.
- European Court of Justice, '[National Iranian Oil Company v Council of the European Union](#)', Case C-440/14, para 18-19, Judgment of the Court, 1 March 2016.
- European Court of Justice, '[Bouchra Al Assad v Council of the European Union](#)', Case T-202/12, para. 99, Judgment of the Court, 12 March 2014.

European Court of Justice, '[Pye Phyo Tay Za v Council of the European Union](#)', Case C-376/10, Judgment of the Court, 13 March 2012.

European Court of Justice, '[Criminal proceedings against Mohsen Afrasiabi and Others](#)', Case C-72/11, Judgment of the Court, 21 December 2011.

European Court of Justice, '[Kadi and Al Barakaat International Foundation v Council and Commission](#)', joined Cases C 402/05 P and C 415/05, para. 166, Judgment of the Court, 3 September 2008.

European Economic and Social Committee, '[Opinion on the Criminalisation of violations of sanctions](#)', SOC/739-EESC-2022, 22 March 2023.

European Parliament, '[Definition of criminal offences and penalties for the violation of Union restrictive measures](#)', procedure file, 2022/0398(COD), July 2023.

European Parliament, '[Report on the proposal for a directive of the European Parliament and of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures, \(COM\(2022\)0684 – C9-0401/2022 – 2022/0398\(COD\)\)](#)', A9-0235/2023, 7 July 2023.

European Parliament, '[Asset recovery and confiscation](#)', procedure file, 2022/0167(COD), June 2023.

European Parliament, '[Answer given by Mr Reynders on behalf of the European Commission](#)', E-003966/2022(ASW), 23 January 2023.

European Parliament, '[European Parliament resolution of 18 January 2023 on the implementation of the common foreign and security policy – annual report 2022 \(2022/2048\(INI\)\)](#)', P9_TA(2023)0009, 18 January 2023.

European Parliament, '[Identification of the violation of Union restrictive measures as crimes under Article 83\(1\) of the TFEU](#)', legislative resolution, 2022/0176(NLE), 7 July 2022.

European Parliament, '[Recommendation of 8 June 2022 to the Council and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on the EU's Foreign, Security and Defence Policy after the Russian war of aggression against Ukraine \(2022/2039\(INI\)\)](#)', P9_TA(2022)0235, 8 June 2022.

European Parliament, '[Resolution on the social and economic consequences for the EU of the Russian war in Ukraine – reinforcing the EU's capacity to act \(2022/2653\(RSP\)\)](#)', P9_TA(2022)0219, 19 May 2022.

European Union, '[Consolidated version of the Treaty on the Functioning of the European Union](#)', 13 December 2007, Official Journal of the European Union (OJ C 115/47) of 9 May 2008.

European Union, '[Treaty on European Union \(Consolidated Version\)](#), [Treaty of Maastricht](#)', 7 February 1992, Official Journal of the European Communities C 325/5; 24 December 2002.

Euro SIFMANet, '[European Sanctions and Illicit Finance Monitoring and Analysis Network: Berlin Report](#)', Conference Report, *Royal United Services Institute for Defence and Security Studies*, December 2022.

Ewing, J. and Kramer, A. E., '[Germany's Siemens Says Russian Partner Violated Crimea Sanctions](#)', *New York Times*, 10 July 2017.

Falke, A., '[The EU-US conflict over sanctions policy: confronting the Hegemon](#)', *European Foreign Affairs Review*, Vol 5, 2000, pp. 139-163.

Financial Action Task Force (FATF), '[Anti-Money Laundering and Counter-Terrorist Financing Measures – Spain, Fourth Round Mutual Evaluation Report](#)', 2014.

Finelli, F., '[Countering Circumvention of Restrictive Measures: The EU Response](#)', *Common Market Law Review*, Vol 60, 2023, pp. 733–762.

Fleming, S. and Bounds, A., '[Brussels pushes for tougher sanctions enforcement via EU-wide body](#)', *Financial Times*, 3 July 2022.

- Fontanelli, G., 'Cosi' la tagliola delle nuove sanzioni USA contro l'Iran può chiudersi sulle imprese italiane', *Panorama*, 24 May 2018.
- Fox, T. and Shaar, K., '[Syria using maze of shell companies to avoid sanctions on Assad regime's elite](#)', *The Guardian*, 22 March 2022.
- Friis, M., Frandsen, M., Fischer, A., Gertsen, L. and Sørensen, L. M., '[OVERBLIK Sagen om Dan-Bunkering og jetbrændstof til Syrien](#)', *DR Nyheder*, 25 June 2019.
- Gavin, G., '[EU wants to put the squeeze on Russian crude smugglers](#)', *Politico*, 11 May 2023.
- Gavin, G., '[Fight against 'shadow fleet' shipping Russian oil takes EU into uncharted waters](#)', *Politico*, 22 May 2023.
- Genocide Network, [Prosecution of sanctions \(restrictive measures\) violations in national jurisdictions: a comparative analysis](#), Expert Report, EUROJUST, December 2021.
- Gestri, M., '[Sanctions imposed by the European Union: Legal and institutional aspects](#)', in Ronzitti, N. (ed), *Coercive Diplomacy, Sanctions and International Law*, Brill Nijhoff, Leiden, pp. 70-102, 2016.
- Giumelli, F., '[Implementation of Sanctions: European Union](#)', in M. Asada (ed), *Economic Sanctions in International Law and Practice*, Routledge, Abingdon, 2020, pp. 116-135.
- Giumelli, F., et al., '[The when, what, where and why of European Union sanctions](#)', *European Security*, Vol 30, No 1, 2021, pp. 1-23.
- Giumelli, F. et al., '[United in Diversity? A Study on the Implementation of Sanctions in the European Union](#)', *Politics and Governance*, Vol 10, No 1, 2022, pp. 36-46.
- Giumelli, F. and Onderco, M., '[States, firms, and security: How private actors implement sanctions, lessons learned from the Netherlands](#)', *European Journal of International Security* Vol 6, No 2, 2021, pp. 190-209.
- Goinard, M., '[The Growing Role of the European Parliament as an EU Foreign Policy Actor](#)', in M. Westlake (ed), *The European Union's New Foreign Policy*, Palgrave Macmillan, London, 2020, pp. 107-124.
- Golumbic, C. and Ruff, R., '[Who do I call for an EU sanctions exception? Why the EU economic sanctions regime should centralize licensing](#)', *Georgetown Journal of International Law*, Vol 44, 2013, pp. 1007-1053.
- Government of Canada, '[Special Economic Measures Act](#)', S.C. 1992, c. 17, 21 August 2023.
- Governments of Estonia, Latvia, Lithuania and Slovakia, '[Joint Statement Calling to use the frozen Russian assets for rebuilding Ukraine](#)', 24 May 2022.
- Habib, B., '[The enforcement problem in Resolution 2094 and the United Nations Security Council sanctions regime: sanctioning North Korea](#)', *Australian Journal of International Affairs*, Vol 70, No 1, 2016, pp. 50-68.
- Hadjicostis, M., '[Cyprus behind on freezing Russian assets, EU official says](#)', *Ekatimerini*, 5 May 2023.
- Håkansson, C., '[The Ukraine war and the emergence of the European commission as a geopolitical actor](#)', *Journal of European Integration*, 2023.
- Hellquist, E., '[Either with us or against us? Third-country alignment with EU sanctions against Russia/Ukraine](#)', *Cambridge Review of International Affairs*, Vol 29, No 3, 2016, pp. 997-1021.
- Helwig, N., Jokela, J. and Portela, C., '[Sharpening EU sanctions policy](#)', Finnish Institute of International Affairs [Study commissioned by the Office of the Prime Minister of Finland], FIIA Report 63, Helsinki, 2020.
- Hille, P., '[FinCEN Files: The art of evading sanctions](#)', *Deutsche Welle*, 24 September 2020.
- Hofer, A., '[Creating and contesting hierarchy: the punitive effect of sanctions in a horizontal system](#)', *Revista CIDOB d'Afers Internacionals*, Vol 125, 2020, pp. 15-37.
- Hofer, A., '[The developed/developing divide on unilateral coercive measures: Legitimate enforcement or illegitimate intervention?](#)', *Chinese Journal of International Law*, Vol 16, No 2, 2017, pp. 175-214.
- Hovi, J., Huseby, R. and Sprinz, D., '[When Do \(Imposed\) Economic Sanctions Work?](#)', *World Politics*, Vol 57, No 4, 2005, pp. 479-499.

