

WEBINAR

Webinar for Lawyers on EU Sanctions

16 MARCH 2026, 10:00 – 12:30 CET



15 March 2026
10:00 – 12:30 CET
Online on Zoom



Training of Lawyers in various areas of EU law 2 #TRAVAR2



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EU sanctions: what they are and how they work



Training of Lawyers in various areas of EU law 2 #TRAVAR2



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Outline

- What are EU sanctions?
- Who are the main actors?
- How are EU sanctions adopted and reviewed?
- How are EU sanctions implemented and enforced?
- Sanctions compliance: key obligations for EU operators and the role of EU lawyers.



What are EU sanctions?



EU sanctions

- Support **EU Common Foreign and Security Policy (CFSP)** objectives or UN Security Council Resolutions
- Part of **an integrated and comprehensive policy approach**, together with political dialogue and other policy instruments
- Seeking to change behaviours in order to prevent conflict, defend human rights or respond to crises, as part of an integrated approach
- Adopted following a **UN** Security Council decision, autonomously by the **EU**, or **both**





EU sanctions

- **Precautionary and temporary:** seeking to change behaviour in order to prevent conflict, defend human rights or respond to crises
- Carefully **targeted to avoid unintended consequences** and limit effects on the general population,
- Many measures are subject to exceptions (e.g. to enable the delivery of humanitarian aid)



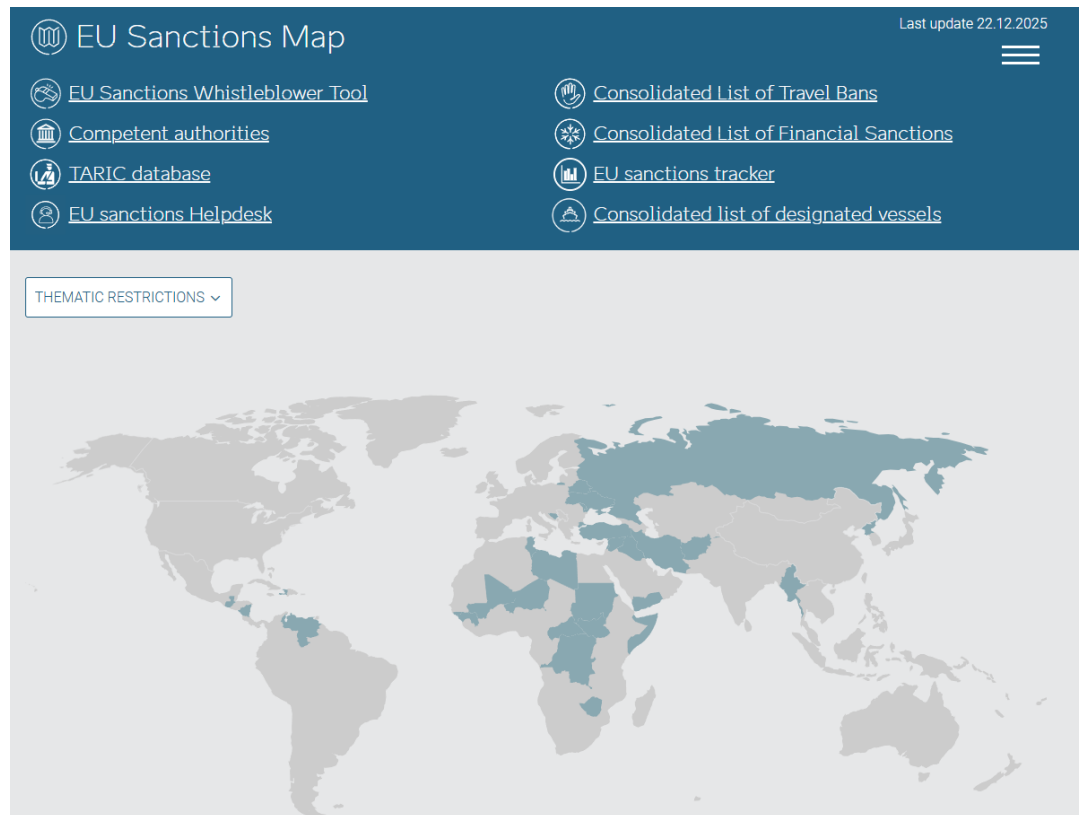


EU sanctions application

- Within the territory of the EU, including its airspace
- On board any aircraft or any vessel under the jurisdiction of a Member State
- To any natural person inside or outside the territory of the EU who is a national of a Member State
- To any legal person, entity or body, inside or outside the territory of the EU, which is incorporated or constituted under the law of a Member State
- To any legal person, entity or body in respect of any business done in whole or in part within the EU

EU sanctions are NOT extraterritorial (only those under EU jurisdiction can incur penalties)

EU sanctions regimes



55 EU sanctions regimes:

- 9 UN regimes
- 11 mixed (UN/EU) regimes
- 36 autonomous EU regimes

- **Geographic** (e.g. Syria, Iran, Russia, Belarus or North Korea)
- **Thematic** (terrorism, cyber-attacks, chemical weapons, and human rights)



EU Sanctions Map website:
www.sanctionsmap.eu

EU sanctions types

➤ Individual sanctions: Target designated individuals or entities

- Asset freezes + prohibition from making funds and economic resources available
- Travel bans (no entry into or transit through the EU)



➤ Sectoral sanctions: Economic, financial, trade and other measures in specific sectors

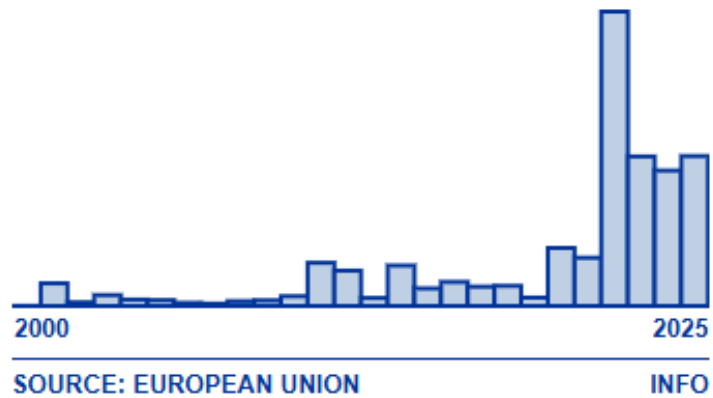
- Import and export restrictions
- Services restrictions
- Arms embargoes
- Media bans
- etc.



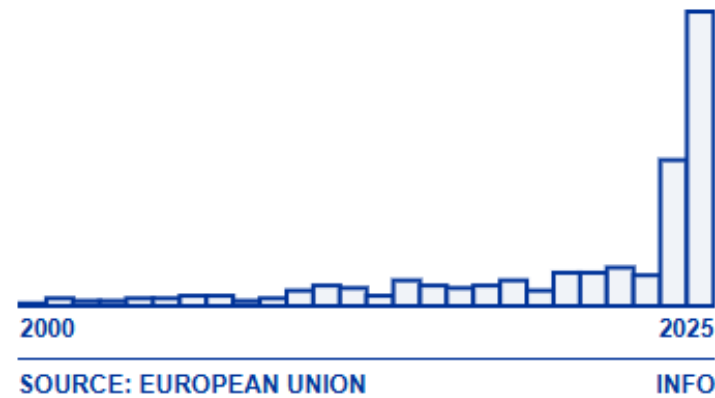


EU sanctions listings overview

5770
Individuals/entities



33
Sanctions Regimes



83
Nationalities



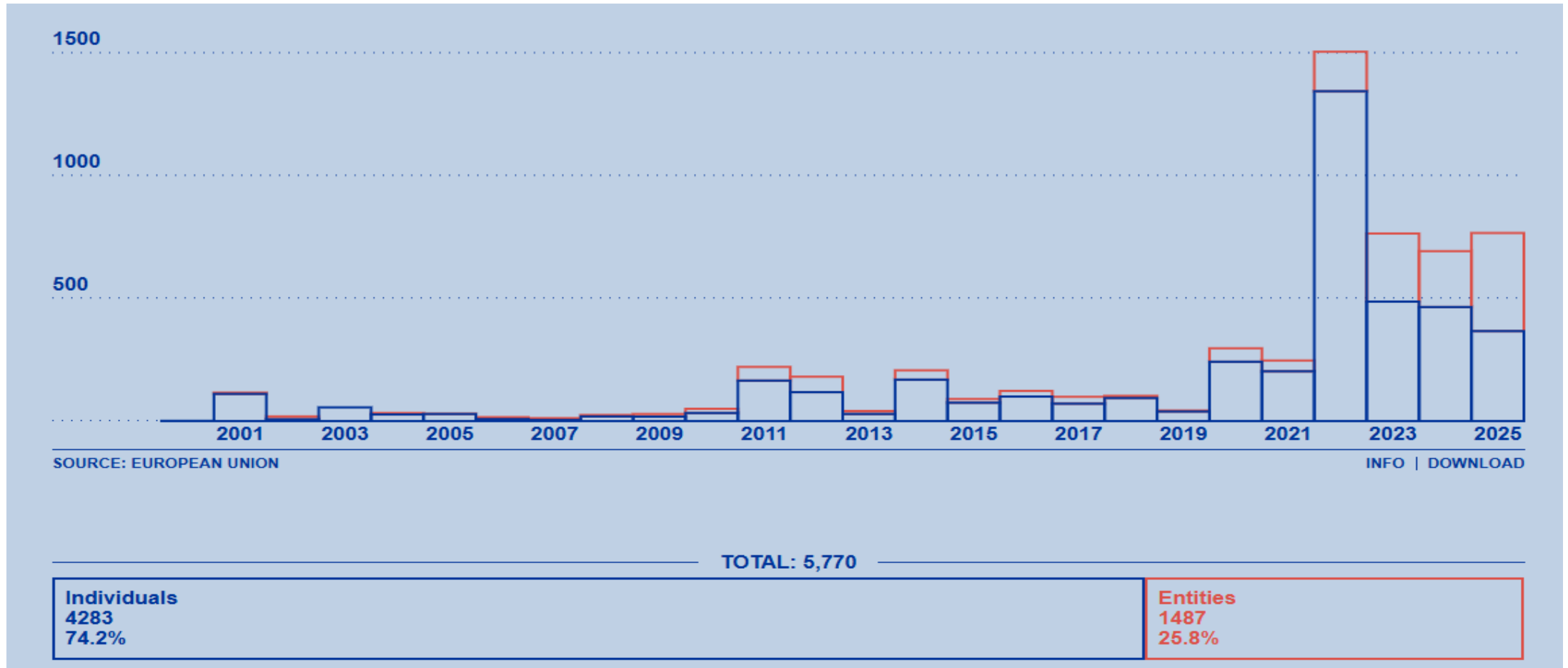
EU sanctions listings by regime

UKRAINE [UKR] 2596 45.0%	IRAN [IRN] 732 12.7%	AL-QAEDA [TAQA] 319 5.5%	NORTH KO... 219 3.8%	HUMAN ... 170 2.9%	
	SYRIAN ARAB REPUBLIC [SYR] 380 6.6%	AFGHANISTA... 140 2.4%	RUSDA... 76 1.3%	IRAQ [I...] 76 1.3%	VENE... 69 1.2%
		MYANMAR/BU... 128 2.2%	RUS [R...] 63 1.1%		
			LIBYA [...] 50 0.9%		
BELARUS [BLR] 369 6.4%	DEMOCRATIC ... 84 1.5%				

SOURCE: EUROPEAN UNION

[INFO](#) | [DOWNLOAD](#)

EU sanctions listings trends





Russia sanctions

- The EU has adopted unprecedented sanctions in response to **Russia's war** of aggression against Ukraine (19 packages of sanctions so far)
- The measures are designed to **weaken Russia's economic base**, depriving it of critical technologies and markets and significantly **curtailing its ability to wage war**. Targeted measures were also adopted against more than 2,500 individuals and entities.
- Sanctions frameworks in place since 2014: **sectoral/economic sanctions** (Regulation 833/2014), **individual sanctions** (Regulation 269/2014), **trade restrictions with Crimea** (Regulation 692/2014) and **the partly occupied oblasts of Ukraine** (Regulation 2022/263)
- In this context, the EU has also adopted sanctions against:
 - **Belarus**, in response to its involvement in the invasion of Ukraine
 - **Iran**, in relation to the manufacture and supply of drones



