

Legal tools to ensure non-violation of sanctions

The European Union has already adopted the 13th package of sanctions against Russia in connection with its unjustified invasion of Ukraine. The breadth of sanctions and their level of detail among entrepreneurs raises more and more questions about the applicability of sanctions within the framework of specific legal relations. This is especially true for logistics companies that transport goods on behalf of their clients, not really fully knowing that, due to specific and very specific parameters, the given unit of goods or situation is subject to sanctions restrictions.

Although the issues surrounding the applicability of sanctions can vary widely, there are some legal tools that can be used to ensure that a particular good or case will not violate international sanctions.

One of these tools is Binding Tariff Information (BTI). BTI can be requested in any member state of the European Union to a customs authority or tax administration. BTI helps to navigate the CN codes and determines the exact classification of the imported or exported goods, which in turn provides a clear picture of whether, in a given case, international sanctions will not be violated when transporting specific units of goods. BTI is valid for 3 years from the date of its issue and is valid throughout the territory of the European Union. More information on how to apply to BTI can be found in the explanation provided by the State Revenue Service.¹

Until now, there was no institution in Latvia that would be responsible for the application of sanctions in Latvia. In connection with the amendments to the International and National Sanctions Law of the Republic of Latvia, the Financial Intelligence Unit has become the main institution in Latvia in the field of sanctions application, which can be requested to provide permission for the application of the exceptions specified in the sanctions legal instruments, as well as to request an explanation of the applicability of sanctions to a specific legal situation.

Companies, especially those working with different cooperation partners (both within and outside the EU) in the wide supply chain of goods, are also advised to use these legal tools to ensure that international sanctions will not be breached, thereby protecting themselves from criminal and administrative sanctions.



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¹ <https://www.vid.gov.lv/lv/saistosa-izzina-par-tarifu>