- Hufbauer, G., Schott, J. and Elliott, K. A., *Economic Sanctions Reconsidered*, Peterson Institute for International Economics, Washington D.C., 1985.
- Johnson, K., '[EU Offers Up a Meager Workaround to U.S. Iran Sanctions](#)', *Foreign Policy*, 31 January 2019.
- Karasz, P. and Minder, R., '[Gibraltar Seizes Syria-Bound Tanker Thought to Be Carrying Iranian Oil](#)', *New York Times*, 4 July 2019.
- Kjeldsen, S. F. and Olsen, K. B., *Strict and Uniform: Improving EU Sanctions Enforcement*, German Council on Foreign Relations, DGAP Policy Brief, 2022.
- Latvian Ministry of Foreign Affairs, '[Competent Authorities regarding National and International Sanctions](#)', 18 August 2021.
- Leutenegger, M., '[Despite criticism, the Swiss say they're model enforcers of Russia sanctions](#)', *Swissinfo*, 3 July 2023.
- Lonardo, L., '[Restrictive Measures: Constitutional Issues, Classification, Judicial Review](#)', in L. Lonardo (ed), *EU Common Foreign and Security Policy after Lisbon*, Springer, Cham, 2023.
- Markovskis, K., '[A year of sanctions against Russia: risks still remain high](#)', *Latvijas Banka*, 14 March 2023.
- Marks, S., '[Belgian exporters found guilty of sending chemicals to Syria](#)', *Politico*, 7 February 2019.
- Martin, E., '[La politique de sanctions de l'Union Européenne. Ambition multilatéral contre logique de puissance](#)', *Institut français des relations internationales*, Etudes de l'Ifri, 2019.
- Martini, M., '[Enforcing sanctions against Russian kleptocrats just got harder](#)', *Politico*, 3 January 2023.
- Matthijs, M. and Meunier, S., '[Europe's Geoeconomic Revolution. How the EU learned to wield its real power](#)', *Foreign Affairs*, September/October 2023.
- Meissner, K., '[How to sanction international wrongdoing? The design of EU restrictive measures](#)', *Review of International Organisations*, Vol 18, No 1, 2023, pp. 61-85.
- Meissner, K. and Graziani, C., '[The transformation and design of EU restrictive measures against Russia](#)', *Journal of European Integration*, Vol 45, No 3, 2023, pp. 377-394.
- Meissner, K. and Portela C., '[Beyond Foreign Policy? EU Sanctions at the Intersection of Development, Trade, and CFSP](#)', *Politics and Governance*, Vol 10, No 1, 2022, pp. 1-4.
- Miadzvetzkaya, Y. and Challet, C., '[Are EU restrictive measures really targeted, temporary and preventive?](#)', *Europe and the World: A law review*, Vol 6, No 1, 2022, pp. 1-19.
- Ministry of Foreign Affairs of Finland, '[Joint statement on joining INSTEX by Belgium, Denmark, Finland, the Netherlands, Norway and Sweden](#)', 29 November 2019.
- Moret, E., '[Humanitarian impacts of economic sanctions on Iran and Syria](#)', *European security*, Vol 24, No 1, 2015, pp. 120-140.
- Moret, E., Biersteker, T., Giumelli, F., Portela, C., Veber, M., Bastiat-Jarosz, D., *The New Deterrent*, Graduate Institute, Geneva, 2016.
- Morgan, C., Bapat, N. and Krustev, V., '[The Threat and Imposition of Economic Sanctions, 1971-2000](#)', *Conflict Management and Peace Science*, Vol 26, No 1, 2009, pp. 92-110.
- Mortlock, D. and O'Toole, B., '[US sanctions: Using a coercive and economic tool effectively](#)', Issue Brief, Atlantic Council, 8 November 2018.
- News Wires, '[France urges Europe to push back against 'unacceptable' US sanctions on Iran](#)', *France 24*, 11 May 2018.
- Öberg, J., '[Do we really need criminal sanctions for the enforcement of EU law?](#)', *New Journal of European Criminal Law*, Vol 5, No 3, 2014, pp. 370-387.
- OFAC, '[Basic Information on OFAC and Sanctions](#)', Office of Foreign Assets Control, U.S. Department of the Treasury.

- Olsen, K. B., '[Goeconomic Diplomacy: Reforming the Instrumentalization of Economic Interdependencies and Power](#)', in P. W. Hare et al. (eds), *The Palgrave Handbook of Diplomatic Reform and Innovation*, London, Palgrave Macmillan, Cham, 2023, pp. 651-673.
- Olsen, K. B., '[Diplomatic Realisation of the EU's "Goeconomic Pivot": Sanctions, Trade, and Development Policy Reform](#)', *Politics and Governance*, Vol 10, No 1, 2022, pp. 5-15.
- Olsen, K. B., '[Europa har brug for en bedre strategisk kobling af geoøkonomi og sikkerhedspolitik](#)', DIIS Policy Brief, Danish Institute for International Studies, 2022.
- Olsen, K. B., *[The Goeconomic Diplomacy of European Sanctions: Networked Practices and Sanctions Implementation](#)*, Brill, Leiden, 2022.
- Olsen, K. B., '[The Sanctioning of Warfare: Early lessons from the EU's goeconomic response to Russia's invasion of Ukraine](#)', *Danish Institute for International Studies*, DIIS Research Report, 2022.
- Olsen, K. B., '[Diplomats, Domestic Agency and the Implementation of Sanctions: The MFAs of France and Germany in the Age of Goeconomic Diplomacy](#)', *The Hague Journal of Diplomacy*, Vol 15, No 1-2, 2020, pp. 126-154.
- Pape, R., '[Why Economic Sanctions Still Do Not Work](#)', *International Security*, Vol 23, No 1, 1998, pp. 66-77.
- Parliament of Latvia, '[Starptautisko un Latvijas Republikas nacionālo sankciju likums](#)', 2021/200.11, 15 October 2021.
- Parliament of Latvia, '[Starptautisko un Latvijas Republikas nacionālo sankciju likums](#)', 2016/31.1, 15 February 2016.
- Parliament of Latvia, '[Krimināllikums](#)', 199/200, 8 July 1998.
- Poeschke, O., '[Maastrichts langer Schatten: Das auswärtige Handeln der EU – Verschiebungen im institutionellen Gefüge?](#)', *Hamburg Review of Social Sciences*, Vol 3, No 1, 2008, pp. 37-69.
- Poli, S. and Finelli, F., '[Context specific and structural changes in the EU restrictive measures adopted in reaction to Russia's aggression on Ukraine](#)', *Rivista Eurojus*, Vol 3, 2023, pp. 19-49.
- Portela, C., 'The changing nature of targeted sanctions: Evolution and assessment', in A. Kellerhals, T. Baumgartner and C. Reber (eds), *European Integration Perspectives in Times of Global Crises*, Europa Institut, Zurich, 2023, pp. 73-87.
- Portela, C., '[Sanctions, conflict and democratic backsliding](#)', *European Institute for Security Studies*, Brief 6, 2022.
- Portela, C., '[Creativity wanted: Countering the extraterritorial effects of US sanctions](#)', *European Institute for Security Studies*, Brief 22, 2021.
- Portela, C., '[EU horizontal sanctions regimes: Questions of interface](#)', in S. Lohmann and J. Vorrath (eds), *International Sanctions: Improving Implementation through Better Interface Management*, Working Paper, German Institute for International and Security Affairs, Berlin, 2021.
- Portela, C., '[Horizontal sanctions regimes: Targeted sanctions reconfigured?](#)', in C. Beaucillon (ed.), *Research Handbook on Unilateral and Extraterritorial Sanctions*, Edward Elgar, Cheltenham, 2021, pp. 441-457.
- Portela, C., '[Implementation and enforcement](#)', in N. Helwig et al., *Sharpening EU sanctions policy*, Finnish Institute of International Affairs [Study commissioned by the Office of the Prime Minister of Finland], FIIA Report 63, Helsinki, 2020.
- Portela, C., '[Targeted sanctions against individuals on grounds of grave human rights violations – impact, trends and prospects at EU level](#)', Policy Department for External Relations, European Parliament, PE 603.869, April 2018.
- Portela, C., '[Sanctions and the European Neighbourhood Policy](#)' in T. Demmelhuber, A. Marchetti and T. Schumacher (eds), *Routledge Handbook on the European Neighbourhood Policy*, Routledge, Abingdon, 2017.

