

LIMITS OF THE EUROPEAN UNION SANCTIONS REGIME: HETEROGENEITY IN NATIONAL EUROPEAN PARLIAMENT

Role: European Parliament Policy Analyst Target

Audience: Members of the European Parliament (MEPs)

Summary

Sanctions, which hold critical weight in the European Union's foreign policy and security strategies, are decided jointly in Brussels, but when implemented on the ground, they are entirely at the initiative of member states. This structural situation creates a serious asymmetry in practice and the resulting "implementation gap". Our study focuses precisely on this point, addressing the fundamental question: How does the differing interpretations and implementations of sanctions by member states undermine the EU's common stance?

The data obtained shows deep discrepancies between the administrative structures, limits of authority, operational capacities, and penalties imposed for violations by national institutions. Indeed, the European Parliament's 2023 data reveals the existence of more than 160 different national authorities managing the process, proving how fragmented the picture is. Although the Directive, which entered into force in 2024, aims to establish a minimum standard for criminal sanctions, it alone is insufficient to close the institutional capacity gaps between countries. To overcome this fragility, the EU urgently needs to tighten its monitoring mechanisms, accelerate the flow of intelligence and information between member states, and introduce common, binding guidelines for implementation.

Key Words:

- EU restrictive measures
- The gap between theory and practice
- Member states

KEY POINTS

1. Although EU sanctions are implemented by common decision, the actual implementation part rests with the member states.
2. The fact that each country has its own implementation system is a serious problem that directly affects how effective and consistent the sanctions will be.
3. In order to truly achieve results from sanctions, the EU must tighten its oversight, increase coordination, and significantly strengthen information sharing.

1. EU Sanctions As An EU Security Tool

European Union (EU) sanctions are fundamentally much more than just economic sanctions; they are one of the most critical strategic tools used by the Union within the framework of its Common Foreign and Security Policy. The EU uses this mechanism to exert political and economic pressure on specific states, organizations, or individuals, thereby protecting its own foreign policy and security objectives. The decision-making mechanism of the process is entirely EU-centric and multi-stage: Proposal Phase: The first step is taken by the EU High Representative for Foreign Affairs and Security Policy by submitting a proposal. Evaluation Phase: This proposal is discussed in detail in the Council's technical working groups and preparatory committees. Approval Phase: The European Union Council, which has the final say, must take the sanctions decision unanimously. If the process involves economic measures such as asset freezes or financial restrictions, an additional Council Regulation is also enacted to ensure legal binding force. The real complexity lies in the implementation phase. Although decisions are taken jointly at the EU level, the implementation, monitoring, and supervision of sanctions on the ground are directly the responsibility of the Member States. While the European Commission assumes a general coordination and supervisory role, each country's own national mechanisms come into play. This situation leads to different practices and flexibilities varying from country to country in practice, despite a single EU policy on paper. Consequently, the fundamental problem here is not that the EU cannot establish a common set of rules. The real issue is the extent to which these common

rules are implemented consistently, decisively, and effectively by the member states.

2. Structural Cracks in the Implementation of EU Sanctions

There are very serious differences in coordination and methods in the implementation of the European Union's sanctions decisions by member states. A study published by the European Parliament in 2023 clearly reveals the gravity of this situation; more than 160 national authorities are involved in managing the processes. Naturally, the administrative structures, legal powers, and communication methods of these institutions with other units vary completely from country to country. While some manage the process from a central point, others distribute authority to different institutions, creating a serious gray area in the interpretation and implementation of decisions. This systemic disarray is directly reflected in the penalties given for sanction violations. For example, a sanction violation in Cyprus can be dismissed with a maximum of two years imprisonment or a 100,000 euro fine, while in Denmark this period can extend to four years. In Germany, even a deliberate breach of the arms embargo can result in up to ten years imprisonment. This imbalance in legal sanctions is also reflected in the amount of assets frozen on the ground; while frozen assets in Cyprus are around €110 million, in some other member states this amount reaches billions of euros. Furthermore, bureaucratic inefficiencies reach such a level that closing a guesthouse linked to the North Korean Embassy in Germany took almost three and a half years due to power struggles between federal and state governments. This creates a complete climate of uncertainty for companies and financial institutions engaged in international trade. The fact that the same rule is interpreted differently in each country makes it difficult for the business world to

