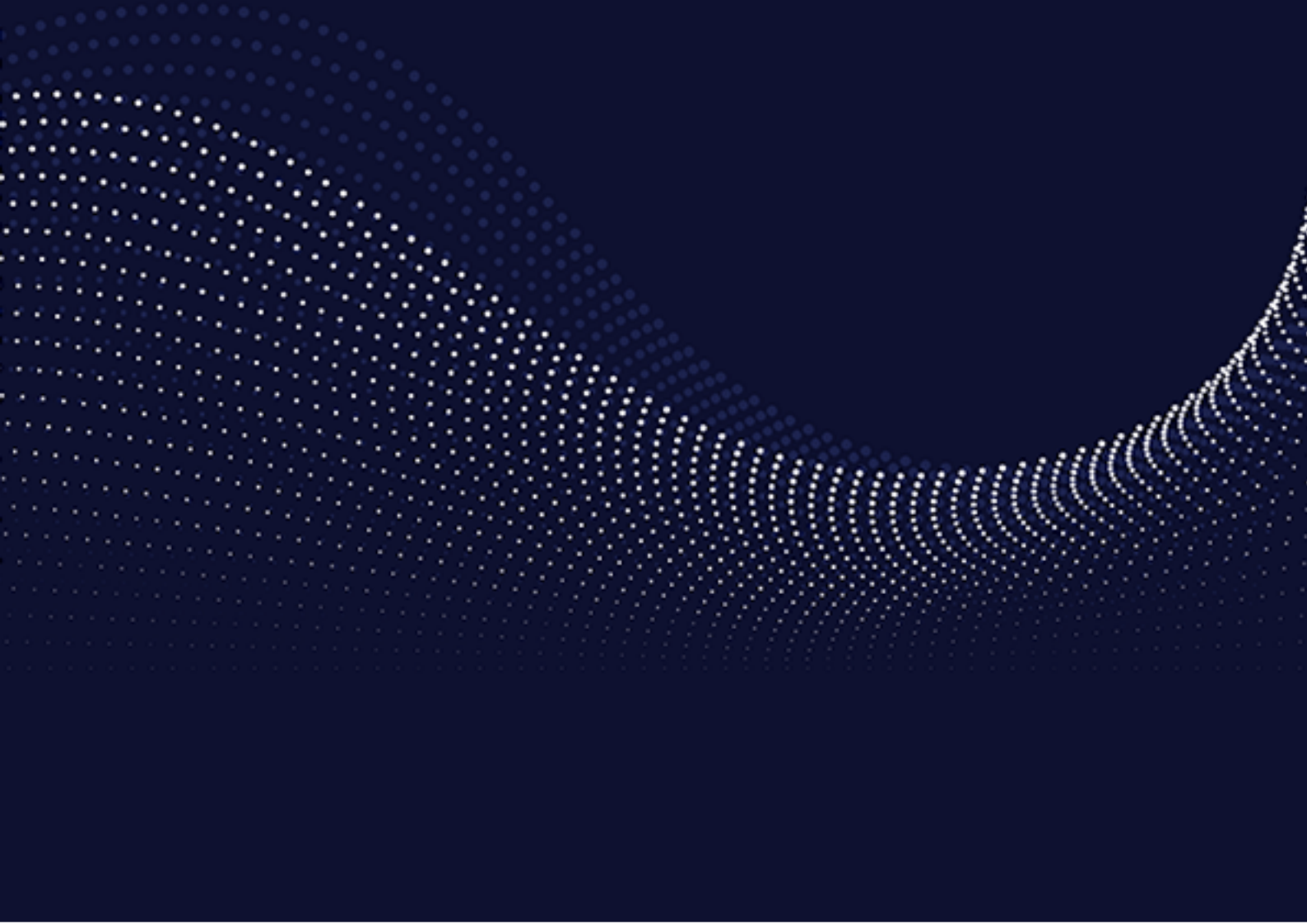


SANCTIONS

Belgium



Sanctions

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GENERAL FRAMEWORK

Legislation

What domestic legislation enables economic, financial and trade sanctions to be implemented in your jurisdiction?

It is important to note that the Belgian institutional system is complex and competences (granting of authorisations, enforcement, etc) are divided between the state (federal), and the regions and the communities (local). Belgium comprises three regions: the Flemish Region, the Walloon Region and the Brussels-Capital Region. As a result of this complex institutional framework, every query related to sanctions or trade restrictions requires a full assessment of all parties and government authorities involved.

Belgium does not have a single legislative act that allows the government or another governmental body to implement economic, financial and trade sanctions.

