

INFORMATION MATERIAL (GUIDELINES) FOR THE EFFECTIVE IMPLEMENTATION OF SANCTIONS IN LATVIA

I INTRODUCTION

1. Sanctions serve as a foreign policy instrument aimed at the non-violent prevention of violations of international law. Sanctions make it possible to react to international security challenges without resorting to military force. Sanctions are aimed at supporting democratic structures and respect for human rights, as well as strengthening the international security system. Compliance with sanctions represents the attitude of the country in combating international terrorism and money laundering schemes, as well as handling other global challenges.
2. Sanctions are measures taken against a state, regime, entity or person (natural or legal) for violations of international law, most often against specific individuals, groups or entities, aimed at changing their behaviour (hereinafter – targeted sanctions).
3. Sanctions are also a risk management tool to reduce potential risks to the international security and business environment that may arise if unlawful conduct is not prevented.
4. The development of illegal weapons of mass destruction programmes, illegal proliferation and smuggling of these weapons and materials, technological development, malicious knowledge transfer, hybrid and cyber activities, as well as weak export controls in separate countries endanger international peace, security and stability. As a result of technological development and globalisation processes, risks related to the proliferation of weapons of mass destruction and the financing of terrorism are relevant not only for Latvia's national security but also for the stability and reputation of the financial sector.
5. On 23 August 2018, the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (*Moneyval*) published its Fifth Round Mutual Evaluation Report on the effectiveness of the anti-money laundering and counter-terrorist financing system of Latvia for the reporting period ending in November 2017. By the end of 2019, Latvia had to introduce the necessary improvements, in line with the recommendations provided in the evaluation report. Having assessed the follow-up report, out of 40 Financial Action Task Force (FATF) technical compliance recommendations, 7 were assessed as fully compliant and 33 as largely compliant. At present, active work is taking place to prepare for the Moneyval sixth-round evaluation, where the on-site visit of experts is scheduled for 4–15 November 2024. Latvia will receive the latest evaluation at the end of 2025.
6. In accordance with Cabinet [Order No. 338 of 2 May 2024 “On the Plan of Anti-Money Laundering, Counter-Terrorism and Proliferation Financing Measures for](#)

[2024–2026](#)”, an inter-institutional action plan has been developed and approved to ensure compliance with international obligations and standards in the area of anti-money laundering and counter-terrorism and proliferation financing and to promote public security, competitiveness of the economic environment and confidence in the jurisdiction of Latvia.

7. The objective of this information material (guidelines) is to facilitate the effective implementation of the laws and regulations of the Republic of Latvia, international FATF standards and *Moneyval* recommendations.

II STANDARD TERMS IN LAWS AND REGULATIONS

8. Resolutions adopted by the United Nations (UN) Security Council use the term “*sanctions*”.
9. Legal acts issued by the EU use the term “*restrictive measures*”. EU restrictive measures are imposed as part of the EU Common Foreign and Security Policy (CFSP) through EU Council Decisions, which are politically binding on Member States, setting out the purpose and justification for sanctions, and EU Council Regulations, which are directly applicable and legally binding throughout the EU.
10. Nationally imposed sanctions are referred to as “*restrictive measures*” in Latvian laws and regulations, using terminology adopted by the EU, in order to avoid confusion with “sanctions” prescribed by other legal acts that designate an administrative or criminal “penalty”.

III GENERAL ISSUES

11. Latvia has the following legally binding sanctions regimes:
 - 11.1. Sanctions regimes imposed by the UN Security Council (hereinafter – UN sanctions);
 - 11.2. Restrictive measures imposed by the European Union (hereinafter – EU sanctions);
 - 11.3. restrictive measures imposed by the Republic of Latvia (hereinafter – national sanctions);
 - 11.4. under the procedure prescribed by the Law on International Sanctions and National Sanctions of the Republic of Latvia (hereinafter – Law on Sanctions), pursuant to Cabinet Regulation No. 184 of 26 March 2024 “[Procedures for the Proposition and Implementation of International and National Sanctions](#)”, sanctions imposed by the member states of the North Atlantic Treaty Organisation (hereinafter – NATO) – currently the sanctions imposed by the Office of Foreign Assets Control (hereinafter – OFAC) of the US Treasury.
12. If the criteria set out in the Law on Sanctions are met, a decision may also be taken on the legally binding imposition of sanctions imposed by other NATO or

EU member states.