Russia sanctions: Overview of legal acts

- 'Ukraine territorial integrity' (Council Regulation (EU) No 269/2014) – created in 2014, expanded in 2022
- 'Russia economic sanctions' (Council Regulation (EU) No 833/2014) – created in 2014, expanded in 2022
- 'Crimea and Sevastopol' (Council Regulation (EU) No 692/2014) – created in 2014
- 'Misappropriations' (Council Regulation (EU) No 208/2014) – created in 2014
- 'Donetsk & Luhansk' (Council Regulation (EU) 2022/263) – created in 2022
- Belarus (Council Regulation (EU) No 765/2006) – created in 2006, expanded in 2022



Russia sanctions

Sanctions are one of the tools used in response to Russia's war of aggression against Ukraine

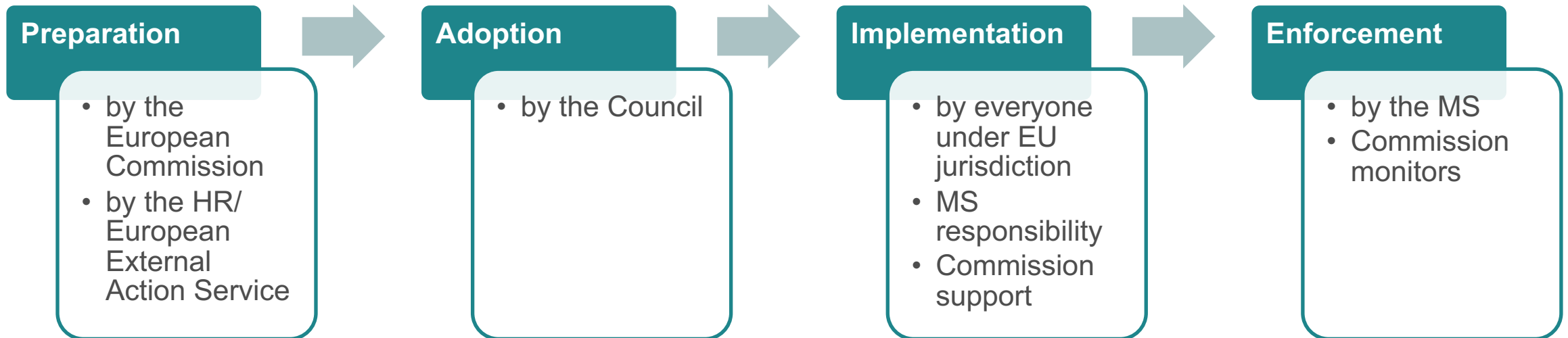
The EU and its citizens stand in **full solidarity** with Ukraine. The EU provides unwavering support to Ukraine, including through:

- Economic, financial and humanitarian support (€104.5 billion)
- Military support
- Welcoming refugees



Who are the main actors?

EU sanctions: From adoption to enforcement



EU sanctions are **reviewed** at regular intervals by the Council
Listings can be **challenged** at the European Court of Justice

EU sanctions: Who does what?



High Representative

- Right of initiative
- Proposals for Council Decisions
- Joint Proposals with the European Commission for Council Regulations



Member States

- Right of initiative
- Implementation & Enforcement



Council of the EU

- Adoption of legal acts



European Commission

- Joint Proposals with the High Representative for Council Regulations
- Support and monitoring of Implementation & Enforcement



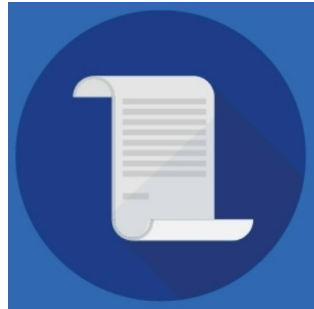
Role of the Commission: DG FISMA

- Preparing and seeing through the adoption of EU legal acts introducing sanctions or amending them
- Supporting uniform implementation by operators and Member States, through outreach, public guidance and legal opinions on the interpretation of sanctions
- Monitoring the enforcement of EU sanctions across the Member States
- Ensuring that the Union's external partners respect EU sanctions when spending EU funds
- Ensuring that EU sanctions do not impede the delivery of humanitarian aid



How are EU sanctions adopted and reviewed?

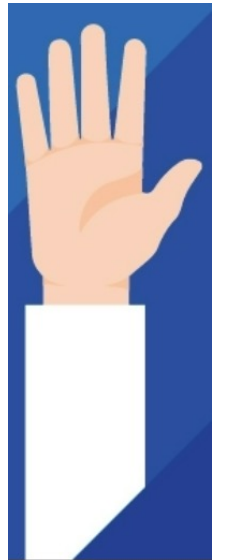
EU sanctions adoption: Legal acts



EU sanctions regimes consist of two legal acts:

- **Council Decision**, addressed to the EU Member States
- **Council Regulation**, directly applicable to persons under EU jurisdiction

- EU sanctions are agreed **unanimously** by Council of the EU
- Decisions usually based on proposals from the High Representative of the Union for Foreign Affairs and Security Policy, but MS can also make proposals
- The Commission (DG FISMA) together with the High Representative (via the EEAS) **give effect to these decisions in EU law** through joint proposals for Council Regulations, also adopted by the Council



EU sanctions adoption: Process



Published in all 24 official languages of the EU



EU sanctions listings (pre-adoption)

- Assessment of the political situation and appropriate potential targets
- Listing proposals put forward by MS and/or the HR/EEAS
 - Comprehensive evidence package
 - Statements of reasons for listings
 - Identifying information
- Requirements
 - In line with listing criteria set out in the Council Decision
 - Based on solid factual basis (variety of reliable sources, mostly open-source materials)
 - Accurate, up-to-date, and able to withstand challenge in the EU courts




EU sanctions listings (post-adoption)

- Once adopted, listings are added to the “**EU Sanctions List**”
- **Financial Sanctions Database (FSD)**
 - Application managed by DG FISMA (updated manually)
 - Generates the EU Consolidated List of Financial Sanctions
 - Based on information from the legal acts published in the Official Journal of the EU
 - Includes individuals and entities subject to EU asset freeze and the related prohibition to make funds and economic resources available to them
 - Created at the request of financial institutions to facilitate the implementation of EU financial sanctions (including compliance and due diligence checks)
 - Available in 4 formats (.xml, .csv, .pdf and .html) in EN only (OJ has all official languages)



Dataset

Consolidated list of persons, groups and entities subject to EU financial sanctions

 Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Publisher: Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Updated: 28.02.2024

Dataset

Quality

Similar datasets

[Dataset feed](#) [Linked data](#) [Cite](#) [Embed](#)

In its policy, the European Union intervenes when necessary to prevent conflict or in response to emerging or actual crises. In certain cases, EU intervention can take the form of restrictive measures or 'sanctions'. The application of financial sanctions and more precisely the freezing of assets constitutes an obligation for both the public and private sector. In this regard, a particular responsibility falls on credit and financial institutions, since they are involved in the bulk of financial transfers.

In order to facilitate the application of financial sanctions, the European Banking

Created: 31.05.2016

Updated: 28.02.2024

Landing Page: <https://ec.europa.eu/info/business-economy-euro/banking-and-finance/interna...>



Sample listing (Financial Sanctions Database)

EU reference number: EU.2301.53

Legal basis: 2017/404 (OJ L63)

Programme: AFG - Afghanistan

Identity information:

- **Name/Alias:** Agha Jan Alizai
- **Name/Alias:** Haji Agha JanAlizai
- **Name/Alias:** Abdul Habib
- **Name/Alias:** Loi Agha
- **Name/Alias:** Hajji Agha Jan
- **Name/Alias:** Agha Jan Alazai
- **Name/Alias:** Haji Loi Lala
- **Name/Alias:** Abdul Habib Alizai **Title:** Haji **Function:** Has managed a drug trafficking network in Helmand Province, Afghanistan

Birth information:

- **Birth date:** 1967 **Birth place:** Unknown country
- **Birth date:** Circa **Birth place:** Afghanistan, Musa Qala District, Helmand Province, Yatimchai village **Remark:** Yatimchai village, Musa Qala District, Helmand Province, Afghanistan
- **Birth place:** Afghanistan, Kandahar
- **Birth date:** 14/02/1973 **Birth place:** Unknown country
- **Birth date:** 1957 **Birth place:** Unknown country
- **Birth date:** 15/10/1963 **Birth place:** Unknown country

Citizenship information:

- **Citizenship:** Afghanistan

Remark: INTERPOL-UN Security Council Special Notice web link: <https://www.interpol.int/en/notice/search/un/1684147>



Sample listing (Council Regulation annex)

92.	Arkady Romanovich ROTENBERG Arkadii Romanovich ROTENBERG (Аркадий Романович РОТЕНБЕРГ)	DOB: 15.12.1951 POB: Leningrad, USSR (now St. Petersburg, Russian Federation) Gender: male	Arkady Rotenberg is a leading businessperson operating in Russia with close personal ties to the President of the Russian Federation Vladimir Putin. Since March 2014, Rotenberg, or his companies, have received State contracts totalling over USD 7 billion. In 2015, Rotenberg led the annual list of government contracts in terms of value, after being awarded contracts worth RUB 555 billion from the	15.3.2015
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How are EU sanctions implemented and enforced?



EU sanctions implementation

- **Council Regulations** have direct effect
 - They must be complied with by everyone under EU jurisdiction
- Each **EU Member State** has National Competent Authorities (NCAs), which have the primary responsibility for sanctions implementation and enforcement, including through:
 - Providing guidance and support to economic operators
 - Granting authorisations (authorising an otherwise prohibited transaction in line with the derogations in EU sanctions legislation)
 - Investigating possible breaches and imposing penalties on the basis of national legislation
- The **European Commission** is the guardian of implementation
 - It ensures uniform implementation throughout the EU (e.g. via Frequently Asked Questions, legal interpretations, dialogue with stakeholders) and monitors enforcement



Commission FAQs, guidance and opinions

COMMISSION CONSOLIDATED FAQs
on the implementation of Council Regulation No 833/2014 and Council Regulation No 269/2014

Banking and Finance

European Commission Guidance for EU operators:
Implementing enhanced due diligence to shield against Russia sanctions circumvention

COMMISSION GUIDANCE NOTE
on the provision of humanitarian aid in compliance with EU restrictive measures (sanctions)

Banking and Finance

COMMISSION OPINION
of 8.6.2021
on Article 2(2) of Council Regulation (EU) No 269/2014

THE REQUEST FOR AN OPINION
In its role as guardian of the treaties, the European Commission (hereinafter 'the Commission') monitors the implementation of Union law by Member States under the control of the Court of Justice of the European Union (CJEU).¹
In the context of restrictive measures adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union (TFEU), national competent authorities (NCA) of the Member States may request the Commission to provide its views on the application of specific provisions of the relevant legal acts or to provide guidance on their implementation. NCAs may also ask the Commission to provide guidance on the interpretation of Article 215 TFEU itself.
The Commission has received two requests for an opinion from an NCA on the application of the financial measures laid down in Article 2(2) of Council Regulation (EU) No 269/2014² ('the Regulation'). As these two requests concern the same legal provision, they will form the object of a single opinion of the Commission.

BACKGROUND
Pursuant to Article 2(2) of the Regulation, EU operators are prohibited from making funds or economic resources available, directly or indirectly, to or for the benefit of the persons listed in Annex I to the Regulation.³

First request
One designated person listed in Annex I to the Regulation is the Chairman of the Board of Directors of a non-designated, non-EU entity ('Entity A'). According to the NCA and based on the statute of Entity A, this management role makes the designated person responsible for organising the work of the board of Entity A and ensuring the successful fulfilment of tasks of the board by its members. In turn, Entity A owns a subsidiary company based in an EU Member State ('the EU Subsidiary').
The NCA submits the following questions:
'1.1 Based on the information provided and information available from open-sources, can it be concluded that the designated person controls Entity A?'

¹ Pursuant to the Treaties, only the Court of Justice of the European Union can provide legally binding interpretations of Union law.
² 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, OJ L 78, 17.3.2014, p. 6–15.
³ Article 2(2) of the Regulation reads: "No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies, or natural or legal persons, entities or bodies associated with them, as listed in Annex I".