As a member state of both the United Nations and the European Union, Belgium has the obligation to properly implement applicable sanctions regimes. In this respect, the EU transposes the sanctions imposed by the United Nations into EU law, reinforces some UN sanctions and adopts its autonomous EU sanctions regimes. EU sanctions are adopted through regulations that are directly applicable in Belgium and binding on individuals and entities, and through decisions of the Council of the European Union, which are binding on Belgium as an EU member state.

The [Law of 11 September 1962](#) on the import, export and transit of goods and related technology provides the government with the power to impose restrictions on the import, export and transit of goods and related technology:

- to safeguard the internal or external security of Belgium;
- to implement treaties, agreements or arrangements with an economic or security purpose, and decisions or recommendations from international or supranational organisations; and
- to contribute to the observance of the general principles of law and human society recognised by civilised nations.

The [Law of 11 May 1995](#) on the implementation of the decisions of the UN Security Council allows the government to take the measures necessary to implement binding decisions taken by the UN Security Council under the Charter of the United Nations. These measures can, among others, come in the form of the suspension of economic relations, and the freezing of funds and economic resources. The Law is used to ensure the immediate application of financial sanctions imposed by the United Nations before they are transposed into EU law. In this respect, the Federal Minister of Finance will publish a ministerial decree each time the United Nations imposes an asset freeze to immediately apply the UN freezing measures in Belgium. This Law is also used as legal basis for the national terrorist list.

Autonomous versus international regimes

Does the domestic legislation empower your government to implement an autonomous sanctions regime or are only those sanctions adopted by international institutions and organisations imposed?

In principle, the Law of 11 September 1962 on the import, export and transit of goods and related technology allows the federal and local governments to impose an autonomous sanctions regime independent from EU or UN sanctions regimes. The sanctions regime would however be limited to trade restrictions considering the scope of the Law.

The Law of 11 May 1995 on the implementation of the decisions of the UN Security Council allows the federal government to adopt financial and economic sanctions such as asset freezes. However, these sanctions must be necessary for the implementation of the binding decisions taken by the UN Security Council under the Charter of the United Nations and would therefore not be fully autonomous.

In practice, the vast majority of sanctions applicable in Belgium are those adopted by the United Nations and the European Union.

Types of sanction imposed

What types of sanction are imposed in your jurisdiction?

As Belgium implements both UN and EU sanctions, this potentially involves any type of restrictive measures imposed by these international organisations on persons and entities, or on the trade and economic relations with a specific country or regime. They could, among others, include economic and sectoral sanctions, financial sanctions, trade and investment restrictions, arms embargoes, and travel bans.

Countries subject to sanctions

Which countries are currently the subject of sanctions or embargoes in your jurisdiction?

The list of countries currently subject to restrictive measures in Belgium can be accessed through the Federal Public Service (FPS) Finance's [European sanctions list](#). This list generally conforms to applicable EU sanctions that may also be consulted on the [EU Sanctions Map](#). Belgium does not maintain sanctions regimes for countries independent of the EU sanctions regimes.

Non-country specific regimes

What other sanctions regimes are currently in force in your jurisdiction which are not country specific?

As far as non-country specific sanctions regimes are concerned, Belgium applies a number of EU restrictive measures, namely the restrictive measures against:

- al-Qaeda and ISIL ([Regulation \(EU\) 2016/1686](#) and [Regulation \(EC\) No. 881/2002](#));
- terrorism ([Regulation \(EU\) 2023/420](#));

- the proliferation and use of chemical weapons ([Regulation \(EU\) 2018/1542](#));
- cyber-attacks threatening the Union or its member states ([Regulation \(EU\) 2019/796](#));
and
- serious human rights violations and abuses ([Regulation \(EU\) 2020/1998](#)).

Counter-terrorism sanctions

What sanctions and prohibitions are imposed in your jurisdiction in relation to terrorist activities?

Applicable sanctions in the Netherlands in relation to terrorist activities are mainly based on those set forth by the European Union; [Regulation \(EC\) No. 2580/2001](#) enabling the designation of persons and entities involved in terrorist activities applies. The designation entails an asset freeze, and a prohibition against making funds and economic resources available. At the EU level, the designations are reviewed at regular intervals (at least every six months) to ensure that there are sufficient grounds to maintain designated persons' and entities' presences on the list. The European Union publishes and regularly updates a [consolidated list](#) of persons, groups and entities – including those involved in terrorist activities – subject to EU financial sanctions as a result of the various sanctions regulations adopted under the Common Foreign and Security Policy.