IV COORDINATION OF SANCTIONS ISSUES

13. The Ministry of Foreign Affairs, as the coordinating authority on sanctions issues, has prepared this information material in order to:
 - 13.1. promote a uniform and in-depth understanding of sanctions;
 - 13.2. strengthen the uniform, effective and coordinated application of [the Law on Sanctions](#) among the responsible authorities.
14. According to Section 12.¹ of the Law on Sanctions, starting from 1 April 2024, the [Financial Intelligence Unit](#) shall be the competent authority in matters of the implementation of international and national sanctions insofar as the laws and regulations do not provide otherwise. The Financial Intelligence Unit shall also [organise informative events and training on matters of the enforcement of sanctions](#).

V COMPETENCE OF THE MINISTRY OF FOREIGN AFFAIRS

15. According to Section 12 of the Law on Sanctions, the Ministry of Foreign Affairs shall be the coordinating authority in matters of sanctions in Latvia and shall carry out the information exchange in communication with international organisations and foreign competent authorities on the imposition and implementation of sanctions as well as the application of exemptions in Latvia, and shall inform:
 - 15.1. the international organisations of the enforcement of the sanctions imposed thereby in Latvia;
 - 15.2. the competent authorities of imposing, amending or revocation of international and national sanctions;
 - 15.3. the subject of sanctions of the national sanctions imposed on such subject;
 - 15.4. the Financial Intelligence Unit of the application of exemptions in relation to activities involving goods, the circulation of which is governed by the Law on the Circulation of Goods of Strategic Significance and exceptional cases related to humanitarian considerations;
 - 15.5. the Cabinet of international sanctions, amending their term of validity and revocation.
16. The Ministry of Foreign Affairs shall organise and chair the meetings of the Sanctions Coordination Council intended to coordinate the activities of competent authorities responsible for the enforcement, supervision or control of international or national sanctions in order to promote a uniform approach to the application of laws and regulations.

VI LISTING CRITERIA

(evidentiary standards)

17. Each UN Security Council resolution imposing a new sanctions regime also sets out specific criteria for sanctioning (listing). For example, the Committee monitoring the sanctions regime targeting the terrorist organisations ISIL and Al-Qaeda (Resolutions 1267 (1999), 1989 (2011) and 2253 (2015)) enumerates as criteria for listing not only participation in the planning, financing or perpetration of terrorist acts but also in the sale and supply of arms and other materials, as well as recruitment and all other forms of support activities for those organisations, their cells or affiliates (see paragraphs 2 to 5 of [resolution 2734 \(2024\)](#)). On the other hand, the criteria for imposing sanctions on the basis of Resolution 1988 (2011) are set out in paragraphs 1 and 2 of Resolution 2255 (2015). If sanctions are to be proposed on the basis of resolutions 1267/1989 or 1988, the Ministry of Foreign Affairs shall, when submitting a draft legislative act to the Cabinet for the proposition of international sanctions, ascertain that the proposal for the imposition of sanctions complies with the abovementioned criteria. The Ministry of Foreign Affairs, after taking a Cabinet decision regarding a request to propose the imposition of UN sanctions, shall immediately submit it to the UN using the standard forms issued by the monitoring committee of the UN sanctions regime and following procedures laid down by committees overseeing the respective UN sanctions regimes.
18. The EU has developed criteria for the inclusion of persons on restrictive measures or sanctions lists, which are prescribed in the EU documents “[EU guidelines on the implementation and monitoring of sanctions](#)” (5664/18) and “[EU best practices on the effective implementation of restrictive measures](#)” (10572/22).
19. National sanctions may be imposed by the Cabinet:
 - 19.1. upon its own initiative;
 - 19.2. upon a proposal of the Minister for Foreign Affairs, which may also be based on a third-country request;
 - 19.3. upon the recommendation of the National Security Council.
20. The national sanctions are imposed on the basis of the information collected by the State security institutions and competent authorities, which indicates that a person poses a threat to Latvia’s national security or foreign policy interests, or is linked to international terrorism or the manufacture, storage, movement, use, or proliferation of weapons of mass destruction, or endangers international peace and security, or is linked to international crimes or human rights violations outside the territory of Latvia.
21. If a foreign country requests the imposition of national sanctions of the Republic of Latvia, the Ministry of Foreign Affairs shall evaluate within a reasonable time period whether the information submitted by such foreign country justifies the

imposition of national sanctions, taking into account the urgency of addressing the issue referred to in the request.

