

Sanctions



Complying with financial sanctions:

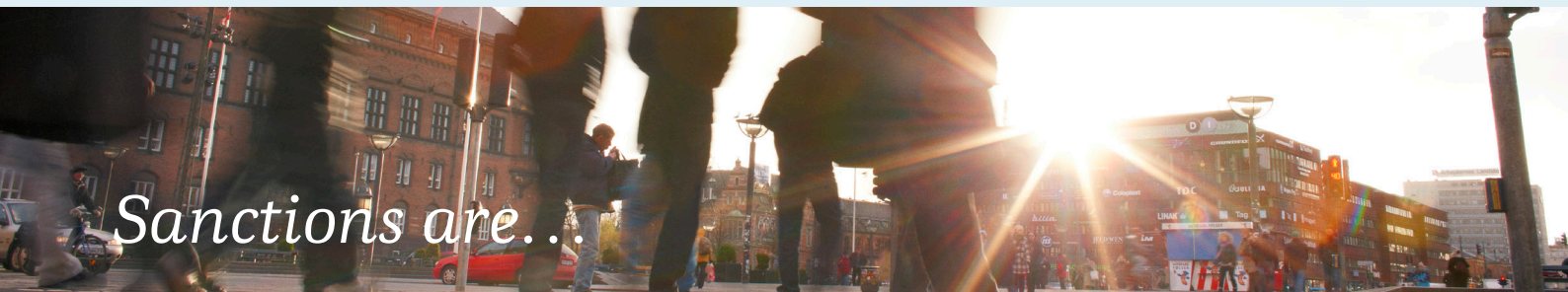
Danske Bank complies with financial sanctions imposed by the UN, the EU, the UK, the USA, and any other sanctions as appropriate.

We have processes in place to ensure that we do not offer banking services to sanctioned parties, and that we do not engage in transactions or activities in violation of sanctions.

Danske Bank's policy towards specific countries, areas, sectors, etc. might be more restrictive than applicable financial sanctions due to the overall financial crime risk associated with the specific country, area, sectors, etc.

Moreover we generally do not facilitate any business or transactions involving North Korea, Iran, Syria, and the territories of Donetsk, Luhansk, Crimea, and any other territory not under the control of the Ukrainian government. Following Russia's invasion of Ukraine, we have implemented a restrictive approach to any new business or activities involving Russia or Belarus. We may consider processing specific transactions involving these territories, such as humanitarian aid, if we receive a request from our customer in advance.

We may decide not to provide certain products or services, or otherwise decline to facilitate transactions where these activities fall outside of our risk appetite.



A political tool

- Sanctions are restrictions or prohibitions which are imposed by laws and regulations which can target economic, diplomatic, financial and trade activities with specific countries, governments, entities, organisations, and/or individuals. Sanctions typically consist of asset freezes, travel restrictions, export and import restrictions, financial sanctions and other measures specified under a Sanctions program.



Who needs to be aware of sanctions?

- Sanctions are an important tool in international diplomacy.
- They are used instead of direct military force to punish responsible parties rather than entire groups and populations.
- Economic sanctions are penalties levied against a country, its officials, companies, or private citizens, either as punishment or in an effort to provide disincentives for the targeted policies and action.



Persons

such as terror leaders, drug traffickers, weapon proliferators, and corrupt leaders.



Countries

that violate international agreements or human rights.



Commodities

can be sanctioned to apply economic and political pressure on countries, entities, and individuals that violate international laws and human rights.



Vessels

Cargo ships and airplanes can be sanctioned. They will not be allowed to harbour, land, receive fuel, or maintenance.



Companies

can be sanctioned if they implement unfair strategies in other countries or are closely connected to sanctioned countries, entities, or individuals.

Authorities that issue sanctions programmes

Sanctions laws are closely linked to foreign policy and international politics.

They are imposed by various supranational bodies and countries.