EN 1 EN

TARIC database



EN English

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SECTION XV BASE METALS AND ARTICLES OF BASE METAL

CHAPTER 83 MISCELLANEOUS ARTICLES OF BASE METAL

8301 Padlocks and locks (key, combination or electrically operated), of base metal; clasps and frames with clasps, incorporating locks, of base metal; keys for any of the foregoing articles, of base metal : (TN701)

8301 10 ▼ - Padlocks

8301 20 - Locks of a kind used for motor vehicles :

8301 20 00 10 ▼ - - Mechanical or electromechanical steering column lock:

-with a height of 10,5 cm (\pm 3 cm),

-with a width of 6,5 cm (\pm 3 cm),

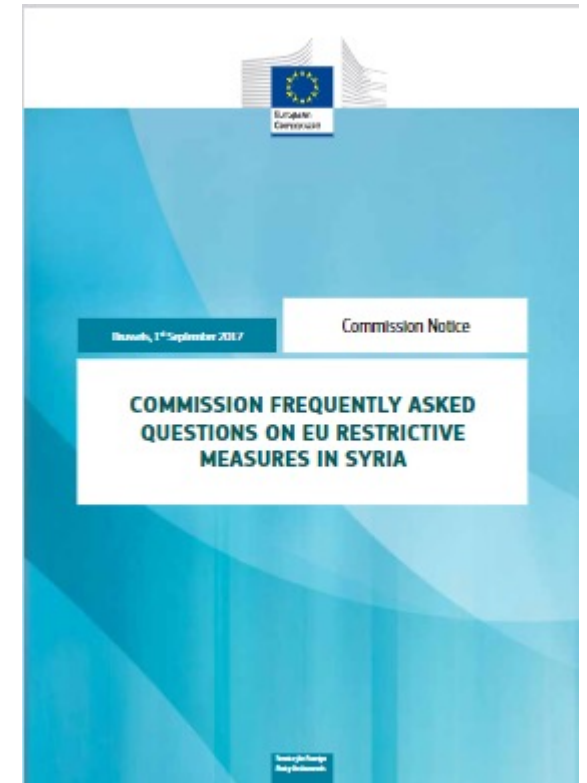
-in a metal housing,

-whether or not with a holder
for use in the manufacture of goods of Chapter 87

8301 20 00 90 ▼ - - Other

Facilitating humanitarian assistance

- EU-level contact point for humanitarian aid in environments subject to EU sanctions
- Horizontal guidance on the provision of humanitarian aid in compliance with EU restrictive measures
- Humanitarian exemptions (“2664+”)
- Factsheet on the humanitarian derogation
- Frequently asked questions





Whistleblower tool



Welcome to the EU Sanctions Whistleblower Tool

EU sanctions support the objectives of the EU's common foreign and security policy, such as conflict resolution, the fight against terrorism, non-proliferation of weapons of mass destruction, and the promotion of democracy, rule of law and human rights. EU sanctions create legal obligations for all EU citizens, operators and any business conducted within the EU.

While EU sanctions are adopted by the Council of the EU, [Member States](#) are responsible for their enforcement, including through the application of penalties in case of violations. The European Commission monitors the implementation and enforcement of EU sanctions across Member States.

Proper implementation is essential for the effectiveness of EU sanctions. Sharing first-hand information can be a powerful tool to help uncover cases of sanctions violations, including evasion and circumvention. By voluntarily providing us with information about EU sanctions violations of which you might be aware, you can help us investigate such practices and ensure sanctions compliance in the EU.

The EU Sanctions Whistleblower Tool protects your identity and allows you to contact us anonymously to report violations of EU sanctions.



Make a report
(send an anonymous message)



Follow-up on your report
(via secure inbox)



EU sanctions enforcement

- **EU Member States** determine penalties for breaches of sanctions, investigate possible breaches and impose penalties for infringements
- **European Commission** monitors enforcement by EU Member States and ensures uniform implementation of sanctions across the EU
- **Breaches** of EU sanctions can be intentional or through negligence
- They result in **penalties** under national law of EU Member States
- Violations of EU sanctions are **EU crimes** (= particularly serious crimes with a cross-border dimension - Article 83(1) TFEU)



Penalties for EU sanctions violations

- Must be effective, proportionate and dissuasive
- Depend on the **national legislation** of EU Member States
- **Administrative** and/or **criminal** (based also on the gravity of the offence)
- Penalties:
 - Imprisonment (usually from 6 months to 20 years)
 - Seizure or confiscation of the object of the crime (e.g. weapons, dual-use goods)
 - License suspension
 - Fines



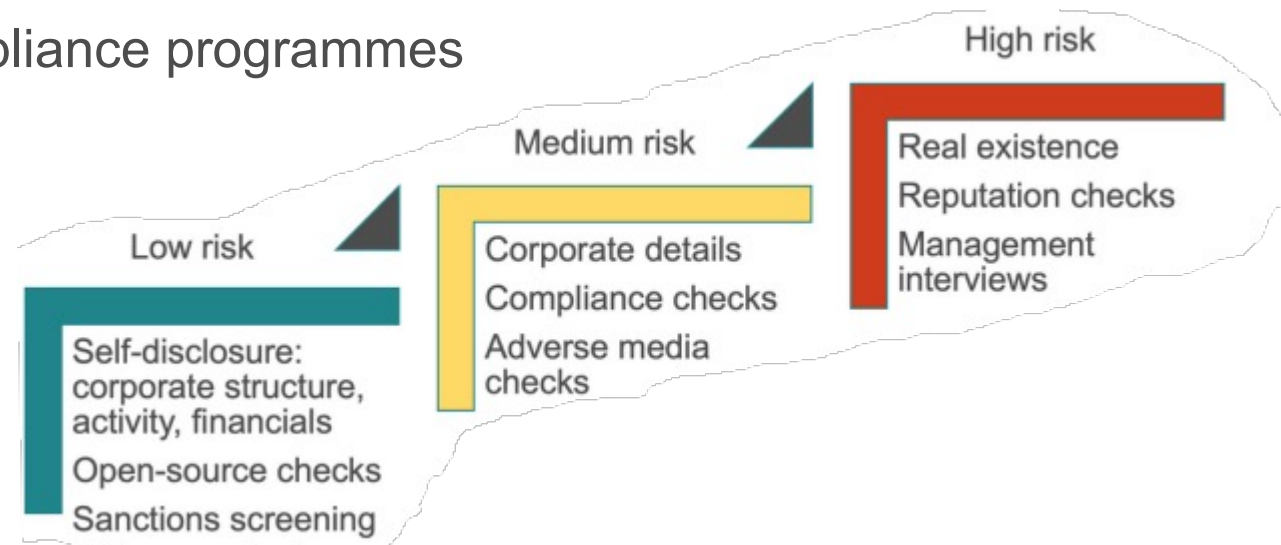
Directive on criminalisation of violations of EU sanctions

- Sets **common rules** that will make it easier to investigate, prosecute and punish violations of EU sanctions
- Makes circumvention of EU sanctions a stand-alone **criminal offence**
- **Harmonises** criminal offenses and **penalties** for violations of EU sanctions throughout the EU
- Enables **confiscation** of assets involved in sanctions violations

Sanctions compliance: key obligations for EU operators and the role of EU lawyers

Obligations for EU operators

- Scope of application of EU restrictive measures (jurisdiction)
- EU restrictive measures impose an obligation of result
- Due diligence requirements and anti-circumvention
 - Risk-based approach: risk assessment, multi-level due diligence, and ongoing monitoring
 - Sanctions compliance programmes





Obligations for EU operators - EU sanctions against Russia

- The “Non-liability clause” > Article 10 Regulation 833/2014
- The “No-Russia clause”: Article 12g Regulation 833/2014
- The “No-Russia IP clause”: Article 12ga Regulation 833/2014
- The “best efforts” obligation: Article 8a Regulation 833/2014
- The voluntary self-disclosure: Article 6a Regulation 833/2014
- The no-claim clause: Article 11 Regulation 833/2014



The role of EU lawyers

- Advising on sanctions compliance of transactions and business activities
- Sanctions compliance programmes (providing legal opinions on sanctions compliance and exposure, identifying and mitigating sanctions circumvention risks)
- Client take-on process: AML obligations, sanctions screening and reputational considerations
- Drafting sanctions clauses in contracts (e.g. No-Russia clauses)
- Obtaining authorisations from national competent authorities (NCAs)
- Engagement the European Commission
- Assisting clients exiting sanctioned jurisdictions
- Asset freezes and licences for payment of legal fees
- Legal defence before the EU Council and the CJEU



Resources and contacts

[EU Sanctions Map](#)



[Frequently Asked Questions](#)



[Consolidated List of Financial Sanctions](#)



[Other guidance](#)



[Official Journal of the EU](#)



[Whistleblower Tool](#)



Contact: EC-RUSSIA-SANCTIONS@ec.europa.eu
or RELEX-SANCTIONS@ec.europa.eu



Thank you



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WEBINAR

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16 MARCH 2026, 10:00 – 12:30 CET



Dominique Grisay

The role of lawyers in dealing with EU sanctions



Training of Lawyers in various areas of EU law 2 #TRAVAR2



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Outline of the presentation



- I. Sanctions: definition and scope of EU sanctions.
- II. Helping to include individuals/companies on EU's sanctions lists.
- III. Services that may not be provided due to EU sanctions.
- IV. Helping individuals/companies to be removed from EU/national sanctions lists.
- V. Helping individuals/companies with asset release: from strict derogations for listed persons to procedures and remedies for unlawful freezes.
- VI. Helping individuals/companies to organize and run a voluntary firewall.

I. Sanctions : definition and scope of EU sanctions



- 1) **Sanctions:** economic and political measures aimed at influencing the behaviour of a state or a group of individuals (Cambridge Dictionary).
- 2) **EU sanctions:**
 - Almost 50 sanctions regimes and nearly 6,000 sanctioned individuals and entities.
 - Sources :
 - UN sanctions.
 - Mixed sanctions: EU sanctions added to UN sanctions.
 - EU autonomous sanctions: adopted by the Council on the basis of a proposal of the Commission, the High Representative, or a Member State). (*Legal basis : Art. 29 TEU and 215 TFEU*).
- 3) **Five types of sanctions regimes:**
 1. Country-based sanctions: Russia, Belarus, Venezuela, North Korea, etc.
 2. Terrorism
 3. Human rights violations
 4. Cyber-attacks
 5. Proliferation and use of chemical weapons

II. Helping to include individuals/companies on EU's sanctions lists



- 1) **Hypothesis:** You are consulted with a view to including a person or legal entity that is not currently subject to restrictive measures on an EU sanctions list.

- 2) **Possible action at EU level:** « EU Sanctions Whistleblower Tool »
(Directive (EU) 2019/1937 and Council Document 5664/2018)
 - Direct contact: relex-sanctions@ec.europa.eu

 - Anonymous reporting: online platform: <https://eusanctions.integrityline.com>

II. Helping to include individuals/companies on EU's sanctions lists



3) Possible actions at national level:

- Criminal proceedings based either on EU sanctions legislation or local criminal law: generally not effective in practice (example : Austria).
- Administrative proceedings aiming at encouraging Member States to request the inclusion of individuals or entities on EU sanctions lists.
- Similar proceedings aimed at inclusion on national sanctions lists.

(N.B : opposition between Adv. general Campo in C-147/25 RAO Lietuva v. Financial Crime Investigation Service and Commission legal opinion of 2019 : « Member States may resort to national listings ... provided that they do not expand the circle of persons designated under EU Sanctions »)

III. Services that may not be provided due to EU sanctions



1. Article 5m of Regulation 833/2014:

« It shall be prohibited to provide, directly or indirectly ... legal advisory services ... to :

- *The government of Russia*
- *Legal persons, entities or bodies established in Russia »*

2. N.B.: a global prohibition, rather than a targeted sanction.

3. Case T-797/22: Dutch Speaking Bar of Brussels v Council, Commission and High Representative

- *« The prohibition at issue does not infringe the right to be advised, defended and represented by a lawyer protected by Article 47 of the Charter ... » .*
- *« ... Article 7 of the Charter does not guarantee a right of access to a lawyer ... » .*
- Appeal procedure: C-865/24 (pending).

