Facilitating Sanctions Implementation by the National Competent Authority

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Latvia’s Centralized Sanctions Implementation Model

The role of the FIU Latvia

Authorizations
Assess derogations and issue licences

Frozen assets
Verify freezing and publish information

Guidance and training
Explain requirements and support compliance

Sanctions search
Maintain a public sanctions search tool

Risk analysis
Proactive analysis of sanctions effectiveness

Coordination
Information sharing and uniform understanding

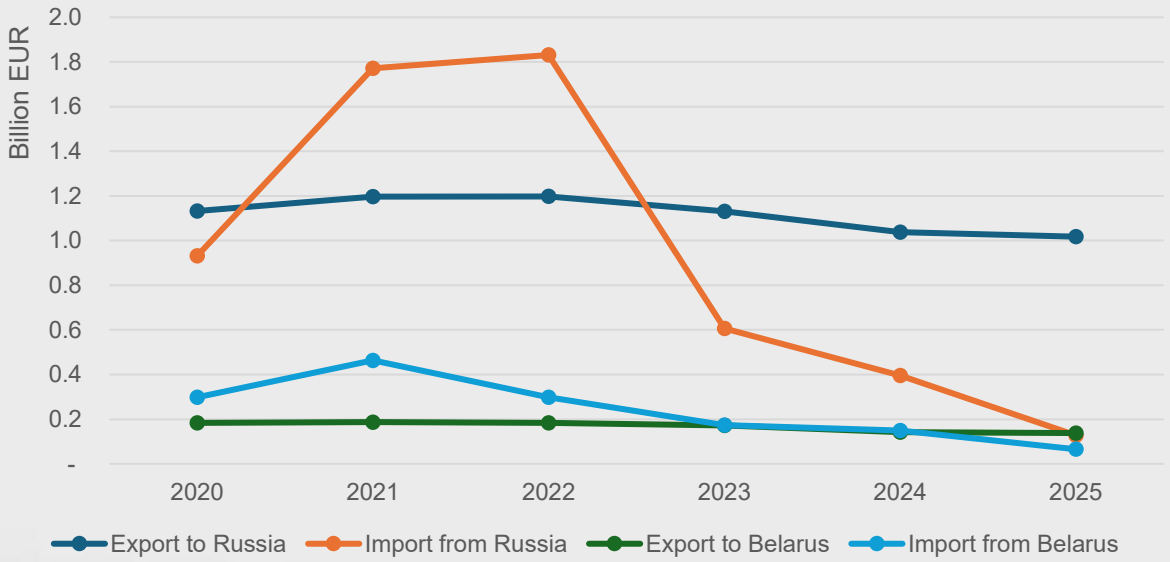
FIU combines sanctions implementation and financial intelligence to target guidance, outreach and further checks.

Why Export Controls are a Priority for Latvia

Latvia’s National Risk Assessment 2026

Latvia’s trade with Russia and Belarus

Total goods exports, EUR million, 2020–2025



Export a principal sanctions risk

Exports and transit of restricted goods, including through intermediaries and complex supply chains, are a main NRA 2026 sanctions violations risk concern.

Most potential violations in exports to third countries

2/3 possible violations of sanctions detected by the Customs Board concern exports to third countries, 1/3 – exports directly to Russia or Belarus.

Diversion risks make third-country exports a priority for analysis and outreach.

Targeted Focus on CHP goods

FIU actions in the CHP priority area

A shared understanding of risk guides support and controls

01 Risk analysis

- Tactical analysis of CHP exports
- Identification of heightened-risk cases

02 Support for targeted controls

- FIU case assessment
- Customs profiling and exporter audit selection

03 Support for exporters

- Practical guidelines and online training
- Individual letters and in person meetings

04 Dialogue with financial institutions

- Monthly dialogue and clarification of expectations
- Sharing circumvention typologies

Tactical Analysis of Export of CHP Items

Tactical analysis of export of CHP items

Purpose of the analysis

- To identify what share of exports of CHP items from Latvia (2022 – 2025) has potential risk to end-up in Russia/Belarus via third countries.
- To identify consigners and consignees with increased risk profile.

Results

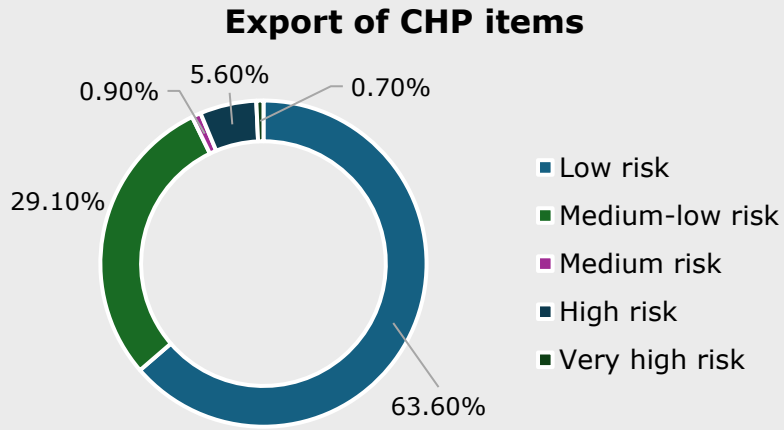
Elevated risk was identified in 36% of all CHP goods exports during 2022–2025.

Destination countries

Destinations accounting for the largest volumes of elevated risk exports: Hong Kong, Kazakhstan, Türkiye, the UAE, China and others.

Support for targeted controls

Suggestions to Customs Board for profiling customs controls, operational analysis of specific cases for identification of suspected violations.



Risk indicators

- **Very high risk:** consignee appears on sanctions lists (EU, US, UK or others).
- **High risk:** The consignee has exported goods to Russia after ‘22.
- **Medium risk:** (a) an illogical transport route; (b) the consignee imports goods from Russia after ‘22.
- **Medium-low risk:** (a) the consignor exported substantial volumes of goods to Russia before those goods became subject to sanctions; (b) atypical value of exported goods.

Support for Exporters

Guidlines developed in cooperation with the private sector

Managing sanctions risks in transactions involving heightened-risk countries

Developed with Finance Latvia Association, the Employers' Confederation of Latvia, Latvijas Banka, Customs Board and MFA.

- Heightened-risk countries
- Key internal controls
- Counterparty and transaction risk assessment
- Red flags for targeted financial and sectoral sanctions
- Financial institutions' expectations for cooperation

500+

participants in the follow-up online training



Support for Exporters

Direct contact with the businesses concerned

01

Individual letters

- Individual letters in cooperation with the Customs Board to all CHP exporters identified in the tactical analysis
- Purpose: bring relevant obligations and risk management guidance directly to concerned businesses.

02

Discussion of practical application

- In person engagement with largest CHP exporter;
- Purpose: understand practical challenges, clarify expectation and discuss business-specific questions.

Dialogue with Financial Institutions

Sanctions Task Force: public-private partnership

Private sector

Latvia Finance Association
All credit institutions

Public authorities

FIU Latvia, Latvijas Banka
State Security Service, Customs Board

Current developments

Topical sanctions implementation issues

Unclear aspects

Questions and practical difficulties

Circumvention typologies

Red flags and developments in sanctions circumvention patterns

Financial intelligence in practice

> €7 million

A bank's STR led to FIU analysis of suspected indirect CHP exports via third countries to Russia, followed by a referral to law enforcement.

THANK YOU!