

Publisher's Note

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Export Controls and Economic Sanctions

The first of its kind in Canada, *Export Controls & Economic Sanctions: A Guide to Canadian Trade Restrictions* contains a comprehensive review of Canada's system of trade restrictions, with emphasis on Canadian export controls but covering as well U.N.-mandated sanctions and a range of other measures that may be less well-known but which have a critical impact on Canada's external trade and on the conduct of business in the international marketplace.

This release features updates to the commentary and appendices in Chapter 8 (Sanctions).

Commentary Highlights

- **Sanctions — Sanctions Against Russia** — Following the unfolding of events that led to Russian annexation of Crimea and Russian support for insurgents in Ukraine, in concert with its NATO allies, the Canadian government applied a series of more stringent sanctions, beginning with the 17 March 2014 *Special Economic Measures (Russia) Regulations*. These were stated by the Government as necessary "in order to respond to the gravity of Russia's violation of the sovereignty and territorial integrity of the Ukraine." The Regulations list

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persons that Canada considers connected with the Russian Government or individuals or entities engaged in activities that directly or indirectly facilitate, support, provide funding for, or contribute to the deployment of Russian armed forces to Crimea in violation of Ukraine's sovereignty and territorial integrity. The sanctions impose an asset freeze on designated persons and to prohibit persons in Canada and Canadians abroad from, dealing in any property held by or on behalf of a designated person, or facilitating or providing financial or other related services in respect of such a dealing; making any goods available to a designated person; and providing any financial or related services to or for the benefit of a designated person. Causing, assisting or promoting any of the foregoing prohibited activities is likewise prohibited. The sanctions have been extended on an ongoing basis by either adding to the scope of prohibited dealings or by adding names to the designated list, making it a constant need for Canadians to ensure that they are up to date on the increasingly wider scope of these measures. The sanctions were first enacted on 17 March 2014 and have been regularly amended with additions of names to the prohibited list most recently on 16 September 2014. Some exemptions exist in the *Regulations*, including: payments made by or on behalf of designated persons pursuant to contracts entered to before their designation, provided the payment is not for their benefit; pension payments to any person in Canada or Canadian abroad; certain transactions in respect of diplomatic missions; transactions to UN agencies, the International Red Cross and Red Crescent Movement, and Canadian NGOs in certain circumstances; transactions necessary for a Canadian to transfer to a non-designated person any accounts, funds or investments held by a designated person when that person became a designated person; financial services required in order for a designated person to obtain certain legal services in Canada; and payments to any person in Canada or any Canadian abroad in respect of loans entered into prior to March 17, 2014.

- **Sanctions — Sanctions Against Syria** — In 2011, Canada announced that sanctions would be imposed against members of the Syrian regime under the *Special Economic Measures Act*. The *Special Economic Measures (Syria) Regulations* responded to the gravity of the internal situation in that country. The sanctions have been regularly expanded over the years, by adding to the list of designated persons and by expanding the reach of these sanctions, such as by prohibiting all imports from Syria, except for food for human consumption, as well as all new investment in Syria and the export to Syria of telecommunications monitoring equipment. In addition, Canada has imposed an assets freeze and a prohibition against dealings with additional individuals and entities associated with the Assad regime and the provision and acquisition of all financial or other related services to or from Syria. The new measures imposed an assets freeze and dealings prohibition on additional individuals associated with the Assad regime as well as the Central Bank of Syria. In January 2014, in response to United Nations Security Council Resolution 2118 (2013), Canada imposed further sanctions against Syria under the *Special Economic Measures*

Act. These prohibit the export of chemicals that can be used as precursors to chemical weapons agents and dual-use equipment that can be used in a chemical weapons programme. The import, purchase, acquisition, carriage or shipment of chemical weapons and equipment, goods or technology related to chemical weapons from Syria is also prohibited. In addition, the acquisition or purchase of technical data or technical assistance related to chemical weapons is prohibited.