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EU SANCTIONS HELPDESK

SUPPORTING EU SMEs AND PARTNERS
WITH SANCTIONS COMPLIANCE

EU Sanctions Helpdesk

Supporting EU SMEs
with sanctions compliance

10 June 2025

Agenda

Time (CET)	Session	Speaker
10:00	Welcome, introductions and housekeeping	Ian Matthews, Team Leader, EU Sanctions Helpdesk
10:05	About the EU Sanctions Helpdesk	Ian Matthews, Team Leader, EU Sanctions Helpdesk
10:10	EU Sanctions: Compliance and due diligence	Myra Makarchuk, EU Sanctions Helpdesk Eline Mooring, Advocaat, Agorax B.V.
11:00	Questions & Answers	Myra Makarchuk, EU Sanctions Helpdesk Eline Mooring, Advocaat, Agorax B.V. Ellen Hompesch, Advocaat, Agorax B.V.
11:30	Training closes	



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Housekeeping



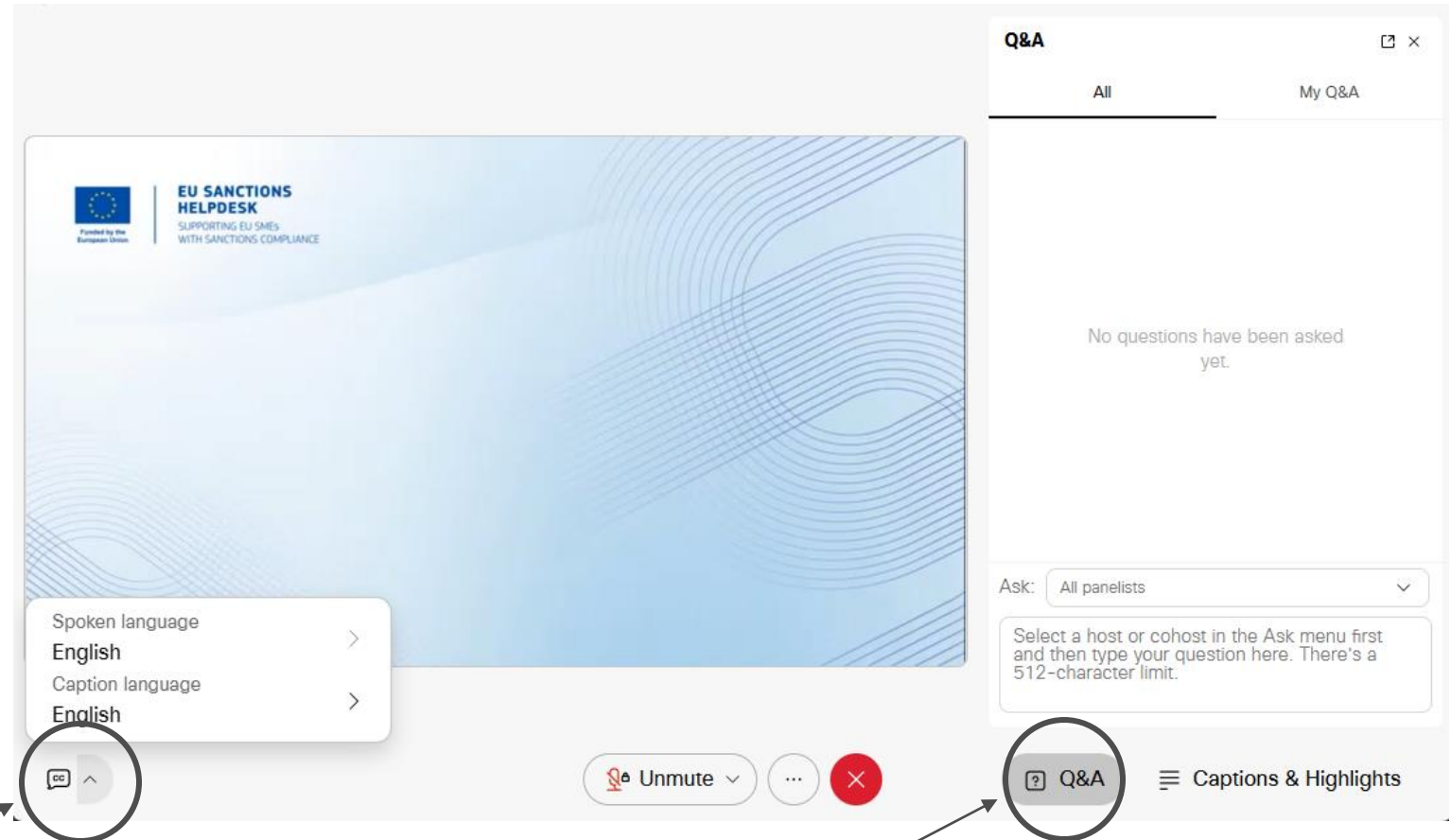
All attendee microphones will be muted throughout



