

EU SANCTIONS – KEY QUESTIONS

19 NOVEMBER 2015

Questions:

- 1. WHY ARE SANCTIONS USED?
- 2. WHAT IS THE EU APPROACH TO SANCTIONS?
- 3. HOW DO SANCTIONS WORK?
- 4. WHAT IS THE PLANNED RESULT OF SANCTIONS?
- 5. WHAT IS THE LEGAL BASIS FOR SANCTIONS IMPLEMENTED IN THE EU?
- 6. HOW ARE SANCTIONS DESIGNED/PREPARED BY THE EU?
- 7. HOW ARE SANCTIONS COMMUNICATED TO EU BUSINESS?
- 8. WHAT IS THE ALLOCATION OF FUNCTIONS BETWEEN THE EU AND MEMBER STATES ?
- 9. HOW IS COMPLIANCE MONIRORED AND ENFORCED?
- 10. WHAT ARE THE PENALTIES FOR BREACHING EU SANCTIONS?
- 11. HOW DOES THE EU WORK WITH INTERNATIONAL PARTNERS TO PROVIDE A CONSISTENT APPROACH?
- 12. HOW DOES THIS STRATEGY MAKE EUROPE A BETTER PLACE FOR BUSINESS?

WHY ARE SANCTIONS USED?

- EU IMPLEMENTS UN SANCTIONS FOR MEMBER STATES
- EU APPLIES AUTONOMOUS SANCTIONS (e.g. SYRIA, RUSSIA/UKRAINE)
- SANCTIONS ARE A MEANS TO ACHIEVE EU COMMON FOREIGN AND SECURITY POLICY (CFSP)
- EUROPEAN UNION CFSP PROMOTES EU FOREIGN POLICY AND SECURITY OBJECTIVES IN THIRD COUNTRIES.

WHAT IS THE EU APPROACH TO SANCTIONS?

- SANCTIONS ARE NOT AN END IN THEMSELVES – THEY ARE PART OF AN INTEGRATED POLICY APPROACH.
- THE POLICY OBJECTIVE(S) OF THE SANCTIONS ARE SET OUT IN THE LEGAL ACTS
- SANCTIONS ARE TARGETED AS FAR AS POSSIBLE TO LIMIT NEGATIVE IMPACTS ON INNOCENT PERSONS/ENTITIES
- EU REVIEWS AUTONOMOUS SANCTIONS EVERY YEAR TO DECIDE WHETHER TO MAINTAIN, AMEND OR REMOVE SANCTIONS
- SANCTIONS ARE PREVENTIVE AND NOT PUNITIVE – AND THEY MUST COMPLY WITH EU LAW AND CAN BE CHALLENGED IN THE EU COURTS

HOW DO SANCTIONS WORK?

- SANCTIONS CAN BE:

- a) INDIVIDUAL - TARGETED AT SPECIFIC INDIVIDUALS AND ENTITIES;

- ASSET FREEZE ON ALL PROPERTY HELD IN THE EU;
- PROHIBITION ON MAKING FUNDS OR ECONOMIC RESOURCES AVAILABLE, DIRECTLY OR INDIRECTLY
- TRAVEL BAN FOR INDIVIDUALS

- b) SECTORAL – e.g. EXPORT BAN

WHAT IS THE PLANNED RESULT?

- SANCTIONS ARE INTENDED TO CHANGE POLICY OR PREVENT ACTIVITY.
- THEY CAN BE:
 - PREVENTIVE – e.g. TO PREVENT NUCLEAR PROLIFERATION OR PREVENT FINANCING OF TERRORISM;
 - APPLY PRESSURE TO CHANGE POLICY – e.g. TO ENTER INTO A POLITICAL DIALOGUE;
 - COMMUNICATE A MESSAGE.

WHAT IS THE LEGAL BASIS FOR SANCTIONS?

- FOR AGREEMENT:
 - ARTICLE 29 TREATY ON EUROPEAN UNION – CFSP
- FOR IMPLEMENTATION:
 - ARTICLE 215 TREATY ON FUNCTIONING OF THE EUROPEAN UNION;
 - MEMBER STATE LEGISLATION

HOW ARE SANCTIONS DESIGNED AND AGREED BY THE EU?

- SANCTIONS MUST BE PREPARED AND NEGOTIATED CONFIDENTIALLY TO PREVENT THE RISK OF CIRCUMVENTION.
- NOT POSSIBLE TO CONSULT IN ADVANCE.
- POSSIBLE TO CONSULTATION AFTER THE LEGAL ACTS HAVE COME INTO FORCE.
- REQUIRE UNANIMITY OF ALL 28 MEMBER STATES TO AGREE

HOW ARE SANCTIONS COMMUNICATED TO EUROPEAN BUSINESS?

- PUBLISHED IN THE OFFICIAL JOURNAL
- PRESS RELEASE
- COMMISSION CAN ISSUE GUIDANCE
- MEMBER STATE COMPETENT AUTHORITIES CAN PROVIDE GUIDANCE

WHAT IS THE ALLOCATON OF FUNCTIONS BETWEEN THE EU AND MEMBER STATES?

- EU LEGISLATES TO AGREE ON SANCTIONS
- IMPLEMENTATION BY EU REGULATION IF EU COMPETENCE - OR BY MEMBER STATES IF MEMBER STATE COMPETENCE
- ENFORCEMENT – BY MEMBER STATES AND SUBJECT TO NATIONAL LEGAL PROCEDURES.

HOW IS COMPLIANCE MONITORED?

- MEMBER STATE COMPETENT AUTHORITIES AND ENFORCEMENT AGENCIES (FINANCIAL SERVICE AUTHORITIES, CUSTOMS AUTHORITIES ETC) MONITOR COMPLIANCE
- COMMISSION CAN ULTIMATELY OVERSEE MEMBER STATES' IMPLEMENTATION OF EU SANCTIONS

WHAT ARE THE PENALTIES FOR BREACHING EU SANCTIONS?

- PENALTIES ARE ESTABLISHED BY MEMBER STATES AND ARE ENFORCED UNDER THEIR NATIONAL LEGAL SYSTEMS
- THESE CAN BE CIVIL OR CRIMINAL
- LEVEL OF KNOWLEDGE:
 - KNOWINGLY
 - UNKNOWNLY

HOW DOES THE EU WORK WITH INTERNATIONAL PARTNERS?

- INFORMAL COORDINATION WHERE POSSIBLE – WITH UN FOR UN SANCTIONS – AND/OR LIKE MINDED STATES WHERE THERE ARE COMMON SANCTIONS REGIMES – e.g. RUSSIA
- LIMIT DIFFERENCES WHERE POSSIBLE BECAUSE OF IMPACT ON BUSINESS
- BUT NOT ALWAYS POSSIBLE TO REMOVE ALL DIFFERENCES.

HOW DOES THIS STRATEGY MAKE EUROPE A BETTER PLACE FOR BUSINESS?

- PROMOTING AND ENSURING SECURITY IN THIRD COUNTRIES AND THE EU
- PROMOTING EU VALUES.



European Union
EXTERNAL ACTION