Furthermore, Regulation (EU) 2016/1686 and Regulation (EC) No. 881/2002 impose additional restrictive measures on al-Qaeda and ISIL, as well as natural and legal persons, entities and bodies associated with them. The restrictive measures include prohibitions on arms exports, making funds available and providing training related to military activities, and restrictions on admission and asset freezes.

Pursuant to the Law of 11 September 1962 on the import, export and transit of goods and related technology, Belgium maintains a [national list](#) of persons and entities who are subject to national financial sanctions (ie, asset freezes and prohibitions on making funds and economic resources available) within the framework of the fight against terrorism and terrorism financing. This national terrorist list is an implementation of UN Security Council Resolution 1373 of 2001.

Anti-boycott laws

Are any blocking or anti-boycott laws in place in your jurisdiction?

[Regulation \(EC\) No. 2271/96](#) (the Blocking Statute) applies, which protects EU operators from the extraterritorial application of third-country laws. The Blocking Statute is an EU response to extraterritorial restrictive measures that the United States took in relation to Cuba, Iran and Libya, and targets the effects of certain US extraterritorial legislation specified in its Annex. The Annex currently lists US measures concerning Cuba and Iran. The present relevance of the Blocking Statute for EU operators mainly lies in its application to US extraterritorial measures directed at Iran.

The Blocking Statute protects EU operators, regardless of their size and field of activity, by:

-

nullifying the effect in the European Union of any foreign court ruling based on the foreign laws listed in its Annex; and

- allowing EU operators to recover court damages caused by the extraterritorial application of the specified foreign laws.

The Blocking Statute prohibits compliance by EU operators with any requirement or prohibition based on the specified foreign laws. EU operators whose economic and financial interests are affected by the extraterritorial application of such laws are under the obligation to inform the European Commission. If EU operators consider that non-compliance with a requirement or prohibition based on the specified foreign laws would seriously damage their interests or the interests of the European Union, they can apply to the European Commission for an authorisation to comply with those laws.

In Belgium, violations of the Blocking Statute are enforced under the [Law of 2 May 2019](#).

Scope of application

Who must comply with sanctions imposed in your jurisdiction? Do sanctions have extra-territorial effect?

As most sanctions applicable in Belgium are EU sanctions, the scope of application is determined at the EU level. The following persons and entities must comply with EU sanctions:

1. any legal person, entity or body inside or outside the territory of the European Union that is incorporated or constituted under the law of an EU member state (including foreign branches of EU companies);
2. any legal person, entity or body in respect of any business done in whole or in part within the European Union;
3. anyone (any director, officer, employee, agent, etc) located within the European Union, irrespective of nationality;
4. anyone (any director, officer, employee, agent, etc) who is a national of an EU member state, even if outside the European Union; and
5. anyone on board any aircraft or vessel under the jurisdiction of an EU member state.

Although each of the above requirements, except point (3), may be said to have (varying degrees of) extraterritorial effect, they are generally compliant with established principles of exercising jurisdiction in international law.

Belgian sanctions legislation does not provide a specific scope of application and requires a clear nexus with Belgium (eg, Belgian company, transaction taking place in Belgium).

Competent sanctions authorities

Which government authorities in your jurisdiction are responsible for implementing and administering sanctions?

The Belgian institutional framework for implementing and administering sanctions reflects the particularities of the political structure of Belgium and is rather complex in comparison to other EU member states. The following Belgian authorities implement sanctions imposed by the European Union:

- exemptions to the freezing of assets, notifications of financing and financial assistance, and money transfer authorisations: FPS Finance – Treasury;
- disclosure of suspicious financial transactions: the Belgian Financial Processing Intelligence Unit;
- compliance of imported, exported or transiting goods with international, EU or national regulations regarding prohibitive and restrictive measures:
 - Customs;
 - FPS Finance; and
 - the General Administration of Customs and Excise Duties;
- other export, import and transit authorisations for weapons, military and paramilitary equipment as well as dual-use goods and contact points for specific exports to Iran, Syria and Russia:
- the small and medium-sized enterprises, self-employed, and energy department, and the Licensing Service under FPS Economy at the federal level;
- the [Strategic Goods Control Unit](#) in the Flemish Region;
- the [Directorate for the Handling of Arms Licences](#) in the Walloon Region; and
- the Licensing Unit in the Brussels-Capital Region; and
- goods, technical assistance, energy sector, and nuclear imports and exports:
- in general, the federal authorities in charge of import and export licences for goods and services (other than arms, military and paramilitary equipment and dual-use goods, excluding imports and exports of the Belgian Army and the Federal Police), financial assistance and brokerage services are the small and medium-sized enterprises, self-employed, and energy department, the Directorate General of Economic Analysis, and the licensing department within the international economics area under FPS Economy;
- in the energy sector, the small and medium-sized enterprises, self-employed, and energy department under FPS Economy, and the Supply Security Service under the Directorate General for Energy; and
- for nuclear exports and imports, the small and medium-sized enterprises, self-employed, and energy department under FPS Economy, and the Nuclear Applications Service under the Directorate General for Energy.