Materials and a recording will be shared



Please complete the feedback form following this event



Live captions are available in your language

Post questions or technical problems using Q&A



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About the EU Sanctions Helpdesk



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Sanctions compliance support for SMEs

- Resources to help SMEs understand their obligations
- Sanctions due diligence and compliance support
- Awareness-raising activities about EU sanctions and how to comply

Get involved!



[Visit our website](#)



[Join one of our upcoming events](#)



[Use our compliance support service](#)



[Sign up to our newsletter](#)

A website for sanctions compliance

- Gateway to the Compliance Support Service portal
- Publications, including our “DD Essentials” series
- Resources: Videos, tips, lessons learned
- Events for awareness raising
- Monthly newsletters



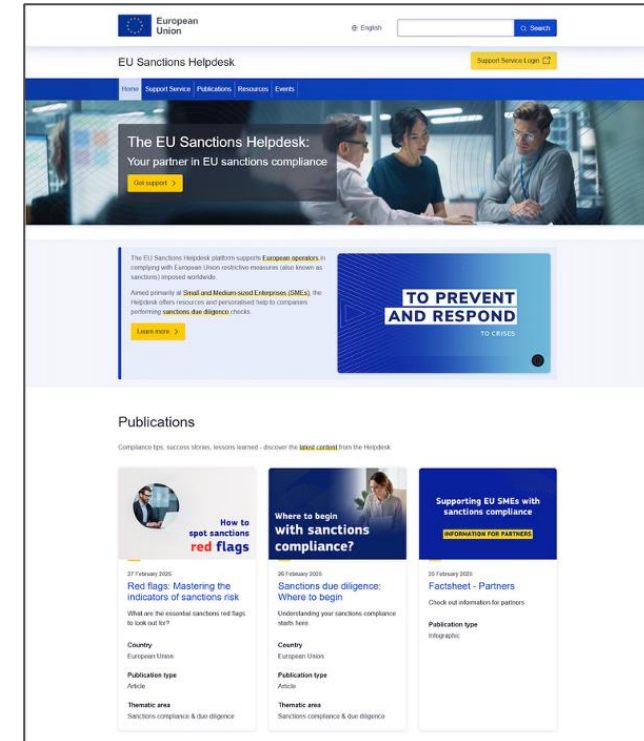
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Compliance and due diligence

Training module 4 | 10 June 2025



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Today's team

Trainer



Myra Makarchuk
Compliance & Due Diligence Expert
EU Sanctions Helpdesk

Trainer



Eline Mooring
Attorney at law
Agorax

Moderator



Ellen Hompesch
Attorney at law
Agorax



What we will cover

1. What is sanctions due diligence?
2. Key considerations
3. Steps to be taken prior to any transaction
 - a) Restricted party check
 - b) Country check
 - c) Product check
 - d) Sectoral sanctions check
4. How to avoid violations
5. Compliance programmes
6. Red flags

Poll question

Do you currently undertake sanctions due diligence as part of your job?

- Yes, often
- Yes, sometimes
- Rarely
- Never

Slido passcode: vwveur



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What is sanctions due diligence?

