



Financial Intelligence
Unit



ASSESSMENT OF CONTROL OF DESIGNATED PUBLIC OFFICIALS

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INTRODUCTION

- [1.] Recognising the important role of sanctions in ensuring international peace and national security, Latvia effectively implements international and national sanctions, i.e., the sanctions imposed by the United Nations and the European Union (hereinafter – EU), as well as national sanctions (hereinafter – sanctions).
- [2.] According to Section 2 (2) of the Law on International Sanctions and National Sanctions of the Republic of Latvia (hereinafter – Sanctions Law) all persons have the obligation to implement sanctions. Sanctions generally can be divided into two main categories: targeted financial sanctions and sectoral sanctions. Targeted financial sanctions are imposed against specific persons, essentially requiring the freezing of funds and economic resources (hereinafter – assets) of such designated persons (the persons included in the sanctions’ lists) and prohibiting to make assets available to such persons. Such obligations means that, generally, it is prohibited to engage in transactions with the persons who are on the sanctions’ lists. Information on directly designated persons is available via the [FIU Sanctions List Search tool](#). Importantly, these restrictions, imposed by targeted financial sanctions, apply not only to directly designated persons, but also to other persons owned or controlled by designated persons.
- [3.] Whether another person is deemed to be controlled by a designated person is assessed on a case-by-case basis by analysing the individual circumstances in conjunction with the general control criteria laid down by the EU institutions. **In practice, it is the assessment of the element of control that is one of the most challenging aspects in the implementation of targeted financial sanctions.** In addition, situations where the possible control is exercised by a designated public official, in particular in such regimes as Russia and Belarus, can create additional uncertainties in the application of the element of control. In practice, the Financial Intelligence Unit (hereinafter – FIU) has found that in Latvia the possible control of public officials has been interpreted inconsistently.
- [4.] At the EU level, there is no guidance or further clarification on the application of the element of control in situations where possible control is exercised by a public official over public authorities or state-owned companies. However, given the geographic location and historical economic ties of Latvia, individuals in Latvia may, in certain aspects, have some contact with Russian and Belarusian public authorities and state-owned companies. It is therefore important to clarify aspects related to the application of the element of control, including in relation to Russian and Belarusian public authorities and state-owned companies, in order to ensure legal certainty and uniform sanctions implementation. The FIU follows the clarifications of the EU institutions in the field of the sanctions’ implementation. If the EU institutions were to publish an update of the application of the element of control of public officials, the FIU would, if necessary, review the views published in this document.
- [5.] As of 1 April 2024, the FIU is the competent authority in matters related to the sanctions’ implementation in Latvia. As the competent authority, the FIU was tasked with assessing whether asset freezes in Latvia were carried out in compliance with the laws and regulations in the field of sanctions.¹ The list of sanctioned persons with frozen

¹ In accordance with the procedures laid down in Paragraph 23 and Paragraph 49 of the Closing Provisions of Cabinet Regulation No. 184 of 26 March 2024, Procedures for the Proposition and Implementation of International and National Sanctions, the FIU had to verify the information initially published by the FIU until 31 May 2024, assessing whether sanctions have been implemented in accordance with the requirements of laws and regulations, including, where necessary, requesting additional information.

assets in Latvia and information on the results of the FIU's assessment is available on the FIU website at sankcijas.fid.gov.lv/en.

