

Welcome to the

2026 CSCB National Conference

September 27–29, 2025

Gatineau, QC



Focus on Compliance



Global Affairs
Canada

Affaires mondiales
Canada

Canada



CANADA'S SANCTIONS REGIME





OVERVIEW

- ❖ Sanctions Toolkit
- ❖ Exceptions, Permits, and Certificates
- ❖ Enforcement
- ❖ Compliance and Due Diligence
- ❖ Scenarios

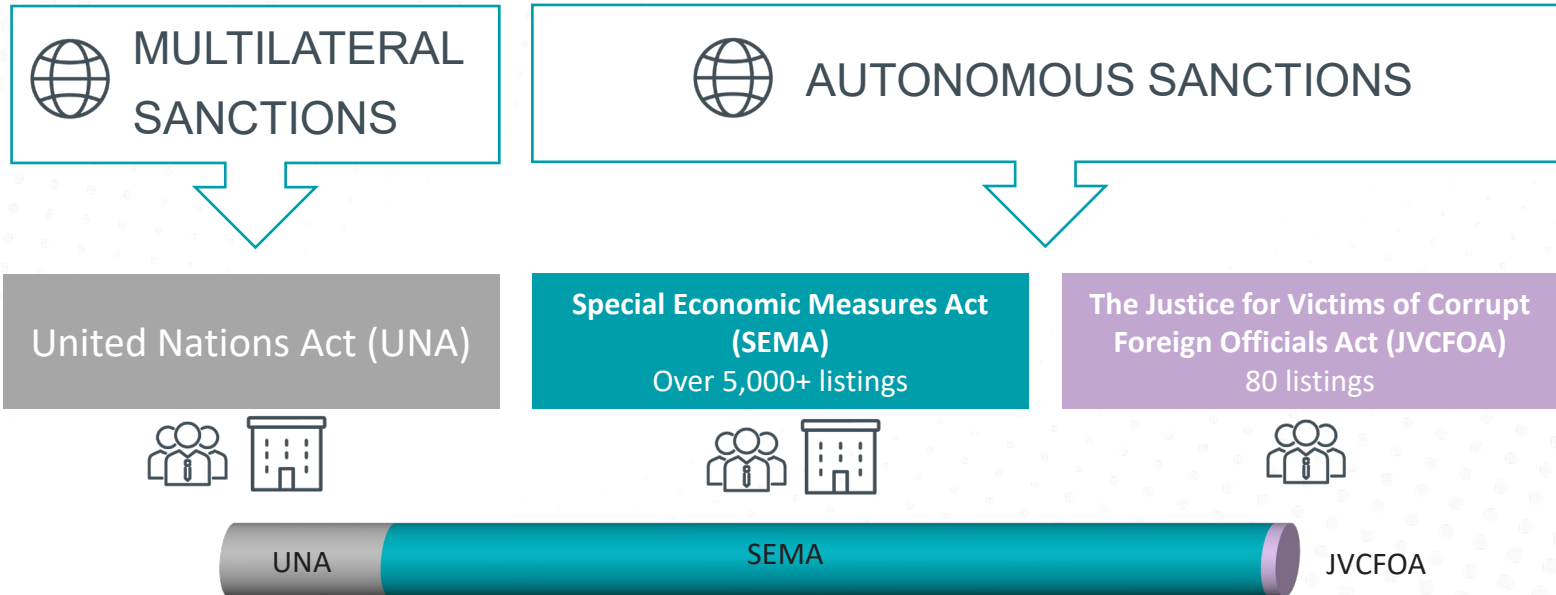
Note: The information provided is for informational purposes and does not constitute guidance or legal advice. Canadian stakeholders should hire private legal counsel to advise on sanctions compliance.

Information contained in this presentation is subject to change over time. Please consult regulations for the most up-to-date information.



CANADA'S SANCTIONS TOOLKIT

Three pieces of legislation authorizing the imposition of sanctions



UNA Sanctions

Al-Qaida
and Taliban
CAR
DRC

Iraq
Lebanon
Somalia
Yemen

Haiti
Iran
Libya
North Korea
South Sudan
Sudan

Belarus
China
Guatemala
Moldova
Myanmar
Nicaragua
Russia
Sri Lanka
Syria
Ukraine
(occupied region)
Venezuela
Zimbabwe
Hamas
Extremist Israeli Settlers

SEMA Sanctions



Asset
freeze



Export and
Import
Restrictions



Financial
Prohibitions



Arms
Embargo



Technical
Assistance
Prohibitions

JVCFOA Sanctions

✓ 30
individuals
linked to the
murder of
Sergei
Magnitsky



✓ 17
individuals
linked to
the murder
of Jamal
Khashoggi

✓ Dozens of
others
from
Myanmar,
South
Sudan,
Venezuela
and
Lebanon



Asset freeze



ORGANIZATIONAL RISK

Dealing Prohibitions

Both direct and indirect



Import and Export Prohibitions

Sourcing and exporting goods



Financial Service Prohibitions

Processing payments, receiving funds



Technical Assistance

Engineering support, software, maintenance, training, technical data or logistics support



