

## TRADE LAW MEMO

### SANCTIONS – A TWO-PAGER

***Lawrence L. Herman***

*Herman & Associates*

*Toronto*

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*[lherman@hermancorp.ca](mailto:lherman@hermancorp.ca)*

*[www.hermancorp.net](http://www.hermancorp.net)*

A short note Canada's sanctions in response to the appalling events in Ukraine. Anyone following the crisis will find a lot of information on the Prime Minister's and the Global Affairs' websites, keeping sanctions news up to date:

- <https://pm.gc.ca/en/news/news-releases/2022/02/24/canada-announces-additional-measures-support-ukraine>
- [https://www.international.gc.ca/world-monde/international\\_relations-relations\\_internationales/sanctions/russia-russie.aspx?lang=eng](https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/russia-russie.aspx?lang=eng)

A bit of background. Canada's sanctions are applied under the *Special Economic Measures Act*. That law gives the federal cabinet almost unlimited authority to issue sanctions in times of international crisis and to amend them as events unfold.

The message is that Canada's sanctions constantly evolve, a bit of a shifting landscape. Keeping abreast and digging into the details is important.

But there are a some relatively straightforward points to help explain things:

- *First*, the Russian sanctions apply to both persons in Canada as well as to Canadians outside of Canada. That includes any Canadian companies operating abroad that have Russian dealings.
- *Second*, they prohibit not only commercial activities with specific Russians but also to facilitation of those activities, including provision of financial and other services.
- *Third*, Canada's sanctions target both Russian individuals, such as oligarchs and Putin cronies, as well as commercial entities, such as

Russian banks, as listed in the Regulations. That list can be extended or reduced by Government order as things on the ground change.

- *Fourth*, the sanctions include blanket prohibitions on dealings in specific Russian sectors – like oil exploration and production and debt financing involving any of these listed persons or entities.

Canada has a separate set of sanctions that prohibit dealings by Canadians in the Crimea as well as the Donetsk and Luhansk regions of Ukraine:

- [https://www.international.gc.ca/world-monde/international\\_relations-relations\\_internationales/sanctions/ukraine.aspx?lang=eng](https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/ukraine.aspx?lang=eng)

With Russian forces now overrunning major parts of Ukraine, one assumes that these could well be amended to cover Canadian dealings in larger regions – and may be all - of that country.

This note is highly simplified. For Canadians with commercial involvement in both Russia and Ukraine the details in these sanctions are all important.

The message is that now and for years to come, doing business with Russia and Russians, whether in Russia itself or in Ukraine, will involve some serious navigational challenges.

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*As is obvious from the brevity of this document, it is not intended to provide legal advice on any particular issue and should not be relied on as such. Any person with a concern or interest involving any of the matters covered in this document should consult an expert.*