

International Sanctions Act

Passed 4 December 2002

(RT¹ I 2002, 105, 612),

entered into force 2 January 2003.

§ 1. Scope of application of Act

(1) This Act regulates the internal application of international sanctions where the imposition of international sanctions has been decided by:

- 1) the United Nations Security Council,
- 2) the Council of the European Union,
- 3) other international organisation, or
- 4) the Government of the Republic at its own initiative.

(2) The objective of the internal application of international sanctions is to maintain or reinstate peace, security and stability and to combat violations of human rights.

§ 2. Definitions

For the purposes of this Act:

- 1) “international sanction” means measures taken to influence a blocked entity to perform obligations arising from the norms and principles of international law, except for any military intervention;
- 2) “blocked entity” means a state, certain territory, regime, organisation or other entity against whom the measures prescribed by this Act are used;
- 3) “legal person of a blocked entity” means a legal person who is registered in a blocked state, whose permanent seat is in a blocked entity, whose sole shareholder is a blocked entity or who is otherwise controlled by the blocked entity;
- 4) “natural person of a blocked entity” means an alien who acts in the interests of a blocked entity or who is a citizen of a blocked state.

§ 3. List of measures

(1) For the internal application of international sanctions to the necessary extent, the Government of the Republic has the right to take the following measures:

- 1) prohibit the stay in Estonia or entry into Estonia of natural persons of a blocked entity;
- 2) prohibit or restrict all exchange of goods and any other commercial activities with a blocked entity or the legal and natural persons thereof;
- 3) prohibit the grant of loans and credit and the payment of funds to the persons specified in clause 2) of this section;

- 4) prohibit the transfer, pledging or any other use of funds, including bills of exchange, cheques and other means of payment, securities, precious metals or stones and other such assets which belong to the persons specified in clause 2) of this section;
- 5) prohibit the transfer, pledging or grant of use of any funds, including bills of exchange, cheques and other means of payment, securities, precious metals or stones and other such assets to the persons specified in clause 2) of this section;
- 6) prohibit the persons specified in clause 2) of this section from entering into transactions with immovables or with movables subject to entry in a register;
- 7) prohibit or restrict provision of information to or communication with a blocked entity;
- 8) prohibit or restrict traffic, including transport by land, air or waterways from or to a blocked entity;
- 9) prohibit or restrict co-operation in the area of science, education, culture or defence, and professional co-operation with a blocked entity.

(2) The Government of the Republic or an agency authorised thereby may apply the measures provided in subsection (1) of this section in part if the achievement of the goals pursued by the imposition of the sanctions is not thereby compromised.

(3) Where the organisation imposing an international sanction or the Government of the Republic has made an exception with regard to the sanction, and an Estonian enterprise requests, based on such exception, a recommendation from or authorisation by the Estonian state for economic activities with the blocked entity involving the goods or services covered by the sanction, the Strategic Goods Import, Export and Transit Control Commission (hereinafter commission) formed on the basis of the Strategic Goods Import, Export and Transit Act (RT I 1999, 57, 597) shall decide on grant of the relevant recommendation or authorisation. The commission shall inform the interested parties of its decision in writing.

(4) The restriction provided in clause (1) 1) of this section does not extend to the persons specified in § 36 of the Constitution of the Republic of Estonia.

§ 4. Application of international sanctions

(1) The Government of the Republic shall, on the proposal of the Ministry of Foreign Affairs, make a resolution on taking the measures necessary for the internal application of international sanctions.

(2) The Ministry of Foreign Affairs shall, in co-operation with other relevant government agencies, prepare the draft of the Government of the Republic legislation necessary for the internal application of an international sanction, and submit such draft legislation to the Government of the Republic for resolution. In doing so, the Ministry of Foreign Affairs shall consult the Bank of Estonia and the Financial Supervision Authority, except in the case of taking the measures provided in clauses 3 (1) 1), 7), 8) and 9) of this Act.

(3) Where a legal instrument issued by an organisation specified in clause 1 (1) 1), 2) or 3) of this Act prescribes a term for becoming party thereto, and the Government of the Republic is unable to convene for resolution during such term, the Ministry of Foreign Affairs shall immediately forward the relevant information to the members of the Government of the Republic, the Bank of Estonia and the Financial Supervision Authority for obtaining an opinion and set a term for submission thereof. The Bank of Estonia and the Financial Supervision Authority are not forwarded such information in the case of application of the measures provided in clauses 3 (1) 1), 7), 8) and 9) of this Act. Where an opinion is not submitted within the term, it is deemed that the person who failed to provide an opinion agrees with the position of the Ministry of the Foreign Affairs.

(4) After the expiry of the term for the submission of opinions specified in subsection (3) of this section, the Ministry of Foreign Affairs shall review all opinions which were received on time and shall, with the prime Minister's consent, take a position on becoming party to such legal instrument and where necessary, inform the United Nations Security Council, Council of the European Union or other international organisation thereof. The Ministry of Foreign Affairs shall prepare the draft legislation of the Government of the Republic needed for the internal application of an international sanction and submit such draft legislation to the Government of the Republic for urgent resolution.