4. Conclusion: Suspension of the provision of legal advisory services to Russian legal persons, entities or bodies (N.B. art. 2.2 refers also to « natural persons »).

IV. a. Helping individuals/companies to be removed from EU sanctions lists



1. **Sanctioned individuals and entities: Listed in Annex I to Regulation (EU) No 269/2014.**
2. **Administrative review: Article 14 of Regulation 269/2014**
 - Submitting observations to Member States
 - Engaging with European Commission officials
3. **Judicial Review: Article 263 TFEU – Action for annulment must be brought within 2 months of publication**
 - Substantive review of the evidence justifying the listing
 - Case 212/22 : Ms Violetta Prigozhina : « *the link between Ms Prigozhina and her son ... is based solely on their family relationship and is therefore not sufficient to justify her inclusion on the contested list* » (also see T-273/24 – Ezubov).
 - Case 805/24 : Timchenko in which both the Tribunal and the Court consider that family ties are completed by « *evidence of concrete interests that go beyond mere family relationship* »

IV. b. Helping individuals/companies to be removed from national sanctions lists



1. Some Member States create their own national sanctions lists.
2. Their legality was questioned through prejudicial questions.
3. Pending case: Inter Rao Lietuva v. Financial Crime Investigation Service (C-147/25): A company was listed by the Lithuanian authorities because of the alleged links between its owners (who are not listed) and Vladimir Putin.
4. Opinion of the Advocate General: The Advocate General considers that national sanctions lists may be permissible:
 - to identify assets and economic resources that must be frozen;
 - Provided that they do not expand the circle of persons designated under EU sanctions.
5. Example of consequence.

V. a. Helping individuals/companies with asset release: from strict derogations for listed persons to procedures and remedies for unlawful freezes.



1. **Article 2 Reg. 269/2014:** « *All funds and economic resources belonging to, owned, held or controlled by any national or legal persons, entities or bodies listed in Annex I shall be frozen* ».
2. **Scope of application:** The provision covers not only assets owned by listed persons but also assets merely “held” by them.
3. **Consequences:** Funds held in custody by sanctioned Russian banks, brokers or public institutions must be frozen.
4. **Who is responsible for freezing:** The obligation applies to **any natural or legal person within the EU** (banks, financial intermediaries, companies, etc.). « In case of doubt, freeze baby ! ».
5. **Unfreezing of funds for sanctioned persons:** virtually impossible.

V. b. Helping individuals/companies with asset release: from strict derogations for listed persons to procedures and remedies for unlawful freezes.



5. Unfreezing for non-sanctioned persons

- Unfreezing may be possible for persons of any nationality, including non-sanctioned Russian nationals or entities.
- Hence, a key prerequisite for lawyers: A COMPLETE COMPLIANCE ANALYSIS.

6. Guarantor engagement: huge responsibility for the lawyers

7. Unfreezing procedures:

- National and administrative procedures
- Mostly in Belgium (EUROCLEAR) and Luxemburg (CLEARSTREAM)
- Only possible agreement today when bonds were only« held »: change of nature (bonds being reimbursed in cash)

V. c. Helping individuals/companies with asset release: from strict derogations for listed persons to procedures and remedies for unlawful freezes.



8. WHAT IF DE-FREEZING IS NOT ACCEPTED ? INVESTMENT ARBITRATION IS POSSIBLE

- Prolonged freezing of assets may be argued to amount to de facto expropriation, potentially giving rise to investment arbitration (see: LITASCO/Bulgaria).
- In principle, the ECJ will consider that arbitration is possible even if a case is linked to sanctions (case C-802/24 : Reibel).
- In the latter case the Advocate General confirmed that arbitration may be pursued, provided that EU sanctions regulations are respected.
- In case C-701/25 (Graudu sabiedriba), the ECJ is presently determining if an arbitral award violating EU sanctions can be set aside.
- What about an execution outside of Europe ? A big danger for Belgium and Luxemburg ?

VI. Helping individuals/companies to organize and run a voluntary firewall



1. **FIREWALL:** aimed at allowing a company owned by sanctioned persons/entities to continue operating in the EU.
2. **EU FIREWALL GUIDANCE (29 november 2023)**
 - Legislative firewall: supervision by the State
 - Operator-initiated firewall: reporting obligations to the NCA.
3. **THE ROLE OF LAWYERS**
 1. Create the firewall = decouple the company from its sanctioned owners
 2. Organize the administration of the company to avoid interferences
 3. Evaluate the value of the company
 4. Report to the National Central Authority
 5. Prepare the sale offer and decide on the buyer (N.B. reasonable sale price)
 6. Constantly report to the National Central Authority

THE ROLE OF LAWYERS

IN DEALING WITH EU SANCTIONS

This paper stems from a presentation delivered on 16 March 2026 during the TRAVAR 2 webinar on EU sanctions, organised by the European Lawyers Foundation (ELF) and the CCBE. It outlines the EU legal framework for restrictive measures and explores the lawyer's role throughout the sanctions lifecycle: designation, compliance, litigation, and asset management.

I. DEFINITION AND SCOPE OF EU SANCTIONS

Sanctions as a tool of international policy

Sanctions (or restrictive measures) are typically defined as economic or political measures taken by a country or a group of countries to influence the behaviour of another state, organisation, or individual, often with the aim of enforcing international law. As a cornerstone of modern international policy, sanctions provide a mechanism for non-armed coercion, exerting pressure on a target to modify conduct without resorting to military force.

The current global sanctions landscape is increasingly dense, with nearly 50 active regimes targeting over 6,000 individuals and entities. These measures generally fall into three categories:

- Commercial: trade embargoes, import quotas, or organized boycotts;
- Monetary: restrictions on currency use or access to financial markets;
- Financial: investment bans and the freezing of assets.

Sources of sanctions regimes

Within the European Union, three sources of sanctions coexist.

First, UN-led sanctions are adopted by the UN Security Council under **Chapter VII** and are legally binding on all Member States. The EU implements UN Security Council sanctions through EU legal acts in order to ensure their uniform application within the internal market.

Second, mixed sanctions occur where the EU builds upon UN mandates by adding "top-up" measures tailored to European priorities, such as specific human rights standards.

Finally, EU autonomous sanctions are adopted under the Common Foreign and Security Policy (CFSP). These allow the EU to act independently, especially when the UN Security Council is deadlocked. In this context, the Union has established itself as a major actor in the use of restrictive measures to promote core values such as peace, security, and the rule of law.

The framework of EU autonomous sanctions

Crucially, EU sanctions are preventive, not criminal in nature. As such, their primary objective is to induce a change in behaviour by the targeted actors.

EU sanctions are generally organized into two categories: geographic regimes (targeting specific countries like Russia, Belarus, Venezuela, or North Korea) and thematic regimes (addressing global threats such as terrorism, human rights violations, cyber-attacks, and the proliferation of chemical weapons). To limit unintended consequences, the EU increasingly favours targeted sanctions, focusing on specific individuals or strategic sectors to minimize harm to civilian populations.

The adoption of these regimes also relies on a dual legal basis. Under the political pillar (**Art. 29 TEU**), the Council adopts a Decision by unanimity to define the political objectives and scope. This is followed by the operational pillar (**Art. 215 TFEU**), where the Council adopts a Regulation (based on a joint proposal from the High Representative and the European Commission) to bind economic operators. These Regulations are binding in their entirety and directly applicable in all Member States.

Implementation and judicial oversight of EU sanctions

The effectiveness of this framework rests on decentralized enforcement and private sector vigilance. While Member States are responsible for monitoring full implementation within their jurisdictions, financial institutions and companies act as the frontline "filters," screening transactions against EU lists.

This enforcement landscape has been further enhanced by **Directive (EU) 2024/1226**, which now harmonizes the violation or circumvention of sanctions as a criminal offence across the Union.

However, as sanctions are administrative measures with significant impacts on individual rights, they remain subject to rigorous judicial review before the General Court of the European Union. This oversight constitutes an essential safeguard against arbitrary listings and ensures full compliance with the EU Charter of Fundamental Rights.

Focus: The Russian sanctions regime

Recently, the war in Ukraine has significantly expanded the scale of EU sanctions policy, with measures targeting Russia now accounting for approximately 45% of all EU sanctions regimes.

The specific listing regime for Russian individuals and entities is primarily based on two key legal instruments, which have been regularly updated through successive sanctions packages to increase pressure on the Russian economy.

First, **Regulation (EU) No 833/2014** establishes sectoral sanctions, including restrictions affecting sensitive technologies, the energy and defence sectors, and financial services, as well as measures such as the exclusion of certain Russian banks from the SWIFT system.

Second, **Regulation (EU) No 269/2014** targets individuals and entities, providing for the freezing of assets and economic resources of persons responsible for actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine. It also requires Member States to establish penalties for violations of asset-freezing measures. In particular, **Article 15 of this regulation**

provides that Member States must adopt rules on penalties applicable to infringements, which constitute economic offences and may lead to criminal prosecution.

The individual listing regime is complemented by **Council Decision 2014/145/CFSP**, which defines the categories of persons subject to restrictive measures, including individuals directly linked to actions undermining Ukraine's territorial integrity. It also introduces the "association" criterion, which allows sanctions to target persons closely connected to listed individuals, such as family members or business associates, when they are considered to benefit from the sanctioned activities. This criterion ensures that the freezing of assets cannot be easily circumvented through proxies or familial networks.

II. HELPING TO INCLUDE INDIVIDUALS/COMPANIES ON EU OR NATIONAL SANCTIONS LISTS

The inclusion of a person or entity on an EU sanctions list is a rigorous process where foreign policy objectives must be balanced against the requirements of the rule of law. For lawyers, this stage involves mastering stringent evidentiary standards and utilizing the dedicated channels to ensure that any listing can withstand the scrutiny of judicial review.

Channels for initiating a listing

Information supporting potential listings can be transmitted through two main channels: EU-level mechanisms and national-level mechanisms.

At the EU level: EU Sanctions Whistleblower Tool

The European Commission operates a secure and anonymous reporting portal, established under **Directive (EU) 2019/1937**, which allows individuals to report suspected sanctions violations or provide information relevant to potential listings.

To withstand judicial review, evidence must comply with the evidentiary standards set out in **Council Document 5664/2018**, which requires that information be specific, precise, and verifiable in order to withstand judicial review before EU courts.

Following the landmark **Kadi II judgment**, the Council must rely on a "specific, precise, and consistent body of evidence." Therefore, mere allegations or vague assertions are insufficient.

In **Alisher Usmanov v. Council (T-1117/23, 3 September 2025)**, the General Court confirmed that the Council may rely on publicly available sources, including press articles and open-source intelligence (OSINT), provided that these elements together form a coherent and reliable body of evidence. This case illustrates the Court's relatively flexible approach to the nature of evidence, while maintaining strict scrutiny of its reliability and consistency.

In **Dmitry Pumpyanskiy v. Council (T-541/24, 10 September 2025)**, the General Court annulled the decision maintaining the applicant on the sanctions list. The Court found that the Council had failed to produce a specific, precise, and consistent body of evidence, relying instead on outdated press articles and generic references. Having demonstrated that he had resigned from his positions in March 2022

and no longer exercised an active role in the Russian economy, the applicant successfully challenged the listing. The judgment reaffirmed the strict evidentiary standard required under **Article 47 of the Charter of Fundamental Rights**.

Once evidence is gathered, submissions can be made either via direct email (relex-sanctions@ec.europa.eu) or through the anonymous online portal: <https://eusanctions.integrityline.com>.

Information may also be channelled through the European External Action Service (EEAS), which can review, verify, and support proposals for EU-level listings.

At the national level

At the national level, three key channels can be used. Criminal enforcement has often proved difficult in practice, due to the complexity of evidentiary requirements and cross-border investigations.

Administrative procedures can be used to encourage Member States to propose the inclusion of individuals or entities on EU sanctions lists. This serves as a practical tool to trigger action at the EU level.

