
Canada Expands Economic Sanctions Against Ukraine

On January 29, 2020, Canada amended the list of designated persons under the Special Economic Measures (Ukraine) Regulations (“the Ukraine Regulations”) adding 6 individuals. As a result, Canada now imposes an asset freeze and dealings prohibition on 202 individuals under the updated Ukraine Regulations.

Since entering into force on March 17, 2014, the Ukraine Regulations have been amended fourteen times. Enacted as part of Canada’s response to Russia’s illegal annexation of Crimea, the Ukraine Regulations are aimed at responding to violations of Ukraine’s constitution, sovereignty and territorial integrity. While the Canadian Government’s Regulatory Impact Analysis Statement explaining the policy rationale behind the new designations has not yet been published in the Canada Gazette, Global Affairs Canada has declared that the new designations are related to the recent illegitimate elections in Crimea in September 2019.

The imposition of economic sanctions does not mean that Canadians must cease business with Ukraine. Ongoing business is permitted so long as it does not involve, directly or indirectly, a designated person. The expansion of economic sanctions does, however, impose on Canadians conducting business with Ukraine further obligations to scrutinize ongoing business transactions to ensure compliance.

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 or Jennifer Radford at:

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