*“Sanctions due diligence is the **process** of identifying, preventing, and managing potential sanctions risks in your business”*

Key considerations: Four Ws

Who?	Customer, supplier, and respective owners/controllers, end-user, agent, etc
What?	Goods, services, checks vs trade sanctions list, strategic goods lists
Where?	Destination, shipment routing, location of parties, routing of payment
Why?	End-use, end-user

Steps to be taken prior to any transaction

- 1 Restricted party check
- 2 Check on country
- 3 Check on product
- 4 Check on sectoral sanctions

The Transaction

- Company A is a family-owned company located in Germany, active in solutions for soil and (ground) water protection projects. Company A received an order to deliver a drill head for EUR 200,000 to Company B, a company incorporated in Russia. The drill head is classified under CN code 8431 43 00.
- **Is Company A allowed to deliver the drill head to Company B in Russia?**

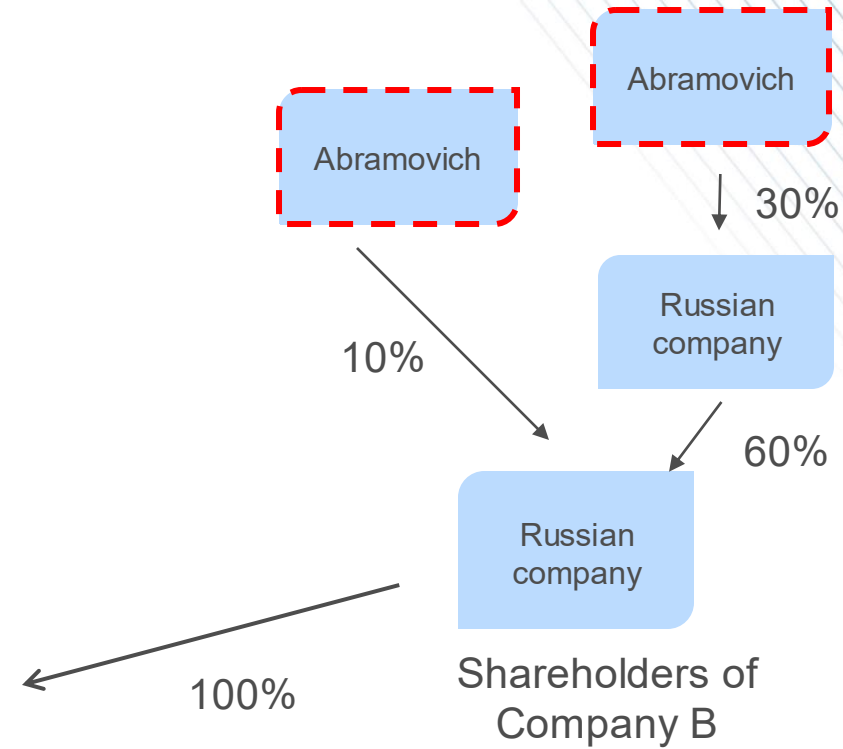
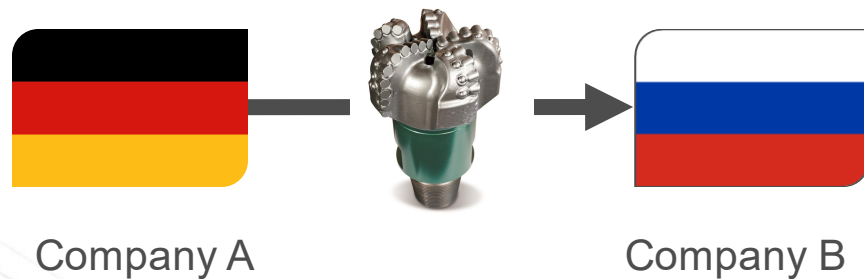


a) Restricted party check

- Check if Company B (and other parties involved in the transaction) is directly or indirectly sanctioned by screening the relevant sanctions lists.
 - [EU Financial Sanctions List](#)
 - *Check EU Member States' national lists where available and relevant*
 - *Consider whether you have exposure to any third country sanctions*
- It may also be relevant to perform an internet search and consult the company website.

