



## Welcome to the Cheat sheets series on Sanctions: Part 1.

### *The European Union & Switzerland:*

Author: Audrey Milesi (Nov 2023)

*This overview covers the main aspects of EU and Swiss sanctions with frequently asked questions (FAQ) and high-level checklists for any organizations **except for financial institutions** the example of Russia.*

### Legal framework

Sanctions in the **European Union** are called “restrictive measures”. They constitute an essential tool of the EU's **Common Foreign and Security Policy** (or “CFSP”). Unlike the USA, the EU refrains from adopting sanctions having extra-territorial application in breach of international law.

The EU webpage <https://www.consilium.europa.eu/en/policies/sanctions/> is a very useful resource.

In **Switzerland**, sanctions are handled by the State Secretariat for Economic Affairs (SECO). The legal basis is the Federal Act on the Implementation of International Sanctions (Embargo Act, EmbA from 22 March 2002 valid since 1 January 2003; [EmbA](#)).

### Types of sanctions

In the **EU**, there are three types of sanctions regimes in place:

- 1) Sanctions imposed by the UN which the EU transposes into EU law (every member state is in charge of translating and implementing it in the local law).
- 2) The EU may also reinforce UN sanctions by applying measures in addition to those imposed by the UN Security Council (e.g. Democratic People's Republic of Korea, [DPRK](#)).
- 3) The EU may also decide to impose fully autonomous sanctions regimes (e.g. [Syria](#), [Venezuela](#), [Ukraine](#), [Russia](#)).

We refer to the [Consolidated list of persons, groups and entities subject to EU financial sanctions](#)



In **Switzerland**, sanctions are as follows:

- 1) Switzerland implements the UN sanctions (Switzerland became a UN member in 2002)
- 2) Switzerland has implemented EU sanctions against Russia and Belarus since 28 February, 2022, in a surprising decision against the country's famous concept of neutrality.
- 3) Switzerland also has a set of autonomous sanctions, among others:
  - Measures against persons and entities associated with Usama bin Laden, the "Al-Qaeda" group or the Taliban
  - Measures on specific individuals that were involved in the attack on Rafik Hariri
  - Ordinance on the international trade of rough diamonds in order to prevent so-called blood or conflict diamonds from entering the markets ([Diamantenverordnung](#) dated 29 November 2002, based on UN resolutions linked to Kimberley process; the document is not available in English)

We refer to [SECO Sanctions list](#)

## FAQ EU (with the example of Russia)

Question	Answer
<p><b>To whom do EU restrictive measures apply?</b></p>	<p><b>1) Any person inside or outside</b> the territory of the EU who is a national of a Member State</p> <p>⇒ <b>All EU-national employees – wherever located globally</b> – must be safeguarded from <b>being involved in any transaction that is prohibited under the EU sanctions law</b></p>
	<p><b>2) Any legal person, entity, or body, inside or outside the territory of the EU</b>, which is incorporated or constituted under the law of a Member State including branches of EU companies in third countries; on board aircraft or vessels under Member States' jurisdiction.</p> <p>⇒ EU-established companies must comply with the EU's sanctions regime.</p>



	<p>⇒ All EU-national employees – wherever located globally – must be safeguarded from being involved in any transaction that is prohibited under the EU sanctions law.</p>
	<p><b>3)</b> Any legal person, entity, or body in respect of any business done in whole or in part within the EU</p> <p>⇒ Foreign companies conducting business on the EU’s territory must comply with the EU’s sanctions regime</p>
<p><b>Which authority(ies) shall I contact and how?</b></p>	<p>The webpage provides an overview of “Contacts of National Competent Authorities by country”:</p> <p><a href="https://www.sanctionsmap.eu/#/main/authorities">https://www.sanctionsmap.eu/#/main/authorities</a></p>
<p><b>Which other countries implement EU restrictive measures?</b></p>	<ul style="list-style-type: none"> <li>- <b>EU candidate countries</b> (Turkey, since 1999 but frozen at this point; North Macedonia (2005), Montenegro (2010), Serbia (2012), Albania (2014), Moldova (2022), Ukraine (2022), and Bosnia and Herzegovina (2022))</li> <li>- <b>European Free Trade Association</b> (Iceland, Liechtenstein, Norway and Switzerland) and,</li> <li>- <b>European Economic Area countries</b> (e.g., Albania, Armenia, Bosnia and Herzegovina, Georgia, Iceland, Liechtenstein, Moldova, Montenegro, Norway, the Republic of North Macedonia, Serbia, Turkey and Ukraine)</li> </ul> <p><b>are systematically invited to align themselves with EU restrictive measures.</b></p>
<p><b>Where can I check the sanctions status of individuals and/or companies?</b></p>	<p>The consolidated list of persons, groups and entities subject to EU financial sanctions can be downloaded from <b>Financial Sanctions Database - FSF platform</b> accessible via the following address: <a href="https://webgate.ec.europa.eu/fsd/fsf">https://webgate.ec.europa.eu/fsd/fsf</a></p> <p><i>(Note: you will have to sign in/create an account)</i></p>
<p><b>What do economic measures include?</b></p>	<p>In July and September 2014, the EU imposed economic sanctions targeting exchanges with Russia in <b>specific economic sectors</b>. The economic</p>