Re-export and Transshipment

Sympathetic regimes and transshipment hubs



Bad Actors

Targeting by foreign state actors and covert espionage efforts

Exceptions, Permits and Certificates



Sanctions legislation contains **EXCEPTIONS** for specified activities:

- ✓ Humanitarian activities
- ✓ Fulfill prior contracts
- ✓ Diplomatic relations



In exceptional circumstances, the Minister of Foreign Affairs may issue:

PERMIT:

- ✓ To authorize specific activities otherwise prohibited by **SEMA** and **JVCFOA**

CERTIFICATE:

- ✓ To authorize specific activities otherwise prohibited by **UN sanctions**



See [Permits and certificates](#)



**NEW APPLICATION PORTAL (SAMS)
COMING SOON!**

Enforcement



Contravening sanctions is a criminal offence, enforced by the RCMP and the CBSA



Sanctions must be respected by all persons located in Canada and all Canadian persons located or engaged in activities abroad.



Penalties for Contravening Sanctions:

SEMA and JVCFOA maximum penalties

- Summary conviction - \$25,000 fine / 1-year prison term
- Conviction on indictment – 5-year prison term

UNA maximum penalties

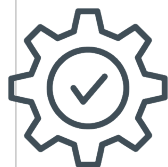
- Summary conviction - \$100,000 fine / 1-year prison term
- Conviction on indictment – 10-year prison term

RCMP'S ROLE IN ENFORCING SANCTIONS



The RCMP is responsible for investigating criminal sanctions evasion under SEMA

The RCMP also assists GAC in fulfilling its civilian mandate



All potential contraventions should be reported to the RCMP at

Sanctions_Intake-Triage@rcmp-grc.gc.ca

SEMA Coordination Teams across the country work in collaboration with its partners to achieve the following operational objectives:

1. Prevention
2. Detection
3. Disruption
4. Enforcement

CBSA'S ROLE IN ENFORCING SANCTIONS

- ✓ Primary agency responsible for enforcing Canada's strategic export controls and sanctions regime within an import / export context
- ✓ The CBSA drives regulatory enforcement, while also supporting criminal investigations
- ✓ Regulates the trade of all goods prohibited by sanctions including military and dual-use goods



Assesses risk, detains and examines goods for potential import/export control list / sanctions violations



Coordinates the assessments of goods with GAC and OGDs



Takes regulatory enforcement action when applicable



Prevents sanctioned individuals from entering Canada

To report sanctions violations by individuals or entities to the CBSA, use the [CBSA Tip Submission website](#)



FINTRAC'S ROLE IN ENFORCING SANCTIONS



Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) analyzes and discloses on Sanctions Evasion as a **primary threshold**, in addition to money laundering and terrorism financing. FINTRAC publishes **strategic intelligence** with respect to Sanctions Evasion.

Reporting Entities under FINTRAC are **required to report**:



- Transactions suspected of being related to **sanctions evasion** in Suspicious Transactions Reports (STR)
- **The existence of sanctioned property under their control** in a Listed Person or Entity Property Report



SANCTIONS COMPLIANCE – DUE DILIGENCE

Screening and Due Diligence

- ❑ **Consult** GAC's [Information and guidance page](#) to develop a compliance program
- ❑ **Subscribe** to the Global Affairs Canada Sanctions Bureau [distribution list](#) to receive updates and stay current on sanctions changes
- ❑ **Verify** if any [client you plan to deal with is listed](#) under any of the following sanctions lists:
 - ✓ [Consolidated Canadian Autonomous Sanctions List](#)
 - ✓ [Consolidated UN sanctions list](#)
- ❑ **Screen any direct or indirect association** between your client and sanctioned persons, i.e., **any indirect dealings** with a sanctioned person through associates, family members, subsidiaries, parent/holding company, intermediary bank, etc.
- ❑ **Review** the [sanctions legislation and associated regulations](#) implemented by Canada against the countries of individuals or entities you plan on dealing with
- ❑ **Consider** any Import/Export and service prohibitions
- ❑ **Document** your assessment process, decisions or legal advice.