§ 5. Amendment and repeal of measures

(1) On the proposal of the Ministry of Foreign Affairs, the Government of the Republic shall amend the measures applied on the basis of this Act or repeal such measures immediately if:

1) the legal instrument issued by an organisation specified in clauses 1 (1) 1)–3) of this Act is amended, repealed or expires, or

2) the circumstances which caused the application of the measures have changed to the extent where further application thereof is not needed to achieve the goals specified in subsection 1 (2) of this section.

(2) Upon amendment of the measures applied on the basis of this Act, the Ministry of Foreign Affairs shall consult the Bank of Estonia and the Financial Supervision Authority, except in the case of amendment of the measures provided in clauses 3 (1) 1), 7), 8) and 9) of this Act.

§ 6. Notification

A resolution of the Government of the Republic of Estonia to apply, amend or repeal an international sanction shall be immediately communicated as follows:

1) by the State Chancellery to the Riigikogu², Bank of Estonia, Financial Supervision Authority and relevant government agencies;

2) by ministers to the agencies in their area of government and where necessary, to other relevant persons;

3) by the Ministry of Foreign Affairs to the United Nations Security Council, Council of the European Union or other international organisation, where necessary.

§ 7. Amendment of Penal Code

The Penal Code (RT I 2001, 61, 364; 2002, 86, 504; 82, 480) is amended by adding § 93¹ in the following wording:

“§ 93¹. Violation of measures necessary for application of international sanction

(1) Violation of an internal measure necessary for the application of an international sanction is punishable by a pecuniary punishment or up to 5 years' imprisonment.

(2) The same act, if committed by a legal person, is punishable by a pecuniary punishment.

(3) The court shall confiscate the object which was the direct object of commission of an offence provided for in this section.”

§ 8. Amendment of Strategic Goods Import, Export and Transit Act

Clause 6 (1) 1 of the Strategic Goods Import, Export and Transit Act (RT I 1999, 57, 597; 2001, 88, 531; 2002, 61, 375; 63, 378) is amended and worded as follows:

“1) the export of strategic goods from the Estonian customs territory and the transit thereof through the Estonian customs territory to a state concerning which sanctions imposed by the United Nations Security Council, Council of the European Union or other international organisation to which Estonia is party to, or international sanctions established on the initiative of the Government of the Republic on the basis of the International Sanctions Act, are in force;”.

§ 9. Amendment of Financial Supervision Authority Act

Clause 6 (1) 7) of the Financial Supervision Authority Act (RT I 2001, 48, 267; 2002, 12, correction notice; 23, 131) is amended and worded as follows:

“7) perform the functions arising from the Guarantee Fund Act (RT I 2002, 23, 131; 57, 357), Money Laundering Prevention Act (RT I 1998, 110, 1811; 2000, 84, 533; 2001, 93, 565; 2002, 53, 336; 63, 387), and from the International Sanctions Act and legislation issued on the basis thereof;”.

§ 10. Amendment of Investment Funds Act

Section 20 of the Investment Funds Act (RT I 1997, 34, 535; 1998, 61, 979; 2000, 10, 55; 57, 373; 2001, 48, 268; 79, 480; 89, 532; 93, 565; 2002, 23, 131; 53, 336; 63, 387) is amended by adding clause 5¹) in the following wording:

“5¹) a public limited company has established internal rules which determine internal rules of procedure for application of international sanctions established on the basis of the International Sanctions Act;”.

§ 11. Amendment of Insurance Activities Act

Section 46 of the Insurance Activities Act (RT I 2000, 53, 343; 2001, 43, 238; 48, 268; 59, 359; 87, 529; 93, 565; 2002, 35, 215; 63, 387) is amended by adding clause 4) in the following wording:

“4) internal rules of procedure for application of international sanctions established on the basis of the International Sanctions Act.”

§ 12. Amendment of Funded Pensions Act

Subsection 109 (2) of the Funded Pensions Act (RT I 2001, 79, 480; 2002, 23, 131; 44, 284) is amended by clause 4) worded as follows:

“4) internal rules of procedure for application of international sanctions established on the basis of the International Sanctions Act.”

§ 13. Amendment of Credit Institutions Act

Subsection 63 (2) of the Credit Institutions Act (RT I 1999, 23, 349; 2002, 17, 96; 21, 117; 23, 131; 53, 336; 63, 387) is amended by adding clause 6) in the following wording:

“6) internal rules of procedure for application of international sanctions established on the basis of the International Sanctions Act.”

§ 14. Amendment of Securities Market Act

Subsection 82 (2) of the Securities Market Act (RT I 2001, 89, 532; 2002, 23, 131; 63, 387) is amended by adding clause 5) in the following wording:

“5) internal rules of procedure for application of international sanctions established on the basis of the International Sanctions Act.”

¹ RT = *Riigi Teataja* = *State Gazette*

² Riigikogu = the parliament of Estonia