	<p>sanctions have been <b>extended successively for six months at a time.</b></p> <p>We refer to: <a href="#">Restrictive measures in view of Russia's actions destabilising the situation in Ukraine</a></p> <p><i>Please see list in appendix 1.</i></p>
<p><b>What do individual restrictive measures against Russia include?</b></p>	<p>EU restrictive measures against Russia in relation to the war in Ukraine now apply to nearly 1'800 individuals and entities altogether and include:</p> <p><b>Travel restrictions and asset freeze:</b></p> <ul style="list-style-type: none"> <li>⇒ <a href="#">Restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</a></li> </ul> <p><b>The list includes:</b> Banks and financial institutions, companies in the military and defense sectors, <b>companies in the aviation, shipbuilding and machine building sectors</b>, armed forces and paramilitary groups, <b>political parties</b>, the movement 'All-Russia People's Front', media organizations responsible for propaganda and disinformation, the Wagner Group, a Russia-based private military entity, <b>RIA FAN</b>, a Russian media organization</p> <ul style="list-style-type: none"> <li>⇒ To avoid circumvention, some Russian-controlled entities based in illegally annexed Crimea or Sevastopol are also included in the list.</li> </ul> <p><i>Measures have been extended until 15 March 2024.</i></p> <p>Because restrictive measures are dynamic and updated often, we refer to the webpage:</p> <ul style="list-style-type: none"> <li>⇒ <a href="https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-against-russia-over-ukraine/#sanctions">https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-against-russia-over-ukraine/#sanctions</a></li> </ul>



	<p>⇒ Check also: <a href="#">Consolidated list of persons, groups and entities subject to EU financial sanctions</a></p>
<p><b>My company is headquartered in the EU. Can it do business with a sanctioned party?</b></p>	<p>In a nutshell, it is prohibited to:</p> <ul style="list-style-type: none"> <li>- <b>directly</b> (means that one is not allowed to trade with the sanctioned party itself) or,</li> <li>- <b>indirectly</b> (means that it is also prohibited to trade with a company owned or controlled by a sanctioned party)</li> </ul> <p><b>make resources available to any of the sanctioned entities and persons.</b></p> <p><a href="#">List of persons and entities under EU restrictive measures</a></p>
<p><b>Which goods can be delivered?</b></p>	<p>Since 4 March 2022, it has no longer been possible to deliver the following products to Russia:</p> <ul style="list-style-type: none"> <li>- Dual-use goods (both military and civilian purposes);</li> <li>- Technologies linked to military, aeronautical, oil refining.</li> </ul> <p><i>Please see list in appendix 1.</i></p>
<p><b>Where can I check if goods can be exported?</b></p>	<p>Before entering any export transactions, it is best to check what goods can be exported.</p> <p><b>Restricted goods</b> are either directly identified by their customs tariff number, or indirectly by their nature as “dual-use goods” and identifiable by an Export Control Number (ECN).</p> <p><a href="#">TARIC Consultation</a></p>
<p><b>Can services be provided and if yes, which ones?</b></p>	<p><b>As a rule of thumb, services are prohibited to be provided:</b></p> <ul style="list-style-type: none"> <li>- Financial services and brokerage services or,</li> <li>- Related to the sale, delivery, export, transit, provision, manufacture, maintenance or use of the listed goods.</li> <li>- Insurance and reinsurance</li> </ul>



