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# Sanctions: An Overview, Regimes and Jurisdictions Worldwide

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# Sanctions: An Overview

## Purpose of this session

- General understanding of sanctions
- Sanctions types
- Sanctions regimes
- The UN and maritime sanctions

# Sanctions Framework

## Sanctions: why use them?

Sanctions are a political tool, taking the form of some type of economic or trade restriction, with the objective of influencing behavior.

Key objectives: **Deter misconduct, limit resources for illicit activities, promote policy changes**



*The UN building in New York*



## Sanctions Regimes can be usually:

- **(Relatively) comprehensive:** taking the form of relatively wide-ranging trade embargoes, e.g. North Korea.
- **Targeted:** aimed at a specific
  - **Entity / Company**
  - **Individual**
  - **Asset – like vessels**
  - **Activity – travel bans / business dealings of some type / STS**
  - **Restrictions on specific industries**
- **Secondary:** Typically sanctions outside a jurisdiction imposed for violation of a primary sanction



# Global Sanctions Landscape

EU:

- Common Foreign and Security Policy (CFSP)
- Maintains EU Sanctions Map and Tracker

UK:

- Post Brexit Sanctions and Anti-Money Laundering Act 2018 (SAMLA)
- Maintains UK Sanctions list

US:

- OFAC primary sanctions enforcer
- Specially Designated Nationals (SDN) list, Sectoral Sanctions Identifiers (SSI) list, others.

- Other jurisdictions, Australia, South Korea, Japan, Canada etc.



# Global Sanctions Landscape

## UN Sanctions:

- Derive from UN Charter (Chapter VII)
- Proposed by UN Security Council (UNSC)
- Passed by vote, becomes UN Resolution
- Implemented into national legislation by Member States



*The UNSC*

# Global Sanctions Landscape

UN Sanctions	International Sanctions
<ul style="list-style-type: none"><li>• Imposed by UNSC</li><li>• International peace and security goals</li><li>• Broad international scope</li><li>• Enforced globally by UN Member States</li><li>• Example: UN sanctions on North Korea</li></ul>	<ul style="list-style-type: none"><li>• Imposed by countries / international bodies</li><li>• Aligned with a country's strategic interests</li><li>• Are often more targeted</li><li>• Limited to individual countries / territories</li><li>• Example: EU sanctions on Russia</li></ul>

# UN Sanctions

**Multiple Countries under UN sanctions:** Central African Republic, DR Congo, Eritrea, Guinea-Bissau, Iran, Iraq, Lebanon, Libya, Mali, North Korea, Somalia, South Sudan, Sudan, Yemen.

- Most are arms and travel embargoes, with some asset freezes.
- Most are implemented due to human rights violations, internal conflicts etc.



North Korea: M/T Sea Prima and M/T Saebyol in Korea Bay

GEOS: 38:30:06 N 124:29:54 E

25 Sep 19



# UN Sanctions: Maritime

## Primary Objectives:

- Enforce international law and UN Security Council resolutions

*Example: Preventing North Korea from importing oil*

- Prevent illegal trade and smuggling of prohibited items

*Example: Interdiction of Iranian arms shipments to Yemen (now lapsed)*

- Deter threats to international peace and security

*Example: Prevent North Korea from exporting coal*

# UN Sanctions: Maritime

## Types of maritime sanction:

- Port entry inspections and seizure
- Inspections at sea (member states “may”)
- Cargo Inspections
- Prohibitions on bunkering services / oil transfers
- Restrictions on insurance / crew services
- Restrictions on providing flag services (and de-flagging)
- Prohibition of types of trade, ship to ship transfers
- Restrictions on many kinds of imports / exports with the primary route being by sea
- Bans on entering certain ports



# UN Sanctions: Enforcement

- **Member State Enforcement**

Naval and coast guard operations. *Example: US, UK, Canada, Australia, South Korea, Japan military assets monitoring sanctions evasion around North Korea*

- **UN Panel of Experts Monitoring**

Investigation of sanctions violations *Example: the UN PoE on North Korea.*

- **Coordination with International Organizations**

International Maritime Organization (IMO) *Example: IMO's Global Integrated Shipping Information System (GISIS) used for tracking sanctions-related information*



# UN Sanctions: Enforcement

## The Problem:

Sanctions can be slow, but sanctions evaders are fast



- UN sanctions can be infrequent and require the agreement of member states with different security interests, priorities, and objectives
- Although sanctions regimes can be effective shortly after implementation, effectiveness can decrease as sanctions evaders and opportunists find ways to circumvent restrictions
- In the case of North Korea, there have been no new UN level sanctions since December 2017
- **The result: more work for the private sector, as even out of date sanctions can be enforced by UN member states**

# Any Questions?

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Thanks for your attention!