

## Canada's expanded, sector-specific sanctions on Belarus

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On August 9, 2021, Canada announced expanded sanctions on Belarus, imposing sector-specific restrictions on activities relating to transferrable securities and money market instruments, debt financing with longer than 90 days' maturity, insurance and reinsurance, petroleum products and potassium chloride products.

These expanded sanctions are a marked change from Canada's most recent approach to its Belarusian sanctions, which, until the recent amendment, were limited to restrictions on dealings with listed individuals and entities. Those with business in or around this region of the world should pay close attention to the amended trade policy regime to ensure full compliance with the new measures.

### Background

Canada announced its expanded sanctions on the one-year anniversary of the Belarusian presidential elections held on August 9, 2020. Canada has expressed concerns about the presidential elections, noting that they were marked by systematic voter repression and state-sponsored violence against protestors and journalists both during the campaign and after the election. Canada also had concerns with the May 23, 2021 forced diversion of Ryanair flight 4978 resulting in the arrest of a Belarusian journalist.

### Canada's existing sanctions on Belarus

On September 29, 2020, Canada imposed sanctions under the *Special Economic Measures Act* (SEMA) (Belarus Regulations) against 11 Belarusian officials.

These sanctions prohibited dealings with these listed persons, including

- dealing in property owned, held, or controlled by a listed person or a person acting on behalf of a listed person
- entering into or facilitating transactions related to prohibited dealing
- providing any financial or related services in respect of prohibited dealing
- making any goods available to a listed person or a person acting on behalf of a listed person
- providing any financial or related services to or for the benefit of a listed person

Canada subsequently included additional persons subject to these sanctions on October 15, 2020 (31 individuals), November 6, 2020 (13 individuals) and June 21, 2021 (17 individuals and 5 entities).

## August 9, 2021 amendments to the Regulations

The most recent amendment to the Belarus Regulations imposes additional sector-specific restrictions related to industries of significant importance to the Belarusian economy and its current administration.

In sum, it is now prohibited for any person in Canada or any Canadian outside Canada to directly or indirectly deal in transferable securities and money market instruments issued by, or debt financing with longer than 90 days' maturity in relation to, (a) Belarus; (b) Belarusbank, Belinvestbank, Belagroprombank or any other organization controlled by Belarus; or (c) a person acting on behalf of (a) or (b). Similarly, it is prohibited for any person in Canada or any Canadian outside Canada to provide insurance or reinsurance to Belarus, an organization controlled by Belarus, or a person acting on behalf of or at the direction of them.

Additionally, the following apply to petroleum and potassium chloride products:

### *Petroleum products*

It is prohibited for any person in Canada, or any Canadian outside Canada, to import, purchase, acquire, ship or otherwise deal in any listed petroleum good that is exported from Belarus. It is further prohibited to provide to Belarus or to any person in Belarus any financial, technical or other services, or insurance or reinsurance related to any such listed petroleum good exported from Belarus.

The listed petroleum products are set out in Schedule 2, Part 1 of the Belarus Regulations and include petroleum oils and oils obtained from bituminous minerals (excluding crude oil); petroleum gas and other gaseous hydrocarbons; certain petroleum and mineral waxes; and certain bituminous products including bituminous mastics and other bituminous mixtures.

### *Potassium chloride*

It is prohibited for any person in Canada, or any Canadian outside Canada, to import, purchase, acquire, ship or otherwise deal in any listed potassium chloride (potash) and fertilizer good listed in Part 2 of Schedule 2, wherever it is situated, that is exported from Belarus.

The listed potassium chloride and fertilizer goods are set out in Schedule 2, Part 2 of the Belarus Regulations and include potassium chloride with varying levels of potassium content and certain mineral or chemical fertilizers.

If you require any assistance regarding compliance with Canada's trade and sanctions regulatory regime, please contact a member of Osler's international trade group.