	<p>- Repair, inspection, replacement, modification, and correction of defects</p> <p>Software updates may be listed as <b>specific exceptions</b>.</p>
<p><b>I am employed in a multinational company headquartered in the EU but work in a third country, that is neither part of the EU nor of the USA.</b></p> <p><b>Can I still speak to my colleagues based in Russia?</b></p>	<p>Yes, you may since you are both employed in the same company and the topics are linked to daily business.</p> <p>If you are in doubt, please contact your local legal counsel teams (in both countries).</p>
<p><b>What are the consequences for a breach in sanctions?</b></p>	<p><b>To date, there were no uniform consequences for a breach in sanctions at European level:</b></p> <p><a href="#">EU sanctions: Council finalises position on law that aligns penalties for violations:</a></p> <p><i>“The enforcement of EU sanctions is a member state responsibility. But the types and levels of penalties in member states can vary because – so far – national systems that deal with the violation of EU sanctions differ significantly. Currently, member states are not required to criminalise violations and may thus apply administrative sanctions instead, and maximum criminal penalties range from 2 to 12 years of imprisonment.”</i></p> <p><b>This is now changing:</b></p> <p><a href="#">EU sanctions: new law to crack down on violations</a></p> <p>According to the proposal of June 2023, <i>“violating and circumventing the sanctions should be punishable criminal offences carrying prison sentences of a maximum of five years and fines of up to ten million euro. When companies violate or circumvent sanctions, they should be excluded from public tenders.”</i></p>



## FAQ Switzerland

Please note that the below list only includes answers that are different from the ones listed in the above table.

Question	Answer
<b>To whom do sanctions apply</b>	All resident natural and legal persons must comply with the country's sanctions regime
<b>Which authority(ies) shall I contact and how?</b>	State Secretariat for Economic Affairs SECO – Sanctions  Holzikofenweg 36 – 3003 Bern  Tel. +41 (0)58 464 08 12  <a href="mailto:sanctions@seco.admin.ch">sanctions@seco.admin.ch</a>
<b>Where can I check the sanctions status of individuals and/or companies?</b>	<a href="#">SECO Sanctions list</a>
<b>Where can I check if goods can be exported?</b>	Before entering any export transactions, it is best to check what goods can be exported:  <a href="#">Exportation checklist</a>
<b>What are the consequences for a breach in sanctions?</b>	<ul style="list-style-type: none"> <li>• Imprisonment for up to five years,</li> <li>• May be combined with a fine of up to CHF 1 million (Section 5 of the EmbA).</li> <li>• Any refusal to provide information, to hand over documents/ to permit access to business premises: detention or fine of up to CHF 100,000</li> <li>• Companies and managing directors, employees, principals can also be held criminally liable for breach of sanctions if they intentionally or negligently fail to prevent a breach committed by a “subordinate” (Section 12 of the EmbA).</li> </ul>



## Checklist

*This checklist aims at providing some key elements to check before entering any transaction. This is by no means comprehensive and should be tailored to every organization’s own needs and situation. This checklist could also be used as a workflow-type “decision tree”.*

#	Topic	Comment	Y/N
1a	<b>Counterpart of goods delivered/services provided?</b>	<ul style="list-style-type: none"> <li>• Is the counterpart an individual? ⇒ <b>If no, go to 1b</b></li>   <li>• If <b>yes</b>, is the individual classified as sanctioned person, potentially subject to asset freeze measures?  ⇒ <b>Check with legal team before engaging in any transaction to check further steps.</b></li>   <li>• If <b>no</b>, has this individual any associations with a sanctioned jurisdiction or person?  ⇒ Have I checked the EU and Swiss lists? ⇒ Have I checked other relevant lists (such as US OFAC)?</li> <li>• <b>Have I documented these checks?</b></li> </ul>	
1b	<b>Counterpart of goods delivered/services provided?</b>	<ul style="list-style-type: none"> <li>• Is the counterpart an entity?</li>   <li>• If <b>yes</b>, is the entity located in a sanctioned jurisdiction and /or has links to sanctioned individuals? ⇒ Have I checked the EU and Swiss lists? ⇒ Have I checked other relevant lists (such as US OFAC)?</li> </ul>	





		<p>⇒ <b>Have I documented these checks?</b></p> <p>⇒ <b>Check with legal team before engaging in any transaction to check steps 2 to 6</b></p>	
2	<b>Ownership and control</b>	<ul style="list-style-type: none"> <li>• Does the sanctioned person own, hold or control, directly or indirectly, more than 50 percent of the interest in the entity being serviced?</li> </ul> <p>⇒ <b>Check with legal team before engaging in any transaction</b></p>	
3	<b>Assets</b>	<ul style="list-style-type: none"> <li>• While it would be easier for a financial institution to perform this check, employees from other companies may also conduct internet searches as these individuals are usually high-net worthy individuals with some media presence: What precisely are the assets of the designated person – are they funds or economic resources?</li> </ul> <p>⇒ <b>Check with legal team before engaging in any transaction</b></p>	
4	<b>Activities</b>	<ul style="list-style-type: none"> <li>• Does the counterpart’s business involve sectors subject to sanctions such as restricted military goods/technology, dual-use goods/technology, energy-related products/activities? (<i>See appendix 1</i>)?</li> </ul> <p>⇒ If <b>yes</b>, <b>Check with legal team before engaging in</b></p>	