Contact details and website references for all of the above authorities can be accessed on FPS Foreign Affairs, Foreign Trade and Development Cooperation's [list of Belgian authorities](#) in charge of the implementation of restrictive measures of the European Union.

The national terrorist list is maintained by the National Security Council.

Business compliance

Are businesses in your jurisdiction required to put in place any systems or controls in order to ensure compliance with sanctions?

The competent Belgian authorities have not imposed any general requirements on businesses to have in place systems or controls for sanctions compliance. Having an internal compliance programme in place may, however, facilitate the granting of authorisations with respect to sanctions, where applicable. Specific requirements for systems, controls or reporting may be imposed as part of authorisation conditions.

EU sanctions regulations generally include a provision stating that actions by natural or legal persons, entities or bodies shall not give rise to liability if such persons did not know and had no reasonable cause to suspect that their actions would infringe the sanctions regulation (exoneration provision). This provision imposes an implicit due diligence obligation as it can only be invoked insofar as the individual or entity had no reasonable cause to suspect that their actions would infringe the sanctions regulation, which requires adequate due diligence to have been carried out.

For export control purposes, the Flemish Region requires the applicant company to have an approved internal compliance programme in place to successfully apply for global export authorisations.

Financial institutions are subject to additional obligations regarding financial embargoes and asset freezing in light of national anti-money laundering legislation. They are legally required to set up a monitoring system to check compliance with the binding provisions concerning financial embargoes and asset freezes.

Guidance

Has your government issued any guidance on compliance with the sanctions framework in your jurisdiction?

Federal

At the federal level:

- FPS Foreign Affairs, Foreign Trade and Development Cooperation sets forth [guidance on sanctions in force in Belgium](#);
- FPS Finance sets forth guidance on [financial sanctions](#); and
- FPS Economy sets forth [guidance on licences](#).

Regional

In the Flemish Region the Flanders Chancellery and Foreign Office sets forth [guidance on multilateral sanctions](#).

In the Walloon Region, the Weapons Licensing Department of the Walloon Public Service's Directorate General Operational for Economy, Employment and Research refers directly to the EU Sanctions Map concerning [embargoes and restrictive measures guidance](#).

In the Brussels-Capital Region, the Licensing Unit sets forth [guidance on sanctions regimes](#).

Sector regulators

The National Bank of Belgium issues [comments and recommendations](#) regarding financial embargoes and asset freezing.

ECONOMIC AND FINANCIAL SANCTIONS

Asset freezes

In what circumstances may a person become subject to asset freeze provisions in your jurisdiction? What dealings do asset freeze provisions generally restrict in your jurisdiction?

An asset freeze is a targeted sanction imposed by way of an EU regulation (often as a result of a resolution by the United Nations Security Council) against individuals and entities that are part of, or affiliated with, the governments of non-EU countries:

- who are deemed to be responsible for serious violations of human rights or international law; or
- whose activities seriously undermine democracy or the rule of law.

Asset freezes are designed to prevent these individuals and entities from financing their pernicious activities.

Belgium also imposes asset freezes as a specific restrictive measure against persons and entities within the framework of the fight against terrorism and terrorism financing.

An asset freeze is the most common form of financial sanction and usually consists of two components:

- the obligation to freeze the assets and funds belonging to, or owned, held or controlled by, the listed individuals or entities in question;
- a prohibition against making funds and economic resources available directly or indirectly to, or for the benefit of, the listed individuals or entities.

The freezing of funds prevents any move, transfer, alteration or use of, or access to or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character or destination. Considering the broad definition used for

the terms 'funds', 'economic resources' and 'freezing' under EU sanctions legislation, most dealings with listed individuals or entities are prohibited.

In principle, participating knowingly and intentionally in any activities while aiming to circumvent asset freezes is also prohibited.

General carve-outs and exemptions

Are there any general carve-outs or exemptions to the asset freeze provisions in your jurisdiction?