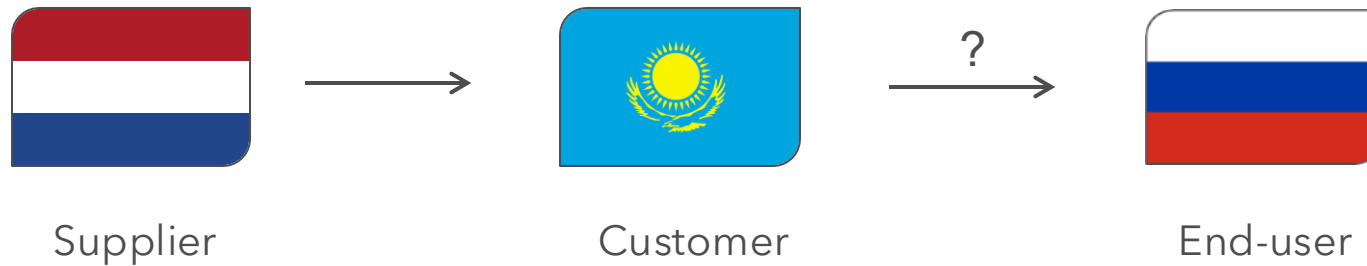
a) Restricted party check

- Example



b) Country check

- Check if the transaction involves a sanctioned country
 - Directly
 - Indirectly



c) Product check

- Check if the products are subject to restrictions
 - Under an individual sanctions regime. For example:
 - Economically critical goods list
 - Common High Priority Items list
 - List of Luxury Goods
 - Under export controls. For example:
 - Strategic goods listed on the Common military list, or in the EU Dual-Use Regulation
 - Export controls implemented at Member State level

c) Product check

- Check if the drill head is subject to restrictions.

TARIC Consultation

Last TARIC update: 28-11-2024
[Daily updates](#)

Measures | Geographical areas | Regulations

Search by goods code and geographical area

Goods code [\[Browse the Nomenclature\]](#)

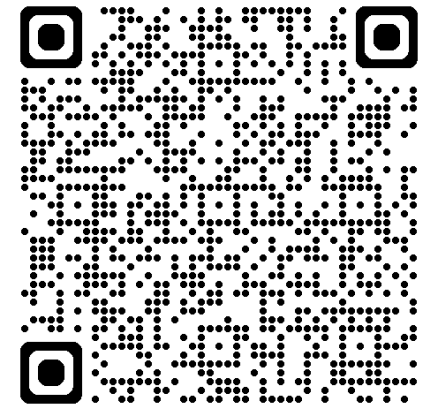
Origin/destination

Additional code

[\[Advanced search\]](#)

Retrieve Measures

The current reference date for the query is



https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-tariff/eu-customs-tariff-taric_en

c) Product check

- Check if the drill head is subject to restrictions.

Russian Federation (RU)

→ Import control (19-12-2023 - 31-12-2024) (CD868)

[Show conditions]

← Restriction on export (24-06-2023 -) (CD865)

[Show conditions]

← Export control (27-09-2024 -) (CD869)

[Show conditions]

CD865 It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods or technology, as listed in Annex II, whether or not originating in the Union, to any natural or legal person, entity or body in Russia, including its Exclusive Economic Zone and Continental Shelf, or for use in Russia, including its Exclusive Economic Zone and Continental Shelf.

Council Regulation (EU) No 833/2014 - Article 3 (COUNCIL REGULATION 2022/428)

CD869 It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods which could contribute in particular to the enhancement of Russian industrial capacities as listed in Annex XXIII, to any natural or legal person, entity or body in Russia or for use in Russia.

R0833/14

R0833/14

R0833/14

d) Sectoral sanctions check

- Check if the (i) products, (ii) services or (iii) parties involved in the transaction are subject to sectoral sanctions.

OPK OBORONPROM

UNITED AIRCRAFT CORPORATION

URALVAGONZAVOD

ROSNEFT

TRANSNEFT

GAZPROM NEFT

ALMAZ-ANTEY

KAMAZ

ROSTEC (RUSSIAN TECHNOLOGIES STATE CORPORATION)

JSC PO SEVMASH

SOVCOMFLOT

UNITED SHIPBUILDING CORPORATION

Sanctions due diligence - recap

Remember the 4 Ws:

- Who
- What
- Where
- Why

Do your checks:

- Restricted party
- Country
- Product
- Sectoral sanctions

Circumvention

- EU operators must not participate in activities the object or effect of which is to circumvent the prohibitions set out in each sanctions Regulation where:
 - That person deliberately seeks that object or effect of circumvention, OR
 - That person participates in such an activity, is aware that such participation may have that object or effect of circumvention, and accepts that possibility.