The same type of administrative procedure may also be used to request inclusion on national sanctions lists. In this context, an important legal question concerns the possibility for Member States to adopt supplementary national sanctions lists alongside the EU regime. This issue is currently before the Court of Justice in **Inter RAO Lietuva v. Financial Crime Investigation Service (C-147/25)**, a preliminary ruling request lodged on 17 February 2025, with judgment pending. In his Opinion, the Advocate General suggests that Member States may adopt ad hoc national listings, provided that they do not expand the circle of persons designated under EU sanctions. The forthcoming judgment will clarify the legal relationship between national and EU-level sanctions regimes.

The listing process: from initiative to adoption

A listing is not automatic; it involves a multi-actor evidentiary and political process.

Initiative

Proposals originate from Member States or the High Representative. Criteria have expanded from political decision-makers to "influential businesspersons" and their family members.

Technical review (RELEX)

The Foreign Relations Counsellors Working Party (RELEX) assesses the legal soundness of the evidence. Practitioners must ensure that the "statement of reasons" is sufficiently robust, in accordance with the standards defined in **Council Document 5664/2018**.

Precise identification

Extensive data (ICAO standards, biometrics) is required to prevent material errors, such as homonymy.

Adoption

The Council takes the final decision, generally by unanimity, followed by immediate publication in the Official Journal.

Key concepts for listing: the “Golden Rule” and presumption of control

The “Golden Rule”

Once a person or entity is listed, a prohibition on making funds or economic resources available applies. No assets or economic resources may be provided directly or indirectly, including through intermediaries or beneficial ownership structures.

Presumption of control

A non-listed entity may nevertheless be treated as sanctioned if it is owned (more than 50%) or controlled by a listed person or entity. Control may arise through ownership, the power to appoint management, or other forms of dominant influence. Compliance practice also applies an aggregation rule, whereby combined ownership interests of listed persons may trigger this presumption.

Fundamental safeguards for the listed person/entity

Due to the necessary “surprise effect” intended to prevent the immediate flight of assets, EU listings are adopted and published without prior notice. To balance this invasive measure, the Council is bound by strict procedural safeguards once the listing takes effect.

Central to these safeguards is the right to information, which finds its essential corollary in the Council’s duty to state reasons.

Listed persons must be informed of the grounds for their designation. In *Alfa-Bank v. Council (T-271/23, 2025)*, the General Court confirmed that this requirement is satisfied when the statement of reasons is communicated to the person’s authorized legal counsel.

The principle is that the listing decision must contain sufficient reasoning to enable the person concerned to understand the grounds for their designation and to exercise their right to judicial review before EU courts.

III. SERVICES THAT MAY NOT BE PROVIDED DUE TO EU SANCTIONS

EU sanctions may also restrict the provision of certain professional services to designated persons or entities, particularly where such services could contribute to the economic capacity of the sanctioned state or its affiliated actors.

Legal basis: prohibition on legal advisory services

Article 5m of Regulation (EU) No 833/2014 states that “It shall be prohibited to provide, directly or indirectly, legal advisory services to” the “Government of Russia”, as well as “legal persons, entities, or bodies established in Russia.”

Unlike traditional listing-based measures, Article 5m introduces a sectoral prohibition on the provision of certain professional services, applicable to a broad category of Russian clients.

Case law on legal services and sanctions

The issue has been addressed in **T-797/22: Dutch-Speaking Bar of Brussels v. Council, Commission, High Representative**. The Court held that the prohibition does not infringe the right to be advised, defended, or represented by a lawyer, as protected under **Article 47 of the EU Charter of Fundamental Rights**. The Court further clarified that **Article 7 of the Charter** does not guarantee a general right of access to a lawyer in these circumstances.

The matter is currently before the Court of Justice in **Dutch-Speaking Bar of Brussels v. Council (C-865/24 P)**: The proceedings raise important questions regarding:

- the scope of the prohibition on legal advisory services under EU sanctions regimes;
- the procedural conditions governing the adoption of such restrictions; and
- the compatibility of these measures with fundamental principles such as legal privilege and the right to effective legal representation.

As the case remains pending before the Court of Justice, it is considered a key development to monitor, as the forthcoming judgment may clarify the limits of sanctions affecting the legal profession and the protection of the right to counsel within the EU sanctions framework.

IV. A. HELPING INDIVIDUALS/COMPANIES TO BE REMOVED FROM SANCTIONS LISTS

Methods of removal from EU sanction lists

The designated individuals and companies are listed in **Annex I to Regulation 269/2014** regarding measures through which the EU responds to the crisis in Ukraine.

Since the 2022 invasion, the General Court of the European Union has emerged as a central forum for sanctions litigation, handling over 250 annulment actions related to the Russian regime alone. This unprecedented volume of litigation has significantly refined the legal standards and procedural safeguards governing EU restrictive measures.

There are two main avenues through which individuals or entities may seek removal from these lists: administrative review and judicial annulment.

Administrative review

Under **Article 14 of Regulation (EU) No 269/2014**, the Council must periodically review sanctions listings, typically every six or twelve months. Removal may occur during this review process, particularly in situations such as death, dissolution of the entity, or clear evidence of a change in behaviour or circumstances.

In this context, strategic advocacy involves submitting legal observations to the Council and engaging in dialogues with Member States' competent authorities and Commission officials to challenge the factual and legal grounds of the listing.

Judicial review

Listed parties may also bring an action for annulment before the General Court under **Article 263 TFEU**, provided the challenge is filed within two months of the listing's publication. This procedure involves a rigorous material analysis of the evidence and grounds used to justify the listing.

If the Court annuls a listing, the effects of the judgment are suspended for two months and ten days, allowing the Council time to lodge an appeal or adopt corrective measures.

Legal arguments for judicial review

Recent litigation reveals several recurring legal arguments raised by applicants, including:

- Manifest errors of assessment,
- Insufficiency of evidence,
- Procedural defects (such as inadequate reasoning), and
- Disproportionate measures.

Recent rulings have also further refined several specific criteria

End of "past association"

In **Dmitry Pumpyanskiy v. Council (T-541/24, September 2025)**, the General Court annulled the applicant's continued listing after finding that the Council had failed to demonstrate his ongoing role in the Russian economy. Evidence such as past meetings with President Putin was considered insufficient to establish current influence or leadership.

Clarification of the "influential businessperson" criterion

In **Igor Rotenberg v. Council (T-268/24)**, the Court clarified that obtaining public contracts in Russia is not, in itself, sufficient to justify a listing. The Council must demonstrate that the individual derived advantages going beyond ordinary market conditions, thereby showing a genuine link to the sanctioned regime.

“Guilt by association” and family ties

Recent case law has significantly limited the use of family relationships as a sole basis for listings. A landmark decision in this area is **Case T-212/22 (Violetta Prigozhina v. Council)**, where the Court ruled that the link between Mrs. Prigozhina and her son was 'based solely on their family relationship' and was therefore insufficient to justify her inclusion on the list.

In **Pavel Ezubov v. Council (T-273/24, June 2025)**, the General Court annulled a listing based solely on kinship with the Russian businessman Oleg Deripaska. The Court held that a family relationship alone does not constitute sufficient evidence of a real and non-negligible benefit from the sanctioned person's activities. The Council had failed to demonstrate that Ezubov had obtained a tangible financial or material advantage from Deripaska's business network.

Further clarification was provided by the Court of Justice in **Gennady and Elena Timchenko v. Council and Commission (C-805/24 P, 16 October 2025)**. In this appeal against the earlier **General Court judgment (T-361/22)**, the Court upheld the asset freeze and confirmed that the “association” criterion requires objective common interests that go beyond a mere family relationship. Familial ties may support a listing only when accompanied by additional objective links demonstrating shared economic or strategic interests.

Procedural breaches

In **OT v. Council (T-1095/23, 23 July 2025)**, the General Court acknowledged that certain evidence had been communicated to the applicant with delay. However, the Court held that the applicant had not demonstrated that earlier disclosure would have altered the outcome of the decision. As a result, the procedural irregularity was not considered sufficiently serious to justify annulment.

This decision illustrates the Court's relatively strict threshold for procedural defects: a breach will lead to annulment only if it is capable of influencing the substance of the decision.

After annulment: possible damages?

A new development concerns the potential liability of the European Union for damages resulting from sanctions measures.

In a recent action brought by **Gennady Timchenko (T-816/25)**, the applicant seeks €1 million in compensation for moral prejudice allegedly caused by the restrictive measures imposed against him. If successful, the case could mark an important step toward greater judicial scrutiny of the proportionality of EU sanctions and the possibility of financial liability for unlawful listings.

IV B. HELPING INDIVIDUALS/COMPANIES TO BE REMOVED FROM SANCTIONS LISTS

Beyond EU-wide regulations, several Member States have established their own national sanctions lists. The legality of such national listings was questioned through prejudicial questions.

A key pending case in this area is *Inter Rao Lietuva v. Financial Crime Investigation Service (C-147/25)*. In this matter, a company was listed by Lithuanian authorities based on the alleged links of its owners, who were not themselves listed, to Vladimir Putin. In his recent opinion, the Advocate General clarified the limits of national authority:

- Utility of national lists: Member States may maintain national lists as a tool to identify specific assets and resources that must be frozen under EU law.
- Strict constraints: These lists are only permissible provided they do not expand the circle of persons designated under the primary EU sanctions regime.

V. HELPING INDIVIDUALS/COMPANIES WITH ASSET RELEASE: FROM STRICT DEROGATIONS FOR LISTED PERSONS, TO PROCEDURES AND REMEDIES FOR UNLAWFUL FREEZES

Freezing

The freezing of assets under EU sanctions constitutes a preventive administrative measure, rather than a form of criminal confiscation. Ownership is not transferred to the State; instead, the ability to access or use those assets is temporarily suspended.

Under **Article 2 of Regulation (EU) No 269/2014**, "*all funds and economic resources belonging to, owned, held, or controlled by*" any persons or entities listed in Annex I must be frozen. The scope of application is notably broad: it covers assets not only *owned* by a listed person but also those merely held by them.

This leads to significant consequences. First, all funds or assets held in custody by sanctioned Russian banks, brokers, or official institutions must be frozen, regardless of the underlying beneficial owner. Second, the obligation to freeze applies to any natural or legal person within the EU (banks, companies, and even individuals).

Path to release

While asset freezes are broad, the path to release depends almost entirely on the status of the applicant.

Status-based outcomes

For sanctioned persons, obtaining a full release of assets is not possible as long as the listing remains in force. However, EU regimes provide for limited derogations, allowing competent national authorities (CNAs) to authorize the use of frozen funds under specific conditions.

Under **Article 4 of Regulation (EU) No 269/2014**, these derogations may be granted for:

- Basic needs: Funds may be released to cover essential expenses such as healthcare, food, housing, utilities, education, or taxes.
- Legal fees: Expenses related to legal representation and judicial proceedings may also be authorized. Court fees are generally considered part of basic needs, while lawyers' fees must be assessed as reasonable and proportionate.
- Professional income: A sanctioned person may still engage in professional activity. However, any salary or remuneration must typically be paid into a frozen account, meaning the funds remain subject to the asset-freezing measures.

For non-sanctioned persons, or whenever the sanction is unlawful, release is possible for individuals of any nationality, including non-sanctioned Russians, provided they can prove they are the sole beneficial owners and the assets are not "controlled" by a listed entity.

The role of legal counsel

A comprehensive compliance audit has become a prerequisite to ensure that no indirect benefit is provided to a sanctioned party.

Additionally, lawyers may act as professional guarantors by issuing formal opinions on the legitimacy of an asset portfolio. This function carries significant legal responsibility and professional liability, as the lawyer must personally vouch for the accuracy of the client's disclosures to the regulator.

Administrative authorised release of frozen funds

Applications must be filed with national competent authorities. For instance, cases involving International Central Securities Depositories (ICSDs) are handled by the Belgian Treasury (for Euroclear) or the Luxembourg Ministry of Finance (for Clearstream).

Currently, the most viable path for release appears to be the ones that involve assets that have undergone a "change of nature." For example, when frozen bonds reach maturity and are reimbursed in cash, the transformation of the asset can sometimes provide a legal window for authorized transfer under specific individual licenses.

Investment arbitration as a remedy for refused release of frozen funds

In certain circumstances, prolonged asset freezes may give rise to investment treaty disputes. Investors may argue that these measures amount to indirect expropriation or a breach of the Fair and Equitable Treatment (FET) standard under Bilateral Investment Treaties (BITs).