EU sanctions regulations do not provide for general exemptions or carve-outs. As the sanctions regimes are set out in EU regulations, national legislation cannot provide for national general exemptions.

For asset freezes imposed under EU sanctions legislation, the competent authorities in the member states (Federal Public Service (FPS) Finance – Treasury for Belgium) may, however, authorise the release of certain frozen funds or economic resources, or the making available of certain funds or economic resources, as they deem appropriate insofar as the situation concerned complies with one or more of the derogations set out in the applicable EU sanctions regulation. A limited number of specific exemptions that do not require an authorisation are, in principle, foreseen regarding the prohibition against making funds or economic resources available.

The derogations to the asset freeze usually include:

- the satisfaction of basic needs (eg, foodstuffs, rent, medicines) for listed individuals and their family members;
- the payment of expenses associated with the provision of legal services when the assets are necessary for extraordinary expenses or for humanitarian purposes;
- the payment by listed individuals or entities of amounts due as a result of judicial or arbitral decisions, or under an agreement that was concluded before the listing of the individual or entity concerned; and
- the wind-down of relations with a listed individual or entity.

The exemptions to the prohibition against making funds or economic resources available usually allow the crediting of frozen accounts by financial institutions that receive funds transferred by third parties into the account of a listed individual or entity, provided that any additions to such an account will also be frozen.

FPS Finance – Treasury can derogate from national asset freezes on the same grounds.

List of targeted individuals and entities

Do the competent sanctions authorities in your jurisdiction maintain a list of individuals and entities blocked under asset freeze restrictions?

The European Union publishes and regularly updates a consolidated list of persons, groups and entities who are subject to EU financial sanctions as a result of the various sanctions

regulations adopted under the Common Foreign Security Policy. In addition, the EU Sanctions Map offers the possibility to check personal and territorial restrictions – other than financial sanctions (including asset freezes) – applicable to persons and entities listed in the annexes to the EU sanctions regulations.

Belgium has also published a national list of persons and entities who are subject to national financial sanctions within the framework of the fight against terrorism and terrorism financing.

Other restrictions

What other restrictions apply under the economic and financial sanctions regime in your jurisdiction?

Apart from asset freezes, the European Union imposes a wide range of economic and financial restrictions (other than trade restrictions) that vary depending on the sanctioned country concerned. For comprehensive sanctions regimes (eg, those applicable to Russia or North Korea), the European Union imposes bans on investments, loans, insurance services, and other financial and non-financial services that can relate to a specific sector or entity, or the sanctioned country, a SWIFT ban, etc. Ancillary to trade restriction, EU sanctions regulations usually prohibit the financing of certain import or export transactions.

Pursuant to its national legislative framework on sanctions, the Belgian government can, in principle:

- adopt monitoring obligations;
- levy special duties;
- suspend economic dealings;
- block rail, air, post and radio connections; and
- seize assets.

Exemption licensing – scope

Are the competent sanctions authorities in your jurisdiction empowered to issue a licence to permit activities which would otherwise violate economic and financial sanctions? If so, what is the extent of their licensing powers and in what circumstances will they issue a licence?

Under EU sanctions regulations, the national authorities of EU member states are competent to issue authorisations to allow activities that are, in principle, prohibited under the applicable sanctions regime insofar as the regulation concerned provides for the possibility to derogate from the applicable restrictions.

The derogations to the asset freeze usually include:

- the satisfaction of basic needs (eg, foodstuffs, rent, medicines) for listed individuals and their family members;
-

the payment of expenses associated with the provision of legal services when the assets are necessary for extraordinary expenses or for humanitarian purposes;

- the payment by listed individuals or entities of amounts due as a result of judicial or arbitral decisions, or under an agreement that was concluded before the listing of the individual or entity concerned; and
- the wind-down of relations with a listed individual or entity.

Whether an authorisation can be granted will be assessed by FPS Finance – Treasury based on the criteria set out in the sanctions regulation concerned. As derogations are always tailored to specific situations, the applicant must be able to demonstrate that they find themselves in the situation concerned.

Exemption licensing – application process

What is the application process for an exemption licence? What is the typical timeline for a licence to be granted?

FPS Finance – Treasury, which is competent for derogations from financial sanctions, requires derogation requests to be sent by email to quesfinvrage@minfin.fed.be. Its website sets out the [information to be included in the derogations request](#). Since Russia's invasion of Ukraine and the adoption of comprehensive EU sanctions in this respect, the time to obtain an authorisation has significantly increased (more than one month).