How to avoid violations?

Check on contractual safeguards

- End-user Statement
- Contractual safeguards
- No Russia clause / no re-export clauses

How to avoid violations?

Contractual risk mitigation

Do

- Ensure that national law applies to an agreement, not Russian law;
- Include contractual safeguards in the agreement that allow you to suspend or terminate the agreement in case of sanctions;
- Integrate sanctions in the force majeure clause;
- Include a prepayment obligation in the agreement if necessary;
- Include no re-export clause.

Don't

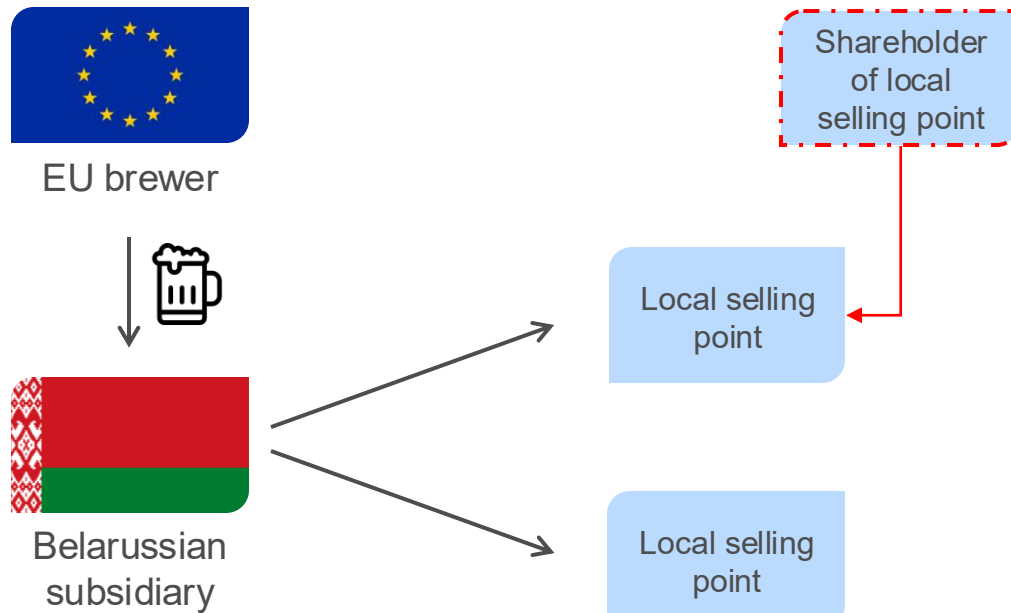
- Blindly rely on the information/vision provided by the client;
- Still enter into a transaction if insufficient reliable information has been received to fulfil your own duty of investigation;
- Terminate the relationship if the customer/client turns out to be sanctioned. Rather, freeze the relationship and ensure that services or assets can no longer be used.

How to avoid violations?

Transactional risk assessment

- Collect information
- Verify information
- Ask questions

A case study – what would you do?



