EASTERN EUROPEAN JOURNAL OF TRANSNATIONAL RELATIONS

The Dutch Perspective on the Enforcement of the EU Sanctions Against Russia: Legal Challenges, Case Law, and Institutional Practice

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Abstract. This article examines the evolving legal and institutional framework for implementing and enforcing EU sanctions against Russia in the Netherlands. It highlights key developments, including the Dutch courts' expanding interpretation of sanctions law, the landmark *Dieseko* settlement involving the Crimean Bridge, and reforms to the 1977 Sanctions Act. Drawing on recent case law, interviews with legal practitioners, and analysis of enforcement mechanisms, the paper shows how Dutch authorities are balancing regulatory compliance, due process, and financial sector duties. It also addresses institutional fragmentation and the government's proposal to establish a Central Reporting Office. Through case studies, including trade-based sanctions evasion, real estate linked to sanctioned individuals, forced buyouts of sanctioned minority shareholders, and banking sector disputes; the paper argues that Dutch courts are shaping a nuanced national model of sanctions enforcement. This model emphasizes low thresholds for criminal intent, transparency, and proportionality. The *Cicerone* case illustrates how courts adapt sanctions enforcement under geopolitical uncertainty, combining EU sanctions law with Ukrainian anti-corruption efforts. It reflects a willingness to diverge from EU guidance to protect public interest and legal clarity. Meanwhile, the *ABN AMRO* case demonstrates a dual expectation of financial institutions: rigorous sanctions compliance and fair treatment of clients. Here, the duty of care doctrine counters excessive risk aversion. Together, this paper offers critical insights for regulators, compliance professionals, and scholars into how EU sanctions are interpreted and enforced at the national level under complex, high-risk conditions. It not only analyzes key court cases, but also contextualizes them within broader legal reforms, institutional dynamics, and evolving enforcement strategies in the Netherlands.

Citation: McNaughton, K.J. (2025). The Dutch Perspective on the Enforcement of the EU Sanctions Against Russia: Legal Challenges, Case Law, and Institutional Practice. *Eastern European Journal of Transnational Relations*, *9*(3), 45-66. https://doi.org/10.15290/eejtr.2025.09.03.05.

Academic Editor: Marcin Łukowski

Publisher's Note:

Keywords: Netherlands sanctions enforcement model, Dutch Sanctions Act Reform, duty of care in Dutch sanctions jurisprudence, sanctions enforcement in Dutch jurisprudence.

JEL Classification: F51, K33, K14, K23, G28, K22.

1. INTRODUCTION

At first glance, the Netherlands may not appear to be the most obvious candidate for an in-depth country case study on sanctions enforcement. It is not among the largest EU Member States, nor is it a global financial hub on the scale of London or Frankfurt. Yet, examining the Dutch national model of sanctions implementation and enforcement offers unique analytical value for several reasons.

First, the Dutch legal framework on sanctions is governed by the Sanctions Act of 1977 (Sanctiewet 1977), a law that predates the post-2014 complexity of EU sanctions regimes, particularly those targeting Russia. While this legislation provided a functional foundation for decades, it is no longer fit for its purpose in today's landscape of expansive, rapidly evolving sanctions with multi-sectoral reporting obligations[1]. The Dutch government, in collaboration with supervisory bodies and the private sector, has recognized this gap and launched a comprehensive legislative reform[2]. As such, the Dutch model is not static but in transition, actively being reshaped to address institutional fragmentation and improve the coordination of sanctions-related reporting. Although many operational details remain undefined, this evolving framework offers valuable insights for other EU Member States grappling with similar implementation challenges.

Second, the Netherlands currently operates under a criminal law-dominant enforcement model. Violations of sanctions regulations are prosecuted under the Economic Offences Act (WED), with limited exceptions for financial institutions governed by the Anti-Money Laundering and Anti-Terrorist Financing Act (WWFT). Outside the financial sector, administrative enforcement mechanisms are virtually nonexistent, meaning that even technical or minor breaches may result in criminal liability. This raises critical questions about proportionality, enforcement capacity, and legal certainty-questions that are at the heart of the proposed legislative reform, which aims to introduce an administrative route allowing for compliance orders and fines by regulators like Customs or economic affairs agencies.

Third, and perhaps most compellingly, Dutch jurisprudence is actively shaping a national model of sanctions enforcement. Through a growing body of case law from evasion through third-country intermediaries to shareholder rights in frozen asset scenarios and the duty of care in banking relationships, Dutch courts are not only interpreting EU sanctions law but developing national legal standards around intent, accountability, and due process. These decisions carry broader implications for how Member States can reconcile EU obligations with domestic enforcement practices and legal safeguards.

Finally, the Dieseko case exemplifies the systemic vulnerabilities in the Dutch sanction's enforcement framework. Dieseko Group, a prominent Dutch engineering firm, was found to have violated EU sanctions by supplying equipment for the construction of the Crimean Bridge, a project of immense strategic and symbolic value to the Russian state, connecting mainland Russia to the illegally annexed Crimean Peninsula. The Dutch Public Prosecution Service investigated the case for nearly five years, culminating in a €1.78 million settlement in July 2024, the largest sanctions-related resolution in Dutch history. The case sparked widespread public outrage, as it revealed

[1] Amar, Y. (2024). *The new Dutch act on international sanctions measures: A first analysis*. Den Hollander. https://denhollander.info/artikel/18425.

[2] The full consultation on the reform, including all underlying documentation can be found here: https://www.internetconsultatie.nl/sanctiemaatregelen/b1.

that a respected domestic company had materially contributed to a high-profile project central to Russia's military and geopolitical ambitions. It also highlighted the enforcement system's limitations in terms of investigative speed, prosecutorial resources, and deterrent effect.

In short, the Netherlands may serve as a microcosm of the broader challenges and opportunities facing EU Member States as they navigate the complex terrain of sanctions enforcement. Its reform process may well serve as a blueprint or a cautionary tale for other jurisdictions seeking to modernize their own frameworks.

This paper examines the regulatory and institutional framework governing the implementation of EU sanctions in the Netherlands, with a particular focus on the challenges it presents for both the financial sector, especially banks, and the broader private sector. Through analysis of key case law from Dutch district courts and the Supreme Court, the paper highlights the legal and practical difficulties that arise under the current regime. The selected rulings reveal not only systemic enforcement gaps, but also common patterns and tactics used by individuals and entities to circumvent sanctions, offering critical insights into the complexity of compliance and the evolving national enforcement landscape.

The paper also provides insight into the draft legislation for a new sanctions law, currently undergoing operationalization through consultation meetings between the government and key stakeholders. This process reflects ongoing efforts to modernize and streamline the Dutch sanctions framework in response to emerging legal, institutional, and geopolitical challenges.

2. FRAMING A PROBLEM

The Dutch government, regulatory authorities, and private sector stakeholders have collectively acknowledged the limitations of the current framework for sanctions enforcement. In response, a draft proposal to reform the Sanctions Act of 1977 (Sanctiewet 1977) was released for public consultation in June 2024[3], with additional rounds anticipated to address operationalization.

At the heart of the reform effort are three persistent challenges. Firstly, the Dutch sanctions enforcement model is fundamentally rooted in criminal law. Violations of international sanctions are prosecuted under the Dutch Economic Offences Act (Wet op de economische delicten, WED), which criminalizes breaches of the Sanctions Act 1977. Article 10 of the Act deems all violations as economic offences, thus excluding administrative alternatives[4]. The Public Prosecution Service leads enforcement with investigative support from the Fiscal Intelligence and Investigation Service (FIOD) and Customs. While Customs may independently impose fines for minor customs or administrative infractions, they are legally obligated to refer sanctions violations to the prosecution authorities, particularly where embargoes, dual-use goods, or terrorist financing risks are involved[5]. However, this criminal-only model has limitations. It imposes a high evidentiary threshold, requires significant prosecutorial resources, and may discourage enforcement of technical or low-value violations.

A narrow administrative exception exists for financial institutions under the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act (WWFT). Within this framework, regulatory authorities such as the Dutch Central Bank (DNB) and the Authority for the Financial Markets (AFM) are empowered to impose administrative monetary

[3] See footnote 2.

