



# UNDERSTANDING UK AND EU SANCTIONS

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The recent EU sanction and the new Guernsey Ordinance against those involved in chemical weapons has fuelled the debate over whether Guernsey will follow UK or EU sanctions regimes post-Brexit.

The EU has responded to concern about the proliferation and use of chemical weapons, in the form of Council Regulation (EU) 2018/1542, a sanction imposing an asset freeze and financial restrictions on listed persons that are responsible for, provide financial, technical or material support for, or are otherwise involved in, manufacturing or using chemical weapons or engaging in preparations for the use of chemical weapons, as well as those who assist or encourage such activities. Guernsey has adopted this latest EU sanction by way of Ordinance.

Nin Ritchie, Senior Associate in the Collas Crill Risk and Regulatory team, commented: "This is a classic example of the EU deploying its powers to target those involved in chemical weapon atrocities. It is the EU demonstrating that those behaviours can not be tolerated and must not be supported. Guernsey's implementation of this latest EU sanction demonstrates that, like the UK, Guernsey will continue to follow the EU's sanctions regime up until (Br)exit Day."

Collas Crill recently hosted leading international barrister, and sanctions specialist, Maya Lester QC at its Sanctions Explained breakfast seminar.

The recent event addressed a range of sanctions issues, including the UK's new legal sanctions framework, the impact of Brexit, Russian sanctions, the differences between EU and US sanctions, US secondary sanctions, Iran and the Blocking Regulation.

The complexities and wide-reaching implications of penalties for financial services businesses and their clients both on a local and global scale were also highlighted.

During her visit to Guernsey, Maya Lester QC commented: "Sanctions are increasingly complex and fast-moving, with often multiple overlapping and sometimes contradictory regimes and regulators. The recent divergence of US and EU sanctions on Russia and Iran, including US secondary sanctions and the EU Blocking Regulation, is just one example of the tremendous impact on business risk.

"For Guernsey, there is likely to be a significant change as we get closer to Brexit day, with political consideration and decision making needing to focus on whether Guernsey will follow the UK or the EU sanctions regimes, or a hybrid of both."

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