Approaching the authorities

To what extent is it possible to engage with the competent sanctions authorities to discuss licence applications or queries on economic and financial sanctions compliance?

The applicable legislation does not provide for any formal interaction or discussion process with the competent authorities. However, it is advisable and common practice to contact FPS Finance – Treasury at an early stage to provide all relevant information on the envisioned transaction. After the adoption of EU sanctions against Russia, the Treasury is, however, reluctant to take a position on sensitive or new types of transactions.

For financial institutes, the National Bank of Belgium can be approached as it has issued its own [recommendations](#) on asset freezes in this respect.

Reporting requirements

What reporting requirements apply to businesses who hold assets frozen under sanctions?

Generally, EU sanctions regulations require individuals and entities to supply any information that could facilitate compliance with imposed asset freezes, such as accounts and amounts frozen, to FPS Finance – Treasury and cooperate with the Treasury for the verification of that

information. In practice, any individual or entity that freezes the funds or assets of a listed individual or person must inform the Treasury.

The EU sanctions regulation on Russia explicitly requires individuals and entities to report all information about funds and economic resources within the European Union belonging to listed individuals or entities that have not been treated as frozen.

There are no national reporting obligations under Belgian law with respect to sanctions.

TRADE SANCTIONS

General restrictions

What restrictions apply in relation to the trade of goods, technology and services?

As applicable sanctions in Belgium are almost exclusively directly applicable EU sanctions, which are sometimes based on UN sanctions, trade restrictions are adopted in EU sanctions regulations. Depending on the sanctioned country concerned, the number and type of restrictions can vary greatly (eg, the sanctions against Russia are comprehensive and restrict most trade dealings between the European Union and Russia).

Generally, EU sanctions can include restrictions on the import, export, transit, sale and supply of dual-use goods, luxury goods, advanced technologies, revenue-generating goods for the sanctioned country, cultural goods, and other industrial equipment and resources. Furthermore, the provision of specific services can be restricted (eg, if they relate to goods that are subject to restrictions). While the European Union can adopt an arms embargo as part of a sanctions regime, enforcing it is the responsibility of the member states as arms trade is subject to the control regimes of the individual member states.

Apart from trade restrictions included in sanctions regulations, the following legislation imposes restrictions on trade with third countries:

- [Regulation \(EU\) 2021/821](#) provides the backbone of the EU regime for the control of exports, transfers, brokering and transit of dual-use items;
- [Regulation \(EU\) 2019/125](#) prohibits exports and imports of goods that have no practical use other than capital punishment or torture and other cruel, inhumane or degrading treatment or punishment, as listed in Annex II of the Regulation; and
- [Regulation \(EU\) No. 258/2012](#) lays down the authorization requirements and the principles of the authorisation procedure for the export of firearms and their parts, essential components and ammunition, as listed in Annex I to this Regulation.

Under the Law of 11 September 1962 on the import, export and transit of goods and related technology, the Belgian government can adopt import, export and transit restrictions (including authorisation requirements), levy special duties or impose monitoring measures. Considering the broad scope of EU sanctions, the Belgian government only adopts a limited number of restrictions under this legislation.

The Flemish government autonomously applies an [independent export control policy](#) that, in practice, results in trade restrictions being imposed on the countries concerned. In this respect, the Flemish authorities will not grant export or transit authorisations for goods or

technology that could strengthen the military capabilities of the Israeli armed forces. The Flemish authorities will also not grant authorisations for the export of defence-related goods that could be used in Yemen, or dual-use goods for the Saudi Arabian military or security forces. Similar policies are maintained for Turkey, China and Pakistan.

General exemptions

Do any exemptions apply to the general trade restrictions?

Depending on the EU sanctions regulation concerned, each trade restriction can provide for specific exemptions or transactions that remain out of the scope of the trade restriction concerned. The exemptions provided for trade restrictions usually relate to:

- goods that are intended for medical or humanitarian purposes;
- wind-down clauses that allow transactions until a specific date if the underlying agreement for the transaction was concluded before the entry into force of the trade restriction; or
- transactions where the seller or buyer is an entity established in the sanctioned country that is controlled by an EU entity.

EU sanctions regulations also usually include a general exoneration provision. This provision does not place specific transactions or situations out of the scope of the restriction as an exemption does, but prevents authorities from holding individuals or entities liable if they did not know, and had no reasonable cause to suspect, that their actions would infringe the measures set out in the EU sanctions regulation. The wording of the exoneration provision requires the individual or entity invoking the provision to have carried out adequate due diligence.

