Commission welcomes political agreement on new rules criminalising the violation of EU sanctions

Brussels, 12 December 2023

The European Commission welcomes the provisional political agreement reached today between the European Parliament and the Council on the Commission's December 2022 proposal to harmonise criminal offences and penalties for the violation of EU restrictive measures. While the Russian aggression against Ukraine is ongoing, it is paramount that EU restrictive measures are fully implemented and the violation of those measures is punished.

Once adopted, the new rules will harmonise the relevant criminal offences related to violation of sanctions and penalties for those offences across the EU and make it easier to investigate and prosecute such violations in all Member States in the same way. They will also establish the same level of penalties in all Member States, closing existing legal loopholes and increasing the deterrent effect of violating EU sanctions in the first place.

The new rules will include a list of criminal offences related to the violation and circumvention of EU sanctions, such as for example:

- failing to freeze assets,
- breaching travel bans and arms embargoes,
- providing prohibited or restricted economic and financial services,
- transferring funds to a third party or providing false information to conceal funds that should be frozen.

The new rules will also establish common basic standards for penalties for both natural and legal persons, including imprisonment of at least five years for certain offences and enhanced rules on freezing and confiscation of proceeds and assets subject to EU sanctions.

The new rules are linked to the new EU Directive on asset recovery and confiscation that was also provisionally agreed by European Parliament and Council today. The two initiatives come in the context of the 'Freeze and Seize' Task Force, set up by the Commission in March 2022, and will contribute to the enforcement of EU sanctions.

Next steps

The European Parliament and the Council will now have to formally adopt the political agreement. Once formally adopted, the Directive will enter into force on the 20th day following its publication in the Official Journal of the European Union.

Background

EU sanctions are one of the EU's main tools to promote the objectives of the Common Foreign and Security Policy (CFSP), which include safeguarding the EU's values, its fundamental interests and security; consolidating and supporting democracy, the rule of law, human rights and the principles of international law; preserving peace; preventing conflicts and strengthening international security.

Since March 2014, the EU has adopted a series of sanctions against Russia and Belarus, which have been further strengthened after Russia's illegal full-scale invasion of Ukraine in February 2022. The effective implementation and enforcement of sanctions are essential to weaken Putin's war machine. Currently, not all Member States criminalise the violation of EU sanctions. Even where such violations are already punished by criminal penalties, criminal law provisions on breaches of EU sanctions vary significantly across Member States. Existing legal loopholes and lack of harmonisation currently facilitate the violation of EU sanctions and give raise to lead potential offenders to choose the most favourable jurisdiction (forum shopping). Inconsistent enforcement of restrictive measures ultimately undermines the Union's ability to speak with one voice.

To strengthen the enforcement of EU sanctions and ensure EU level harmonisation in this field, the Commission followed a two-step approach.
In May 2022, the Commission proposed adding the violation of EU restrictive measures to the list of EU crimes. At the same time, the Commission proposed new reinforced rules on asset recovery and confiscation, which will also contribute to the implementation of EU restrictive measures. Following the adoption on 28 November of the Council Decision identifying the violation of Union restrictive measures as an area of serious crime that meets the criteria set out in Article 83(1) of the TFEU, the Commission put forward a proposal for a Directive on the violation of Union restrictive measures, as a second step, in December 2022.

For More Information

Proposal for a Directive on the definition of criminal offences and penalties for the violation of Union restrictive measures

Quotes:

The agreement reached today demonstrates the EU’s steadfast commitment and unity in enforcing its sanctions regime. This Directive will ensure that EU sanctions are applied uniformly throughout the Union by closing loopholes and removing safe havens for those trying to play the system. Any breaches or circumvention of the EU’s sanctions regime will be punished in all Member States consistently.

Věra Jourová, Vice-President for Values and Transparency - 12/12/2023

We have a deal on the criminalisation of the violation of EU sanctions. The new rules will ensure that such offences are effectively punished in all Member States in the same way. This is a crucial step forward in strengthening the effective enforcement of EU sanctions, ensuring that sanctions have a biting effect, most importantly in respect to the restrictive measures imposed against Russia and Belarus in the context of Russia’s ongoing war of aggression against Ukraine.

Didier Reynders, Commissioner for Justice - 12/12/2023

Today’s agreement is a big step forward in our crackdown on all kinds of sanctions evasion or circumvention. The message is clear - those trying to get around our sanctions – are committing a crime under EU law. This agreement will stop the criminals finding the weakest link in the EU because penalties for breaking the law will be harmonised across member states. Together, we are reinforcing the integrity of our sanctions framework.

Mairead McGuinness, Commissioner for Financial Services, Financial Stability and Capital Markets Union - 12/12/2023

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