What is a sanction?

1 minute read for non-specialists

A **sanction** is a rule from a government or international body that **forbids or restricts** doing business with **certain countries, companies, people or goods;** and also can target **vessels, arcrafts and services.** Since the **EU Directive of April 2024**, both **violating AND circumventing** EU sanctions are explicit **criminal offences** "I didn't know" is no longer a defence if you should have known.

Where most sanctions come from

EU
Council Regulations (directly binding)

(OFAC)
US
Far-reach, even non-US companies

(OFSI)
UK
Own regime since Brexit

UN
Implemented locally by EU/NL

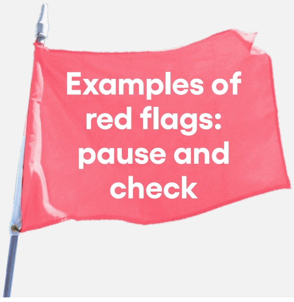
The main types you'll meet

Country
e.g. Russia, Iran, North Korea, Cuba

Sectoral
Specific industries: energy, defence, finance, microchips

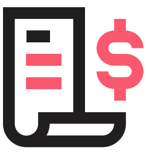
Listed persons
Individuals & entities on official lists

Dual-use exports
Civil + military use = license needed



- → A new customer or end-user in a **high-risk country** (Russia, Iran, Belarus, Cuba, North Korea...) or routing via an **unusual third country.**
- → Buyer **refuses to give end-use details**, or your goods could **serve military / nuclear / surveillance purposes**.
- → The bank **flags** or **blocks** a payment, or **asks for additional information**.
- → The counterparty's name, address or beneficial owner **appears on a sanctions list**.

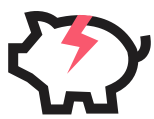
If you get it wrong...



Heavy fines & asset freezes

Personal criminal liability

Reputational damages



Loss of bank or insurance access

0 exception for SMEs

No in-house compliance team? You still have plenty of options. Try:

1. Your bank (compliance helpdesk)
2. Your **lawyer or accountant**
3. Your sector association
4. **The Dutch authorities**: Douane / CDIU for export controls, Ministerie van Buitenlandse Zaken / DNB for financial sanctions

A **5-minute check** is always cheaper than a **5-million fine.**