Targeted restrictions

Have the authorities in your jurisdiction imposed any trade sanctions against dealing with any particular individuals or entities?

Belgium does not maintain trade restrictions against particular individuals or entities. However, the Flemish government applies a specific export control policy for exports to specific countries and their armed or security forces.

The Flemish authorities will not grant export or transit authorisations for goods or technology that could strengthen the military capabilities of the Israeli armed forces. The Flemish authorities will also not grant authorisations for the export of defence-related goods that could be used in Yemen, or dual-use goods for the Saudi Arabian military or security forces. With respect to Turkey and China, the Flemish authorities will not grant authorisations for the export of defence-related products with established end uses or for dual-use goods with potential military end use in Turkey or China. Specifically for China, authorisation requests for exports of dual-use goods are, in principle, refused unless it can be established that the goods will be used exclusively for civil purposes (presumption of denial). Most Chinese universities and other knowledge institutions are presumed to also use the goods for military

purposes. Finally, the presumption of denial is also applied for exports of dual-use goods to Pakistan.

The European Union has imposed a transaction ban on specific state-owned companies and their subsidiaries within the framework of sanctions against Russia.

Exemption licensing – scope

In what circumstances may the competent sanctions authorities in your jurisdiction issue a licence to trade in goods, technology and products that are subject to restrictions?

Under EU sanctions legislation, trade restrictions can provide for specific derogations to allow transactions if the person concerned obtains an authorisation from the competent authorities. Certain restrictions are, however, absolute and do not provide for the possibility to obtain an authorisation. The competent authorities will generally consider the specific criteria set out in the derogation as well as the final customer, the political situation in the destination country, the end use of the product and the potential for misuse of the product.

For derogations from export, import and transit restrictions of non-strategic goods included in sanctions regulations, Federal Public Service (FPS) Economy is competent to issue authorisations. For strategic goods, the three regions of Belgium are competent to issue authorisations. The competent region is, in principle, determined on the basis of the administrative seat of the company involved in the transaction. The relevant points of contact for each region are:

- the Strategic Goods Control Unit for the Flemish Region;
- the Directorate for the Handling of Arms Licences for the Walloon Region; and
- the Licensing Unit for the Brussels-Capital Region.

For dual-use items, the competent authorities can issue three different types of authorisations for the export and transfer of dual-use goods, which are:

- national or Union general export authorisations;
- global export authorisations; and
- individual export authorisations.

Despite the possibility for the competent regional authorities to issue national general export authorisations, there is no actual practice of issuing such authorisations in Belgium.

Exemption licensing – application process

What is the application process for a licence? What is the typical timeline for a licence to be granted?

It should first be assessed which federal or regional authority is competent to issue the authorisation.

FPS Economy is competent to issue authorisations for trade restrictions that do not relate to strategic goods (military and dual-use goods). Pursuant to the [Special Law of 12 August 2003](#), the three regions of Belgium are competent to issue authorisations for the import, export and transit of weapons, military and dual-use goods, with the exception of authorisations requested by the Belgian Army or the Federal Police. The state and the three regions share information and each can consult its counterpart competent department in this respect, as all regions have concluded a [Cooperation Agreement](#) on the import, export and transit of weapons and military and dual-use goods.

For FPS Economy, authorisation requests should be emailed to be-eco-sanctions@economie.fgov.be.

For the Flemish Region, authorisation requests should be filed digitally through the [Digital Counter](#) of the Strategic Goods Control Unit. In a service-level agreement, the Flemish Region has pledged to handle authorisation requests within 84 days if the ultimate decision lies with its minister and within 42 days if the ultimate decision lies with the Strategic Goods Control Unit.

For the Walloon Region, authorisation requests should be sent directly via email to the [competent inspector](#) at the Directorate for the Handling of Arms Licences.

For the Brussel-Capital Region, authorisation requests should be sent by post or email to the Licensing Unit. The Unit does, however, provide an [interactive module](#) that enables applicants to easily check which permit they need and which documents they must submit to obtain it.

Approaching the authorities

To what extent is it possible to engage with the competent sanctions authorities to discuss licence applications or queries on trade sanctions compliance?

The Flemish Region has adopted two formal processes to assess whether the export of military equipment and defence-related products can be authorised: the [indicative enquiry](#) and the [preliminary opinion](#). Both procedures allow exporters to assess whether their contemplated activities could be authorised.

The applicable legislation does not provide for any other formal interaction or discussion process with the competent authorities. However, it is advisable and common practice to contact the competent authorities at an early stage to provide all relevant information on the envisioned transaction. In general, the regional authorities are very open to discussing envisioned transactions and operations.