- Portela, C., '[How the EU learned to love sanctions](#)', in M. Leonard (ed), *Connectivity Wars*, European Council on Foreign Relations, London, 2016, pp. 36-42.
- Portela, C., '[The EU, China and the Iranian nuclear question](#)' in J. Wouters et al. (eds), *China, the EU and the Developing World*, Edgar Elwar, Cheltenham, 2015.
- Portela, C., '[European Union Sanctions as a Foreign Policy Tool: Do They Work?](#)', in S. Gareis, G. Hauser and F. Kernic (eds), *Europe as a Global Actor*, Budrich, Opladen, 2012, pp. 429-440.
- Portela, C., '[The EU sanctions operation against Syria: Conflict management by other means](#)', *UNISCI Journal*, Vol 23, No 1, 2012, pp. 151-158.
- Portela, C., '[Impact of sanctions and isolation measures with North Korea, Burma/Myanmar, Iran and Zimbabwe as case studies](#)', Policy Department for External Relations, European Parliament, PE 433.794, May 2011.
- Portela, C. and Kluge, J., '[Slow-acting tools. Evaluating EU sanctions against Russia after the invasion of Ukraine](#)', *European Union Institute for Security Studies*, Brief 11, 2022.
- Portela, C., Pospieszna, P., Skrzypczyńska, J. and Walentek, D., '[Consensus against all odds: Explaining the persistence of EU sanctions on Russia](#)', *Journal of European Integration*, Vol 43, No 6, 2021, pp. 683-99.
- Pursiainen, A., '[Targeted EU Sanctions and Fundamental Rights](#)', Solid Plan Consulting, 2017.
- Remeur, C., '[Anti-money-laundering authority \(AMLA\): Countering money laundering and the financing of terrorism](#)', European Parliamentary Research Service, European Parliament, PE 733.645, May 2023.
- Reuters Staff, '[Dutch firms probed for alleged breaches of EU sanctions on Russia](#)', *Reuters*, 4 May 2018.
- Rhawi, C., '[Expand EPPO's mandate to stop Russian oligarchs from circumventing EU sanctions](#)', *Renew Europe*, 14 June 2023.
- Russell, M., '[Western sanctions and Russia: What are they? Do they work?](#)', European Parliamentary Research Service, European Parliament, PE 698.930, February 2022.
- Ruys, T. and Ryngaert, C., '[Secondary Sanctions: A weapon out of control? The International legality of, and European responses to, US secondary sanctions](#)', *British Yearbook of International Law*, 2020.
- Sanchis, A., '[Rusia ha encontrado una manera de evitar las sanciones y enviar petróleo barato a China: las aguas de Ceuta](#)', *Magnet*, 7 February 2023.
- Schott, J., '[Economic sanctions against Russia: How effective? How durable?](#)', Policy Brief, Peterson Institute for International Studies, Vol 23, No 3, April 2023.
- Senate of Canada, '[Strengthening Canada's Autonomous Sanctions Architecture: Five-Year Legislative Review of the Sergei Magnitsky Law and the Special Economic Measures Act](#)', Committee report, Ottawa, May 2023.
- Servettaz, E., '[A sanctions primer. What happens to the targeted?](#)', *World Affairs*, Vol 177, No 2, 2014, pp. 82-89.
- Sinkkonen, V., '[The United States in the Trump era](#)', in Helwig, N, Jokela, J., Portela, C. (eds), *Sharpening EU Sanctions Policy*, Finnish Institute for International Affairs, 2020, pp. 53-68.
- Stanicek, B. and Caprile, A., '[Russia and the Western Balkans: Geopolitical confrontation, economic influence and political interference](#)', Briefing, European Parliamentary Research Service, PE 747.096, April 2023.
- Stasiukevych, I. and Malovec, M., '[EU sanctions against Russia: alignment of the EU enlargement countries](#)', AFET committee, July 2022.
- Stockbruegger, J., '[The threat from Russia's fleet of "ghost tankers"](#)', *EUObserver*, 13 April 2023.

- Stoll, T., Blockmans, S., Hagemeyer, J., Hartwell, C.A., Gött, H., Karunska, K. and Maurer A., '[Extraterritorial sanctions on trade and investments and European responses](#)', Directorate General for External Policies of the Union, European Parliament, PE 653.618, November 2020
- Strupczewski, J., '[Four EU countries call for use of Russian assets to rebuild Ukraine](#)', *Reuters*, 23 May 2023.
- Syria Legal Development Programme, Baytna, '[Tactics of Sanctions Evasion in Syria](#)', January 2022.
- Szép, V. and Chawla, R., '[The EU's 2022 Sanctions against Russia: External Shocks Altering EU Restrictive Measure Practices?](#)', *Hungarian Yearbook of International Law*, 2023, pp. 196-211.
- Talmon, S., '[Germany takes three and a half years to enforce UN sanctions against North Korea](#)', *GPIL – German Practice in International Law*, 26 October 2021.
- The International Working Group on Russian Sanctions, '[Action Plan 2.0 Strengthening - Sanctions against the Russian Federation](#)', Working Group Paper, No 11, Stanford University, 24 April 2023.
- United Nations Security Council, '[Letter from the Permanent Representatives of China, France, the Russian Federation, the United States and the United Kingdom to the United Nations addressed to the President of the Security Council](#)', S/1995/300, 13 April 1995.
- Urbanski, K., *The European Union and International Sanctions*, Edward Elgar, Cheltenham, 2020.
- Van Elsuwege, P. and Szep, V., '[The Revival of Transatlantic Partnership? EU-US Coordination in Sanctions Policy](#)', in E. Fahey (eds), *The Routledge Handbook on Transatlantic Relations*, Routledge, Abingdon, 2023, pp 81-95.
- Vries, A. de, Portela, C. and Guijarro, B., '[Improving the effectiveness of sanctions: A checklist for the EU](#)', CEPS special report No 95, Centre for European Policy Studies, 2014, Brussels.
- Walther, M., Roder, R., Banaschik, M. and Sethi, B., '[Sanctions Germany](#)', *International Comparative Legal Guides*, 30 September 2022.
- Wolff, G., Hilgenstock, B. and Ribakova, E., '[Toughening Financial Sanctions on Russia](#)', German Council on Foreign Relations, DGAP Policy Brief, 2023.

