

NJORD Latvia: NJORD attorneys achieved a review of the confiscation decision in a sanctions' violation case

In September 2025, the Judicial Panel for Criminal Cases of the Latgale Regional Court satisfied the appeal of NJORD attorneys and annulled the decision of the Latgale District Court on recognizing the seized property as connected with a criminal offense and its confiscation within the framework of a criminal process regarding a possible violation of European Union sanctions.

1. Case Circumstances

In November 2023, the State Revenue Service Tax and Customs Police Department initiated a criminal process regarding a possible violation of EU sanctions, which was qualified under the first part of Article 84 of the Latvian Criminal Law—violation of sanctions established by international organizations and the Republic of Latvia. During the pre-trial criminal process, the investigation suggested a possible violation of the EU-imposed ban on the export to the Russian Federation of a boat belonging to a client—a Polish company.

NJORD attorneys, within the criminal process, represented the interests of the client whose property rights were affected by the seizure of the boat. In February 2025, the boat was seized on suspicion that the final destination of the seized cargo was not Kazakhstan, but the Russian Federation.

2. First Instance Court Decision

In May 2025, an investigator of the State Revenue Service Tax and Customs Police Department issued a decision to initiate a process regarding property obtained by criminal means and transferred the case materials to the Latgale District Court. On July 7, 2025, the Latgale District Court recognized the boat as property connected with a crime (violation of EU sanctions) and ordered its confiscation in favor of the state.

3. Arguments of NJORD attorneys

NJORD attorneys filed a complaint with the Latgale Regional Court against the decision of the Latgale District Court, in which, among other things, the following arguments were presented:

- The District Court did not properly assess all evidence relevant to the case, did not provide reasoning as to how the materials presented by the investigation confirm the fact of a possible violation of sanctions, i.e., intentional actions of the persons involved in the process aimed at violating/circumventing EU sanctions.
- The District Court did not verify whether, in this case, the two cumulative grounds provided by law (the presence of sufficient evidence of the commission of a crime and the existence of objective reasons making it impossible to refer the criminal case on sanctions violation to court within a reasonable time) existed for the initiation and continuation of the process regarding property obtained by criminal means in relation to the boat.
- The investigation did not provide evidence of plans to export the boat specifically to Russia, while the documents provided by the parties to the process confirm that the final destination of the cargo was Kazakhstan.
- The parties involved in the process provided additional evidence confirming that the ultimate purpose of the transportation was Kazakhstan, which was not assessed by the court.
- The parties involved in the process were not given the opportunity to timely provide the necessary evidence regarding facts significant to the case.

4. Decision and Reasoning of the Regional Court

Considering the arguments of NJORD attorneys, the Regional Court annulled the decision of the Latgale District Court and sent the case materials for a new hearing. In the reasoning part, the court, among other things, noted:

- The Latgale District Court did not conduct the necessary analysis of all the evidence presented, did not fully consider the documents and testimonies provided by the property owner.
- The decision of the Latgale District Court lacks sufficient reasoning for the conclusion on the validity of recognizing the boat as property connected with a crime and its confiscation.
- The Latgale District Court did not provide the property owner with the opportunity to present additional evidence, which violated his procedural rights.
- The Latgale District Court did not take into account documents confirming that the boat was intended for Kazakhstan and not for Russia, which could have influenced the conclusions regarding the violation of sanctions.

This case is an example of how a principled and professional position of lawyers can change the course of a court procedure. The decision of the Regional court confirmed the need for a thorough analysis of evidence, respect for the procedural rights of participants, and ensuring a fair trial. By demonstrating a deep understanding of the law, NJORD attorneys managed to achieve a review of an unjust decision. This result underscores the importance of qualified legal support in cases related to the application of sanctions.



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