

European Union



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Update on EU sanctions

Ambit of EU sanctions

The EU has imposed autonomous sanctions beyond those imposed by the UN. The purpose of the sanctions is to bring about a change in the activities of those targeted, in line with the objectives of the EU's Common Foreign and Security Policy (CFSP). These apply only within the EU's jurisdiction, which covers:

- All EU territory
- All EU nationals (wherever they are located, worldwide)
- All companies and organisations incorporated under the law of any EU member state (worldwide, including branches in non-EU countries)
- Any ship (or aircraft) under the jurisdiction/flag of any EU member state
- Any business done wholly or partly within the EU.

Even where the ship, the parties and other aspects of a particular trade otherwise may have no connection to the EU, the sanctions may still affect non-EU members. This is because EU sanctions are now increasingly directed towards others, such as insurers. Consequently, International Group (IG) clubs and reinsurers that are constituted under the law of an EU member state will not be able to insure a ship for a voyage in breach of such sanctions. Even where clubs are based outside the EU, they may be affected by the IG pooling/reinsurance arrangements and their own individual reinsurances (i.e. where such reinsurers are subject to these EU sanctions).

How are EU sanctions implemented?

In practice, EU sanctions are imposed through a decision of the European Council (i.e. the leaders of the EU member states). Such a decision is directly binding on the EU member states. Certain sanctions, such as arms embargoes and travel bans, must then be implemented at a national level (as these fall within the competence of the individual member states). However, economic measures such as assets freezes and export bans are implemented at an EU level through regulations of the European Council. These regulations usually come into force the day following publication and are directly binding on all EU nationals and entities. Penalties for breaching EU sanctions are imposed at a national level. For example, under English law, breaches may result in a fine of an unlimited amount and/or a two-year prison term.



Useful sources

We have issued a series of web alerts in relation to EU sanctions. The most recent alerts summarise the position in respect of Iran, Syria and North Korea, and may be found on our [website](#). The European Commission maintains a list of all of the current EU sanctions, which may be found on the [EU's website](#). The [UK Government's website](#) on sanctions contains links to pages on the different regimes. The financial sanctions pages maintained by the UK Treasury include the consolidated list of [asset freeze targets](#).