Client Alert

International Trade

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EU prolongs sanctions against Belarus for one year

On 15 October 2012, the Council of the European Union (EU) decided to prolong the existing sanctions imposed against Belarus until 31 October 2013.¹ The Council's Decision follows the Parliamentary elections in Belarus on 23 September 2012, which were said to take place against "an overall background of repression".

The EU Belarus sanctions regime has been in force since May 2006 and applies within the EU territory, to nationals of EU Member States (regardless of whether they are located inside or outside the EU territory) and on board vessels and aircraft under Member State jurisdiction. It also applies to companies incorporated or registered under the law of an EU Member State and to other non-EU companies in respect of business done in whole or in part within the EU. This means that even non-EU companies can be covered by EU sanctions, depending on the circumstances under which they perform business activities in the EU and how they are connected to any activities restricted by the EU Belarus sanctions regime.

The existing restrictions prohibit the sale, supply, transfer or export of repression equipment and military items to any person, entity or body in Belarus or for use in Belarus, unless prior authorisation has been given by an EU Member State. Related technical assistance, brokering services, financing or financial assistance are also prohibited. The EU also prohibits any direct or indirect technical assistance and financing or financial assistance related to items listed in the EU's Common Military List, or technical assistance related to the provision, manufacture, or maintenance of such goods to any person, entity or body in Belarus or for use in Belarus.

The EU further freezes the funds and economic resources belonging to, owned, held or controlled by 243 natural persons and 32 entities, who have been identified as responsible for human rights violations or the repression of civil society, or whose activities otherwise seriously undermine democracy or the rule of law in Belarus, or benefit from or support the Lukashenko regime. Some limited exceptions to this asset freeze are available, subject to prior authorisation by the competent Member State.

For a more detailed description of the features of the EU's Belarus Sanctions regime, see our previous alert from <u>April 2012</u>.

The new Council Decision 2012/642/CFSP, which will enter into force on 1 November 2013 (when the current Decision 2010/639/CFSP expires), is a policy instrument introducing obligations for the EU Member States. This Decision will need to be further implemented by an EU Regulation which will have direct legal effect on companies and individuals and which will amend or replace Council Regulation 765/2006.



For more information, please contact:

James Killick
Partner, Brussels
+ 32 2 239 2552
jkillick@whitecase.com

Sara Nordin
Associate, Brussels & Hong Kong
+ 32 2 239 2576
snordin@whitecase.com

Charlotte Van Haute
Associate, Brussels
+32 2 239 2623
cvanhaute@whitecase.com

Fabienne Vermeeren
Regional Director Europe – International
Trade Services, Brussels
+ 32 2 239 2606
fvermeeren@whitecase.com

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¹ Council Decision 2012/642/CFSP of 15 October 2012 concerning restrictive measures against Belarus