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- All UN member states are obliged to follow UN sanctions.
- UN sanctions range from economic trade sanctions to targeted sanctions such as arms embargoes, travel bans, and commodity restrictions.
- The primary goals of UN sanctions are to enable peaceful transitions, discourage non-constitutional changes, prevent terrorism, defend human rights, and promote non-proliferation.



- All EU member states must adhere to EU sanctions set by the EU council.
- The EU abides by all UN sanctions.
- The EU has the right to impose its own sanctions in addition to UN sanctions.



- The US Department of State and The Department of Treasury's Office of Foreign Assets Control (OFAC) are the primary units that govern US sanctions programmes.
- The Specifically Designated Nationals and Blocked Persons List (SDN List) deals with persons subject to blocking sanctions (asset freeze in EU law), and the Sectoral Sanctions Identifications List (SSI List) targets specific activities. US sanctions apply to any US citizen (including dual nationals), permanent resident ("green card" holder), any entity formed under US law, any person located in the US, or any person engaged in an activity within the US.
- US Secondary sanctions: Foreign persons should heed that even if their activities do not have direct US connections, it could be sanctionable under US law due to the extra-territorial application of certain US sanctions.



- The UK sanctions programmes are administered by three government departments: Her Majesty's Treasury, The Foreign & Commonwealth Office (FCO), and the UK Department for Business Innovation and Skills (BIS).
- UK sanctions pertain to the whole of UK, including Northern Ireland, UK nationals, and legal entities established under UK law, including their overseas branches, must additionally comply with UK sanctions.
- The UK has adopted most of UN and EU sanctions.
- Due to Brexit, the UK plans to accumulate several EU sanctions into a larger unilateral sanctions programme.

Examples of sanctions programmes

The below examples might not reflect current, applicable sanctions as international financial sanctions can change fast and without notice.



Aircraft - M-VITO

The private aircraft is owned by a Russian national, who supported efforts to interfere in the 2018 US midterm election.



Company

Gazprom has used an unfair strategy by placing restrictions in its supply agreements with other countries regarding the restriction or prevention of gas exports.



Person

Since 2016, a Ugandan national and founder of the Lord's Resistance Army, has committed acts in the Central African Republic that violate international human rights law.



Commodity

Trade in diamonds from Cote D'Ivoire are sanctioned in order to weaken rebel forces and ultimately restore peace. The overall aim of having these sanctions is to resolve the conflict in the Central African Republic (CAR).



Venezuela

The Council of the EU adopted restrictive measures in view of deterioration of democracy, the rule of law, and human rights in Venezuela under the current regime. Therefore, freezing/blocking sanctions targeting the government of Venezuela, the state-owned oil company Petróleos de Venezuela, S.A. (PdVSA), the Venezuelan Central Bank, the Venezuelan Development bank (BANDES), and their subsidiaries.



Maritime Vessel - Bonita Queen

The vessel was transporting Iranian oil while in service of a company that provided financial, material and logistical support to the former Iranian Minister of Petroleum.



Crimea & non-Ukrainian government controlled areas of Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR)

The EU does not recognize Russia's illegal annexation of Crimea and Sevastopol and DNR and LNR. The EU continues to condemn this violation of international law. The imposed sanctions include asset freezing/blocking, travel bans, restrictions targeting certain industry sectors and companies, as well as restrictions on the trade in military, dual use, and certain strategic goods and technology.





Belarus

In order to change the behaviour of the Belarusian regime, the US, the UK, and EU placed sanctions on specific sectors of the Belarusian economy that generate revenues for the government. There are trade sanctions related to the tobacco, potash, petroleum and communications sectors of the Belarusian economy. Further, there are restrictions on dual use goods. Additionally, it is prohibited to export arms and related materiel, as well as equipment which might be used for internal repression to Belarus. Related technical or financial assistance and services are also prohibited.



Russia

Sanctions have been placed on sectors of defence, energy, and financial services as a tool for non-recognition policy, by emphasizing that the countries that impose these sanctions do not recognize the Russian annexation of Crimea. Particular attention should be paid to imports and exports related to Russia, payments and maturities related to entities subject to sectoral sanctions, and customer's trade activities with Russian counterparties. Please be aware that many entities inside and outside of Russia are not directly listed, but are subject to sanctions measures due to being owned or controlled by targeted Russian entities.