7 Annexes

7.1 Overview of existing EU sanctions regimes

By August 2023, the EU was holding a total of 49 implemented sanctions regimes targeted against a total of 33 countries. From 41 of those regimes that are partly or completely based on CFSP restrictive measures, 37 have a geographical scope whilst four have horizontal/thematic coverage (chemical weapons, cyber-attacks, human rights, and terrorism).

A total of 3 490 persons and 973 entities were individually listed across all 49 sanctions regimes implemented by the EU.

Country/ Category²³⁰	Specification (Type) and EU legal acts	Adopted by	Restrictive measures*
Afghanistan	<p>Restrictive measures imposed with respect to the Taliban.</p> <p>Council Decision 2011/486/CFSP of 1 August 2011 concerning restrictive measures directed against certain individuals, groups, undertakings and entities in view of the situation in Afghanistan.</p> <p>Council Regulation (EU) No 753/2011 Council Regulation (EU) No 753/2011 of 1 August 2011 concerning restrictive measures directed against certain individuals, groups, undertakings and entities in view of the situation in Afghanistan.</p>	UN	<p>Listing of 135 persons and 5 entities.</p> <p>Prohibition of arms export.</p>
Belarus	<p>Restrictive measures responding to the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine.</p> <p>Council Decision 2012/642/CFSP of 15 October 2012 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine.</p> <p>Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine.</p>	EU	<p>Listing of 195 persons and 34 entities.</p> <p>Listing of seven further entities related to financial measures (some entities listed in various categories).</p> <p>Prohibition relating to arms export, dual-use goods, equipment used for internal repression, financial measures, aviation, road transport, telecommunication, trade of certain goods and products.</p>

²³⁰ The overview is based on European Commission, '[EU Sanctions Map](#)', nd.

Bosnia and Herzegovina	Restrictive measures responding to the situation in Bosnia and Herzegovina. Council Decision 2011/173/CFSP of 21 March 2011 concerning restrictive measures in view of the situation in Bosnia and Herzegovina.	EU	Listing of zero persons and zero entities.
Burundi	Restrictive measures responding to the situation in Burundi. Council Decision (CFSP) 2015/1763 of 1 October 2015 concerning restrictive measures in view of the situation in Burundi. Council Regulation (EU) 2015/1755 of 1 October 2015 concerning restrictive measures in view of the situation in Burundi.	EU	Listing of one person and zero entities. Prohibition to satisfy claims.
Central African Republic	Restrictive measures responding to the situation in the Central African Republic. Council Decision 2013/798/CFSP of 23 December 2013 concerning restrictive measures in view of the situation in the Central African Republic. Council Regulation (EU) No 224/2014 of 10 March 2014 concerning restrictive measures in view of the situation in the Central African Republic.	UN	Listing of 14 persons and 1 entity. Prohibition of arms export and to satisfy claims.
Chemical weapons	Restrictive measures against the proliferation and use of chemical weapons. Council Decision (CFSP) 2018/1544 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons. Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.	EU	Listing of 25 persons and 3 entities.
China	Specific restrictive measures responding to events at the Tiananmen Square protests in 1989. <i>The restrictive measures are described in the Presidency Conclusions of the European Council made in Madrid, 27 June 1989.</i>	EU	Arms embargo.
Cyber-attacks	Restrictive measures against cyber-attacks threatening the Union or Member States.	EU	Listing of eight persons and four entities.

	<p>Council Decision (CFSP) 2019/797 of 17 May 2019 concerning restrictive measures against cyber-attacks threatening the Union or its Member States.</p> <p>Council Regulation (EU) 2019/796 of 17 May 2019 concerning restrictive measures against cyber-attacks threatening the Union or Member States.</p>		
DPRK	<p>Restrictive measures in relation to the non-proliferation of the weapons of mass destruction.</p> <p>Council Decision (CFSP) 2016/849 of 27 May 2016 concerning restrictive measures against the Democratic People's Republic of Korea and repealing Decision 2013/183/CFSP.</p> <p>Council Regulation (EU) 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People's Republic of Korea and repealing Regulation (European Commission) No 329/2007.</p>	UN and EU	<p>Listing of 154 persons and 92 entities.</p> <p>Prohibitions relating to arms export, dual-use goods export, financial measures, aviation sector, inspections, investments, maritime sector, trade of certain goods and minerals, crude oil, luxury goods, services, training and education as well as the request for enhanced vigilance in certain areas.</p>
Democratic Republic of the Congo	<p>Restrictive measures in view of the situation in the Democratic Republic of the Congo.</p> <p>Council Decision 2010/788/CFSP of 20 December 2010 concerning restrictive measures in view of the situation in the Democratic Republic of the Congo.</p> <p>Council Regulation (EC) No 1183/2005 of 18 July 2005 concerning restrictive measures in view of the situation in the Democratic Republic of the Congo.</p>	UN and EU	<p>Listing of 53 persons and nine entities.</p> <p>Prohibition of arms export and to satisfy claims.</p>
Guinea	<p>Restrictive measures in view of the situation in Guinea.</p> <p>Council Decision 2010/638/CFSP of 25 October 2010 concerning restrictive measures in view of the situation in Guinea.</p> <p>Council Regulation (EU) No 1284/2009 of 22 December 2009 concerning restrictive measures in view of the situation in Guinea.</p>	EU	Listing of five persons and zero entities.
Guinea-Bissau	Restrictive measures in view of the situation in Guinea-Bissau.	UN and EU	Listing of nine persons and zero entities.

	<p>Council Decision 2012/285/CFSP of 31 May 2012 concerning restrictive measures in view of the situation in Guinea-Bissau and repealing Decision 2012/237/CFSP.</p> <p>Council Regulation (EU) No 377/2012 of 3 May 2012 concerning restrictive measures in view of the situation in Guinea-Bissau.</p>		
Haiti	<p>Prohibiting the satisfying of certain claims by the Haitian authorities.</p> <p>Council Decision of 30 May 1994 concerning the Common Position defined on the basis of Article J.2 of the TEU regarding the reduction of economic relations with Haiti.</p> <p>Council Regulation (EC) No 1264/94 of 30 May 1994 prohibiting the satisfying of claims by the Haitian authorities with regard to contracts and transactions the performance of which was affected by the measures imposed by or pursuant to UNSC Resolutions 917 (1994), 841 (1993), 873 (1993) and 875 (1993).</p>	EU	Prohibition to satisfy claims.
Haiti	<p>Restrictive measures responding to the situation in Haiti.</p> <p>Council Decision (CFSP) 2022/2319 of 25 November 2022 concerning restrictive measures in view of the situation in Haiti.</p> <p>Council Regulation (EU) 2022/2309 of 25 November 2022 concerning restrictive measures in view of the situation in Haiti.</p>	UN and EU	<p>Listing of one person and zero entities.</p> <p>Prohibition of arms export.</p>
Human rights	<p>Restrictive measures against to serious human rights violations and abuses.</p> <p>Council Decision (CFSP) 2020/1999 of 7 December 2020 concerning restrictive measures against serious human rights violations and abuses.</p> <p>Council Regulation (EU) 2020/1998 of 7 December 2020 concerning restrictive measures against serious human rights violations and abuses.</p>	EU	Listing of 61 persons and 20 entities.
Iran	<p>Restrictive measures responding to Iran's military support of Russia's war of aggression against Ukraine.</p> <p>Council Decision (CFSP) 2023/1532 of 20 July 2023 concerning restrictive measures in</p>	EU	Listing of zero persons and zero entities (six Iranian individuals listed under sanctions regimes against Russia and Syria).