[4] Violations of sanctions regulations established under the Sanctions Act 1977 are classified as economic offenses under the Economic Offences Act (Wet op de economische delicten, WED).
Specifically, Article 1, under 1° of the Economic Offences Act states that violations of provisions enacted under Articles 2, 7, and 9 of the Sanctions Act 1977, insofar as they relate to the matters mentioned in Article 3, are considered economic offenses. These offenses can be classified as either misdemeanors or crimes, depending on the circumstances. Intentional violations are treated as crimes and can lead to prison sentences of up to six years. BWC Implementation. *Wet op de economische delicten* [Economic Offences Act]. https://bwcimplementation.org/sites/default/files/resource/NL_Economic%20Offences%20Acr%201950_NL.pdf.

[5] This legal mechanism and duty were confirmed in a semi-structured interview with lawyers representing an Amsterdam based law firm.

penalties on "obliged entities" for non-compliance with financial sanctions. This includes failures to conduct proper screening, report frozen assets, or block prohibited transactions. However, this administrative enforcement mechanism is confined exclusively to the financial sector. Private sector actors outside this category, including most companies and individuals, remain fully subject to the criminal enforcement regime under the Sanctions Act 1977, regardless of the severity or intent of the violation. As a result, the Dutch system maintains a dual-track approach, with administrative enforcement limited to financial entities and all other violations prosecuted under criminal law.

Secondly, the Dutch enforcement system is highly decentralized. Reporting and oversight responsibilities are spread across multiple agencies, including DNB, AFM, the Ministry of Finance, the Ministry of Foreign Affairs (DGDEB), and the Ministry of Economic Affairs (BTI and RVO), creating fragmentation, information silos, and coordination gaps that hinder effective implementation.

These challenges underscore the need for structural reform, including the proposed creation of a centralized coordination body to streamline reporting and enforcement processes.

In response to these challenges, the Dutch government has proposed a major legislative reform through the *Wet internationale sanctiemaatregelen* (WIS)[6]. The WIS would introduce a parallel administrative enforcement regime for sanctions violations, enabling authorities to issue administrative fines, compliance orders, and penalty-backed instructions outside of the criminal system. This reform would enable faster, more proportionate enforcement and would reserve criminal prosecution for the most serious cases involving intent or strategic evasion.

Furthermore, the new law seeks to establish a more centralized reporting mechanism under the Central Reporting Office. However, numerous operational details remain unresolved, including the extent to which the new reporting office will integrate with or replace existing structures. A pivotal issue yet to be addressed is the protocol for sharing information from this new Reporting Office with the European Commission, particularly in compliance with Article 6 of Council Regulation (EU) No 269/2014, which mandates that Member States provide relevant information regarding frozen assets to the Commission.

It remains unclear why the Dutch government chose not to establish a centralized enforcement authority, instead opting for a centralized reporting hub within a largely decentralized enforcement system. Although a new law on international sanctions measures has been drafted, its implementation framework and operational details remain undefined and, at this stage, largely unavailable to the public. Critical decisions about the design and functioning of key enforcement mechanisms, particularly the proposed Central Reporting Office, have yet to be finalized. As a result, it is still unclear whether the upcoming reform will represent a substantive overhaul of the Dutch sanctions regime or merely a symbolic adjustment to the existing system.

The ultimate scope and effectiveness of the proposed reform will hinge on how several key questions are resolved:

1. Will the Central Reporting Office serve primarily as a passive notification hub, or will it also assume an analytical function—such as generating typologies, identifying red flags, or developing sanctions-related risk profiles?
2. Will it replace existing reporting channels (e.g., DNB, AFM, BTI), or operate alongside them in a parallel structure?
3. Will reports made to DNB, AFM, or the FIU under anti-money laundering or sector-specific mandates be automatically forwarded to the Central Reporting Office?
4. What reporting format will be adopted? Will it mirror suspicious transaction reports (STRs), unusual transaction reports (UTRs), or introduce a distinct notification model?
5. Will obliged entities—such as banks, legal professionals, and businesses—submit reports directly to the Central Reporting Office, and under what legal or procedural conditions?

[6] See footnote 2.

6. Will a standardized digital portal or cross-sector reporting interface be introduced to streamline submissions?
7. Will the Central Reporting Office issue its own reporting guidelines and thresholds, or rely on guidance issued by sectoral supervisors or EU institutions?
8. How will the new office's role interact with existing responsibilities of investigative and supervisory authorities, such as the FIU, FIOD, and AML regulators?
9. Finally, under which ministry will the Central Reporting Office be housed—Foreign Affairs or another authority—and what institutional mandate will govern its operation?

Until these foundational governance and operational questions are addressed, the practical impact of the legislative reform remains uncertain.

3. METHODOLOGY

To address the above research questions, a mixed-method research approach was applied, combining content and legal analysis of primary and secondary sources with empirical data gathered through a semi-structured interview[7].

The interview was conducted in April 2025 with legal practitioners from a leading international sanctions-law firm based in Amsterdam, recognized for its expertise in regulatory compliance, sanctions, international trade, and litigation. The conversation was held in person, recorded, transcribed, and subsequently validated by the participants. This practitioner insight enriched both the legal and case analysis by providing a grounded, real-world perspective on the interpretation and practical application of EU sanctions law, while also shedding light on the overall status and implementation challenges of the proposed sanctions reform in the Netherlands.

4. SANCTIONS ENFORCEMENT IN THE NETHERLANDS: TRENDS AND LANDMARK CASES (2022–2025)

The Netherlands stands out as one of the few EU member states where data on criminal investigations, prosecutions, and convictions for sanctions violations is publicly accessible[8]. Since 2022, the country has taken a proactive approach to enforcing international sanctions, combining criminal investigations with prosecutions and, where appropriate, high-value settlements.

A major milestone in Dutch sanctions enforcement occurred in July 2024, when the Netherlands Public Prosecution Service (NPPS) signed the largest financial settlement in its history for a sanction's violation. The settlement involved Dieseko Group, a Dutch company implicated in the construction of the Crimean Bridge, a project banned under EU sanctions. Following an investigation initiated by Dutch authorities in response to investigative journalism and media reporting, Dieseko agreed to pay €1.78 million, including a €180,000 fine and confiscation of €1.6 million in unlawfully obtained gains.

Between 2022 and early 2025, the Netherlands has pursued and successfully prosecuted several notable sanctions violations. These include breaches involving exports to sanctioned jurisdictions such as Iran and Russia, as well as violations of ISIS-related anti-terrorism sanctions. Below is a summary of notable cases during this period (Notable Criminal Convictions, 2022–2025)[9]:

[7] This research was conducted as part of a post-doctoral project and received approval from McGill University's Ethics Committee: REB# 24-06-077.

[8] Through FIOD's, FIU's and Public Prosecution websites.

[9] *Netherlands – European Sanctions Enforcement*. Duane Morris LLP. Retrieved April 23, 2025, from https://blogs.duanemorris.com/europeansanctionsenforcement/tag/netherlands/.

2022

- February – A Dutch national was sentenced to 6 months in prison for exporting goods to Iran without the necessary export licenses, violating EU sanctions.
- June – An individual received an 18-month sentence for similar violations involving Iran.
- August – A Dutch resident was sentenced to 30 months in prison for breaching ISIS-related sanctions by providing financial support to the organization.

2023

- November – A Dutch company and its director were penalized for exporting goods to Russia in violation of EU sanctions. The director received an 18-month prison sentence, and the company was issued a substantial corporate fine.

2024

- April – An individual received a 4-month prison sentence for attempting to join ISIS, in violation of terrorism-related sanctions.
- September – The Court of Appeal upheld a 4-year prison sentence for an individual who provided financial and logistical support to ISIS.
- October – A Dutch national was sentenced to 32 months in prison for exporting sanctioned goods to Russian airlines.
- November – An individual received a 15-month sentence, and their assets were confiscated, for exporting sanctioned goods to Russian companies.

Excluding the ISIS and Iran-related cases, the longest prison sentence imposed for violating EU sanctions was 32 months, handed down in October 2024 for the export of sanctioned goods to Russian airlines.

