

**Overview:****Anti-circumvention measures in the EU's 11th sanctions package**

The EU Member States today reached an agreement on the 11th sanctions package in the Committee of Permanent Representatives. The package will soon be adopted by the Council in a written procedure and then enter in force.

The 11th package contains a comprehensive set of measures so that more consistent action can be taken against the circumvention of sanctions.

At the end of February, in a 10-point paper by the Federal Ministry for Economic Affairs and Climate Action, Federal Minister Robert Habeck presented proposals for tackling sanctions evasion. The evasion of sanctions is unacceptable; it is necessary to prevent them from being undermined by duplicity, in particular via diversions through third countries. The Federal Ministry for Economic Affairs and Climate Action's proposals were taken up at EU level and implemented in key aspects with the 11th sanctions package.

It is important to be able to more effectively prevent future circumvention via third countries. This was also an essential component of the Ministry's proposals. The 11th package therefore rightly focuses on diplomatic outreach and closer cooperation with third countries. If it proves possible to prevent sanctions evasion through closer cooperation, this should remain the preferred course of action.

If a joint approach does not lead to significant improvements, further options for action will be available in the future. For one, the toolbox – as proposed by the Federal Ministry for Economic Affairs and Climate Action – has grown, so that through listings, more targeted action can be taken against individual companies in third countries involved in sanctions evasion. They will no longer be allowed to import from the EU. Secondly, in a further step, the export of individual and particularly critical goods to these third countries may even be completely prohibited in the future if these strengthen Russia's capacity to wage war. This measure was also initiated by the Federal Ministry for Economic Affairs and Climate Action and is now possible throughout the EU as a last resort.

The Federal Ministry for Economic Affairs and Climate Action's proposal that companies be obligated to report their own violations has also been taken up, and has now been introduced for the area of trade-related prohibitions of the embargo on Russia. This obligation to provide information, which applies to everyone, is standard in EU sanctions regimes. Tip-offs and information are decisive for effectively tackling sanctions evasion.

Furthermore, the transit of critical goods to third countries via Russia will also be further restricted. In future, the transit prohibition will take effect not only for dual use goods, but also for advanced technology. Such goods could serve to strengthen Russia's military and its technological capabilities. Transit via Russia bears particularly high risks of circumvention. The prohibition of particularly critical goods like these is therefore an essential measure.