	<p>view of Iran's military support to Russia's war of aggression against Ukraine.</p> <p>Council Regulation (EU) 2023/1529 of 20 July 2023 concerning restrictive measures in view of Iran's military support of Russia's war of aggression against Ukraine.</p>		Prohibition of export of components used in the construction and production of Unmanned Aerial Vehicles.
Iran	<p>Restrictive measures responding to serious human rights violations in Iran.</p> <p>Council Decision 2011/235/CFSP of 12 April 2011 concerning restrictive measures directed against certain persons and entities in view of the situation in Iran.</p> <p>Council Regulation (EU) No 359/2011 of 12 April 2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran.</p>	EU	<p>Listing of 221 persons and 35 entities.</p> <p>Prohibition relating to equipment used for internal repression and telecommunications.</p>
Iran	<p>Restrictive measures responding to the non-proliferation of weapons of mass destruction.</p> <p>Council Decision 2010/413/CFSP of 26 July 2010 concerning restrictive measures against Iran and repealing Common Position 2007/140/CFSP.</p> <p>Council Regulation (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010.</p>	UN and EU	<p>Listing of 55 persons and 153 entities.</p> <p>Prohibition relating to arms export and procurement, dual-use goods, inspections, satisfy claims, trade of certain goods, equipment used for internal repression and telecommunications.</p>
Iraq	<p>Restrictive measures against Iraq.</p> <p>Council Common Position 2003/495/CFSP of 7 July 2003 on Iraq and repealing Common Positions 96/741/CFSP and 2002/599/CFSP.</p> <p>Council Regulation (EC) No 1210/2003 of 7 July 2003 concerning certain specific restrictions on economic and financial relations with Iraq and repealing Regulation (EC) No 2465/96.</p> <p>Council Regulation (EEC) No 3541/92 of 7 December 1992 prohibiting the satisfying of Iraqi claims with regard to contracts and transactions, the performance of which was affected by United Nations Security Council Resolution 661 (1990) and related resolutions.</p>	UN	<p>Listing of 67 persons and 10 entities.</p> <p>Prohibitions relating to cultural property.</p>

Lebanon	<p>Restrictive measures in relation to the UN Security Council Resolution 1701 (2006) on Lebanon.</p> <p>Council Common Position 2006/625/CFSP of 15 September 2006 concerning a prohibition on the sale or supply of arms and related materiel and on the provision of related services to entities or individuals in Lebanon in accordance with UNSC Resolution 1701 (2006).</p> <p>Council Regulation (EC) No 1412/2006 of 25 September 2006 concerning certain restrictive measures in respect of Lebanon.</p>	UN	Prohibition of arms export.
Lebanon	<p>Restrictive measures responding to the 14 February 2005 terrorist bombing in Beirut, Lebanon.</p> <p>Council Common Position 2005/888/CFSP of 12 December 2005 concerning specific restrictive measures against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafiq Hariri.</p> <p>Council Regulation (EC) No 305/2006 of 21 February 2006 imposing specific restrictive measures against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafiq Hariri.</p>	UN	Listing of zero persons and zero entities.
Lebanon	<p>Restrictive measures responding to the situation in Lebanon.</p> <p>Council Decision (CFSP) 2021/1277 of 30 July 2021 concerning restrictive measures in view of the situation in Lebanon.</p> <p>Council Regulation (EU) 2021/1275 of 30 July 2021 concerning restrictive measures in view of the situation in Lebanon.</p>	EU	Listing of zero persons and zero entities.
Libya	<p>Restrictive measures responding to the situation in Libya.</p> <p>Council Decision (CFSP) 2015/1333 of 31 July 2015 concerning restrictive measures in view of the situation in Libya, and repealing Decision 2011/137/CFSP.</p> <p>Council Regulation (EU) 2016/44 of 18 January 2016 concerning restrictive</p>	UN and EU	<p>Listing of 40 persons and 18 entities.</p> <p>Prohibition relating to arms export and procurement, equipment used for internal repression, aviation sector, inspections, maritime sector, to satisfy claims as well as the request for</p>

	measures in view of the situation in Libya and repealing Regulation (EU) No 204/2011.		enhanced vigilance in certain areas.
Libya	<p>Prohibiting the satisfying of certain claims in relation to transactions that have been prohibited by the UNSC Resolution 883 (1993) and related resolutions.</p> <p>Council Common Position 2004/698/CFSP of 14 October 2004 concerning the lifting of restrictive measures against Libya.</p> <p>Council Regulation (EC) No 3275/93 of 29 November 1993 prohibiting the satisfying of claims with regard to contracts and transactions the performance of which was affected by the UNSC Resolution 883 (1993) and related resolutions.</p>	EU	Prohibition to satisfy claims.
Mali	<p>Restrictive measures responding to the situation in Mali.</p> <p>Council Decision (CFSP) 2017/1775 of 28 September 2017 concerning restrictive measures in view of the situation in Mali.</p> <p>Council Regulation (EU) 2017/1770 of 28 September 2017 concerning restrictive measures in view of the situation in Mali.</p>	UN and EU	Listing of 11 persons and 0 entities.
Moldova	<p>Restrictive measures responding to actions aimed at destabilising the Republic of Moldova.</p> <p>Council Decision (CFSP) 2023/891 of 28 April 2023 concerning restrictive measures in view of actions destabilising the Republic of Moldova.</p> <p>Council Regulation (EU) 2023/888 of 28 April 2023 concerning restrictive measures in view of actions destabilising the Republic of Moldova.</p>	EU	Listing of five persons and zero entities.
Moldova	<p>Restrictive measures responding to the campaign against Latin script schools in the Transnistrian region.</p> <p>Council Decision 2010/573/CFSP of 27 September 2010 concerning restrictive measures against the leadership of the Transnistrian region of the Republic of Moldova.</p>	EU	<p>Listing of zero persons and zero entities.</p> <p>(only listings relating to restrictions on admission)</p>

Montenegro	<p>Prohibiting the satisfying of certain claims in relation to transactions that have been prohibited by the UNSC Resolution 757(1992) and related resolutions.</p> <p>Council Decision 94/366/CFSP of 13 June 1994 on the Common Position defined by the Council on the basis of Article J.2 of the Treaty on European Union concerning prohibition of the satisfaction of the claims referred to in paragraph 9 of UNSC Resolution No 757 (1992).</p> <p>Council Regulation (EC) No 1733/94 of 11 July 1994 prohibiting the satisfying of claims with regard to contracts and transactions the performance of which was affected by the UNSC Resolution No 757 (1992) and related resolutions.</p>	UN and EU	Prohibition to satisfy claims.
Myanmar (Burma)	<p>Restrictive measures responding to the situation in Myanmar/Burma.</p> <p>Council Decision 2013/184/CFSP concerning restrictive measures in view of the situation in Myanmar/Burma.</p> <p>Council Regulation (EU) No 401/2013 concerning restrictive measures in view of the situation in Myanmar/Burma and repealing Regulation (EC) No 194/2008.</p>	EU	<p>Listing of 99 persons and 19 entities.</p> <p>Prohibition relating to arms export, dual-use goods, equipment used for internal repression, telecommunication, military training and cooperation.</p>
Nicaragua	<p>Restrictive measures responding to the situation in the Republic of Nicaragua.</p> <p>Council Decision (CFSP) 2019/1720 of 14 October 2019 concerning restrictive measures in view of the situation in Nicaragua.</p> <p>Council Regulation (EU) 2019/1716 of 14 October 2019 concerning restrictive measures in view of the situation in Nicaragua.</p>	EU	Listing of 21 persons and 3 entities.
Russia	<p>Restrictive measures responding to Russia's actions aimed at destabilising Ukraine (sectoral restrictive measures).</p> <p>Council Decision 2014/512/CFSP of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.</p>	EU	<p>Listing of 71 entities related to financial measures (some entities listed in several categories).</p> <p>Listing of 20 entities related to media ban.</p> <p>Prohibition relating to arms export and import, firearms,</p>

	Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.		dual-use goods, financial measures, aviation and space sector, critical infrastructure, media, road transport, storage capacity, maritime sector, to satisfy claims, trade of certain goods and minerals, luxury goods, technology and services.
Serbia	Prohibiting the satisfying of certain claims in relation to transactions that have been prohibited by the UNSC Resolution 757(1992) and related resolutions. Council Decision 94/366/CFSP of 13 June 1994 on the Common Position defined by the Council on the basis of Article J.2 of the TEU concerning prohibition of the satisfaction of the claims referred to in paragraph 9 of UNSC Resolution No 757 (1992). Council Regulation (EC) No 1733/94 of 11 July 1994 prohibiting the satisfying of claims with regard to contracts and transactions the performance of which was affected by the UNSC Resolution No 757 (1992) and related resolutions.	UN and EU	Prohibition to satisfy claims.
Somalia	Restrictive measures against Somalia. Council Decision 2010/231/CFSP of 26 April 2010 concerning restrictive measures against Somalia and repealing Common Position 2009/138/CFSP. Council Regulation (EU) No 356/2010 of 26 April 2010 imposing certain specific restrictive measures directed against certain natural or legal persons, entities or bodies, in view of the situation in Somalia. Council Regulation (EC) No 147/2003 of 27 January 2003 concerning certain restrictive measures in respect of Somalia.	UN	Listing of 19 persons and 1 entity. Prohibitions relating to arms export, inspections, certain minerals as well as the request for enhanced vigilance in certain areas.
South Sudan	Restrictive measures in view of the situation in South Sudan. Council Decision (CFSP) 2015/740 of 7 May 2015 concerning restrictive measures in	UN and EU	Listing of nine persons and zero entities. Prohibition of arms export.

	view of the situation in South Sudan and repealing Decision 2014/449/CFSP. Council Regulation (EU) 2015/735 of 7 May 2015 concerning restrictive measures in respect of the situation in South Sudan, and repealing Regulation (EU) No 748/2014.		
Sudan	Restrictive measures responding to the situation in Sudan. Council Decision 2014/450/CFSP of 10 July 2014 concerning restrictive measures in view of the situation in Sudan and repealing Decision 2011/423/CFSP. Council Regulation (EU) No 747/2014 of 10 July 2014 concerning restrictive measures in view of the situation in Sudan and repealing Regulations (European Commission) No 131/2004 and No 1184/2005.	UN and EU	Listing of three persons and zero entities. Prohibition of arms export.
Syria	Restrictive measures responding to the terrorist bombing in Beirut, Lebanon, on 14 February 2005. Council Common Position 2005/888/CFSP of 12 December 2005 concerning specific restrictive measures against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafiq Hariri. Council Regulation (EC) No 305/2006 of 21 February 2006 imposing specific restrictive measures against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafiq Hariri.	UN	Listing of zero persons and zero entities.
Syria	Restrictive measures against Syria. Council Decision 2013/255/CFSP of 31 May 2013 concerning restrictive measures in view of the situation in Syria. Council Regulation (EU) No 36/2012 of 18 January 2012 concerning restrictive measures in view of the situation in Syria and repealing Regulation (EU) No 442/2011.	EU	Listing of 321 persons and 82 entities. Prohibition relating to arms import, financial measures, aviation sector, inspections, investments, satisfy claims, equipment used for internal repression, trade of certain goods and minerals, cultural property, luxury goods, telecommunications.
Terrorism	Specific measures to combat terrorism.	EU	Listing of 13 persons and 21 entities.

	<p>Council Decision (CFSP) 2016/1693 of 20 September 2016 concerning restrictive measures against the so-called Islamic State and Al-Qaeda and persons, groups, undertakings and entities associated with them and repealing Common Position 2002/402/CFSP.</p> <p>Council Regulation (EC) No 881/2002 of 27 May 2002 imposing certain specific restrictive measures directed against certain persons and entities associated with the so-called Islamic State and Al-Qaeda organisations.</p> <p>Council Regulation (EU) 2016/1686 of 20 September 2016 imposing additional restrictive measures directed against the so-called Islamic State and Al-Qaeda as well as natural and legal persons, entities or bodies associated with them.</p>		
Terrorism	Restrictive measures against the so-called Islamic State and Al-Qaeda (Islamic State and Al-Qaeda).	UN and EU	<p>Listing of 262 persons and 90 entities.</p> <p>Prohibition on arms export and to satisfy claims.</p>
Tunisia	<p>Misappropriation of Tunisian state funds.</p> <p>Council Decision 2011/72/CFSP of 31 January 2011 concerning restrictive measures directed against certain persons and entities in view of the situation in Tunisia.</p> <p>Council Regulation (EU) No 101/2011 of 4 February 2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Tunisia.</p>	EU	Listing of 35 persons and 0 entities.
Turkey	<p>Restrictive measures in view of Turkey's unauthorised drilling activities in the Eastern Mediterranean.</p> <p>Council Decision (CFSP) 2019/1894 of 11 November 2019 concerning restrictive measures in view of Turkey's unauthorised drilling activities in the Eastern Mediterranean.</p> <p>Council Regulation (EU) 2019/1890 of 11 November 2019 concerning restrictive</p>	EU	Listing of two persons and zero entities.

	measures in view of Turkey's unauthorised drilling activities in the Eastern Mediterranean.		
Ukraine	Restrictive measures in response to the illegal annexation of Crimea and Sevastopol. Council Decision 2014/386/CFSP of 23 June 2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol. Council Regulation (EU) No 692/2014 of 23 June 2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.	EU	Prohibition relating to financial measures, investments, trade of certain goods and services.
Ukraine	Restrictive measures in response to actions aimed at undermining or threatening Ukraine's territorial integrity, sovereignty and independence (Territorial integrity). Council Decision 2014/145/CFSP of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine.	EU	Listing of 1 576 persons and 280 entities.
Ukraine	Misappropriation of state funds of Ukraine. Council Decision 2014/119/CFSP of 5 March 2014 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine. Council Regulation (EU) No 208/2014 of 5 March 2014 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine.	EU	Listing of three persons and zero entities.
Ukraine	Restrictive measures in response to the illegal recognition, occupation or annexation by the Russian Federation of certain non-government-controlled areas of Ukraine.	EU	Prohibition relating to financial measures, investments, trade of certain goods and services.