COMPLIANCE CHALLENGES



- Lack of awareness of sanctions obligations
- Not staying up to date on sanctions
- Misinterpreting or misunderstanding Canada's sanctions regime
- Lack of a formal sanctions compliance program
- Improper due diligence



Risks of Sanctions Violations (non-exhaustive)



Multi-Jurisdictions and secondary sanctions

- Navigating other countries' sanctions regime
- Transacting in U.S. currency may trigger U.S. sanctions



Transshipment hubs



Import related

- Listed Russian origin goods imported from the U.S. or non-sanctioned country
- Transiting U.S.-listed goods through the U.S. for import into Canada



SANCTIONS COMPLIANCE – SCENARIOS

Scenario 1 – Servicing Russian titanium in Canada



Import Russian titanium from Europe to service in Canada and re-export to EU

Russian-origin titanium bars (ref. HS code 8108.90 - others)

- Am I dealing with any listed person or benefit a person in Russia, even indirectly?
- **Import** : review import-related prohibitions/Schedules.
note : titanium is not listed under subsection 3.14 (1) related to metals (Schedule 11)
- **Export**: 3.09, Schedule 7 – ‘export’ prohibitions ‘to Russia or to any person in Russia’
- **Service**: prohibition on ‘providing to Russia or to any person in Russia’



Russian-origin
located in the EU

import



Service in Canada

export



- Screen
- Document
- Report

Scenario 2 – Transit through Russia



Non-Russian-origin goods transiting through Russia for shipment to Canada

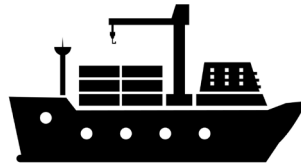
- Am I dealing with any listed person, even indirectly ? (individual, entity, vessel)
- Are the goods listed on SEMA Russia Regulations?

Revenue-generating goods

3.16 (1) It is prohibited for any person in Canada and any Canadian outside Canada to import, purchase or acquire any good referred to in column 1 of Schedule 13, wherever situated, **from Russia or from any person in Russia.**

Country X

Loaded at Russian Port



- Screen
- Document
- Permit

Non-Russian goods

Non-Russian vessel

Timber originates in Russia, is transformed in China, and shipped to Canada or the USA

3.04 (1) It is prohibited for any person to dock any of the following ships in Canada or to pass any of the following ships through Canada, unless that docking or passage is necessary to safeguard human life or to ensure navigational safety:

- (a) a ship that is registered in Russia;
- (b) a ship whose IMO number is listed in Schedule 1.1; and
- (c) any other ship that is used, leased or chartered, in whole or in part, by or on behalf of or for the benefit of Russia, a person in Russia or a person listed in Schedule 1, 2 or 3.
- (e) provide any financial or related service to or for the benefit of a person listed in Schedule 1.

1401

DESTINATION:
CANADA OR USA



Imported for sale
or use

 NOT SANCTIONED BY CANADA

 **SANCTIONED
BY CANADA**

Timber harvested
in Russia

Timber harvested in Russia

Raw timber shipped
or railed to China

Timber processed into wood products

Products loaded onto vessel in China

Shipped across the
Pacific Ocean

Scenario 4 – Sanctions vs Export Controls Permits

Goods: Agriculture equipment parts – listed under Schedule 7 (industrial goods)
Destination: Russia



Export controls



No permit required



Sanctions



Prohibited under SEMA Russia Regulations. Permit required

- Screen
- Document
- Permit



- Possible changes of Regulations between export controls analysis and shipment
- Sanctions screening missing
- Shipment detained by CBSA at the Port

Scenario 5 - Export violation inspired by events reported on open source



Prohibited transactions and activities

3 It is prohibited for any person in Canada and any Canadian outside Canada to

(d) make available any goods, wherever situated, to a person listed in Schedule 1 or to a person acting on their behalf; or

II, sup Entities — Grave Breach of International Peace and Security

Russia 121

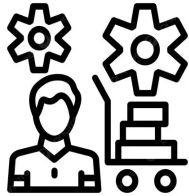
Ministry of Defence of the Russian Federation

Scenario 6 – Sanctions evasion

Canadian brokers operating abroad : Facilitating Russian-origin Grain transactions from Canada

- Screen
- Document
- Report

Russian supplier



Grain brokers in
UAE (proxy)

Sells its rights to grain
shipments



Canadian broker

- May obfuscate the origin of the grain
- Shipment from Russia to a third country and re-export



Payment flows through the
Canadian financial system



ADDITIONAL INFORMATION

Consult Canada's Sanctions Web Sites for More Information on Sanctions

Canadian sanctions – [Canadian sanctions](#)

Information and Guidance – [Canadian sanctions - Information and guidance](#)

Current sanctions imposed by Canada – list of countries under Canadian sanctions:
[Current sanctions imposed by Canada](#)

Consolidated Canadian autonomous sanctions list – full list of persons designated under the SEMA and JVCFOA: [Consolidated Canadian Autonomous Sanctions List](#)

Consolidated UN sanctions List – full list of persons designated under UN sanctions:
[United Nations Security Council Consolidated List](#)

Information on Permits and Certificates – [Permits and certificates](#)

G7 Guidance for Industry – [Preventing Russian Export Control and Sanctions Evasion: Updated Guidance for Industry](#)

Inquiries? Please contact: sanctions@international.gc.ca



Questions?

[Subscribe to our email feed for the latest announcements on Canada's sanctions](#)