Sanctions: why Latvian citizens and residents should carefully consider their work for Russian or Belarusian companies

In the context of the ongoing war in Ukraine, the European Union continues to strengthen sanctions against the Russian Federation and the Republic of Belarus. These sanctions affect not only large corporations and financial institutions, but also **individuals — including residents of Latvia who cooperate with Russian companies, even if such cooperation is carried out remotely.**

Which services are prohibited?
According to Article 5n of Council Regulation (EU) No. 833/2014, it is prohibited to directly or indirectly provide a range of services to Russian companies and organizations (either as an employee or by providing services/consulting to third parties).

This includes:

- services/positions in the field of accounting and auditing;
- senior and middle management;
- positions in public relations (PR);
- positions in construction, architecture and engineering;
- positions in legal services and IT;
- positions in market research, advertising and public opinion polling;
- software sales, development and maintenance services
- Sanctions also prohibit technical support, brokerage and financial services related to the above-mentioned areas.

The authority responsible for the implementation of the sanctions regime in Latvia.
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It does not matter where the employee is physically located — in Latvia, Russia or a third country. The prohibition applies to all forms of cooperation, even if it is carried out remotely.

Why is it important to ensure compliance with sanctions?
In Latvia, violations of the sanctions regime are punishable under Article 84 of the Criminal Law — "Violation of sanctions imposed by international organizations and the Republic of Latvia". This constitutes a serious offence and may result in criminal liability, including fines, community service or imprisonment for up to 8 years.

Lack of awareness does not exempt from liability
Latvian nationals and EU residents who are citizens of the Russian Federation or the Republic of Belarus may, when cooperating (working) with Russian or Belarusian companies, be unaware that they are violating sanctions. However, ignorance does not exempt from liability.

What should you do?

If you are working or planning to work with Russian companies, check whether your activities fall under EU sanctions. If you have any doubts, it is advisable to consult a specialist. Take care and comply with the law — even an unintentional violation of sanctions may result in loss of freedom and damage to your reputation.

Therefore, it is extremely important to:

- determine whether the company you work for is registered in Russia or Belarus;
- verify which field your work falls under;
- assess whether your professional activity (even indirectly) falls under the prohibitions set out in EU regulations;
- carefully review your job description and ensure that such professional activity is permitted.

EXAMPLES *

Remote IT specialist

Jānis, a Latvian citizen from Riga, works as a freelancer and provides services to a Russian company: updates its website, consults on server security, and assists with ERP implementation. Despite working from home in Latvia and receiving payments into an account outside Latvia, he violates the relevant provision of the sanctions regulations concerning IT consulting services.

Graphic designer

Elena, a citizen of the Russian Federation with a residence permit in Latvia, while working in Russia, receives orders for logos and advertising banners from a company registered in the Russian Federation. She does not verify the client, assuming that design is not a sensitive area. However, her work is directly related to advertising services, which are subject to sanctions.

Director

A citizen of the Russian Federation with a residence permit in Latvia manages a manufacturing plant in Russia as a director, receives salary into accounts in Russia and Spain, and withdraws funds from financial institutions. He uses his income to support his family in Latvia and visits them periodically. Such professional activity falls under sanctions.

* An exception may apply if the employment relationship commenced before 24 February 2022 and the company's owner is registered in the European Union.

More detailed information is available at https://sankcijas.fid.gov.lv/