The most recent enforcement update from the FIOD, dated March 26, 2025[10], involves the arrest of a 32-year-old man from North Holland on suspicion of terrorist financing and violations of the Sanctions Act. As part of the investigation, the suspect's residence was searched, and several mobile phones and digital data carriers were seized. The criminal investigation was launched following a report of unusual transactions submitted by a cryptocurrency exchange to the Financial Intelligence Unit (FIU). According to the report, the suspect had transferred bitcoins in 2020 to wallet addresses likely linked to terrorist organizations.

5. CURRENT INSTITUTIONAL AND REGULATORY FRAMEWORK

The primary responsibility for the implementation and administration of trade sanctions in the Netherlands lies with the Central Import and Export Service (Centrale Dienst In- en Uitvoer, CDIU)[11]. Operating under Dutch Customs, the CDIU handles licence and authorisation applications and is available for consultation by businesses and other stakeholders. It also plays a frontline role in supervising the import and export of goods and services to and from sanctioned countries. In complex cases, the CDIU may escalate matters to the Ministry of Foreign Affairs, which holds ultimate responsibility for sanctions policy and the issuance of licences and authorisations.

While the Ministry of Foreign Affairs administers the overall sanctions regime[12], licences are formally issued by the CDIU on the Ministry's behalf and in close consultation with it. Dutch Customs, specifically Team POSS

[10] FIOD. (2025, March 27). *Aanhouding vanwege terrorismefinanciering met bitcoins*. https://www.fiod.nl/aanhouding-vanwege-terrorismefinanciering-met-bitcoins/.

[11] Belastingdienst. (n.d.). *Central Import and Export Office (CDIU)*. Retrieved April 23, 2025, from https://www.belastingdienst.nl/wps/wcm/connect/bldcontenten/belastingdienst/customs/safety_health_economy_and_environment/cdiu_cluster/.

[12] Government of the Netherlands. (n.d.). *Search results for "sanctions"*. Retrieved April 23, 2025, from https://www.government.nl/search?keyword=sanctions&search-submit=.

(Precursors, Strategic Goods and Sanctions Law), is tasked with monitoring compliance with trade sanctions. In the financial sector, the enforcement of financial sanctions is the responsibility of the Dutch Central Bank[13] (De Nederlandsche Bank, DNB) and the Dutch Authority for the Financial Markets[14] (Autoriteit Financiële Markten, AFM).

Criminal enforcement falls under the jurisdiction of the Public Prosecution Service[15] (Openbaar Ministerie, OM), which leads prosecutions related to sanctions violations. The OM is supported by the Fiscal Information and Investigation Service[16] (Fiscale Inlichtingen- en Opsporingsdienst, FIOD), a key investigative body that handles complex sanctions evasion schemes. FIOD works closely with the Specialised Prosecution Office (Functioneel Parket, FP).

Other governmental authorities may also be involved in specific aspects of sanctions enforcement, depending on the nature of the case or sector concerned:

1. The Human Environment and Transport Inspectorate oversee sanctions related to aviation and maritime affairs.
2. Together with Customs, the Information and Heritage Inspectorate is responsible for controlling the import and export of art and other cultural goods.
3. The Land Registry makes a note on entries for registered goods (such as real estate) that belong to individuals and entities on the sanctions list. That way, anyone consulting the registers can easily see which goods in the registry have been frozen by the sanctions.
4. The Human Environment and Transport Inspectorate (ILT) is involved in shipping and air transport. If a ship falls under a sanction's regime, the ILT can in certain circumstances give it permission to enter Dutch waters. The same applies to aircraft seeking to depart from, land in or fly over Dutch territory.
5. The Bureau Toetsing Investeringen (BTI) operating under the Ministry of Economic Affairs and Climate Policy[17], receives information on the ownership structures of entities subject to sanctions, particularly in the context of foreign direct investment (FDI) screening under the Vifo Act (Wet veiligheidstoets investeringen, fusies en overnames)[18], which governs the national security review of investments, mergers, and acquisitions involving critical sectors or sensitive technology.
6. The Royal Military and Border Police, under the authority of the Minister of Justice and Security, guards the Netherlands' borders.

Based on the current legal framework in the Netherlands, the reporting and inquiry process regarding frozen Russian funds, economic resources, and sanctioned entities is fragmented as follows.

The Ministry of Finance receives reports on the financial assets of sanctioned entities. This reporting is not limited to banks freezing funds or economic resources but also includes financial market participants and other entities that identify links to sanctioned individuals or companies. The Ministry collects and aggregates this data, reflecting the total value of sanctioned assets in the country, and forwards it to the European Commission.

Other ministries are also involved, depending on the type of asset or reporting requirement:

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[13] De Nederlandsche Bank. (n.d.). *De Nederlandsche Bank (DNB) – The central bank of the Netherlands*. Retrieved April 23, 2025, from https://www.dnb.nl/en/.
[14] Autoriteit Financiële Markten (AFM). (n.d.). *About the AFM*. Retrieved April 23, 2025, from https://www.afm.nl/en/over-de-afm.
[15] Openbaar Ministerie (OM). (n.d.). *Home*. Retrieved April 23, 2025, from https://www.om.nl/.
[16] Fiscale Inlichtingen- en Opsporingsdienst (FIOD). (n.d.). *FIOD – Fiscale Inlichtingen- en Opsporingsdienst*. Retrieved April 23, 2025, from https://www.fiod.nl/.
[17] Bureau Toetsing Investeringen. (n.d.). *Toezicht op naleving Sanctieregeling territoriale integriteit Oekraïne 2014 en Sanctieregeling Belarus 2006*. Retrieved April 23, 2025, from https://www.bureautoetsinginvesteringen.nl/het-stelsel-van-toetsen/sancties.
[18] Bureau Toetsing Investeringen. (n.d.). *Wet veiligheidstoets op investeringen, fusies en overnames*. Retrieved April 23, 2025, from https://www.bureautoetsinginvesteringen.nl/het-stelsel-van-toetsen/wet-veiligheidstoets-investeringen-fusies-en-overnames.

- The Ministry of Internal Affairs receives reports on real estate and other property in the Netherlands that should be considered frozen.
- The Ministry of Economic Affairs is responsible for cases involving legal entities that meet the EU criteria for ownership or control by a sanctioned person or entity.
- The Ministry of Infrastructure and Water Management handles reports involving vessels, yachts, and other maritime assets.
- The Bureau for Investment Screening (BTI) is focused specifically on foreign direct investment, particularly when there is a potential security risk or connection to sanctioned parties.

Financial institutions and other obliged entities under the Anti-Money Laundering legislation report to the Dutch Central Bank (DNB), or to the Authority for the Financial Markets (AFM) in the case of pension funds, insurance companies, and investment firms.

As of July 1, 2024, the total amount of frozen Russian financial assets, according to the Ministry of Foreign Affairs was € 660.8 million[19].

6. DECENTRALIZATION BY DESIGN: THE DUTCH EVOLVING SANCTIONS ENFORCEMENT FRAMEWORK

The Netherlands operates under a decentralized sanctions model, with multiple authorities responsible for implementation and enforcement. As a result, information on frozen Russian assets has been fragmented, with various agencies receiving notifications from the private sector.

To reform the system, the Dutch authorities have chosen to maintain a decentralized structure, while introducing a central reporting hub to receive and coordinate sanctions-related information from the private sector. This agency will be called the Central Reporting Office[20] and is intended to serve as the primary hub for receiving all sanctions-related notifications from obligated entities, including reports of potential violations. Yet, significant questions remain about how this office will manage the dual character of the data it receives, both routine compliance disclosures and sensitive intelligence. As of today, there has been no clear indication of when the government aims to definitively replace Sanctions Act 1977.

7. UNDERSTANDING THE DUTCH SANCTIONING LEGAL FRAMEWORK: INSIGHTS FROM A LEGAL PRACTITIONER

According to a Dutch lawyer interviewed, the current Sanctions Act in the Netherlands is primarily oriented toward asset-freeze sanctions, leaving a significant regulatory gap in areas like trade-based and financial sanctions. *"I think the current act is mostly focused on targeting the so-called asset-freeze sanctions,"* the lawyer noted, adding that in the evolving global sanctions landscape, trade-based measures have become increasingly important. This evolving focus, as the lawyer explained, is one of the key drivers behind efforts to reform the legislation.