ENFORCEMENT AND PENALTIES

Reporting violations

Is there a requirement to report violations to the authorities (either to self-report or to report others)? If reporting is not obligatory, is it encouraged in any event?

There is no formal legal obligation to report a breach or violation of legislation concerning trade, economic or financial restrictions. The various pieces of legislation adopted at the EU level also do not include a general obligation to report violations or breaches of the act concerned. However, during an ongoing investigation that has no, or no potential, criminal law implications, all parties involved in the transactions are required under Belgian law to provide any relevant information and documents requested by the investigating authority.

Notwithstanding the absence of a reporting obligation, self-disclosure before intervention from the authorities can, in principle, lead to an exemption from or a mitigation of fines and penalties foreseen in Belgian customs legislation. In principle, fines or penalties included in other legislation remain applicable.

Considering the potential (partial) exemption from, or mitigation of, fines and or penalties, self-disclosure of an infringement should always be considered.

Investigations

**Which authorities are responsible for investigating sanctions violations?
What is the extent of their investigatory powers?**

The investigation and enforcement of EU trade restrictions and sanctions is delegated to the individual member states. The complex institutional framework in Belgium has, however, created a patchwork of competences between the federal and regional levels. Despite the fact that the regions are competent to issue authorisations for some trade restrictions, the investigation and enforcement of violations of sanctions legislation lies mainly with the Belgian customs authorities, which is a federal agency. Nonetheless, the regional services are often consulted in this respect. Violations of financial sanctions remain within the competence of Federal Public Service Finance – Treasury.

These administrative authorities have limited investigatory powers, including drawing up official reports, requesting additional information and imposing administrative fines of up to €2.5 million. A violation of Belgian or EU sanctions legislation can also be considered as a criminal offence, which is prosecuted by the public prosecutor. The public prosecutor can avail of all regular investigatory powers to establish that a sanctions violation was committed (eg, search warrant, interrogation).

Penalties

What are the potential penalties for violation of sanctions?

The [Law of 13 May 2003](#) provides that violations of EU sanctions regulations are criminal offences punishable with a prison sentence of between eight days and five years, and a criminal fine of between €25 and €25,000. The relevant article also provides for the option to impose administrative fines of between €250 and €2.5 million. The same penalties can be imposed for a violation of the Law of 11 May 1995 on the implementation of the decisions of the UN Security Council (eg, providing funds to a person listed on the national terrorist list). In addition, if the violation relates to a trade restriction, the penalties set out in the [General Law on Customs and Excises of 21 September 1977](#) can also be imposed. In this case, a violation may also result in confiscation of the goods, the imposition of penalties of up to twice the

value of the exported goods and even imprisonment in cases where the regulations have been deliberately violated (up to 10 months for first offenders).

Under the Law of 11 September 1962 on the import, export and transit of goods and related technology, a violation of Belgian trade restrictions is also a criminal offence and is punishable with a prison sentence of up to one year and a criminal fine of up to two times the value of the goods.

Recent enforcement actions

Have there been any significant recent enforcement cases? What lessons can be learned from these cases?

In general, the enforcement of infringements has increased significantly over the past year, especially in light of the EU sanctions adopted against Russia.

In this respect, a judgment from 2020 can be highlighted. From 2014 until 2016, three Belgian companies were involved in the export of large quantities of controlled chemical substances to Syria without the required export authorisations and in violation of the EU sanctions regulation against Syria. For these infringements, fines amounting to €350,000 and prison sentences of up to one year were imposed. Because the unlawful exports went unnoticed by the Belgian customs authorities, controls have been increased as a reaction. The Belgian Supreme Court, however, overturned the judgment on procedural grounds because the customs authorities were not competent to prosecute the offenders. The public prosecutor should have initiated the criminal procedure before a criminal court.

UPDATE AND TRENDS

Emerging trends and hot topics

Are there any emerging trends or hot topics in sanctions law and policy in your jurisdiction?

In light of the EU sanctions adopted against Russia, the customs authorities have increased their controls and pre-emptively blocked most exports to Russia and diversion-sensitive countries. Federal Public Service – Treasury has published some national guidance on financial restrictions to create more awareness on asset freezes and the prohibition against making funds and economic resources available to sanctioned individuals or entities. Although the Treasury is reluctant or very slow to share its position on specific questions regarding financial sanctions, it has frozen most Russian assets in the European Union (mainly due to specific financial service providers being established in Belgium).