		<b>any transaction to check if licenses may be needed</b>	
5	<b>Services</b>	<ul style="list-style-type: none"> <li>• Is the offered service is permissible or if it falls under any prohibited activities? (<i>See appendix 1</i>)?</li> </ul> <p>⇒ If <b>yes</b>, <b>Check with legal team before engaging in any transaction to check if licenses may be needed</b></p>	
6	<b>Exceptions / licences</b>	<ul style="list-style-type: none"> <li>• Are there any general or special licences available that can be sought from local regulatory authorities to permit the restricted transaction?</li> </ul> <p>⇒ <b>Check with legal team who would be in charge of filing for specific licenses.</b></p>	
7	<b>Circumvention</b>	<ul style="list-style-type: none"> <li>• The trickiest part is ensuring that there is no circumvention of the prohibitions in the sanction legislation; the best is to involve and appoint a dedicated project team.</li> </ul> <p>⇒ <b>Check with legal team who would be in charge of preparing the defense to potentially mitigate the alleged breach</b></p>	
8	<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Assess whether there is a need to file a report</li> </ul> <p>⇒ <b>Involve the legal team</b></p>	



## **Appendix 1**

### **EU restrictive measures against Russia**

#### **Financial sector**

- SWIFT ban for 10 Russian banks
- restrictions on Russia's access to the EU's capital and financial markets
- prohibition on transactions with the Russian Central Bank
- prohibition on supply of euro-denominated banknotes to Russia
- prohibition on provision of crypto-wallets to Russian persons

#### **Energy**

- prohibition on imports from Russia of oil and coal
- price cap related to the maritime transport of Russian oil
- prohibition on exports to Russia of goods and technologies in the oil refining sector
- prohibition on new investments in the Russian energy and mining sector

#### **Transport**

- closure of EU airspace to all Russian-owned aircraft
- prohibition on Russian road transport operators
- prohibition on trailers and semi-trailers registered in Russia
- closure of EU ports to Russian vessels
- prohibition on maritime transport of Russian oil to third countries
- no access to ports and locks in the EU for vessels engaged in ship-to-ship transfers (suspected of breaching the sanctions)
- prohibition on exports to Russia of goods and technology in the aviation, maritime and space sectors

#### **Defense**

- prohibition on exports to Russia of:
  - o dual-use goods and technology for military use
  - o semiconductor materials
  - o electronic and optical components
  - o navigational instruments
  - o drone engines
  - o arms and civilian firearms and their parts
  - o ammunition, military vehicles, and paramilitary equipment
  - o Other goods which could enhance Russian industrial capacities



## **Raw materials and other goods**

- prohibition on exports to Russia of luxury goods
- prohibition on imports from Russia of:
  - steel, iron, cement and asphalt
  - wood, paper, synthetic rubber and plastics
  - seafood, spirits, cigarettes and cosmetics

## **Prohibition on imports from Russia of:**

- steel, iron, cement and asphalt
- wood, paper, synthetic rubber and plastics
- seafood, spirits, cigarettes and cosmetics

## **Services to Russia or Russian persons: prohibition to provide**

- crypto asset wallet, account or custody services
- architectural and engineering services
- IT consultancy services and legal advisory services
- advertising, market research and public opinion polling services
- technical assistance, brokering services or financing or financial assistance (in relation to the maritime transport of Russian oil)
- intellectual property rights or trade secrets (related to goods and technology covered by other sanctions)

## **More to come!**

*Part 2: Cheat sheets series on Sanctions: The US*

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## **About the author**



Audrey Milesi, ACCA, ACFE, ACAMS and President of the ACAMS Switzerland Chapter ([audrey.milesi@amc-advisory.com](mailto:audrey.milesi@amc-advisory.com))

Founded AMC Advisory ([www.amc-advisory.com](http://www.amc-advisory.com)), a consultancy specialized in Compliance Advisory and Outsourcing, AML, internal and regulatory audits as well as AML and Data Protection trainings.