22. When submitting a draft legal act to the Cabinet regarding the imposition of national sanctions or the proposition of international sanctions, the Ministry of Foreign Affairs ascertains whether the natural or legal person, group or entity can be sanctioned on the basis of the criteria laid down in United Nations Security Council Resolution 1373 (2001).
23. When submitting a draft legal act to the Cabinet regarding the imposition of national sanctions, the Ministry of Foreign Affairs simultaneously submits an evaluation regarding potential foreign countries to be requested to impose their national sanctions on the basis of the sanctions imposed by Latvia. Evaluation is also done of the amount of information to be provided to foreign countries that would ensure identification of persons, groups or entities and substantiate the necessity to sanction them.

VII IDENTIFICATION

24. In order to implement the imposed sanctions as effectively as possible, standard identifiers shall be specified when imposing sanctions on particular persons and listing such persons.
 - 24.1. When listing natural persons, they shall be identified by at least the following parameters: all known and used given names, surnames and aliases of the person, including the given name and surname in the original language in the standard transliteration of the International Civil Aviation Organisation, sex, place and date of birth, nationality or citizenship and current address, passport or identification card number.
 - 24.2. When listing legal entities, they shall be identified by the following parameters: full name, place of activity, place of registration, date and number; if known, the ultimate beneficial owner (hereinafter – UBO) shall also be identified.
 - 24.3. When listing associations of persons that do not have the status of a legal person they are, as far as possible, identified by parameters that would apply to legal persons.
25. To identify a sanctioned person, special attention should be paid to homonyms or almost identical names and firm names. Identification parameters are important so that the subject of sanctions can be identified precisely and so that a natural person with a similar name or a legal entity with certain characteristics matching those of a sanctioned person does not suffer. When listing a person, identifiers shall be specified as fully as possible to ensure that sanctions achieve their purpose and do not have any unforeseen consequences. Errors can occur, for example, due to translation, different transliteration in different languages such as Russian or Arabic, or due to a full coincidence of names. In such cases, increased attention should be paid to other identifiers such as the year and place

of birth, passport number, place, registration number of the company, etc.

26. Should an erroneous identity be suspected in the case of sanctions, it should be reported to the competent authorities of the relevant sanctions' regime and the Financial Intelligence Unit. In such cases, the Ministry of Foreign Affairs will take the necessary steps to initiate identified conformity checks and prevent homonym errors.

VIII EXEMPTIONS

27. Exemptions may be applied by the responsible authorities of each EU Member State under the conditions laid down in the legal framework in order to ensure the basic needs of the sanctioned person, including legal expenses, food products, medical expenses and other unforeseen expenses. Each application for an exemption is assessed on a case-by-case basis.
28. According to the application of the subject of sanctions, the Financial Intelligence Unit may take the decision to apply exemptions, on the basis of the opinions provided by the national security authorities or other institutions.
29. In accordance with the EU guidelines, exemptions are included in every regulation imposing restrictive measures.
30. In Latvia, the application of exemptions in the implementation of sanctions is regulated by Section 10 of the Law on Sanctions and Cabinet Regulation No. 184 of 26 March 2024 "[Procedures for the Proposition and Implementation of International and National Sanctions](#)".

IX DE-LISTING

31. De-listing from the UN sanctions list.
 - 31.1. If a natural or legal person under the jurisdiction of the Republic of Latvia is included on the UN sanctions list (except the Al-Qaida Sanctions List), the sanctioned person can submit an application to the [Focal Point for De-listing](#) established under the UN Resolution 1730 (2006), or the Ministry of Foreign Affairs, requesting to be de-listed, duly motivating such request.
 - 31.2. If a natural or legal person under the jurisdiction of the Republic of Latvia is included in the Al-Qaida Sanctions List, the sanctioned person may make an application to the UN Ombudsperson.
 - 31.3. The decision on de-listing is taken by the supervisory committee of the relevant UN sanctions regime.
32. De-listing from the EU sanctions list.
 - 32.1. To initiate de-listing, a person should address the Ministry of Foreign Affairs with an application.
 - 32.2. It is also possible to address the responsible institution of any other EU

Member State or, alternatively, the Court of Justice of the European Union directly.