	<p>Council Decision (CFSP) 2022/266 of 23 February 2022 concerning restrictive measures in response to the illegal recognition, occupation or annexation by the Russian Federation of certain non-government controlled areas of Ukraine.</p> <p>Council Regulation (EU) 2022/263 of 23 February 2022 concerning restrictive measures in response to the illegal recognition, occupation or annexation by the Russian Federation of certain non-government controlled areas of Ukraine.</p>		
USA	<p>Measures protecting against effects the extra-territorial application effects of certain legislation adopted by the USA.</p> <p>Joint Action 96/668/CFSP of 22 November 1996 adopted by the Council on the basis of Articles J.3 and K.3 of the TEU concerning measures protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom.</p> <p>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.</p>	EU	There are no EU restrictive measures with respect to the USA <i>per se</i> , rather the EU introduced legislation that allows each Member State to take the measure it deems necessary to protect the interests of the natural or legal persons affected by the extra-territorial application of a third country's laws.
Venezuela	<p>Restrictive measures responding to the situation in Venezuela.</p> <p>Council Decision (CFSP) 2017/2074 of 13 November 2017 concerning restrictive measures in view of the situation in Venezuela.</p> <p>Council Regulation (EU) 2017/2063 of 13 November 2017 concerning restrictive measures in view of the situation in Venezuela.</p>	EU	<p>Listing of 55 persons and 0 entities.</p> <p>Prohibition relating to arms export, equipment used for internal repression, telecommunication.</p>
Yemen	<p>Restrictive measures responding to the situation in Yemen.</p> <p>Council Decision 2014/932/CFSP of 18 December 2014 concerning restrictive measures in view of the situation in Yemen.</p>	UN	<p>Listing of 12 persons and 1 entity.</p> <p>Prohibition relating to arms export and inspections.</p>

	Council Regulation (EU) No 1352/2014 of 18 December 2014 concerning restrictive measures in view of the situation in Yemen.		
Zimbabwe	<p>Restrictive measures in response to the situation in Zimbabwe.</p> <p>Council Decision 2011/101/CFSP of 15 February 2011 concerning restrictive measures in view of the situation in Zimbabwe.</p> <p>Council Regulation (EC) No 314/2004 of 19 February 2004 concerning restrictive measures in view of the situation in Zimbabwe.</p>	EU	<p>Listing of zero persons and one entity.</p> <p>Prohibition relating to arms export and equipment used for internal repression.</p>

** The count of individual listings is based on individual financial sanctions (asset freeze and prohibition to make funds available) targeted at persons or entities.*

7.2 Overview of penalties for sanctions violations across EU Member States

Member State ²³¹	Maximum prison period (years)	Maximum fine for individuals (EUR)
Austria	5	1 800 000
Belgium	5	25 000
Bulgaria	10	256 000
Croatia	5	6 700
Cyprus	2	100 000
Czech Republic	8	157 000
Denmark	4	-
Estonia	5	1 200
Finland	4	-
France	5	-
Germany	10	500 000
Greece	0,5	500 000
Hungary	10	-
Ireland	3	500 000
Italy	12	-
Latvia	8	1 000 000
Lithuania	5	80 000
Luxembourg	5	250 000
Malta	12	5 000 000
Netherlands	6	8 700
Poland	10	1 000 000
Portugal	5	1 000 000
Romania	-	40 000
Slovakia	-	66 400
Slovenia	5	125 000
Spain	-	1 500 000
Sweden	4	15 000

²³¹ The overview is based on the following resource: Genocide Network, [Prosecution of sanctions \(restrictive measures\) violations in national jurisdictions: a comparative analysis](#), Expert Report, EUROJUST, 2021.

7.3 Tasks of Member States' NCAs

Member State²³²	NCAs	Responsibilities
Austria	Federal Ministry of the Interior Federal Ministry for Labour and Economy Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology Federal Ministry of Justice Austrian National Bank	Competent authorities (individual responsibilities not specified)
Belgium	Federal Public Service Finance Treasury	Exemptions on freezing of assets, notifications of financing and financial assistance, money transfer authorisations
	Belgian Financial Intelligence Unit	Disclosure of suspicious financial transactions
	Federal Public Service Finance General Administration of Customs and Excise Duties	Customs
	Federal Public Service Economy, Small and Medium-sized Enterprises, Self-employed and Energy Brussels Regional Public Service Walloon Public Service Vlaamse Overheid	Authorities in charge of other export, import and transit licences for weapons, military and paramilitary equipment and dual use goods and contact points for specific exports to Iran, Syria and Russia
	Federal Public Service Economy, Small and Medium-sized Enterprises, Self-Employed and Energy	Goods, technical assistance, energy sector, nuclear imports and exports
Bulgaria	Ministry of Economy	Deliveries and sells of dual-use goods, weapons and military materials
	State Agency for National Security	Financial sanctions, travel restrictions and anti-proliferation
	Ministry of Foreign Affairs	Travel restrictions

²³² The overview is based on European Commission, '[EU Sanctions Map](#)', nd; European Commission, '[National Competent Authorities for the Implementation of EU Restrictive Measures \(Sanctions\)](#)', nd.

	Ministry of Finance - Customs Agency	Customs control
	Ministry of Transport and Communication	Transport restriction – sea and air transport
Croatia	Directorate for Multilateral and Global Affairs at the Ministry of Foreign Affairs	Coordination
Cyprus	Ministry of Foreign Affairs	General coordination
Czech Republic	Financial Analytical Office	Coordination of implementation, freezing measures and authorisations
	General Directorate of Customs	Customs controls
	Ministry of Industry and Trade	Dual use goods and military equipment
Denmark	Ministry of Foreign Affairs	General questions
	Danish Return Agency Ministry of Immigration and Integration Immigration Office	Entry restrictions
	Danish Business Authority	Freezing of funds and economic resources Certain specific country sanctions
	Danish Maritime Authority	Registration and deregistration of vessels and other restrictions in the maritime area
	Danish Financial Supervisory Authority	Sanctions on financial services, investments, lending, government bonds and insurance
	Ministry of Justice	Arms embargo and sanctions on military equipment for internal repression
	Ministry of Higher Education and Science	Sanctions on study and research activities
	Danish Civil Aviation and Railway Authority	Sanctions on aviation facilities, including safety and settlement of gases Sanctions on access to port facilities
	Danish Customs Authority	Import, export and transport bans on certain goods and items
	Ministry of Employment Danish Agency for International Recruitment and Integration	Sanctions in connection with working conditions
	Danish Security and Intelligence Service	Criminal investigation and prosecution

	Special Crime Unit	
	Danish Energy Authority	Storage capacity of energy
	Danish Competition and Consumer Authority	Sanctions related to public contracts
	Ministry of Culture	Media related sanctions
Estonia	Tax and Customs Board	Prohibition on imports and exports of goods, except arms, related material and dual use goods
	Ministry of Interior	Restrictions on admission
	Ministry of Foreign Affairs	Embargo on arms and related material, dual-use goods and related technical assistance
	Financial Intelligence Unit	Financial sanctions (freezing of funds and economic resources, financing and financial assistance)
	Ministry of Education and Research	Prohibition or restriction of co-operation in the area of science, education, or professional cooperation
	Ministry of Defence	Prohibition or restriction on defence cooperation
	Ministry of Culture	Prohibition or restriction on cultural cooperation
	Ministry of Economic Affairs and Communications	Prohibition or restriction on provision of certain services, except when related to goods
Finland	Ministry of Foreign Affairs	General coordination
France	Ministry for Europe and Foreign Affairs	General coordination Restrictions on military materiel
	Treasury (Ministry of Economics, Finance, and Industrial and Digital Sovereignty)	Financial and sectoral sanctions, asset freezes
Germany	Central Bank (Bundesbank)	Regarding funds, financing and financial assistance
	The Federal Office for Economic Affairs and Export Control	Regarding goods, economic resources, technical assistance, brokering services, services and investments
Greece	Financial Sanctions Unit of the 'Anti-Money Laundering Authority'	Freezing of assets and prohibition of providing financial services

