



**European Commission issues  
proposal for a Directive criminalising  
violations of EU sanctions**

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On 28 November 2022, the European Council unanimously adopted a Decision to add the violation of EU sanctions to the list of “EU crimes” (see Council Decision [here](#)). Following that decision, on 2 December 2022, the European Commission issued a proposal for a Directive defining the relevant criminal offences and setting out the applicable penalties (see Commission proposal [here](#)). This proposal is a step towards harmonising, to some extent, sanctions enforcement within the European Union.

The Council Decision was adopted on the basis of Article 83(1) of the Treaty of the Functioning of the European Union, which enables the European Parliament and the Council to adopt directives establishing minimum rules concerning the definition of criminal offences in areas of “*particularly serious crime with a cross-border dimension resulting from the nature or impact of such offences or from a special need to combat them on a common basis*”. The Council’s Decision paves the way to the adoption of those minimum rules in the area of EU sanctions.

The violation of EU sanctions constitutes a criminal offence in certain, but not all, EU Member States. Moreover, Member States currently rely on different definitions of that criminal offence and do not apply the same penalties. These discrepancies can lead to different levels of enforcement of EU sanctions in Member States, and to an increased risk of “forum shopping” and circumvention. The Council’s decision – by criminalising violations of EU sanctions at the EU level – aims to dissuade circumvention and sanctions violations, as well as to ensure a similar degree of enforcement throughout the European Union, making it easier to investigate, prosecute and punish violations of sanctions in all Member States.

On the basis of the Council’s Decision, the Commission issued a proposal for a Directive, defining the relevant criminal offences and setting out the applicable penalties, which will need to be approved by the European Parliament and the Council before entering into force. In particular, the proposal requires Member States to qualify certain intentional violations of EU sanctions as criminal offences, such as:

- making funds or economic resources available to, or for the benefit of, a designated person, entity or body;
- failing to freeze these funds;
- enabling the entry of designated people into the territory of a Member State or their transit through the territory of a Member State;
- entering into transactions with third countries, which are prohibited or restricted by EU restrictive measures;
- trading in goods or services of which the import, export, sale, purchase, transfer, transit or transport is prohibited or restricted;
- providing financial activities which are prohibited or restricted;
- providing other services which are prohibited or restricted, such as legal advisory services, trust services and tax consulting services; and
- engaging in actions or activities that seek to directly or indirectly circumvent EU sanctions

The Commission’s proposal also establishes common basic standards for penalties across the Member States, including, among others, criminal or non-criminal fines of up to 5% of annual worldwide turnover; exclusion from access to public funding; disqualification from the practice of business activities; withdrawal of permits and authorisations to pursue activities which have resulted in committing the offence; placing under judicial supervision; judicial winding-up; and closure of establishments used for committing the offence.

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