32.3. If a person is included on the EU Terrorist List, then the de-listing may be requested by a person or entity themselves, or by any Member State or a third country if the request thereof has formed a basis for listing a person.

33. De-listing from the national sanctions list of the Republic of Latvia.

33.1. To initiate de-listing, the sanctioned person (or his/her legal representative) must submit an application to the Ministry of Foreign Affairs.

33.2. The Ministry of Foreign Affairs shall inform the Cabinet of the application, which may decide on amending or lifting the national sanctions.

33.3. Sanctions may be appealed to the Administrative Regional Court under the procedure laid down by law. Appealing the order of the Cabinet shall not suspend the operation of the referred-to order.

34. De-listing from the US OFAC sanctions list.

34.1. To initiate a de-listing, a de-listing request must be submitted to the sanctioning authority (US Treasury, OFAC) in accordance with the procedures established by the OFAC.

34.2. The Ministry of Foreign Affairs may take measures to support the application but it cannot change the direction of the foreign policy of another country (lift sanctions imposed by another country).

34.3. Sanctions imposed by the US OFAC can only be lifted by the sanctioning authority, depending on the type of sanction (US President or Congress).

34.4. The OFAC may issue licences in cases where exemptions apply. Information can be found [on the OFAC website](#).

X THE NEED FOR AN INTERNAL CONTROL SYSTEM AND UNDERSTANDING OF RISKS

35. [In accordance with Section 84 of the Criminal Law](#) prescribing criminal liability for the intentional violation of laws and regulations governing the operation of sanctions imposed by the United Nations Security Council, the European Union and other international organisations in Latvia or those determining and governing the operation of national sanctions in the Republic of Latvia.

36. According to international standards and practice, a list-based approach is not sufficient to consider that sanctions are being respected. The subjects of the law must understand what sanctions are and how they affect (or do not affect) their actions. To ensure full compliance with sanctions, a risk-based approach should be used, combined with the screening of sanctions lists and a search of registers.

37. Before entering into a contract, it is necessary to ascertain that it would be

possible to ensure the performance of payment and fulfilment of the contract. Consult the person preparing the contract on the possibility of incorporating conditions in the contract on unilateral withdrawal from the fulfilment of the contract in the case if the imposition of sanctions on one of the contracting parties would hinder the fulfilment of the contract or render such impossible.

38. Depending on the currency in which the payment is planned to be made, potential sanctions against the particular country must be considered that would affect the flow of currency and the execution of the payment.
39. Such measures are to be considered as preventive in order to exclude sanction violations, as well as intentional or unintentional cases of the circumvention thereof.
40. The [answers to frequently asked questions](#) posted on the website of the Financial Intelligence Unit explain what sanctions risk management measures are and who should take them.

XI INFORMATION MATERIALS, GOOD PRACTICE

41. The Ministry of Foreign Affairs issues a [monthly](#) newsletter on sanctions updates in Latvia and worldwide. Newsletters are posted on the website of the Ministry of Foreign Affairs and it is possible to subscribe for the receipt thereof on the day of posting, by sending an e-mail to sankcijas@mfa.gov.lv.
42. The current sanctions lists are available on the following websites:
 - 42.1. information on sanctions in Latvian and English on the website of the Ministry of Foreign Affairs – <https://www.mfa.gov.lv/lv/sankcijas>;
 - 42.2. UN sanctions website, consolidated list of all active sanctions regimes – <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>;
 - 42.3. European Commission sanctions tool “Sanctions Map”, an interactive website where one can find UN and EU sanctions sorted by country or type of sanction – www.sanctionsmap.eu;
 - 42.4. US OFAC sanctions database – <https://sanctionssearch.ofac.treas.gov/>.

II US OFAC sanctions

1. Link to the US OFAC database is available in the Section “Sanctions”, Subsection “US OFAC Sanctions” on the MFA website.