Such arguments have been raised in proceedings including *LITASCO v. Bulgaria and Kerimova v. Switzerland*, where investors challenged restrictions affecting their assets under sanctions regimes.

The interaction between EU sanctions and international arbitration remains an evolving area of law. In *Case C-802/24*, the Advocate General confirmed that while arbitration is a valid avenue, any resulting award must strictly respect the EU's sanctions regulations.

A critical legal hurdle concerns the execution of arbitral awards involving sanctioned parties. Indeed, an award does not automatically grant a legal basis for unfreezing assets if enforcement conflicts with EU law.

In the pending case *Graudu sabiedrība (C-701/25)*, the Court is currently determining whether the risk of violating EU sanctions justifies setting aside or refusing the enforcement of a foreign arbitral award under the New York Convention on the grounds of international public policy.

The forthcoming judgment may provide important clarification on the interaction between EU sanctions law and international arbitration enforcement mechanisms.

A strategic question remains regarding execution outside of EU jurisdiction. While an award might be blocked within the EU, creditors may seek to satisfy the award by seizing a Member State's commercial assets located in third countries where EU public policy does not automatically apply.

VI. HELPING COMPANIES TO ORGANIZE AND RUN A VOLUNTARY FIREWALL

A Firewall is a strategic legal mechanism aimed at allowing an EU-based company owned or controlled by sanctioned persons/entities to continue operating without violating sanctions regulations. By isolating the entity from its sanctioned shareholders, the company can maintain its workforce, contracts, and banking relationships.

Following the *EU Firewall Guidance (29 November 2023)*, two primary models have been identified:

- Legislative Firewall: A state-mandated structure involving direct supervision by national authorities.
- Operator-Initiated Firewall: A voluntary restructuring initiated by the company, subject to strict reporting obligations to the National Competent Authority.

In this complex regulatory environment, legal counsel acts as both the architect and the monitor of the firewall, performing several critical functions to ensure the entity's survival while maintaining strict compliance.

First, counsel is responsible for structural decoupling. This involves designing a robust legal framework to fully isolate the EU subsidiary from its sanctioned owners. The primary objective is to guarantee that no funds or economic resources flow, directly or indirectly, to the designated parties, thereby neutralizing the "control" link that would otherwise trigger an asset freeze.

Second, the lawyer ensures operational insulation by reorganizing the company's day-to-day administration. This process precludes any interference or influence from sanctioned individuals in the decision-making process, often through the appointment of independent trustees or managers who report exclusively to the non-sanctioned board.

Furthermore, legal counsel manages valuation and compliance risks. By conducting a formal and independent evaluation of the company's value, counsel ensures that all transactions -including a

potential exit or divestment- are executed at a "reasonable sale price." This prevents any "indirect provision of funds" that could arise from an overvalued or undervalued transfer of assets.

Finally, a crucial part of the role involves proactive engagement with NCAs. Counsel is responsible for preparing the sale offers, vetting potential buyers through rigorous due diligence, and managing the continuous reporting obligations required by the regulator. This transparent relationship with the NCAs is essential to validate the firewall's integrity and secure the necessary administrative authorizations.

Sibylle THENAISY

Dominique GRISAY

WEBINAR

Webinar for Lawyers on EU Sanctions

16 MARCH 2026, 10:00 – 12:30 CET



Pantelis Christofides, President of the AML and Sanctions' Sub-Committee of the Cyprus Bar Association (CBA)

The role of Bars in dealing with EU Sanctions



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CBA Restrictive Measures' Regulatory Role



An **Overview**, taking into account:

1. The **importance of the Republic of Cyprus** regarding **Foreign Direct Investment (FDI)**

2. The **CBA Supervisory Role, as the Advocates' Competent Sanctions' and Restrictive Measures Authority**, in connection with:
 - 2.1 the *previously applicable* **Law on the Application of the Provisions of Resolutions or Decisions of the Security Council of the United Nations' Organisation (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures) Law of 2016 (Law no. 58(I)/2016)**;

 - 2.2 continuing into the *recently* enacted **Establishment of the National Sanctions' Implementation Unit and the Application of Restrictive Measures and National Sanctions of the Republic of Cyprus Law of 2025 (Law no. 150(I)/2025)**; and

 - 2.3 the application of the **Legal Professional Privilege (LPP) Principle**, which permeates the application of the National EU Restrictive Measures' and UN Security Council Sanctions' related Legislation.

CBA Restrictive Measures' Regulatory Role



An **Overview**, taking into account:

3. The **CBA Advocacy related Role**, as to the above – mentioned facets, in upholding:

3.1 the **Principle of Legality**, including submissions before the Legislative Body of the Republic of Cyprus, interaction with the other Regulators and organising relevant informative events; and

3.2 the **Principle of Transparency**.



The importance of the Republic of Cyprus regarding FDI

□ Central Bank of Cyprus (CBC) 24/12/2025 Publication:

- ❖ the Annual Ultimate Investing Economy (UIE) Stock Data by Country List for year 2024, (the **CBC 2024 List**)
- ❖ presenting the geographical breakdown of inward direct investment positions according to the UIE for the year 2024



The CBC 2024 List

❑ Central Bank of Cyprus (CBC) 24/12/2025 Publication:

- ❖ As per the CBC 2024 List, inward direct investment positions, according to the UIE, amounted in total to approximately €365.07 billion for the year 2024.
- ❖ In the first position, approximately €83.46 billion originated from the Russian Federation, representing approximately 23% of the total.
- ❖ Investments from all the European Union (EU) Member States, came second, amounting to approximately €74.36 billion, and representing approximately 20% of the total. Luxembourg has been noted in the first place out of all the EU Member States, with approximately €32.1 billion, with The Netherlands following with approximately €6.88 billion.
- ❖ After the EU, the United States of America features, in the third place with approximately €66.57 billion, accounting for approximately 18%, followed, in the fourth place, by the United Kingdom, with approximately €17.17 billion, accounting for approximately 5%.



The CBC 2024 List

☐ Cypriot Press Articles:

- ❖ Cyprus Business News (CBN), 27/12/2025, *Direct investments from Russia to Cyprus amounted to 23% of the total in 2024*, quoting Cyprus News Agency (CNA)
- ❖ Politis News, 24/12/2025, *Central Bank: Who Invests In Cyprus As FDI Continues To Decline: Second consecutive annual drop, with major losses linked to Russian capital, the US and the UK*

FDI Screening – EU Restrictive Measures’ Interaction



□ EU Regulatory Interplay:

- ❖ **Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union (also known as the EU FDIS Regulation)**
- ❖ **the Republic of Cyprus’ Establishment of Framework for the Direct Foreign Investment Screening Law of 2025 (Law no. 194(I)/2025) (the FDIS Law),**
- ❖ **EU Member States’ Notification Form entitled ‘*Request for information from the investor for the purposes of notifications pursuant to Article 6 of Regulation (EU) 2019/452*’:**
 - specific queries as to the application of EU Restrictive Measures and UN Security Council Sanctions’ regarding each proposed FDI and the UBOs behind the said proposed FDI (*see indicatively Notification Form Queries no. 3.23, 4.22, and 6.16*).

CBA Supervisory Role:

Advocates' Competent Sanctions' and Restrictive Measures Authority



□ Law on the Application of the Provisions of Resolutions or Decisions of the Security Council of the United Nations' Organisation (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures) Law of 2016 (Law no. 58(I)/2016) (the 2016 Law):

1. CBA assigned with the Supervisory Role, with cross reference to **Section 59(1)(e) of the Prevention and Combating of Money Laundering Law of 188(I)/2007** as amended from time to time (the **AML Law**), which had also vested the AML Supervisory Role to Advocates and Advocates' controlled legal entities to CBA.
2. CBA Council, *exercising its powers to issue binding Directives/Circulars addressed to its Members – Obligated Entities*, issued:
 - 2.1 the EU Restrictive Measures' related CBA Circular 01/2022 dated **22/03/2022**;
 - 2.2 the CBA Guidance Notes dated **05/04/2022** concerning the application of CBA Circular 01/2022; and
 - 2.3 the Amendment to the CBA Guidance Notes dated **06/07/2022**.

CBA Supervisory Role: Advocates' Competent Sanctions' and Restrictive Measures Authority



□ Performance of the CBA Role under the 2016 Law:

3. Through the application of Circular 01/2022, an obligation is imposed on the obliged entities to report to the CBA if they have any sanctions exposed entities or individuals on their client portfolios. The obligation is ongoing and the obliged entities need to inform the CBA in the instance where any of their clients fall under the new sanctions packages.
4. During May 2023, a Questionnaire had been sent to all obliged entities that had submitted relevant information to the CBA, requesting to be provided with very specific information, including numerical information. The said questionnaires had been collected, and the information provided had been assessed.
5. The supervision of the obliged entities of the CBA is primarily performed through onsite visits. Sanctions compliance is always addressed and assessed during the CBA AML monitoring visits. The CBA has performed sanctions targeted monitoring visits on numerous occasions.
6. Obligated entities' sanctions compliance is also monitored and supervised through desktop reviews of the compliance questionnaire which they are obliged to submit on an annual basis.

CBA Supervisory Role:

Advocates' Competent Sanctions' and Restrictive Measures Authority



□ Performance of the CBA Role under the 2016 Law:

7. The Annual Compliance Questionnaire of the CBA (AMLEX) has been upgraded, and includes additional questions addressing sanctions compliance, with the latest concerning 2024 within the ambit of the relevant AMLEX Questionnaire submission process which was completed during December 2025.

8. The CBA AML Directive establishes that companies must integrate sanctions considerations into their risk-based AML/CFT framework, ensuring full compliance with EU and UN sanctions regimes. It highlights the legal, regulatory, and reputational risks, including penalties and the risk of professionals being seen as facilitating sanctions evasion. It also requires firms to implement documented policies, continuously assess evolving risks, and consider guidance from supervisory authorities and international bodies when conducting risk assessments.

CBA Supervisory Role: Advocates' Competent Sanctions' and Restrictive Measures Authority



□ Performance of the CBA Role under the 2016 Law:

9. During the preparation ahead of monitoring visits the Supervision Team screens all entities on the client lists provided by the obliged entities. This ensures that all sanctions exposed entities serviced by CBA members, are identified and addressed as necessary.

10. There have been instances where the CBA following the provisions of the AML law has exchanged information with other relevant EU Restrictive Measures' related Supervisory Authorities and reached to the CBA supervised members to examine the possibility of sanctions circumvention.

11. CBA has on a number of occasions reported to the Police cases that may be circumventing sanctions, thereby performing the CBA legal obligation pursuant to Section 6 of the 2016 Law.

12. CBA is in close co-operation with other Sanctions' related supervisory authorities, concerning issues which pertain to the exercise of their respective jurisdictions as EU Restrictive Measures' related Supervisory Authorities.

13. Any amendments to the applicable from time to time Sanctions' regime, such as the EU Restrictive Measures' related packages, are uploaded immediately on the CBA website and notifications are sent to obliged entities through the weekly newsletter released electronically by CBA.

CBA Supervisory Role:

Advocates' Competent Sanctions' and Restrictive Measures Authority



❑ **Establishment of the National Sanctions' Implementation Unit and the Application of Restrictive Measures and National Sanctions of the Republic of Cyprus Law of 2025 (Law no. 150(I)/2025) enacted on 25/07/2025 (the 2025 Law)**

❖ **Main features of the 2025 Law, particularly in connection with the CBA Supervisory Role:**

1. The provisions of the Law concern UN Security Council Sanctions, EU Restrictive Measures, and National Sanctions of the Republic of Cyprus [Section 2], if any when such National Sanctions are enacted.

2. There is specific provision for the application of the LPP as Recognised by Law, which under the Republic of Cyprus' Constitution, this also refers to the Court of Justice of the European Union (CJEU) case law which has supreme status as per Article 1A of the Constitution, as well as, due to the existence of the European Convention of Human Rights (ECHR) Ratifying Law no. 39/1962, enacted under the Constitution, the European Court of Human Rights (ECtHR) case law, regarding all the Members registered and supervised by the CBA as practicing advocates [Section 2].

