

Sanctions and Criminal Liability in Estonia

Overview for International Executives and Businesses Operating in or through the EU

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Introduction



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Enforcement

- ✓ Estonia enforces EU and national sanctions rigorously.

Exposure

- ✓ International businesses may be exposed through their connections to Estonia.

Violations

- ✓ Violations include both direct and indirect actions.

New legal provisions from April 2025 mark a significant shift: even negligent breaches of sanctions may now trigger criminal liability in Estonia.



Legal Basis in Estonia

93¹ - Deliberate Violations

- Intentional breach of sanctions = criminal offense.
- Penalty: up to 5 years imprisonment or fine.
- Aggravated: up to 6 years (groups, repeat offenses).
- Companies face large financial penalties. *Boards and compliance officers may also face individual scrutiny in cases of systemic oversight.*



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Legal Basis in Estonia

93²-Negligent Violations

- Effective from 27.04.2025.
- Unintentional breach can also result in prosecution.
- Penalty: up to 3 years or fine.
- Includes failing to verify routes, end-users.

Prosecution may target decision-makers, not just operational staff.

Risk Scenarios

- Logistics chains involving Estonian firms.
- Dual-use goods without proper licenses.
- Payments linked to sanctioned individuals/entities.



Example Scenario: An Estonian freight intermediary unknowingly transports sanctioned electronics to a blacklisted buyer via a non-EU country.

Triggers for Investigation



- ✓ **Interception**
Customs inspections and seizures.
- ✓ **Red Flags**
Suspicious Transaction Reports (STRs).
- ✓ **Cross-Border Alerts**
International cooperation requests.

Defense Strategies

- ❖ Act early and consult legal counsel.
- ❖ Document due diligence efforts.
- ❖ Commission compliance audits.



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Advice for International Executives

- Estonian law now includes negligence-based offenses.
- Ignorance is not a valid defense.
- Full documentation is key to compliance.
- Establish and maintain a written Sanctions Compliance Policy with country-specific risk assessments.

Conclusion

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- Legal reforms in 2025 increased liability.
- Penalties apply even without intent.
- Get legal support before trouble escalates.



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