

Sanctions Regimes – Navigating the Minefield

Sanctions regimes across the globe are ever-changing, placing a significant burden upon businesses to remain informed as to the identities of the nations and entities affected by those regimes.

The European Union and the United Nations are constantly revising and drafting new sanctions regimes for implementation, which have a direct impact upon Guernsey businesses. This can create confusion for those potentially affected.

- **Are you up to date with the sanctions regimes?**

Changes to the lists of designated persons or entities targeted by a particular regime (whether under an EU Regulation, a UN Resolution or the Terrorist Asset Freezing etc. Act 2010) are automatically effective in Guernsey. As such, there is a substantial risk to Guernsey businesses, which could be in breach of a regime without even realising it.

- **To whom does a sanctions regime apply?**

Because sanctions regimes are typically formulated and implemented in a very short time frame, there is often a lack of clarity as to exactly what is prohibited and to whom the regime applies. Such uncertainty can lead to delay in dealing with urgent matters, as businesses seek to determine whether the regime is applicable and, if so, to what extent. Uncertainty can even cause businesses to fall foul of the regime. Babbé LLP can assist by reviewing the underlying legislation and providing advice as to the effect of the regime.

- **Does a sanctions regime affect your, or your client's, contractual rights or obligations?**

Sanctions regimes can often prevent a party from fulfilling all or part of its duties under a contract, including, for instance, payment of a contractual sum. Babbé LLP can provide advice as to the enforceability of contractual rights and guidance as to whether a breach of contract is avoidable. This may involve obtaining a licence from the Policy & Resources Committee to proceed with a specified activity.

- **Can a licence be obtained for a specific transaction?**

Should authorisation be required for a specific transaction or activity that would otherwise be prohibited by a financial sanctions regime, Babbé LLP can provide advice as to the information and documentation that will be required when submitting a licence application to the Policy & Resources Committee. This could significantly reduce any delay in obtaining a licence and avoid a breach of contractual obligations.

- **How can you stay abreast of changes to sanctions regimes?**

Babbé LLP ensures that its lawyers are up to date with all changes in the relevant sanctions regimes, including not only those applicable in Guernsey and the UK as a result of UN/EU sanctions, but also those implemented by OFAC in the United States. You can subscribe to receive Babbé LLP's monthly sanctions updates [here](#), informing you of any significant changes to the relevant sanctions regimes.

If you require advice regarding sanctions regimes, the risks surrounding a specific client or transaction, or urgent support in liaising with the relevant authorities. Please contact Andrew Laws or Tim Molton for more information.



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