

Sanctions and Criminal Liability in Estonia



Overview for MENA-Based Executives
and Businesses Operating in or through the EU

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Introduction



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Enforcement



Estonia enforces EU and national sanctions rigorously.

Exposure



MENA businesses may be exposed through Estonian links.

Violations



Violations include both direct and indirect actions.

New legal provisions from April 2025 mark a significant shift: even negligent breaches of sanctions may now trigger criminal liability in Estonia.



Legal Basis in Estonia

93¹ -Deliberate Violations

- Intentional breach of sanctions = criminal offense.
- Penalty: up to 5 years imprisonment or fine.
- Aggravated: up to 6 years (groups, repeat offenses).
- Companies face large financial penalties. *Boards and compliance officers may also face individual scrutiny in cases of systemic oversight.*



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Legal Basis in Estonia

93²-Negligent Violations

- Effective from 27.04.2025.
- Unintentional breach can also result in prosecution.
- Penalty: up to 3 years or fine.
- Includes failing to verify routes, end-users.

Prosecution may target decision-makers, not just operational staff.

Risk Scenarios

- Logistics chains involving Estonian firms.
- Dual-use goods without proper licenses.
- Payments linked to sanctioned individuals/entities.



Example Scenario: An Estonian freight intermediary unknowingly transports sanctioned electronics to a blacklisted buyer via Dubai.

Triggers for Investigation



Interception

Customs inspections and seizures.



Red Flags

Suspicious Transaction Reports (STRs).



Cross-Border Alerts

International cooperation requests.

Defense Strategies

- ❖ Act early and consult legal counsel.
- ❖ Document due diligence efforts.
- ❖ Commission compliance audits.



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Advice for MENA Executives

- Estonian law now includes negligence-based offenses.
- Ignorance is not a valid defense.
- Full documentation is key to compliance.
- Establish and maintain a written Sanctions Compliance Policy with country-specific risk assessments.



Conclusion

Not Just To Fight. To Prevail !

- Legal reforms in 2025 increased liability.
- Penalties apply even without intent.
- Get legal support before trouble escalates.



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