

FINNIUS

DNB announces investigations into compliance with sanctions regulations

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 1 MINUTE

Following the situation in Ukraine, the European Union imposed several economic sanctions on Russia and Belarus. The Dutch Central Bank (*De Nederlandsche Bank*, **DNB**) has informed the financial institutions under its supervision about the introduction of these economic sanctions via several newsflashes. DNB also expressed its expectation on which steps financial institutions should undertake to comply with the economic sanctions (see for example our newsflash from [March](#)).

Now, in a recent newsletter ([link](#), in Dutch), DNB also announces that it will start investigations into specific financial institutions into their compliance with the applicable sanctions regulations (i.e. the Dutch Sanctions Act). DNB wants to determine whether financial institutions have adequate procedures and measures in place to comply with sanctions regulations.

Investigation

DNB will investigate whether institutions have structured their business operations in such a way that funds and economic resources of sanctioned parties are frozen in a timely manner, or that the provision of services, funds and economic resources to sanctioned parties is discontinued and whether this is reported to DNB without delay.

Enforcement measures

DNB can take enforcement measures if an institution's business operations are insufficient to adequately comply with sanctions regulations or the reporting obligation. If an institution does not comply with sanctions, for example because assets have not been frozen, then this constitutes a criminal offense. If DNB receives signals that this is the case, it will report this to the Public Prosecution Department.

All in all, DNB is stepping up its efforts to ensure that financial institutions comply with the applicable sanctions regulations. We cannot rule out that DNB, following its investigation, will take enforcement measures vis-à-vis one or more financial institutions.

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