

Canada Expands Economic Sanctions Against Belarus

On September 29, 2020, Canada, in coordination with the UK, imposed sanctions against 11 Belarusian officials under the Special Economic Measures (Belarus) Regulations (the “Regulations”). This action was followed by controversial presidential elections on August 9, 2020, which were strongly condemned by Canada.

Further sanctions against an additional 31 Belarusian officials were introduced by Canada on October 14, 2020. These actions were taken by amending the Regulations and in coordination with the EU. Previously, Canada had imposed sanctions on Belarus under the Export and Import Permits Act, which were far less restrictive. It required any Canadian exporter to apply for a permit before the export or transfer of any goods or technology to Belarus.

The current measures under the Regulations impose a dealings prohibition, an effective asset freeze, on listed persons. Consequently, the individuals listed in the Schedule to the Regulations are also inadmissible to Canada under the Immigration and Refugee Protection Act. The Regulations prohibit any person in Canada and any Canadian outside Canada from:

- dealing in property, wherever situated, that is owned, held, or controlled by listed persons or a person acting on behalf of a listed person;
- entering into or facilitating any transaction related to a dealing prohibited by these Regulations;
- providing any financial or related services in respect of a dealing prohibited by these Regulations;
- making available any goods, wherever situated, to a listed person or a person acting on behalf of a listed person; and
- providing any financial or other related services to or for the benefit of a listed person.

The Regulations also require several Canadian entities to determine on a continuing basis whether they are in possession or control of property that is owned, held or controlled by or on behalf of a listed person. The Regulations also prohibit any person in Canada or any Canadian outside Canada causing, facilitating, or assisting in prohibited activities.

The imposition of economic sanctions does not mean that Canadians must cease business with Belarus. The asset freeze and dealings prohibitions do not apply to certain activities or transactions under the Regulations. Pursuant to the Regulations exceptions can also be made through an Authorization Order made by the Canadian Minister of Foreign Affairs to carry out a specified activity or transaction that is otherwise restricted or prohibited.

The lawyers at Tereposky & DeRose have significant experience in the design and implementation of sanctions-related compliance programs, including policies, procedures, employee training, and internal control mechanisms. They also regularly assist both Canadian and international businesses, financial institutions, and individuals with internal investigations when “red flags” appear and provide advice on compliance in these areas. Where breaches have occurred, they have worked closely with their clients in making voluntary disclosures and in engaging with the ensuing investigations conducted by the RCMP and Global Affairs Canada.

If you would like to discuss any aspect of the Canadian sanctions regime, contact Vince DeRose, Jennifer Radford or Umair Azam at:

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