A core issue raised in the interview was the fragmentation of reporting obligations. The lawyer described the experience from the perspective of a financial institution: *"Imagine as a bank that you run into a client that is on the sanctions list. You need to report that to the Dutch Central Bank (DNB). But then, if there are indications of sanctions evasion, do you report it to DNB or the Financial Intelligence Unit (FIU)?"* This confusion, as the interviewee emphasized, reflects a broader lack

[19] Ministry of Foreign Affairs, Netherlands. (n.d.). *Facts and figures on the sanctions against Russia and Belarus*. Retrieved April 23, 2025, from https://www.government.nl/topics/russia-and-ukraine/sanctions-against-russia-and-belarus/facts-and-figures-on-the-sanctions-against-russia-and-belarus.

[20] Ministry of Foreign Affairs, Netherlands. (2024). *Wet internationale sanctiemaatregelen – Internetconsultatie*. Retrieved April 23, 2025, from https://www.internetconsultatie.nl/sanctiemaatregelen/b1.

of legal clarity; a situation that, although addressed in practice, is not fully codified in the existing sanctioning legal framework. The obligation to report to the FIU, for example, emerged as a matter of government guidance rather than statutory law. *"That kind of expanded the FIU's horizon a little bit*" the lawyer said.

The complexity extends beyond financial institutions, as reporting obligations under sanctions law involve multiple authorities, each with their own mandates and procedures. The system, in the lawyer's words, is fragmented and there is a plan to centralize the process through the creation of a Reporting Office. However, the role of this Central Office remains uncertain: *"It's not entirely clear, at least to us, what exactly the role of the Central Office is going to be. Is it going to also assess this and report it immediately to the European Commission?"*

When asked to reflect on the early phase of sanctions implementation and the transition period leading up to and following the 2022 Russian invasion of Ukraine, the interviewed lawyer emphasized how institutional roles and sectoral preparedness evolved in response to the shifting sanctions environment.

Prior to 2022, there was a relatively clear division of responsibilities: sanctions compliance was largely the domain of banks, while export control measures were handled by corporate actors and their regulators. As the lawyer explained, *"There was a strict difference between sanctions, which was mostly a thing that banks used to deal with, and then export control on the corporate side of things.*" This institutional distinction was reflected in the guidance issued by authorities. Financial regulators like the Dutch Central Bank (DNB) and the Authority for the Financial Markets (AFM) had each developed their own frameworks to guide compliance within their respective sectors. The lawyer noted that the DNB had longstanding experience with AML and sanctions, including the screening of customers which is a process that had been part of the regulatory landscape for many years. *"DNB issued a version of its guidelines a couple years ago,*" the lawyer recalled, *"But the first version, I think, dates to 2012 or something.*" This early engagement positioned the banking sector to adapt more quickly to expanded sanctions obligations post-invasion.

On the export control side, however, the landscape was shaped by guidance from different authorities, such as the Netherlands Enterprise Agency (RVO) and other tax and trade-related bodies. These institutions issued internal compliance program guidelines relevant to industry, which, as the lawyer pointed out, were often modeled after frameworks developed by foreign firms with international compliance experience.

The Ministry of Finance, too, contributed to this evolving framework by issuing its own guidance in 2020, just before the geopolitical context changed dramatically. The lawyer's account underscores that the regulatory environment was already in motion, and that authorities had begun acknowledging the need for a more holistic and integrated approach, even though the transition has been gradual.

Rather than emphasizing legal inconsistency, the lawyer characterized this period as a shift from a compartmentalized to a more coordinated system, one where both financial and trade-related compliance are seen as part of a broader sanctions enforcement architecture. The transition was not without challenges, but the sector-specific experience, especially within banking, offered a foundational base for more robust post-invasion practices.

7.1. Evolving Duty of Care for Banks in Sanctions Enforcement

The interviewed lawyer highlighted a growing legal and operational tension within the Dutch banking sector, particularly in light of the Rotterdam District Court's decision in *ABN AMRO*[21]. In this case, the court found that

[21] Rechtbank Rotterdam. (2023, November 3). *C/10/665575 / KG ZA 23-835* (ECLI:NL:RBROT:2023:10109). https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:RBROT:2023:10109.
The Court decided that the Termination Letter lacked clear reasoning as ABN AMRO failed to specify the exact missing information preventing risk assessment or the public sources it relied upon to justify the termination. The court deemed this vagueness legally insufficient. Also, the court decided that ABN AMRO's reasoning was either factually incorrect or legally weak because its claims regarding sanctions violations were not properly substantiated, as the client provided evidence that it had conducted due diligence and that the sanctioned party was not listed at the time of the transaction.

a bank's unilateral termination of a client relationship, based on unverified concerns about the client's potential exposure to Russia-related trade, was in breach of the bank's duty of care.

The lawyer noted that this case is not an isolated incident. *"There's actually plenty of court cases like this,"* it was explained, adding that such disputes are becoming increasingly common in practice. The core issue, as it was noted during the interview, lies in the bank's inability to fully assess sanctions or AML-related risks in a given client relationship. When faced with uncertainty, Dutch banks often invoke standard terms and conditions that give them legal grounds to off-board clients if they cannot rule out serious risk of sanctions breaches, money laundering, or terrorism financing.

However, courts are now pushing back on this practice. A key factor influencing judicial decisions is whether the client has access to an alternative banking arrangement. *"If you are not backed by another account, the court is even more likely to say the bank cannot just cut you off from the system,"* the lawyer explained. As the interviewee added, the implications are serious: once a client is off-boarded, it becomes extremely difficult to open a new account, as prospective banks routinely ask whether the client has ever been rejected by another institution.

The *ABN AMRO* ruling reflects an increasing expectation that banks thoroughly justify their decisions, particularly when choosing to sever client relationships. This includes demonstrating that they have conducted meaningful due diligence, posed the necessary questions, and weighed their AML obligations against their legal duty of care. As the lawyer put it, "*The banker now has to become the lawyer and the compliance officer*," constantly balancing competing regulatory and ethical demands.

From the bank's perspective, as it was explained by the interviewee, this creates a difficult compliance environment. Regulatory pressure is heightened by the evolving Sanctions Act and the risk of substantial AML related fines encourage over-compliance and pre-emptive client offboarding. Moreover, economic considerations play a role: *"If it's a small client that doesn't generate much revenue, and the cost of compliance is disproportionately high, it's often not worth the risk or effort.*"

In sum, the interview underscored a broader structural tension in the system: while banks are expected to enforce sanctions and mitigate financial crime, they are increasingly being held accountable for the social and commercial impact of these enforcement choices. Banks often engage in risk-averse compliance, meaning they over-comply with sanctions rules to avoid regulatory penalties. For example, they might close a client's account simply because the client poses a potential risk, even without solid evidence of wrongdoing.

As of today, the duty of care doctrine is evolving into a critical counterbalance to risk-averse compliance, especially as courts begin to insist on greater procedural fairness and justification in the sanction's domain. This means that courts are increasingly using the duty of care, a legal principle that requires banks to act fairly and responsibly toward their clients—as a limit or check on how aggressively banks are enforcing sanctions and AML rules.

The ABN AMRO case sends a clear message: while banks must protect themselves against sanctions violations, they cannot do so at the expense of fairness. The court emphasized that risk management and compliance obligations do not override the duty of care owed to clients, particularly when offboarding decisions have serious consequences for access to the financial system.

7.2. Criminal Liability under Dutch Sanctions Law: A Low Threshold for Intent

A key characteristic of the Dutch approach to sanctions enforcement is the low threshold for establishing criminal intent (*opzet*) in cases involving economic and sanctions-related offenses. Central to this legal framework is the doctrine of *kleurloos opzet,* literally, "colorless intent"—which has been consistently affirmed by Dutch courts,

including the Supreme Court in its 2023 ruling (Case No. 21801/63)[22]. Unlike *schuldopzet* (culpable or blameworthy intent), *kleurloos opzet* does not require the prosecution to prove that the defendant intended to break the law. It is sufficient that the individual knowingly and deliberately engaged in the prohibited conduct. In this framework, intent is inferred from the factual nature of the act, irrespective of whether the actor understood its legal consequences.

