

Tightening of Sanctions Against Russia: Challenges for Owners and Carriers of Lawful Goods

In Latvia, stricter enforcement of sanctions against Russia is creating new challenges for both businesses and law enforcement authorities. The main focus is on preventing attempts to circumvent sanctions, which has resulted in increased border inspections and closer scrutiny of trade transactions. However, such enhanced control may also create difficulties for bona fide entrepreneurs whose goods may be mistakenly suspected of violating the sanctions regime.

Sanctions Circumvention and Its Consequences

The sanctions regime imposed by the EU and Latvia requires strict compliance, and any attempts to circumvent sanctions may lead to serious consequences. In 2024, more than 250 criminal cases were initiated in Latvia in connection with attempts to transport sanctioned goods across the border. Such goods include electrical equipment, car spare parts, luxury items, as well as dual-use products, including chemical substances, telecommunications equipment, and aviation equipment.

Common sanctions circumvention tactics include document falsification, alteration of goods classification codes, and misrepresentation of the country of origin. However, such actions do not go unnoticed: law enforcement authorities actively detect such schemes, which leads to the seizure of goods and the initiation of criminal proceedings.

Challenges for Bona Fide Businesses

Stricter sanctions enforcement creates additional difficulties for owners and carriers of lawful goods. Even where all necessary documents are in place and all requirements have been met, goods may still be detained at the border due to suspicions of a sanctions breach on Russia. This may result in significant financial losses, delivery delays, and damage to a company's reputation.

NJORD Law Firm, with experienced lawyers in Riga, has observed an increase in such cases and actively assists clients in securing the release of goods and the withdrawal of charges. A successful defence is often based on the submission of expert opinions and all necessary evidence confirming the lawful origin of the goods and transactions.

How to Minimise Risks

To avoid problems associated with stricter sanctions enforcement, it is crucial for goods owners to:

1. **Carefully review all documentation**, ensuring that all documents confirming the origin of the goods and their compliance with the sanctions regime are in full order.
2. **Assess business partners**, avoiding cooperation with companies that may be linked to persons or entities subject to sanctions.
3. **Consult a lawyer in Riga specialising in sanctions on Russia**, as professional legal assistance can help minimise risks and promptly resolve emerging issues.

Criminal Liability for Sanctions Circumvention

Under Section 84 of the Criminal Law of Latvia, a violation of a sanctions regime imposed by the EU, the UN, or Latvia entails criminal liability. This applies to both natural persons and legal entities, which may be subject to fines, community service, or imprisonment, depending on the seriousness of the violation..

How Can NJORD Help?

NJORD Law Firm has substantial experience in defending clients facing accusations of sanctions violations. Each of our sanctions lawyers in Riga can help to:

- develop an effective defence strategy;
- collect and present all necessary evidence;
- secure the release of goods and the withdrawal of charges;
- minimise financial and reputational losses.

Stricter enforcement of sanctions compliance is not only a challenge for those attempting to circumvent sanctions, but also a serious test for bona fide businesses. NJORD is ready to provide professional support and defence in such complex situations.