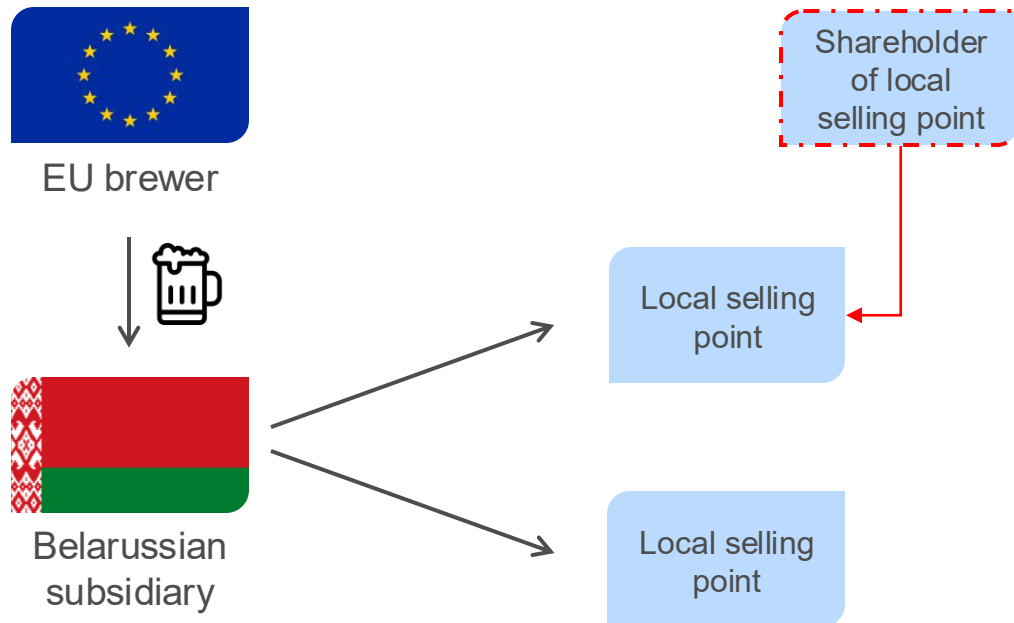
The background

- An EU brewer sells its beer into Belarus through its Belarusian subsidiary
- The Belarusian subsidiary distributes the product to local selling points

The problem

- The parent company suspects that the owner of one such local selling point is a Designated Person

Practice test



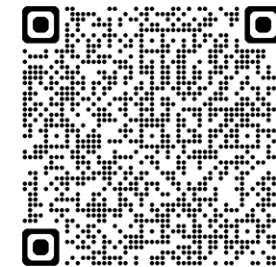
You are the EU brewer. What will you do?

Choose the correct answer:

- A. No problem. Keep selling the beer via its subsidiary to the local selling points
- B. Screen the parties involved, inform the subsidiary about the results and allow them to keep selling the beer to the local selling points
- C. Screen the parties involved, inform the subsidiary about the results and refrain from any dealings with the designated parties

Compliance programmes

- No one-size-fits-all
- Dependent on business specificities and risk exposure
- [Commission guidance for EU operators](#)
- [EU Sanctions Helpdesk: Six tips for creating your own sanctions compliance programme](#)




Red flags

EU Sanctions Helpdesk

Home Support Service Publications Resources Events

Home > Red flags: Mastering the indicators of sanctions risk




Red flags:
Mastering the indicators of sanctions risk

Country	European Union
Publication type	Article
Thematic area	Sanctions compliance & due diligence

Introduction

Understanding whether your business transaction could potentially run afoul of EU sanctions restrictions can be complicated. That's why the EU Sanctions Helpdesk aims to help SMEs with the process, offering [bilateral](#), [personalised support](#), [resources](#), and [knowledge-sharing guides](#). However, you can streamline and approach the situation with much more confidence if you have a good understanding of the **red flags** that may indicate risk.

The European Commission and its international partners have produced various resources to inform the business community about red flags – that is, the indicators that a transaction or business relationship might be the result of an attempt to circumvent sanctions or restrictive measures. In this guide, we will highlight the key things you should consider when assessing your transactions for sanctions risk.



What are red flags?

In the context of sanctions or restrictive measures, red flags are indicators that a transaction or business relationship might be the result of an attempt to circumvent the legal sanctions or restrictive measures imposed. A red flag on its own is not always indicative of sanctions circumvention or that a particular transaction is illegal, but it is an indicator that an operator should undertake deeper due diligence.

Some of the red flags listed below may be normal for many commercial transactions and may only become indicative of something more serious if they arise in transactions involving sanctioned goods or sanctioned countries. In addition, some red flags are not exclusively indicators of sanctions circumvention but may be indicators of other forms of financial crime, such as money laundering.

The types of red flags to look for

As with other aspects of due diligence that are set out in [Sanctions due diligence: Where to begin](#),

- Export to companies located in countries of concern (circumvention hubs) or transit through countries known as circumvention hubs;
- Indirect transactions (intermediaries);
- Complex corporate or trust structures;
- Recently established business partner;
- Business partner shares address with multiple different companies (shell company);
- Change of ownership to reduce stakes below 50% or transfers of shares.

[EU Sanctions Helpdesk: Red flags - mastering indicators of sanctions risk](#)

Any questions?



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