Sanctions explained: Event round-up

October 2018

Collas Crill's Sanctions Explained Seminar took place on Friday 19th October, with guest speaker Maya Lester QC of Brick Court Chambers. The seminar welcomed 119 professionals from the local business and finance sectors for an in-depth discussion on the challenging subject of sanctions. Topics included:

- The new legal framework in the UK - The impact of Brexit on sanctions;
- Russia sanctions;
- Difference between EU and US Sanctions;
- US secondary sanctions;
- Iran and the Blocking Regulation.

Key Take-Outs

Sanctions regimes are increasingly complex and fast moving. They can be both contradictory and inconsistent, posing significant risks on how businesses conduct themselves, be it through trade, cross-border contracts or investment. The following are just a few key take-outs from Maya's talk which highlight a fraction of the considerations for businesses and individuals when navigating global sanctions regimes.

- There continues to be uncertainty about how the UK regime will position itself after Brexit. While the UK will not be bound by European law and will not follow European sanctions, there will still be an international law obligation to implement UN sanctions. The new freedom the UK will gain from being 'independent' raises many questions as to how the UK will do business, with the concern being to reach a balance between implementing sanctions while avoiding flight of commerce from the UK. As Guernsey is a separate regime, while we don't know yet what will happen, it will have the option to choose to follow the UK or the EU position on sanctions post-Brexit.
- Many sanctions are contradictory and have extra-territorial reach. The recent divergence of EU and US sanctions regarding Russia and Iran is having a tremendous risk impact on businesses. There is serious concern that businesses are essentially having to choose which laws to break and many firms are having to closely scrutinise how to avoid breaches (if that is possible).
- US "secondary sanctions" are very concerning to non-US firms. While they may not be breaching the sanction regime to which they are subject, the effect of breach of US "secondary sanctions" could potentially be catastrophic. Firms do not want to take the risk that they could be cut off from the US banking system.

For additional reading sources on Sanctions visit:

- An introduction to Sanctions, Nin Ritchie, Senior Associate Collas Crill Guernsey
- Maya Lester QC & Michael O'Kane's European Sanctions blog

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