This principle substantially lowers the evidentiary burden for the Public Prosecution Service in sanctions enforcement. To establish criminal liability, it is enough to demonstrate that the conduct was deliberate and that a violation of sanctions law occurred, without needing to prove that the suspect was aware of the legal prohibition.

As noted by the legal practitioners interviewed for this study, intent under Dutch sanctions law can be established even when a person is unaware that their actions constitute a violation, so long as there was a foreseeable risk of a breach and the individual consciously disregarded that risk,for instance, by willfully ignoring warning signs or accepting the potential consequences. In this respect, the Dutch standard of *kleurloos opzet* closely resembles the concept of recklessness in common law jurisdictions, or even conditional intent (*dolus eventualis*), where the actor foresees the possibility of an unlawful outcome and proceeds, nonetheless.

8. ANALYSIS OF SELECTED CASES IN COMPLIANCE, CIRCUMVENTION, AND CORPORATE LIABILITY

8.1. Illicit Supply Chain and Evasion Tactics by Dieseko

The Dieseko case became one of the most prominent examples of Dutch corporate involvement in sanctions violations[23]. The story gained national attention after a September 2017 article in *De Gelderlander* exposed the possible role of Dutch firms in the construction of the Crimean Bridge, a key strategic infrastructure project for Russia following its illegal annexation of Crimea[24]. The revelations prompted the Netherlands Public Prosecution Service (NPPS) and Team POSS (Dutch Customs) to open a criminal investigation, which later focused on Dieseko Group B.V.[25]

[22] In this case the suspect had knowingly transferred €245 to an intermediary, [B]. Although the suspect denied knowing the funds would ultimately reach a terrorist organization, the court found this irrelevant under the doctrine of *kleurloos opzet*. The evidence confirmed that the money was received by an individual known to be an IS fighter in Syria during the relevant period. The suspect's admission that the funds reached their intended recipient was sufficient to establish a causal link to the prohibited outcome. Parket bij de Hoge Raad. (2024, June 14). *ECLI:NL:PHR:2024:628*. Retrieved April 23, 2025, from https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:PHR:2024:628.

[23] Dieseko Group. (2024, July 11). *Response of Dieseko to out-of-court settlement with Dutch Public Prosecution Service*. Retrieved April 23, 2025, from https://www.diesekogroup.com/press/.
Dieseko is a Dutch manufacturing company based in Sliedrecht. Its business activities comprise the sourcing, production and sale of contracting equipment, in particular piling machines, around the world. It employs approximately 200 people. Dieseko has branches in the Netherlands, the United States, Australia, Poland and China and works with more than 50 dealers worldwide. In July 2024, the CEO of the company published a public statement on its website, in which he expressed his apology and regret that Dieseko violated the laws when pursuing Crimean bridge project.

[24] In the context of the construction of the Kerch Bridge, it must be noted that other than Dieseko Dutch companies were involved and investigated. On February 17, 2025, The District Court in Amsterdam issued a judgment in a case No 81.298767.21arising from the prohibited export of machinery from the Netherlands to Crimea in 2016 and 2017 for use in the construction of the Kerch Bridge. Rechtbank Amsterdam. (2024, October 4). *ECLI:NL:RBAMS:2024:8568*. Retrieved April 23, 2025, from https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:RBAMS:2024:8568.

[25] Netherlands Public Prosecution Service. (2024). *Investigation claim: The criminal investigation into Dieseko Group B.V. – Statement of facts and conclusions.* National Office for Serious Fraud, Environmental Crime and Asset Confiscation (Functioneel Parket). https://www.prosecutionservice.nl/documents/publications/fp/hoge-transacties/feitenrelaas/statement-of-facts-and-conclusions-npps-dieseko

Following the investigation, on July 11, 2024, Dieseko accepted a €1.78 million settlement with the NPPS[26]. The company paid a €180,000 fine, and an additional €1.6 million was confiscated as illicit gains obtained through sanctions violations. According to the NPPS, Dieseko had actively circumvented EU sanctions and materially supported a project of high military significance to the Russian state.

The investigation uncovered a deliberate effort by Dieseko to evade EU sanctions by indirectly supplying construction equipment and technical services for the Crimean Bridge:

1. Between March 2015 and August 2016, Dieseko sold equipment, including pile drivers, hammers, and vibratory blocks, to a Finnish intermediary.
2. The Finnish company then forwarded the goods to Russian contractors responsible for bridge construction.
3. This arrangement allowed Dieseko to conceal the end user and bypass direct transactions with sanctioned Russian entities.

However, Dieseko's involvement went beyond just product delivery. The company also provided on-site technical support in Crimea. Between August 2015 and September 2016, Dieseko sent mechanics to commission and repair the equipment and trained Russian personnel to operate and maintain it. Evidence gathered during investigation by the NPPS included:

1. Invoices, internal records, order confirmations, and transport documents, which traced the goods from Dieseko to the Finnish intermediary and ultimately to Russia.
2. Interview transcripts and employee statements confirming that Dieseko was fully aware of the equipment's final destination and use in the sanctioned project.

8.2. Export of sanctioned aircraft parts by a Dutch company to several Russian airlines

In October 2024, a Rotterdam District Court, in case number 83-151106-23[27], issued a prison sentence of 32 months for violations of the Sanctions Act 1977 and Regulation (EU) No 833/2014. The investigation revealed a deliberate effort by the Dutch company to circumvent EU sanctions by supplying aviation components to three different Russian airlines, i.e., Ural Airlines, S7 Engineering LLC, and JSC Siberia Airlines. Perpetrators delivered these prohibited parts under the guise of legitimate trade with intermediaries in Tajikistan, Serbia, and Turkey. After the EU imposed trade restrictions, the Dutch company suddenly began conducting business with two Tajik companies that had no prior trade history with them. These companies placed orders for aircraft components, which were invoiced and shipped accordingly. Officially, Tajikistan was listed as the final destination, and payments were processed through standard banking channels. However, internal records suggested otherwise.

As the court noted:

> *"The Shawbury case file has shown that, after the trade bans came into effect, [suspect legal entity] started supplying goods with CN code 88 (on paper) to two Tajik companies that had not been supplied before the trade bans came into effect. These companies placed orders with [suspect legal entity] for aircraft components. [suspect legal entity] invoiced the goods to these companies and arranged for the shipment. On paper, Tajikistan was the final destination of these goods. The payments from the customers were received on the bank account of*

[26] Netherlands Public Prosecution Service. (2024, July 11). *Dieseko Group B.V. accepts settlement agreement with the Netherlands Public Prosecution Service*. Retrieved April 23, 2025, from https://www.prosecutionservice.nl/latest/news/2024/07/11/dieseko-group-b.v.-accepts-settlement-agreement-with-the-netherlands-public-prosecution-service

[27] Rechtbank Rotterdam. (2024, October 4). *ECLI:NL:RBROT:2024:9673*. Retrieved April 23, 2025, from https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:RBROT:2024:9673

> *[suspect legal entity] as ordered according to the invoices. A number of shipments were sent to Tajikistan via Dubai.*"[28]

Additionally, Excel records and administrative documents found during the investigation listed Russian aviation companies alongside Tajik customers, further indicating that Russia was the intended end user. Digital evidence, including emails, chat messages, and voice recordings, showed that the suspect actively discussed specific deliveries to Russian airlines, planned financial transactions to conceal payments from Russian firms, and explored various bypass routes.

The court also found that:

> *"In addition to the route to Tajikistan, the suspect set up companies in Serbia and Turkey with others, and aircraft parts were supplied to these companies (on paper) by [suspect legal entity]. It turned out that these parts were ultimately supplied to Russian parties via these intermediaries."*

The defense challenged the prosecution's case on both evidentiary and legal grounds, arguing that the evidence presented was insufficient to support a conviction. They contended that the company's Excel records were misinterpreted, claiming they merely tracked commission payments to intermediaries rather than indicating the final destination of goods. They also argued that the prosecution failed to prove the goods ultimately reached Russia, as there was no clear tracing of the shipments beyond intermediary countries. Furthermore, the suspect denied operational responsibility, asserting he was not the de facto decision-maker in the company's trade activities. Lastly, the defense maintained that there was no conclusive evidence of deliberate sanctions evasion or that countries like Tajikistan were knowingly used to circumvent sanctions.