CBA Supervisory Role:

Advocates' Competent Sanctions' and Restrictive Measures Authority



❖ **Main features of the 2025 Law, particularly in connection with the CBA Supervisory Role:**

3. A 'Practicing Advocate' refers to any natural or legal person that is supervised or/and licensed by CBA or is covered by the recognised by law professional privilege of the advocate [Section 2].

4. The duty to submit a report to the National Sanctions' Implementation Unit (NSIU) has been limited. To that effect, there is an express exclusion regarding all persons, which under the Interpretation Law refers to legal or natural persons, to which the LPP applies [Sections 2, 19(2) and 29(1)].

CBA Supervisory Role:

Advocates' Competent Sanctions' and Restrictive Measures Authority



❖ **Main features of the 2025 Law, particularly in connection with the CBA Supervisory Role:**

5. CBA, as the sole Sanctions' and Restrictive Measures' Regulatory Authority for the CBA supervisees – obliged entities, also by express reference to Section 59 of the AML Law being made in the 2025 Law [Section 2], continues to be empowered to:

5.1 enact secondary legislation in the form of Sanctions' and Restrictive Measures' related Directives [Section 2];

5.2 issue Regulatory or Binding Orders as to Risk Assessment and Tracing of Restrictive Measures or Sanctions' Infringements [Section 25]; and

5.3 impose Administrative Penalties, including administrative fines on the CBA supervisees – obliged entities [Section 27].

6. The investigatory role regarding sanctions' infringement by CBA Members will be carried out, by necessary implication, as a result of the effect of the above – mentioned provisions read conjunctively.

CBA Supervisory Role:

Advocates' Competent Sanctions' and Restrictive Measures Authority



❖ Main features of the 2025 Law, particularly in connection with the CBA Supervisory Role:

7. NSIU can issue overall Directives as to the better application of the Sanctions' and Restrictive Measures' related Regime [Section 3].

8. NSIU can issue administrative penalties [Sections 3 and 29], subject, inter alia, to the application of LPP, due to the operation of the specific exclusions in the relevant Sections of the Law [Sections 2, 19(2) and 29(1)].

9. The CBA will be informing, in addition to NSIU, the Attorney – General of the Republic of Cyprus as well, in the event that the CBA has a reasonable suspicion that a person has committed or is committing an act or an omission that infringes restrictive measures or sanctions [Section 8].

10. In the capacity thereof as the Advocates' Sanctions' Regulator, CBA could be called in, as part of the Consultative Body, made up by Governmental Authorities, regarding the better application of the Sanctions' Law, on an ad hoc basis [Section 21(3)].

CBA Advocacy Role: Upholding the Principle of Legality



- A. Submission of CBA views and suggestions concerning the then draft Bill concerning the establishment and operation of the National Sanctions' Implementation Unit (NSIU) during the relevant debate before the Republic of Cyprus' House of Representatives' Committee on Finance and Budget.**

- B. Organisation of Seminars concerning the EU Restrictive Sanctions' and UN Security Council Sanctions' Application.** To that effect, the CBA Monitoring and Compliance Department organised:
 - 1. on 21/10/2025, a whole day Educational – Training Seminar in Nicosia, in English, entitled 'EU Sanctions and their Challenges' with presentations by the Head of the newly established NSIU, and our learned colleague Mrs. Salomé Lemasson; and
 - 2. on 15/12/2025, a follow – up webinar, in English with Mrs. Salomé Lemasson.

CBA Advocacy Role: Upholding the Principle of Legality



C. Organisation of a whole day Conference dated 16/01/2024 in Nicosia entitled ‘Update on Legal Privilege under EU Law’:

1. concerning the application of LPP *vis – a – vis* the case law of the Cyprus Supreme Court, the Provision of Legal Advice, and Self – Regulation,
2. with the participation, amongst other distinguished speakers, of Mr. George Savvides, Attorney – General of the Republic of Cyprus, Mr. Myron Nicolatos, former President of the Cyprus Supreme Court, Mr. Panagiotis Perakis, Attorney at Law, then Immediate Past CCBE President, Mr. Peter Callens, President of the Flemish Bar Association (Voorzitter, Orde van Vlaamse Balies), and Mr. Paul Verhaeghe – Attorney, Tax Attorney, licenced for criminal high court appeals.

CBA Advocacy Role: Upholding the Principle of Legality



D. Organisation of 2 in – person whole – day informative events in Nicosia (19/02/2025) and Limassol (17/12/2025) dedicated to Foreign Direct Investment Screening:

1. attended not only by CBA Members, but also by non – Advocates,
2. whereby, the interaction between AML and Sanctions' Legal Regimes and FDI screening under the EU FDIS Regulation, had been highlighted.

CBA Advocacy Role: Upholding the Principle of Legality



E. Publication of CBA Announcements concerning the CJEU, and ECtHR, case – law as to the LPP application

F. Establishment, during November 2023, by the CBA Council of the Sub – committee for the prevention of money laundering and terrorist financing activities and breaches of sanctions, that:

1. comprises of 19 lawyers that are considered as experts in the field, and
2. *inter alia*, discusses, reviews, researches, advises, and submits proposals before the CBA Council of the CBA, on matters pertaining to Anti – Money Laundering and Sanctions’ related legislations, as well as on matters related to Foreign Direct Investment Screening.

CBA Advocacy Role: Upholding the Principle of Transparency



- CBA, upholding the Principle of Transparency, submitted the comments thereof to local and international Press outlets regarding the CBA views and the rationale behind the said views which related to the then draft Bill concerning the establishment and operation of the National Sanctions' Implementation Unit (NSIU)

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Cypriot Press Articles as to FDI and the CBC 2024 List:

Cyprus Business News (CBN), 27/12/2025, Direct investments from Russia to Cyprus amounted to 23% of the total in 2024, quoting Cyprus News Agency (CNA):

<https://www.cbn.com.cy/article/124506/direct-investments-from-russia-to-cyprus-amounted-to-23-of-the-total-in-2024>

Politis News, 24/12/2025, Central Bank: Who Invests In Cyprus As FDI Continues To Decline: Second consecutive annual drop, with major losses linked to Russian capital, the US and the UK:

<https://en.politis.com.cy/economy/economy-business-finance/976573/central-bank-who-invests-in-cyprus-as-fdi-continues-to-decline>

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EU Member States' Notification Form entitled '*Request for information from the investor for the purposes of notifications pursuant to Article 6 of Regulation (EU) 2019/452*':

<https://circabc.europa.eu/ui/group/be8b568f-73f3-409c-b4a4-30acfcec5283/library/aac8130b-3b40-4bd1-99b5-147447189f23/details>

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Law on the Application of the Provisions of Resolutions or Decisions of the Security Council of the United Nations' Organisation (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures) Law of 2016 (Law no. 58(I)/2016):
https://www.cylaw.org/nomoi/enop/non-ind/2016_1_58/full.html

EU Restrictive Measures' related CBA Circular 01/2022 dated 22/03/2022:
https://www.cyprusbarassociation.org/files/AML/31_03_2022.pdf

CBA Guidance Notes dated 05/04/2022 concerning the application of CBA Circular 01/2022:
https://www.cyprusbarassociation.org/files/AML/Updated_Handbook_-_01_2022.pdf

Amendment to the CBA Guidance Notes dated 06/07/2022:
https://www.cyprusbarassociation.org/files/AML/Updated_Handbook_01_2022_06_07_2022.pdf

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Establishment of the National Sanctions' Implementation Unit and the Application of Restrictive Measures and National Sanctions of the Republic of Cyprus Law of 2025 (Law no. 150(I)/2025):
https://www.cylaw.org/nomoi/arith/2025_1_149.pdf

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Programme of the CBA Educational – Training Seminar dated 21/10/2025 entitled ‘EU Sanctions and their Challenges’ with presentations by the Head of the newly established NSIU, and Mrs. Salomé Lemasson:
<https://www.cyprusbarassociation.org/index.php/en/component/jevents/eventdetail/1045/-/eu-sanctions-their-challenges?Itemid=388>

Programme of the CBA follow – up webinar, in English, with Mrs. Salomé Lemasson:
<https://www.cyprusbar.org/CourseEventDetails?Id=xBWKrsSXhHfnvsSESIZpgQ%3D%3D>

Programme of the CBA Organisation Conference dated 16/01/2024 in Nicosia entitled ‘Update on Legal Privilege under EU Law’:
<https://www.cyprusbarassociation.org/images/English.pdf>

In – person whole – day informative events in Nicosia (19/02/2025) and Limassol (17/12/2025) dedicated to Foreign Direct Investment Screening:
<https://www.cyprusbar.org/CourseEventDetails?Id=vLgRQA4vbrrSMBU84zbDBw%3d%3d> and
<https://www.cyprusbarassociation.org/index.php/el/component/jevents/eventdetail/1069/-/elenchos-ameson-xenon-ependyseon-e-kypriake-diastase-kai-oi-exelixeis-se-europaiko-kai-diethnes-epipedo?Itemid=388>

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CBA Announcements concerning the CJEU, and ECtHR, case – law as to the LPP application:

<https://www.cyprusbarassociation.org/index.php/el/news/44505-anakoinose-pds-to-dikasterio-tes-europaikes-enoses-epibebaionei-kai-enischyei-ten-epharmoge-tou-dikegorikou-epangelmatikou-aporretou-kai-ston-tomea-tou-etairikou-dikaiou>

<https://www.cyprusbarassociation.org/index.php/el/news/51816-anakoinose-tou-pds-anaphorika-me-te-demosieuse-tou-peri-tes-idryses-tes-ethnikes-monadas-epharmoges-kyroseon-nomou-tou-2025>

Details of the CBA Sub – committee for the prevention of money laundering and terrorist financing activities and breaches of sanctions:

<https://www.cyprusbarassociation.org/index.php/en/c-b-a/committees/37743-committee-for-the-prevention-of-money-laundering-and-terrorist-financing-activities-and-breaches-of-sanctions>

ANNEX



Indicative publications of the Cypriot and International Press mentioning CBA comments and positions:

<https://cyprus-mail.com/2025/05/12/lawyers-oppose-law-to-fight-sanctions-busting>

<https://www.icij.org/investigations/cyprus-confidential/cyprus-misses-eu-deadline-as-long-awaited-sanctions-unit-stalls/>

<https://www.icij.org/investigations/cyprus-confidential/cyprus-greenlights-sanctions-unit-following-icij-investigation-into-the-countrys-financial-services-sector/>

CBA: The role of Bars in dealing with EU Sanctions



Thank you very much for your attention

SLIDE 1

Dear friends, dear colleagues, good morning from Nicosia,

SLIDE 2

On behalf of the **Cyprus Bar Association (CBA)**, and the AML and Sanctions' Sub-Committee thereof, we would kindly like to thank CCBE and ELF for the opportunity to share with, and discuss, with you, our colleagues across the European Union, the actions and thoughts of CBA in performing its Supervisory role concerning the CBA obliged entities, that refer to Advocates, Advocates' Firms, and their Administrative Service Providers' (ASPs) registered and practicing in the Republic of Cyprus, on the basis of the following 3 pillars or facets:

1. the importance of the Republic of Cyprus regarding **Foreign Direct Investment** (also referred to as **FDI**),
2. the CBA Supervisory Role, as the Advocates' Competent Sanctions' and Restrictive Measures Authority, in connection with:
 - 2.1 the ***previously applicable*** Law on the Application of the Provisions of Resolutions or Decisions of the Security Council of the United Nations' Organisation (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures) Law of 2016 (Law no. 58(I)/2016);
 - 2.2 continuing into the ***recently enacted*** **Establishment of the National Sanctions' Implementation Unit and the Application of Restrictive Measures and National Sanctions of the Republic of Cyprus Law of 2025 (Law no. 150(I)/2025)**; and
 - 2.3 the application of the **Legal Professional Privilege (LPP) Principle**, which permeates the application of the National EU Restrictive Measures' and UN Security Council Sanctions' related Legislation.

It is also kindly noted that the weblinks to the material mentioned during the presentation are noted in the Annex to the presentation for ease of reference.

SLIDE 3

3. The CBA Advocacy related Role, as to the above – mentioned facets, in upholding:
 - 3.1 the **Principle of Legality**, including submissions before the Legislative Body of the Republic of Cyprus, interaction with the other Regulators and organising relevant informative events; and
 - 3.2 the **Principle of Transparency**.