The screenshot shows the website of the Ministry of Foreign Affairs of Latvia. The 'Sanctions' menu item is highlighted in blue. In the main content area, under 'Sanction lists and information on sanctions:', the link 'Database of sanctioned persons' is highlighted with a red box.

2. Fill in the fields in the US OFAC database indicating the type of sanctions, the name of the person, the sanctions programme or any other known criteria:

The screenshot shows the OFAC Sanctions List Search application. The 'Program' dropdown menu is selected with 'UKRAINE-EO13662'. The 'Lookup Results: 655 Found' section shows a table of results.

Name	Address	Type	Program(s)	List	Score
VTB BANK OJSC	29, Bolshaya Morskaya str.	Entity	UKRAINE-EO13662	Non-SDN	
RUSSIAN AGRICULTURAL BANK	3, Gagarinskiy Prospekt	Entity	UKRAINE-EO13662	Non-SDN	
VNSHECONOMBANK	9 Akademika Sakharova prospekt	Entity	UKRAINE-EO13662	Non-SDN	
GAZPROMBANK OJSC	16, Building 1, Namskinka St.	Entity	UKRAINE-EO13662	Non-SDN	
BANK OF MOSCOW	8/15 Korp. 3 ul. Rozhdestvenka	Entity	UKRAINE-EO13662	Non-SDN	
SBERBANK OF RUSSIA	19 ul. Vavilova	Entity	UKRAINE-EO13662	Non-SDN	

III National sanctions of the Republic of Latvia

1. Information on national sanctions can be found on the website of the Ministry of Foreign Affairs, as well as on the official websites *Latvijas vēstnesis* and www.likumi.lv

The screenshot shows the website of the Ministry of Foreign Affairs of Latvia. The page is titled "Sanctions" and is part of the "Sectoral Policy" section. On the left, there is a navigation menu with various categories, including "Sanctions" which is highlighted. The main content area includes a "Published" date of 01.07.2021, a definition of sanctions as restrictive measures imposed pursuant to international public law, and a list of types of sanctions: 1. Financial restrictions, 2. Civil legal restrictions, 3. Restrictions on admission, 4. Restrictions on the circulation of goods of strategic significance and other goods, and 5. Restrictions on the provision of tourism services. Below this, the legal framework is listed, including European Council Regulations, European Council Decisions, the Law on International Sanctions and National Sanctions of the Republic of Latvia (The Law on Sanctions), the Law on the Prevention of Money Laundering and Terrorism Financing, and Cabinet Regulation of 9 July 2019 No. 327 "Procedures for the Proposition and Enforcement of International and National Sanctions".

The screenshot shows the website of the Ministry of Justice of Latvia (Likumi.lv). The page displays a list of related documents for the law on international sanctions and national sanctions of the Republic of Latvia. The list includes several documents, with two highlighted in red:

- Par finanšu ierobežojumu noteikšanu attiecībā uz subjektiem, kas saistīti ar Korejas Tautas Demokrātiskās Republikas īstenoto kodolprogrammu un politisko režīmu (Ministru kabineta 29.03.2018. rīkojums Nr. 137 / LV, 06.03.2018.)
- Par finanšu ierobežojumu noteikšanu attiecībā uz subjektiem, kas saistīti ar Korejas Tautas Demokrātiskās Republikas īstenoto kodolprogrammu un politisko režīmu (Ministru kabineta 31.07.2017. rīkojums Nr. 390 / LV, 15.01.2017.)

Other documents in the list include:

- Grozījumi Krimināllikumā (06.06.2019. likums / LV, 123, 19.06.2019.)
- Grozījumi Zemesgrāmatu likumā (04.02.2016. likums / LV, 31, 15.02.2016.)
- Grozījumi likumā "Par Latvijas Republikas Uzņēmumu reģistru" (04.02.2016. likums / LV, 31, 15.02.2016.)
- Grozījumi Noziedzīgi iegūtu līdzekļu legalizācijas un terorisma finansēšanas novēršanas likumā (04.02.2016. likums / LV, 31, 15.02.2016.)

The page also includes a "Document information" sidebar on the right and a "Related documents" section with options like "Amendments", "Changes legal status of", "Legal basis of", "General Findings of the Supreme Court", "Annotation / draft legal act", "Explanations", and "Other related documents".