

NJORD Latvia: Intensified Enforcement of Sanctions Against Russia: Challenges for Owners and Carriers of Legitimate Goods

In Latvia, the emphasis on enforcing sanctions against Russia has sharpened, with a significant focus on thwarting attempts to circumvent these sanctions. The Latvian authorities are meticulously analyzing trade data to distinguish legitimate trade diversification from potential sanction evasion attempts, particularly through increased trade with countries neighboring Russia, such as Kazakhstan, Kyrgyzstan, and Armenia. This increased scrutiny is a response to notable rises in trade volumes with these countries, sparking concerns about their potential role as intermediaries in evading sanctions.

To address these challenges, Latvia has initiated over 250 criminal proceedings against individuals, primarily from Russia and Belarus, accused of attempting to transport sanctioned goods across the border. These smuggled goods often include electrical equipment, auto parts, and luxury items. Tactics to evade sanctions have included misdeclaring the country of origin of goods and altering product codes.

In some instances, attempts have been made to smuggle dual-use goods—such as certain chemicals, advanced computing equipment, and telecommunications, navigation, and avionics equipment. A notable criminal case in Latvia related to sanctions violations and the illegal handling of dual-use goods involved efforts to bypass sanctions by exporting products to a country under EU sanctions through intermediaries. The perpetrators attempted to disguise the end-use and end-users of these goods by falsifying documentation.

However, the heightened legal scrutiny has led to complications for owners and carriers of non-sanctioned goods. In various instances, goods suspected of being sanctioned are seized, and criminal investigations are initiated. NJORD Law Firm has experienced an increase in such cases and has successfully secured the release of goods and the lifting of criminal charges in many cases. This success followed the presentation of expert evaluations and all relevant evidence concerning the origin of the goods and the individuals involved in the transactions.

To minimize such risks, it is imperative for owners to ensure all documentation verifying the origin of goods and other pertinent details is in order. It must be understood that any suspicion of sanctions violations can result in the seizure and possible confiscation of the cargo and the means of its transportation. However, it should also be noted that, even with all necessary documents, unforeseen circumstances may still lead to delays at border control.

Regarding the legal framework and guidance for sanctions compliance, Latvia currently offers resources to businesses and individuals through the Ministry of Foreign Affairs and the Bank of Latvia (as of April 1, 2024, also the Financial Intelligence Unit (FID)). These resources include detailed information on sanctions lists, explanations of the application of EU sanctions, and specific advice for the financial sector on managing sanctions compliance. There is a strong emphasis on the need for businesses to carefully evaluate their cooperation partners to avoid transactions with sanctioned entities.

According to Section 84 of the Latvian Criminal Law, individuals or entities found guilty of violating international sanctions imposed by the United Nations, the European Union, and other international organizations, or national sanctions imposed by Latvia, are subject to criminal liability. This includes illicit trade or transfer of dual-use goods to sanctioned entities or countries. Penalties may range from imprisonment and community service to fines, depending on the offense's severity and case specifics.

Overall, Latvia's approach to sanctions enforcement against Russia involves a blend of increased legal scrutiny, trade data analysis, and comprehensive compliance guidance. This strategy reflects a broader EU effort to strengthen sanctions enforcement mechanisms to prevent circumvention. Cargo owners must be aware that these measures will likely lead to an increased number of seizures.

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NJORD Law Firm offers legal assistance and defense in criminal proceedings for white-collar crimes. Our lawyers possess extensive experience in providing legal support and defense in such cases. We are dedicated to helping you choose the most appropriate defensive strategy and develop the most effective tactics for your case.



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