



EU SANCTION COMPLIANCE

We provide clarity and expertise on EU Sanctions, in the ever-demanding regulatory landscape. Our clients trust us with their compliance needs, and expertise with the EU Sanctions regulatory global framework.

EUROPEAN UNION (EU) SANCTIONS OVERVIEW

Sanctions are political trade restriction tools. Sanctions are used as an economic tool, and have become a strong component in foreign relations, peacekeeping and conflict resolution.

Key areas of where sanctions are used.

- Import, Export and the movement of goods and technology.
- Supply of Services
- EU citizen involvement in such activities

EU intervention in such matters can take the form of UN Sanctions, Security Council Resolutions and the EU [Common Foreign and Security Policy \(CFSP\)](#) The EU Commission will implement any changes into EU Sanction Law. Individual members of the EU then introduce the sanction into their individual member state law.

Key objectives when introducing Sanctions by the EU are:

- Safeguarding the EU's values, fundamental interests, and security
- Peace Keeping
- Consolidating and supporting democracy,
- The rule of law
- Human rights and
- The principles of international law

LICENSING AND AUTHORIZATIONS

Under Trade Sanctions there are license options or license exemptions, which allow a prohibited activity to proceed.

Each EU Member State has internal licensing systems as the member state is responsible for implementing EU Sanctions. All potential licensing or authorizations that a business may require should be submitted to the relevant EU Member State authorities for consideration and approval

There are 3 types of sanctions measure in place, these are Trade Sanctions, Financial Sanctions and Travel Bans Assessment needs to be undertaken relating to business activities to establish licensing for each.

- Export and Trade Licenses – these permit trade for business operations
- Import Licenses – these permit import of the product into the EU where Sanction controls are in place.
- Financial Sanctions – general licenses can be obtained and used without making an application, although they do carry a mandatory reporting requirement when they are used. These general licenses fall under the Financial Sanctions Regime, and can be used for provision of insurance,



legal aid and legal expenses paid by a 3rd Party. Individual license exemptions can be requested but they will require evidence to support any application such as:

- Licensing grounds and supporting information
 - Full information on the parties concerned, which includes the designated persons involved, financial institutions involved, beneficiary of the transaction, complete account payment route and the amount of the transaction.
- Travel Bans – applies to all the individuals included on the EU Sanctions lists wherever they may be located. EU Member States have the responsibility to implement the travel bans to prevent the entry into or transit through the EU territory for any named individual.

There are 2 exemptions from the Travel Ban measures in place within the EU:

1. Where entry or transit into the EU is necessary for judicial proceedings
2. The EU Member State determines on a case by case basis that entry or transit is permitted.

EU SANCTIONS PENALTIES

Sanctions imposed by the EU apply to business within the territory or jurisdiction of the European Union, including EU citizens operating outside EU territories.

Business must be aware of sanctions that may affect them in the day to day running of operations, as any failure to obtain a licence or waiver or stopping a shipment could be costly. Sanctions can be complex, subject to change and can carry heavy penalties for those who breach them. To ensure compliance, organization's must integrate an EU sanctions search as part of their compliance program from point of order enquiry

- Sanctions Awareness
- Process controls to qualify orders

Breaches of sanctions are criminal offences; these are punishable as follows:

- Criminal conviction by up to 7 years in prison.
- Financial fine up to €1 million or 50% of the sanctions breach

Failure to comply with sanctions may trigger financial penalties and criminal charges against a business's responsible individuals.

GLOBAL TRADE MANAGEMENT

Wherever you trade, WTCS is at your side. Our consulting professionals who have extensive Sanctions expertise, will help you establish and maintain your Sanctions compliance controls- Experience always pays.

We can provide you with a plan to succeed. Our consultants aid in managing trade activities globally.



We offer the following key elements to support your EU Sanctions Compliance Program

- Understanding EU & UN Sanctions and how to comply
- Designing an effective sanctions compliance program
- Licensing and authorization application process
- Policies and procedures
- Risk Assessments
- Providing EU Sanctions training

Find out how WTCS can work with you as a trusted partner for all your EU Sanction Compliance needs.