The court rejected these arguments, finding that the documentation, patterns of trade, and the suspect's level of involvement demonstrated sufficient knowledge and intent. The court also noted that no complaints were recorded in the company's files, indicating that all orders were fulfilled without issue, which is a detail that the court interpreted as evidence that the goods had likely reached their true intended recipients, contrary to the defense's claim of uncertainty. Overall, the court held that the explanations offered by the defense lacked credibility and did not effectively rebut the prosecution's case of sanctions circumvention.

8.3. Dutch Parent Company Suing Its Russian Subsidiary Over Sanctions Compliance[29] (Saren v. Boskalis)

This case is noteworthy for reversing the typical legal dynamics in sanctions-related disputes between parent companies and their subsidiaries. Normally, parent companies face indirect liability for the actions of their foreign subsidiaries, particularly when those subsidiaries engage in activities that may violate EU sanctions. In this instance, however, the Dutch parent company Saren B.V. found itself suing its own Russian subsidiary, Boskalis LLC, after the latter terminated a subcontract for dredging work on an LNG project in Russia, due to concerns about EU sanctions compliance.

Saren initiated legal proceedings against Boskalis LLC after the subsidiary refused to fulfill its contractual obligations and sought to block enforcement of €39.5 million in bank guarantees issued to secure its performance. Boskalis argued that continuing the project would violate EU sanctions, thereby justifying the termination. The

[28] Point 4.2.3. of the judgement Ibid.

[29] Rechtbank Amsterdam. (2022, April 20). *C/13/717154 / KG ZA 22-388* (ECLI:NL:RBAMS:2022:3141). Retrieved April 23, 2025, from https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:RBAMS:2022:3141

Dutch court ruled in favor of Boskalis, agreeing that the sanctions risks, and related legal obligations justified the subsidiary's withdrawal from the contract. There were three legal issue that the court had to decide:

1. Dual-Use Goods and Prohibited Services

The court found it plausible that the vessels provided by Boskalis LLC for the project could be classified as dual-use goods under Art. 2a, Category VI of Annex VII of the EU Sanctions Regulation. Saren challenged this interpretation in the court.

2. LNG-Specific Restrictions Under Article 3ter

The court further held that as of May 27, 2022, additional sanctions under Article 3ter of the Sanctions Regulation specifically banned the sale, supply, or export of goods and services related to natural gas liquefaction in Russia. Since Boskalis' work was tied to preparing the seabed for an LNG terminal, the continuation of the contract would soon have been illegal under this expanded prohibition.

3. Does the EU Sanctions Regulation Apply to a Russian Subsidiary?

Saren argued that EU sanctions do not apply to Boskalis LLC because it is a Russian company and does not fall within the jurisdictional scope of Article 13 of the Sanctions Regulation. The court acknowledged that Boskalis LLC itself is not directly covered under Article 13, but held that the sole director of Boskalis LLC is a Dutch national, meaning he is personally bound by EU sanctions and liable, if he facilitates a sanctions violation.

Furthermore, the court stated that the EU anti-circumvention clause (Article 12) prevents EU nationals or companies from using foreign subsidiaries to evade sanctions. The Court also referred to the fact that the European Commission published an FAQ document on 18 April 2022, that states that:

> *"(…) it is prohibited for EU parent companies to use their Russian subsidiaries to circumvent the obligations that apply to the EU parent, for instance by delegating to them decisions which run counter the sanctions, or by approving such decisions by the Russian subsidiary."*[30]

Therefore, the court ruled that Boskalis LLC was indirectly subject to EU sanctions and its Dutch director was legally obligated to ensure compliance. The Dutch court's decision reinforced the broad reach of EU sanctions, affirming that:

1. Russian subsidiaries of EU parent companies can be indirectly bound by sanctions if EU nationals are in control.
2. The EU anti-circumvention rule prevents EU companies from shielding sanctioned activities through foreign entities.
3. Contractual obligations do not override sanctions compliance; hence, businesses must assess and act on legal risks even if it means terminating agreements.

[30] Ibid.

8.4. Arkady Volozh's Case of Sanctioned Property in Amsterdam.

In November 2022, the Amsterdam District Court dealt for the first time with the legal question of whether EU sanctions apply to a property in Amsterdam that is owned by Russian oligarch Arkady Volozh, and who had been added to the EU sanctions list in June 2022[31]. The case gained significant public attention as the squatting of Vossiusstraat 16 property was seen as a political statement against Russia's invasion of Ukraine.

Volozh, a co-founder and former CEO of Yandex, was sanctioned by the EU because Yandex was accused of promoting Russian state narratives and removing search results related to Russia's military actions in Ukraine. As a result, Volozh faced an EU travel ban, asset freezes, and restrictions on financial transactions. Despite these sanctions, renovations on Vossiusstraat 16 continued in 2022, even months after the sanctions were enacted. In October 2022, a Dutch newspaper NRC reported that construction work was still ongoing, raising concerns about the enforcement of EU sanctions in the Netheralnds. Shortly after this revelation, squatters occupied the building in protest. During the first court case, the squatters' lawyers argued that the renovations were illegal under EU sanctions law, as they would increase the value of Volozh's frozen assets. The defense also contended that evicting the squatters would leave the property empty, contradicting Amsterdam's housing policies.

The key legal issue in this case was whether the EU sanctions regime under Council Regulation (EU) No. 269/2014 applied to the renovation and use of a property owned by Paraseven, a company controlled by Arkady Volozh. The court had to determine:

1. Whether Paraseven's property was subject to EU asset freezes due to Volozh's status as its ultimate beneficial owner (UBO).
2. Whether the ongoing renovation work violated EU sanctions by increasing the property's value.
3. Whether Volozh or his family could legally use the property under EU sanctions law.

The court verdict was that although Paraseven itself was not directly sanctioned, it was controlled by Arkady Volozh, meaning that under Article 2(1) of Regulation 269/2014, its assets were automatically subject to EU asset freezes. The court found no evidence that Volozh had relinquished control over Paraseven, meaning the property was subject to EU restrictions. The construction contract for the renovation predated the sanctions, but the court ruled that EU sanctions override all contractual obligations once asset freezes are in place. The renovation involved converting two homes into three separate apartments, which would increase the property's value. Since capital growth for a sanctioned individual is prohibited, the court found that the renovation violated sanctions law, unless an exemption was granted by the competent authority, which had not been obtained in this case.

Furthermore, while personal use of frozen property is generally permitted, the court questioned whether Volozh's family would actually live there. Several factors supported this doubt:

1. The family's main residence was outside Europe.
2. The layout change suggested an intention to rent or sell, which is prohibited under EU sanctions.
3. Volozh was banned from entering the EU, making it impossible for him to reside in Amsterdam.
4. If Paraseven provided the property to Volozh free of charge, this could be seen as an economic benefit, which violates sanctions law.

The court prohibited the continuation of renovation work, ruling that it violated EU sanctions unless an exemption was granted. It also rejected the argument that Volozh's family would use the property, finding insufficient evidence to support this claim.In April 2023, an appeal procedure took place, where the judges again ruled in favor of the squatters, citing Volozh's designation under the sanction's regime as a decisive factor[32]. On

[31] Gerechtshof Amsterdam. (2023, May 16). *Case No. 200.319.821/01* (ECLI:NL:GHAMS:2023:1058). Retrieved April 23, 2025, from https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:GHAMS:2023:1058.

[32] Gerechtshof Amsterdam. (2023, April 18). *Case No. 200.319.821/01* (ECLI:NL:GHAMS:2023:1058). https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:GHAMS:2023:1058.

March 15, 2024 Volozh was removed from the sanctions list by the EU Council[33]. Obviously, Volozh's removal from the sanctioned list is a bad news for the squatters as he is expected to start a new court case against them very soon[34].