We would kindly like to note that the key part of all actions taken was the role of the CBA with the active participation and co-operation of the President, the Vice-President, the Council, the CEO, and the Head of the Monitoring and Compliance Department. Our CBA AML and Sanctions' Sub-Committee was presenting its suggestions to the said competent CBA officials and participated in the relevant steps.

SLIDE 4

The **Central Bank of Cyprus (CBC)** published on 24/12/2025 the **Annual Ultimate Investing Economy (UIE) Stock Data by Country List for year 2024**, (the **CBC 2024 List**), thereby presenting the geographical breakdown of inward direct investment positions according to the UIE for the year 2024.

SLIDE 5

As per the CBC 2024 List, inward direct investment positions, according to the UIE, amounted in total to approximately €365.07 billion for the year 2024. In the first position, approximately €83.46 billion originated from the Russian Federation, representing approximately 23% of the total.

Investments from all the European Union (EU) Member States, came second, amounting to approximately €74.36 billion, and representing approximately 20% of the total. Luxembourg has been noted in the first place out of all the EU Member States, with approximately €32.1 billion, with The Netherlands following with approximately €6.88 billion.

After the EU, the United States of America features, in the third place with approximately €66.57 billion, accounting for approximately 18%, followed, in the fourth place, by the United Kingdom, with approximately €17.17 billion, accounting for approximately 5%.

SLIDE 6

The above has also been noted in a number of Cypriot Press articles that reported widely on the issue, including in English, the December 2025 article by **Cyprus Business News (CBN)**, entitled '**Direct investments from Russia to Cyprus amounted to 23% of the total in 2024**', quoting the **Cyprus News Agency (CNA)**, and the December 2025 article by **Politis News** entitled '**Central Bank: Who Invests In Cyprus As FDI Continues To Decline: Second consecutive annual drop, with major losses linked to Russian capital, the US and the UK**'.

SLIDE 7

One should also not omit to highlight the interaction as between FDI Screening and the application of EU Restrictive Measures and UN Security Council Sanctions.

To that effect, under **Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union** (also known as the **EU FDIS Regulation**), the recently introduced **Establishment of Framework for the Direct Foreign Investment Screening Law of 2025 (Law no. 194(I)/2025) (the FDIS Law)**, and within the ambit of the relevant EU Member States' Notification Form entitled '**Request for information from the investor for the purposes of notifications pursuant to Article 6 of Regulation (EU) 2019/452**', there are specific queries as to the application of EU Restrictive Measures and UN Security Council Sanctions' regarding each proposed FDI and the UBOs behind the said proposed FDI.

To that effect, *indicative mentions are made to Notification Form Queries no. 3.23, 4.22, and 6.16.*

SLIDE 8

Within the ambit of the *previously applicable 2016 Law*:

1. CBA assigned with the Supervisory Role with cross reference to Section 59(1)(e) of the **Prevention and Combating of Money Laundering Law of 188(I)/2007 as amended from time to time (the AML Law)**, which had also vested the AML Supervisory Role to Advocates and Advocates' controlled legal entities to CBA.
2. CBA Council, exercising its powers to issue binding Directives/Circulars addressed to its Members – Obligated Entities issued:
 - 2.1 the EU Restrictive Measures' related CBA Circular 01/2022 dated 22/03/2022;
 - 2.2 the CBA Guidance Notes dated 05/04/2022 concerning the application of CBA Circular 01/2022; and
 - 2.3 the Amendment to the CBA Guidance Notes dated 06/07/2022.

SLIDE 9

Concerning the performance of the CBA Role under the 2016 Law:

3. Through the application of Circular 01/2022, an obligation is imposed on the obliged entities to report to the CBA if they have any sanctions exposed entities or individuals on their client portfolios. The obligation is ongoing and the obliged entities need to inform the CBA in the instance where any of their clients fall under the new sanctions packages.
4. During May 2023, a Questionnaire had been sent to all obliged entities that had submitted relevant information to the CBA, requesting to be provided with very specific information, including numerical information. The said questionnaires had been collected, and the information provided had been assessed.
5. The supervision of the obliged entities of the CBA is primarily performed through onsite visits. Sanctions compliance is always addressed and assessed during the CBA AML monitoring visits. The CBA has performed sanctions targeted monitoring visits on numerous occasions.
6. Obligated entities' sanctions compliance is also monitored and supervised through desktop reviews of the compliance questionnaire which they are obliged to submit on an annual basis.

SLIDE 10

7. The Annual Compliance Questionnaire of the CBA (AMLEX) has been upgraded, and includes additional questions addressing sanctions compliance, with the latest concerning 2024 within the ambit of the relevant AMLEX Questionnaire submission process which was completed during December 2025.
8. The CBA AML Directive establishes that companies must integrate sanctions considerations into their risk-based AML/CFT framework, ensuring full compliance with EU and UN sanctions regimes. It highlights the legal, regulatory, and reputational risks, including penalties and the risk of professionals being seen as facilitating sanctions evasion. It also requires firms to implement documented policies, continuously assess evolving risks, and consider guidance from supervisory authorities and international bodies when conducting risk assessments.

SLIDE 11

9. Furthermore, during the preparation ahead of monitoring visits the Supervision Team screens all entities on the client lists provided by the obliged entities. This ensures that all sanctions exposed entities serviced by CBA members, are identified and addressed as necessary.
10. There have been instances where the CBA following the provisions of the AML law has exchanged information with other relevant EU Restrictive Measures' related Supervisory Authorities and reached to the CBA supervised members to examine the possibility of sanctions circumvention.
11. The CBA has on a number of occasions reported to the Police cases that may be circumventing sanctions, thereby performing the CBA legal obligation pursuant to Section 6 of the 2016 Law.
12. Also, the CBA is in close co-operation with other Sanctions' related supervisory authorities, concerning issues which pertain to the exercise of their respective jurisdictions as EU Restrictive Measures' related Supervisory Authorities.
13. Any amendments to the applicable from time to time Sanctions' regime, such as the EU Restrictive Measures' related packages, are uploaded immediately on the CBA website and notifications are sent to obliged entities through the weekly newsletter released electronically by CBA.

SLIDE 12

The main features of the 2025 Law, particularly in connection with the CBA Supervisory Role, have as follows:

1. The provisions of the Law concern UN Security Council Sanctions, EU Restrictive Measures, and National Sanctions of the Republic of Cyprus [Section 2], if any when such National Sanctions are enacted.
2. There is specific provision for the application of the LPP as Recognised by Law, which *under the Republic of Cyprus' Constitution, this also refers to the Court of Justice of the European Union (CJEU) case law which has supreme status as per Article 1A of the Constitution, as well as, due to the existence of the European Convention of Human Rights (ECHR) Ratifying Law no. 39/1962, enacted under the Constitution, the European Court of Human Rights (ECtHR) case law*, regarding all the Members registered and supervised by the CBA as practicing advocates [Section 2].

SLIDE 13

3. A 'Practicing Advocate' refers to any natural or legal person that is supervised or/and licensed by CBA or is covered by the recognised by law professional privilege of the advocate [Section 2].
4. The duty to submit a report to the National Sanctions' Implementation Unit (NSIU) has been limited. To that effect, there is an express exclusion regarding all persons, which *under the Interpretation Law refers to legal or natural persons*, to which the LPP applies [Sections 2, 19(2) and 29(1)].

SLIDE 14

5. CBA, as the sole Sanctions' and Restrictive Measures' Regulatory Authority for the CBA supervisees – obliged entities, also by express reference to Section 59 of the AML Law being made in the 2025 Law [Section 2], continues to be empowered to:
 - 5.1 enact secondary legislation in the form of Sanctions' and Restrictive Measures' related Directives [Section 2];
 - 5.2 issue Regulatory or Binding Orders as to Risk Assessment and Tracing of Restrictive Measures or Sanctions' Infringements [Section 25]; and
 - 5.3 impose Administrative Penalties, including administrative fines on the CBA supervisees – obliged entities [Section 27].
6. The investigatory role regarding sanctions' infringement by CBA Members will be carried out, by necessary implication, as a result of the effect of the above – mentioned provisions read conjunctively.

SLIDE 15

7. NSIU can issue overall Directives as to the better application of the Sanctions' and Restrictive Measures' related Regime [Section 3].
8. NSIU can issue administrative penalties [Sections 3 and 29], subject, inter alia, to the application of LPP, due to the operation of the specific exclusions in the relevant Sections of the Law [Sections 2, 19(2) and 29(1)].
9. The CBA will be informing, in addition to NSIU, the Attorney – General of the Republic of Cyprus as well, in the event that the CBA has a reasonable suspicion that a person has committed or is committing an act or an omission that infringes restrictive measures or sanctions [Section 8].
10. In the capacity thereof as the Advocates' Sanctions' Regulator, CBA could be called in, as part of the Consultative Body, made up by Governmental Authorities, regarding the better application of the Sanctions' Law, on an *ad hoc* basis [Section 21(3)].

SLIDE 16

Regarding the CBA Advocacy Role as to Upholding the Principle of Legality, we note:

- A. Firstly, the Submission of CBA views and suggestions concerning the then draft Bill concerning the establishment and operation of the National Sanctions' Implementation Unit (NSIU) during the relevant debate before the Republic of Cyprus' House of Representatives' Committee on Finance and Budget.**
- B. Secondly, Organisation of Seminars concerning the EU Restrictive Sanctions' and UN Security Council Sanctions' Application.** To that effect, the **CBA Monitoring and Compliance Department** organised:
 1. on 21/10/2025, a whole day Educational – Training Seminar in Nicosia, in English, entitled 'EU Sanctions and their Challenges' with presentations by the Head of the newly established NSIU, and our learned colleague Mrs. Salomé Lemasson; and
 2. on 15/12/2025, a follow – up webinar, in English with Mrs. Salomé Lemasson.

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- C.** Thirdly, the Organisation of a whole day Conference in Nicosia entitled ‘Update on Legal Privilege under EU Law’:
1. concerning the application of LPP vis – a – vis the case law of the Cyprus Supreme Court, the Provision of Legal Advice, and Self – Regulation,
 2. with the participation, amongst other distinguished speakers, of Mr. George Savvides, Attorney – General of the Republic of Cyprus, Mr. Myron Nicolatos, former President of the Cyprus Supreme Court, Mr. Panagiotis Perakis, Attorney at Law, then Immediate Past CCBE President, Mr. Peter Callens, President of the Flemish Bar Association, and Mr. Paul Verhaeghe – Attorney, Tax Attorney, licenced for criminal high court appeals.

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CBA Advocacy Role: Upholding the Principle of Legality

- D.** Fourthly, the Organisation of 2 in – person whole – day informative events in Nicosia held on 19/02/2025, and Limassol, held on 17/12/2025, dedicated to Foreign Direct Investment Screening :
1. attended not only by CBA Members but also by non – Advocates,
 2. whereby, the interaction between AML and Sanctions’ Legal Regimes and FDI screening under the EU FDIS Regulation, had been highlighted.

SLIDE 19

CBA Advocacy Role: Upholding the Principle of Legality

- E.** Fifthly, the Publication of CBA Announcements concerning the CJEU, and ECtHR, case – law regarding the LPP application.
- F.** Further, the Establishment, during November 2023, by the CBA Council of the Sub – committee for the prevention of money laundering and terrorist financing activities and breaches of sanctions, that:
1. comprises of 19 lawyers that are considered as experts in the field, and
 2. inter alia, discusses, reviews, researches, advises, and submits proposals before the CBA Council of the CBA, on matters pertaining to Anti – Money Laundering and Sanctions’ related legislations, as well as on matters related to Foreign Direct Investment Screening.

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CBA Advocacy Role: Upholding the Principle of Transparency

Lastly, CBA, upholding the Principle of Transparency submitted the comments thereof to local and international Press outlets regarding the CBA views and the rationale behind the said views which related to the then draft Bill concerning the establishment and operation of the National Sanctions' Implementation Unit (NSIU), with the links to indicative publications being presented below.

SLIDES 21 – 28

As previously mentioned you can peruse the relevant material weblinks via the presentation's Annex.

SLIDE 29

Thank you very much for your attention!