predict which legal ground to rely on. The more dangerous aspect is that actors seeking to circumvent sanctions use countries with looser controls and lower penalties as transit points. In conclusion, no matter how tough the decisions are on paper, this inconsistency in implementation seriously undermines the strength of EU sanctions and the consistency within the Union.

3. Closing the Implementation Gaps and Strengthening EU Sanctions

The EU has recently begun taking concrete steps to address these gaps in implementation. In this regard, the European Union Council, with Directive 2024/1226 published on April 24, 2024, made violations of sanctions criminal offenses in all member states. The main aim was to close the legal gaps between countries in deliberate acts such as illicit trade in goods, financial transfers, and circumvention of travel bans. Moreover, the new rules cover not only individuals but also companies that aid or abet violations; they foresee severe sanctions ranging from fines to suspension of operations for firms. However, this common legal framework alone is not enough to close the implementation gap. Because leveling the rules on paper does not automatically bring member states' investigative capacities, technical expertise, financial strength, or inter-institutional bureaucratic inefficiencies to the same level. Therefore, the EU needs to focus not only on enacting new laws but also on strictly monitoring how existing rules are implemented in the field. The real success for the European Parliament will be to actually bridge the deep gap between the decisions taken in Brussels and the local practices of the member states.

4. Policy Recommendations

4.1 Making the EU's Monitoring Mechanism Functional

The European Commission should assess Member States' sanctions systems not based on legislation on paper, but on the reality on the ground.

The focus should be on the operational strength of national institutions, their ability to conduct investigations, and how well inter-institutional coordination works.

4.2 Establishing a Dynamic Information Network Among National Institutions

A continuous flow of information between the competent authorities of Member States regarding sanctions violations, newly developed circumvention methods, and ongoing investigations is essential. Preventing cross-border fraud, in particular, will only be possible if these institutions regularly share their operational experiences with each other.

4.3 Preparing Common Guidelines for Uniformity in Practice

The fact that the same sanctions decision is interpreted differently in different countries creates a serious grey area. The European Commission should publish clear, practical, and continuously updated implementation guidelines to enable national authorities, businesses, and the financial sector to have a clear vision.

4.4 Implementing Existing Rules Fully Instead of Creating New Legislation

Instead of constantly announcing new enforcement packages, it is necessary to focus on how well the existing rules are being implemented on the ground. The priority for the EU should not be to constantly create new regulations, but to close the gaps in the existing system and ensure that Member States fully implement these rules.

Conclusion

EU sanctions are one of the Union's strongest assets in its foreign policy and security strategies. However, the fact that common rules have been established in Brussels does not mean that these rules will be applied with the same determination in member states. Structural differences in the national institutions of member states, limitations of

authority, budget constraints, and diversity of methods create a significant gap between the rules in theory and practice in the field. Although the Directive that entered into force in 2024 is an important step towards closing this gap by introducing minimum penal standards against sanctions violations, it is clear that the issue cannot be solved solely through legal harmonization. The EU now needs to focus not on laws on paper, but on a strict monitoring mechanism, technical support for member states, uninterrupted information sharing, and strong inter-institutional coordination. Ultimately, completely centralizing the EU sanctions system in a single center would be a radical and inefficient approach. Instead, strengthening coordination and monitoring links at the EU level, while preserving the existing responsibilities and sovereignty of national authorities, is a much more realistic and feasible solution. This is the only way to narrow the gap between jointly adopted sanctions decisions and the practices of member states on the ground.

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