8.5. Integration of Duty of Care in Sanctions Enforcement (ABN AMRO)

The case of ABN AMRO highlights a growing tension within the Dutch banking sector to comply with sanctions[35].In this case, the court found that a bank's unilateral termination of a client relationship, based on unverified concerns about the client's potential exposure to Russia-related trade, was in breach of the bank's duty of care. The ruling established that Banks must protect themselves from sanctions violations, but not at the expense of fairness, as sanctions compliance duties do not override duty of care.

8.6. Sanctions and Shareholder Rights (Cicerone Case)

The *Cicerone* case[36] represents a landmark intersection of European sanctions law, Dutch corporate law, and Ukrainian anti-corruption enforcement in a time of geopolitical upheaval. At its core, the case tests whether a sanctioned shareholder's frozen assets, specifically, shares in a joint venture, can be forcibly transferred through consignment under Article 2:201a of the Dutch Civil Code, despite the EU's 2021 guidance allowing voluntary transfers with frozen proceeds.

The background of this case is as follows. Cicerone Holding B.V. operates gas stations in Ukraine via Ukrainian subsidiaries. Originally, it was a joint venture between Shell Overseas Investments B.V. ("SOI") with 51% and Todwick Holdings Limited ("Todwick") with 49%. In 2022, Todwick's ultimate beneficial owner (UBO) was placed on the EU sanctions list, freezing Todwick's shares in Cicerone. Following the Russian invasion of Ukraine, Cicerone encountered serious financial difficulties. SOI provided emergency funding, diluting Todwick's stake to less than 5%, and then initiated a squeeze-out procedure to acquire the remaining shares. Because the shares are frozen under EU sanctions, SOI requested the transfer of shares via consignment (escrow payment of the share value) under Dutch Civil Code Article 2:201a(6) and (8), arguing it could neither receive the shares in the usual way nor pay Todwick directly.

The central legal question was whether the EU asset freeze on Todwick's shares (due to the sanctioned status of its UBO) constitutes an exceptional circumstance allowing SOI to forcibly acquire Todwick's shares in Cicerone via consignment (escrow payment of the share value). The Dutch Court held that the sanctions regime indeed prevented voluntary transfer and payment, justifying an exception to the usual rule requiring a grace period for voluntary compliance. Thus, it allowed SOI to immediately transfer the shares through consignment (escrow

[33] The EU has not issued an explanation on why the delisting has taken place. We can only assume that it is linked to him stepping down from his position as CEO of Yandex, as well as his statement criticizing the war. However, this choice by the European Union makes it seem like one "anti-war" statement is enough to erase years of collaboration with the Russian government and the development of technologies which aim at increasing population control. When the war started, he was CEO of Yandex, a company that censored news of the war and promoted the official position of the Kremlin. He only left his position once he got sanctioned. This shows that he did not resign as a CEO for some moral reason, but only because of economic interests, both his and Yandex's.
Ostiller, N., & The Kyiv Independent news desk. (2024, March 13). *EU removes sanctions against Yandex co-founder Volozh*. The Kyiv Independent. https://kyivindependent.com/eu-removes-sanctions-against-yandex-co-founder-volozh/

[34] Amsterdam Alternative. (2024, March 19). *Vossiusstraat 16 under threat – Removal of Russian oligarch Arkady Volozh from the sanctions list*. Retrieved April 23, 2025, from https://amsterdamalternative.nl/articles/15662/vossiusstraat-16-under-threat-removal-of-russian-oligarch-arkady-volozh-from-the-sanctions-list

[35] Rechtbank Rotterdam. (2023, November 1). *C/10/665575 / KG ZA 23-835* (ECLI:NL:RBROT:2023:10109). https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:RBROT:2023:10109.

[36] Gerechtshof Amsterdam. (2024, April 2). *ECLI:NL:GHAMS:2024:3344*. Rechtspraak.nl. https://uitspraken.rechtspraak.nl/details?id=ECLI:NL:GHAMS:2024:3344.

payment of the share value), with the payment held in escrow until sanctions are lifted, marking a significant interpretation of how EU sanctions interact with Dutch corporate law.

A pivotal development in this case occurred when the Ukrainian Ministry of Justice, invoking anti-corruption legislation, brought a case before the High Anti-Corruption Court in Kyiv seeking the expropriation of the economic interests of the ultimate beneficial owner (UBO) of Todwick Holdings Ltd. On April 2, 2024, the court ruled in favor of the Ukrainian state, ordering:

- The expropriation of 49% of the share capital held by Cicerone in its key Ukrainian subsidiary, Alliance, corresponding to Todwick's pre-dilution stake.
- That SOI be authorized to register the remaining 51% directly under its own name.

This ruling of the Ukrainian court had a twofold impact. First, it legally severed Todwick's link to the operational heart of Cicerone, stripping the company of its core asset. Second, it aligned domestic Ukrainian anti-corruption enforcement with the EU sanctions framework, which had already frozen Todwick's ability to transfer or profit from its shares.

Together, these legal regimes, i.e., the EU sanctions and Ukrainian anti-corruption law, created a mutually reinforcing barrier that effectively blocked Todwick from exercising any shareholder rights or receiving payment. This bolstered SOI's argument before the Dutch Enterprise Chamber that Todwick's shares were now economically worthless and legally unsellable, justifying immediate consignment transfer under Dutch Civil Code Article 2:201a(8). In essence, the Ukrainian court's decision did not just support SOI's narrative; it amplified the legal impossibility of a voluntary or conventional transaction by rendering Todwick's stake both frozen and expropriated. The ruling thus served as a decisive external validation of the very conditions that SOI cited to invoke exceptional treatment under Dutch corporate law.

There is another important aspect of this case, namely, contrary to the EU Commission Guidance from 2021[37], the Dutch court skipped the voluntary transfer route and permitted immediate consignment. The Commission clarified that frozen assets (like Todwick's shares) may still be transferred *provided that the proceeds are immediately frozen*. The goal of freezing is to prevent the use or benefit of the assets by a sanctioned person and not to block all legal transactions *per se*. Therefore, a standard voluntary transfer to SOI, combined with placing the payment in a frozen account or escrow, should be legally permissible. However, the Dutch court decided otherwise. Perhaps, the court considered a much broader context, and hence took a pragmatic and risk-based concerns that justified skipping the voluntary path?

After all, the court in Kyiv ruled that Todwick's shares in the key Ukrainian subsidiary (Alliance) were subject to anti-corruption expropriation due to the UBO's suspicious conduct. This cast doubt on Todwick's legitimacy not just under EU sanctions, but also under Ukrainian domestic anti-corruption law. The Dutch court may have seen little practical or ethical sense in offering a shareholder already expropriated and implicated in corruption a further opportunity to "cooperate." Lastly, the Commission's opinion sets a baseline, but it is not binding jurisprudence.

This case clearly illustrates the tension between EU-level guidance and the Dutch national court's practical approach under complex, high-risk conditions. While the European Commission's 2021 opinion makes clear that frozen assets may be transferred provided the proceeds are immediately frozen, the Dutch Court opted for a more rigid solution: forced share transfer via consignment, bypassing the usual procedural safeguards. This divergence underscores how, in cases involving sanctions, war, and corruption, national courts may prioritize enforceability and risk mitigation over strict alignment with supranational interpretations.

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[37] European Commission. (2021, May 27). *Commission opinion on changes to the features of frozen funds*. https://finance.ec.europa.eu/system/files/2021-05/210527-frozen-funds-features-opinion_en.pdf.

9. LESSONS LEARNED FROM THE ANALYSIS OF SELECTED JURISPRUDENCE ON SANCTIONS

Recent Dutch case law offers important lessons on how national courts interpret and enforce EU sanctions regulations. Through presented diverse case studies, from indirect supply chains and financial deceptive tactics to intra-corporate disputes and property use restrictions, Dutch jurisprudence is shaping the contours of legal accountability in sanctions enforcement. The following core lessons clearly emerge:

9.1. Indirect Transactions and Third-Country Intermediaries Cannot Shield Sanctions Violations

In both the Dieseko and the aviation parts export cases, the courts pierced through formal documentation to expose deliberate attempts to circumvent EU sanctions via third-country intermediaries. In the Dieseko case, the use of a Finnish company to supply construction equipment for the Crimean Bridge was viewed not as a neutral commercial arrangement, but as a conscious effort to disguise the true end user. Similarly, in the aviation parts case, the suspect company rerouted shipments through Tajikistan, Serbia, and Turkey that are jurisdictions with no previous trade history, while internal records and digital communications clearly revealed that the real recipients were Russian airlines.