North Korea

Extensive and very broad restrictive measures have been placed on North Korea to address the threat of nuclear proliferation and human rights violations.



Iran

Restrictive measures have been placed on Iran in response to the Iranian government's serious human rights violations.



Syria

The sanctions programme was put in place to deal with the policies of the Syrian government that support terrorism, continue its occupation of Lebanon, pursue weapons of mass destruction and missile programmes, undermine international efforts to stabilize Iraq and in response to ongoing violence and human rights abuses taking place in Syria. US has imposed broad restrictive measures across the country. The EU has adopted a range of restrictive measures against government officials, exporting and importing military technology, and investments in the Syrian energy industry.



Restrictive measures

And their consequences if breached



Travel bans

- Targeted persons or entities may be prohibited access to certain territories.

Example: A travel ban has been placed on the President of Belarus for the violent repression and intimidation of peaceful demonstrators, opposition members, and journalists after the 2020 presidential election in Belarus.



Sectoral restrictions and trade sanctions

- Sectoral Sanctions target specific activities.
- Trade Restrictions are restrictions and prohibitions on specific types of goods, services, and technologies, such as arms and military equipment, dual-use goods, or goods that can be used for internal repression.

Example: A sectoral restriction has been imposed on textile imports from North Korea.



Financial, asset freezing and blocking restrictions

- Financial restrictions prohibit or limit economic activity.
- Outgoing and/or incoming payments can also be stopped.
- Freezing and blocking restrictions place a complete restriction on doing any business or making any funds, products, benefits, and services available to the individuals, companies, organizations, and entities who become subject to this type of sanctions. You can think of them as being on a blacklist, and if the sanctioned Person is subject to sanctions in the jurisdiction where you are operating, their assets will also need to be “frozen” and cannot be made available to the Person.

Example: the EU has frozen the assets and imposed a travel ban on more than half a dozen of Russia's most prominent oligarchs, many of them with close ties to the President of Russia, as it penalises some of the country's most powerful people following the invasion of Ukraine.



Prison

A consequence of violating sanctions is imprisonment of the individual[s] involved.



Fines

Breaching sanctions can result in monetary penalties.



Reputation

Reputation may be damaged due to violations of sanctions. This can result in loss of business and customers.

What can you do to be aware of sanctions risk?

Know your customers, suppliers, business parties, and products



Organisation

- Does your ownership by aggregate result in impact of sanctions?
- How is your business organised; what are the nationalities of the shareholders, owners, partners, and controlling persons of the company?
- Where is your business located and where do you operate from?
- Who do you do business with, directly or indirectly?



Product & supply chain

- Is the export destination country subject to any sanctions?
- Is the import/export of your products restricted by sanctions?
- Do your business transactions involve persons or entities named on a sanctions list?
- Who is transporting the goods, how, and via what routes?
- Where have your products been sourced from? Do you know the country of origin?
- What currency are you dealing in?
- Does your counter part operate in a sanctioned country?



Your risk exposure

- Are there parts of the business that are more exposed than others?
- Do your business contracts protect you against the other party in case of exposure to sanctions in the future?



Useful links

Terrorfinansiering og sanktionslister | erhvervsstyrelsen.dk [DK]

Kansainväliset talouspakotteet ja kotimaiset jäädyttämispäätökset - Rahanpesun ja terrorismin rahoittamisen estäminen - www.finanssivalvonta.fi [FI]

Sanksjoner og tiltak - regjeringen.no [NO]

Sanktioner - regeringen.se [SE]

Restrictive measures (sanctions) | European Commission (europa.eu) [EU]

EU Sanctions Map [EU]

United Nations Security Council | [UN]

Office of Financial Sanctions Implementation - GOV.UK (www.gov.uk) [UK]

Office of Foreign Assets Control - Sanctions Programs and Information | U.S. Department of the Treasury [USA]

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