

**Proposals for the evolution of EU sanctions**

As of 11 September 2024

The EU had to react quickly and effectively to the Russian invasion of Ukraine in 2014. To this end, a large number of new sectoral restrictive measures and reporting requirements have been adopted at a rapid pace in recent years, creating significant challenges for banks.

- FISMA should ensure that the objectives pursued by the EU sanctions can be effectively achieved while remaining manageable for the banks. To this end, the following principles should be applied:
- Clearer wording in the sanctions regulations provides greater legal certainty and narrows the scope for interpretation.
- New sanctions rules should be linked to existing due diligence obligations. Data that does not have to be collected under the due diligence obligations of the AML law is not systematically collected (data protection!).
- The companies that implement restrictive measures in practice should be involved before new rules are included in the regulations. The aim of this involvement should be to ensure greater practicability and avoid undesirable side effects.
- More flexibility to eliminate undesirable side effects and willingness to readjust by the EU to do so.
- Several new types of reporting obligations for banks were introduced in the last two years. However, the meaning and purpose of some of these reporting obligations are unclear. In our view, it appears that a lot of data is being produced at great expense. We believe that the acceptance of these measures would increase if companies understood the purpose of the data collection. We therefore suggest that information on lessons learned be shared with the banks.