Key takeaway: Courts assess the substance of transactions and formal corporate documents. Efforts to obscure end-user identity through intermediaries or geographic rerouting will be scrutinized as potential indicators of intent to evade sanctions.

9.2. Technical Support and Services Fall Within the Scope of Sanctions Violations

The Dieseko case also illustrates that liability is not limited to the sale of goods. Dutch authorities and the court treated the company's on-site technical assistance and training provided in Crimea as a material contribution to a sanctioned project. This broadened the scope of accountability beyond product exports to include services, expertise, and after-sale support, consistent with the EU's expansive interpretation of sanctions obligations.

Key takeaway: Sanctions compliance must cover the entire value chain, including ancillary services that may directly support sanctioned activities or end users.

9.3. The Rejection of Plausible Deniability and the Elevation of Internal Records

In the aviation parts export case, the defense argued that the company could not be held liable without direct evidence that the goods reached Russia. The court rejected this line of reasoning, pointing to the absence of customer complaints, the consistent completion of orders, and the presence of Russian entities in internal records as circumstantial but compelling proof of intent and awareness. The case reflects a broader judicial trend to treat internal business records, payment trails, and employee correspondence as decisive evidence of knowledge and complicity.

Key takeaway: Courts no longer accept a lack of direct evidence as a shield if internal documentation contradicts claimed ignorance. Sanctions enforcement relies heavily on proving intent through circumstantial evidence and internal patterns of behavior.

9.4. The Expansive Reach of EU Sanctions Law to Corporate Structures Abroad

The case of Saren B.V. v. Boskalis LLC marked a pivotal moment in sanctions jurisprudence by clarifying that EU nationals managing non-EU subsidiaries remain personally bound by EU law. Although Boskalis LLC was a

Russian company, its Dutch director was found legally obligated to ensure sanctions compliance. The court invoked Article 12 (anti-circumvention clause) and referenced European Commission guidance, ruling that EU companies cannot delegate sanctionable decisions to foreign subsidiaries to avoid liability.

Key takeaway: EU sanctions law may have extraterritorial effects when EU nationals or companies control foreign entities. Corporate structures do not shield liability if control, intent, and benefit remain with EU actors.

9.5. Contractual Commitments Yield to Sanctions Compliance

In both the Saren v.Boskalis and Volozh property cases, courts affirmed that contractual obligations do not override sanctions law. Boskalis was entitled to terminate a contract that risked breaching LNG-related sanctions, even at a cost to its parent company. Similarly, Volozh could not rely on pre-sanctions construction contracts to justify the renovation of a frozen asset. Courts ruled that EU sanctions override prior agreements, and businesses must be prepared to reassess commercial relationships in light of legal prohibitions.

Key takeaway: Legal risk under sanctions law takes precedence over business continuity. Companies are expected to proactively terminate or suspend agreements that may conflict with evolving regulatory obligations.

9.6. Asset Freezes Extend to Entities Controlled by Sanctioned Individuals

The Volozh case clarified the interpretation of asset freezes under Council Regulation (EU) No. 269/2014. Although the sanctioned individual did not directly own the property, the court ruled that his control over the corporate entity owning it (Paraseven) was sufficient to bring the asset under EU sanctions. Furthermore, renovations that increased the property's value were deemed to violate sanctions unless a specific exemption was granted. The court also cast doubt on claims of personal use and examined whether the sanctioned person or their family would materially benefit.

Key takeaway: Courts apply beneficial ownership and control tests to determine whether assets fall under sanctions. Activities that increase asset value or provide economic benefit to sanctioned persons, even indirectly, can breach asset freeze regulations.

9.7. Balancing Sanctions Compliance with the Duty of Care in the Financial Sector

The ruling in ABN AMRO case No C/10/665575 / KG ZA 23-835 affirmed that banks cannot off-board clients solely on the basis of vague suspicion or inability to verify trade details, but they must substantiate decisions to off-board clients with due diligence, and balancing their AML, and sanctions obligations with their duty of care toward clients.

Key takeaway: Dutch courts are evolving toward a dual expectation of financial institutions: robust sanctions compliance and demonstrable fairness in how that compliance is operationalized. The duty of care doctrine serves as a counterbalance to over-compliance, ensuring that banks do not abandon legal obligations toward clients in an effort to minimize regulatory risk.

10. CONCLUSIONS

The Dutch framework for sanctions enforcement is in a transitional phase. A new law seeks to maintain the existing decentralized model while introducing a centralized reporting hub to streamline compliance, particularly for banks and private sector actors. However, key operational details remain unresolved.

Dutch case law is actively shaping a national enforcement model that emphasizes regulatory effectiveness, transparency, and procedural fairness. Notable rulings have addressed illicit dual-use supply chains, evasive re-routing, corporate liability, and financial safeguards.

The *Dieseko* case marked a turning point: a major Dutch firm was investigated for nearly five years for violating Crimea-related sanctions, ultimately agreeing to the largest settlement in Dutch sanctions history. The case revealed systemic flaws and catalyzed public and institutional awareness.

In the financial sector, courts have clarified that banks' duty of care remains intact under sanctions regimes. Over-compliance cannot justify severing client relationships without sufficient legal grounds.

The *Cicerone* case further illustrates Dutch courts' pragmatic approach. Departing from EU Commission guidance, the court applied Dutch corporate law to authorize a forced share transfer via consignment, aligning with Ukrainian anti-corruption goals and blocking a sanctioned shareholder from exercising rights or receiving payment.

Sanctions evasion cases presented in this paper reveal a familiar trajectory: using third-country intermediaries and obscured end destinations to conceal Russian beneficiaries of exported goods. These tactics highlight common challenges of enforcement across jurisdictions.

As the Netherlands moves through the reform phase, its evolving approach may act as both a guide and a point of critical reflection for other countries looking to recalibrate their national sanctions enforcement frameworks.

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APPENDIX

List of Abbreviations

AFM – Authority for the Financial Markets
AML – Anti-Money Laundering
BTI – Bureau Toetsing Investeringen
BWC – Biological Weapons Convention
CDIU – Centrale Dienst In- en Uitvoer
CEO – Chief Executive Officer
CN – Combined Nomenclature
DGDEB – Directoraat-Generaal Buitenlandse Economische Betrekkingen
DNB – De Nederlandsche Bank (Dutch Central Bank)
EU – European Union
FAQ – Frequently Asked Questions
FDI – Foreign Direct Investment
FIOD – Fiscal Information and Investigation Service
FIU – Financial Intelligence Unit
FP – Functioneel Parket (Specialised Prosecution Office)
GHAMS – Gerechtshof Amsterdam (Amsterdam Court of Appeal)
ILT – Human Environment and Transport Inspectorate
ISIS – Islamic State of Iraq and Syria
JSC – Joint Stock Company
KG – Kort Geding (Preliminary Injunction)
LLC – Limited Liability Company
LLP – Limited Liability Partnership
LNG – Liquefied Natural Gas
NL – Netherlands

NPPS – Netherlands Public Prosecution Service
NRC – NRC Handelsblad (Dutch Newspaper)
OM – Openbaar Ministerie (Public Prosecution Service)
PHR – Parket bij de Hoge Raad (Prosecutor at the Supreme Court)
POSS – Precursors, Strategic Goods and Sanctions Law Team
RBAMS – Rechtbank Amsterdam (District Court of Amsterdam)
RBROT – Rechtbank Rotterdam (District Court of Rotterdam)
RVO – Netherlands Enterprise Agency
UBO – Ultimate Beneficial Owner
WED – Wet op de economische delicten (Economic Offences Act)
WIS – Wet internationale sanctiemaatregelen (International Sanctions Measures Act)
WWFT – Wet ter voorkoming van witwassen en financieren van terrorisme (Anti-Money Laundering and Anti-Terrorist Financing Act
ZA – Zaak (Case)