	Ministry of Development and Investments Directorate for Trade Regimes and Defence Instruments	Import-export restrictions
Hungary	Government Office of the Capital City Budapest Department of Trade, Defence Industry, Export Control and Precious Metal Assay	Implementation of restrictive measures related to military equipment and dual use items and the authorisation of export of items subject to trade restrictions Authorisation of exemptions of the import of not military and not dual-use goods subject to trade restrictions
	National DG for Alien Policing	Entry for aliens
	National Tax and Customs Administration	Financial sanctions
Ireland	Department of Foreign Affairs	Coordination with other countries
	Department of Enterprise, Trade and Employment	Trade related sanctions
	Central Bank of Ireland	Financial sanctions
Italy	Ministry of Economy and Finance	Freezing of funds and economic resources, issuance of authorisations relating to banking and financial transactions
	Ministry of Foreign Affairs and International Cooperation	National focal point on Sanctions Control of exports, transfer, brokerage and transit of dual-use goods and technology, issuance of authorisations relating to export and import
Latvia	Ministry of Foreign Affairs	General coordination
	Ministry of Economics	Tourism service provision restrictions
	Bank of Latvia	National and international sanction restrictions pertaining to companies buying and selling of on-hand cash in foreign currencies Supervising enforcement of restrictions in relation to participants of the financial and capital markets
	Consumer Rights Protection Centre	Financial and civil restrictions pertaining to entities providing lending and debt collection services that are supervised by the Centre
	Financial Intelligence Unit	Combatting the circumvention of sanctions or efforts to circumvent in enforcement of financial restrictions

	Land Registry office of a district (city) court	Handle the enforcement of civil sanctions associated with real estate
	Latvian Association of Certified Auditors	National and international sanction restrictions pertaining to the activities of certified auditors and certified audit firms
	Latvian Council of Sworn Advocates	National and international sanction restrictions pertaining to the activities of sworn attorneys
	Latvian Council of Sworn Notaries	Supervising enforcement of restrictions in the work of sworn notaries
	Lotteries and Gambling Supervisory Inspection	National and international sanction restrictions for the activities of lottery and gambling organisers
	National Cultural Heritage Board	Ensuring compliance with national and international sanction restrictions related to transactions involving cultural heritage objects as well as the circulations of art and antiques
	Office of Citizenship and Migration Affairs	Travel restrictions
	State Revenue Service	Financial and civil restrictions pertaining to entities related to the finance industry that are under its supervision
	The Ministry of Finance The Ministry of the Interior The Ministry of Transport The Agricultural Data Centre The Civil Aviation Agency The Courts Administration The Maritime Administration of Latvia The National Electronic Media Council The Patent Office The Road Traffic Safety Directorate The Register of Enterprises The State Security Service The State Technical Oversight Agency	Other competent authorities (individual responsibilities not specified)
Lithuania	Ministry of Economy and Innovation	Export licences needed to export dual-use items and technology & Common Military List

		The export and import of goods and services, which do not fall within the scope of activities of other competent authorities
	Ministry of Energy	Restrictions relating to energy and refinery sectors
	Financial Crime Investigation Service	Financial sanctions
	Ministry of Finance	According to assigned areas of activity
	Communications Regulatory Authority	Restrictions relating to communications services
	Transport Safety Administration	Restrictions relating to transport by sea, by land, air and rail transport
	Radio and Television Commission	Restrictions relating to broadcasting, activities of audiovisual media service and video sharing platform providers
	Migration Department	Travel restrictions
	Customs Department	Import and export of goods as well as control of listed individuals
Luxembourg	Ministry of Foreign Affairs and Europe	General coordination
	Ministry of Finance	Financial sanctions and issuance of authorisations
	Office of Export Control, Imports and Transit	Control of export, transfer, transit and importation of goods, dual-use goods, technical assistance and brokerage
Malta	Sanctions Monitoring Board, Ministry of Foreign and European Affairs	General coordination
Netherlands (Other authorities might be involved in the implementation depending on the sanctions regime)	Ministry of Foreign Affairs Ministry of Finance	General coordination
	Central Bank Authority for the Financial Markets Financial Intelligence Unit	Financial restrictions
	Royal Military Border Police	Travel restrictions
	Tax and Customs Administration Heritage Inspectorate	Import and export of goods (including cultural goods)
	Food and Consumer Product Safety Authority	Applications for export licences, certifications and import inspections

	Human Environment and Transport Inspectorate (Ministry of Infrastructure and Water Management)	Aviation and Maritime affairs
Poland	Ministry of Foreign Affairs	Coordination
	Ministry of Finance - National Revenue Administration & General Inspector of Financial Information	Financial sanctions
	Ministry of Economic Development and Technology	Economic sanctions
	Ministry of the Interior and Administration The Head of the Office for Foreigners	Restrictions on admission
Portugal	Ministry of Foreign Affairs Ministry of Finance	General coordination
Romania	National Agency for Fiscal Administration (Ministry of Finance)	Freezing of funds and economic resources in specific cases, where such a measure cannot be adopted efficiently by a person/entity.
	National Bank of Romania Financial Supervisory Authority National Office for Preventing and Combating Money Laundering	Supervising international sanctions implementation by entities from the area of competence
	Department of Foreign Trade (Ministry of Entrepreneurship and Tourism)	Trade restrictions
	Romanian Customs Authority	Customs control of the goods entering or exiting the EU
	Ministry of Foreign Affairs	Restrictions on trade in military and dual-use goods
	General Inspectorate of Border Police (Ministry of Internal Affairs) National Visa Centre (Ministry of Foreign Affairs)	Travel restrictions
	Ministry of Transport	Transport restrictions
Slovakia	Ministry of Economy Ministry of Transport, Constructions and Regional Development Ministry of Culture	Competent authorities (individual responsibilities not specified)

	Ministry of Education, Science, Research and Sport Ministry of Interior Ministry of Labour, Social Affairs and Family Ministry of Justice Industrial Property Office Ministry of Finance	
Slovenia	Ministry of Foreign Affairs	Coordination
	Police	Travel restrictions
	Ministry of Finance Bank of Slovenia Securities Market Agency Insurance Supervision Agency	Financial measures
	Ministry of Economic Affairs Financial Administration	Trade restrictions
	Ministry of the Interior Internal Affairs Inspectorate	Dual-use or equipment that could be used for internal repression
	Ministry of Defence Defence Inspectorate	Arms and military products
	Information Security Office	Information security incidents and cyber-attacks
Spain	Ministry for Foreign Affairs, European Union and Cooperation	General coordination
	Secretariat of Commerce	Products import and export licences Arms, military equipment, double-use goods and technology export as well as import licences Investment operations
	Ministry of Economic Affairs and Digital Transformation	Finance sanctions (assets freeze and financial transfer authorisations)
	Ministry of Treasury and Public Service	Customs control
	Ministry of Transport, Mobility and Urban Agenda	Restrictions in sea and air transport
	Ministry of Interior	Travel restrictions

Sweden	Financial Supervisory Authority Social Insurance Authority Inspectorate of Strategic Products National Board of Trade Migration Agency Police Authority Security Service Swedish missions abroad Radiation Safety Authority Customs	Competent authorities (individual responsibilities not specified)
--------	--	---

PE 702.603
EP/EXPO/AFET/FWC/2019-01/LOT4/R/o6

Print ISBN 978-92-848-1229-5 | doi:10.2861/580523 | QA-02-23-172-EN-C
PDF ISBN 978-92-848-1230-1 | doi:10.2861/747624 | QA-02-23-172-EN-N