

CLIENT ALERT

Commission calls on EU Member States to fully transpose Directive (EU) 2024/1226 criminalizing the violation of EU restrictive measures

August 1, 2025

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1. Infringement procedures

On July 24, 2025 the European Commission decided to open infringement procedures against 18 Member States, including Italy, for failing to fully transpose Directive (EU) 2024/1226 on the criminalization of the violation of EU restrictive measures (the “Directive”).

Member States had until May 20, 2025 to transpose the Directive into their national law. That said, several Member States failed to communicate full transposition of the Directive to the Commission. The Commission is therefore sending letters of formal notice to the Member States concerned pushing them to promptly implement the Directive’s provisions. Member States will now have two months to respond, complete their transposition and notify their measures to the Commission. Consequently, it is likely that the Directive will soon be transposed into national laws.

As known, the Directive establishes common rules harmonizing the definition of criminal offences for the violation of EU restrictive measures and introduces related penalties applicable to legal entities, such as pecuniary fines up to 5 % of the total worldwide turnover of the legal person or an amount corresponding to EUR 40 million and restraining measures providing, amongst other things, for the exclusion from access to public funding, tender procedures, grants and concessions, the withdrawal of permits and authorizations and judicial winding-up.

The harmonization of national criminal laws will facilitate the investigation and prosecution of violations of EU sanctions in all Member States, making EU restrictive measures, including those adopted following the Russian aggression against Ukraine, more effective.

2. Adoption of Trade Compliance Program

The upcoming implementation of the Directive will trigger increased enforcement activity by EU Member States and a rise in criminal investigations. It is therefore crucial for companies to timely adopt and implement a robust trade compliance program allowing them to identify, manage and mitigate risks associated with EU sanctions regimes.

Trade compliance programs should be tailored to the organization's specific needs, industry and risk profile and take into account the recommendations, guidelines and directives issued by the EU, such as the European Commission's Recommendation (EU) 2019/1318 and the Council's best practices for effective implementation of EU restrictive measures, and those adopted by national competent authorities.

Our Trade Compliance Team remains available to assist companies trading with foreign countries with the development of such trade compliance programs.

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