- [6.] In a number of cases the FIU concluded that asset freezes were not carried out in accordance with the laws and regulations in the field of sanctions. Most of these cases involved the application of the element of control to Belarusian state-owned companies or public authorities where the possible control was exercised by a high-level Belarusian public official who is subject to targeted financial sanctions. Overall, the value of assets in cases where the FIU concluded that the asset freeze was not carried out in compliance with the laws and regulations in the field of sanctions and issued a decision to release such funds from freezing, was insignificant, i.e., 0.001% of the total value of assets frozen in Latvia.
- [7.] The purpose of this document is to provide information on the FIU's current approach in assessing control in situations where the possible **control over a non-listed person** (a person not included in the sanctions list) is exercised by a designated public official who is subject to targeted financial sanctions. At the same time, it should be stressed that the FIU is not entitled to provide official interpretation of legal provisions.
- [8.] This document examines the aspects of the application of the element of control. It also describes examples where the FIU concluded that assets of non-listed persons were unjustifiably frozen, as well as examples where, in view of the FIU, public officials were exercising control over state-owned companies or public authorities within the meaning of the sanctions and therefore the asset freeze was justified. Given that the most decisions on release from freezing by the FIU were taken in situations where assets of Belarusian state-owned companies were unjustifiably frozen, special emphasis has been placed on the presentation of such cases.
- [9.] This document has been updated on July 2026 mainly for the purpose to reflect that definitions of "owning" and "controlling" has been added to the Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (hereinafter – Regulation No 269/2014). In addition, Table No 1 has been supplemented with one legal person.

THE ELEMENT OF CONTROL IN THE SANCTIONS FRAMEWORK

- [10.] Pursuant to Article 2(1) of the Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine (hereinafter – Regulation No 765/2006) **all funds and economic resources belonging to, or owned, held or controlled by the persons listed in Annex I to the Regulation No 765/2006 shall be frozen.** The same obligation is also imposed by Article 2(2) of Regulation No 269/2014, as well as in other targeted financial sanctions regimes.
- [11.] It follows from these provisions that the EU targeted financial sanctions regulations requires the freezing of assets of directly designated persons, as well as the freezing of assets owned, held, or controlled by such designated persons.
- [12.] **Therefore, where it is established that a designated person exercises control or ownership over another non-listed legal person or entity, the respective legal person or entity shall be subject to the same restrictions,** i.e. the asset freeze and the prohibition to make assets available to such persons.
- [13.] In respect to targeted financial sanction 'owning' a legal person, entity or body means being in possession of 50 % or more of the proprietary rights of a legal person, entity

or body, or having a majority interest therein.² If this criterion is satisfied, it is considered that the legal person or entity is owned by another person or entity.³

- [14.] With the Amendments of 23 October 2025⁴, the **Article 1 of the Regulation No 269/2014 has been supplemented with definitions of “owning” and “controlling”**. Also, previously the EU institutions had provided explanations on what criteria should be taken into account when assessing whether a designated person “owns” or “controls” another non-listed person or entity. Importantly, definitions that have been included in the Article 1 of the Regulation No 269/2014 corresponds to explanations publicized by the EU institutions. Thereby, these legal concepts that previously were indicated in guidance documents of EU institutions and in legal acts of other sanctions regimes⁵, now with the mentioned Amendments are harmonized and clearly defined in the legal text of Regulation No 269/2014.
- [15.] The application of the element of control in the sanctions regulations ensures that designated persons cannot simply avoid the freezing of their assets, for example, by formally transferring ownership of their assets to a third party or by formally reducing their ownership below 50%, while in fact continuing to use the assets or continuing to take decisions in relation to such assets.
- [16.] The Article 1(j) of the Regulation No 269/2014 defines non-exhaustive list of criteria that in respect to targeted financial sanctions means that a legal person is “controlled” by a designated person.
- [17.] In addition, the European Commission has published answers to frequently asked questions,⁶ as well as individual opinions,⁷ which, among other things, define certain criteria to be taken into account when assessing whether a legal person or entity is controlled by a designated person.
- [18.] On the 3 July 2024, the Council of the European Union published its revised Update of the EU Best Practices for the effective implementation of restrictive measures⁸ (hereinafter – EU Best Practices). **The Paragraph 64 of the EU Best Practices contains a non-exhaustive list of the criteria to be taken into account when assessing whether a legal person or entity is controlled by another person or entity**, which corresponds to the criteria defined in the Article 1(j) of the Regulation No 269/2014.
- [19.] **The Paragraph 67 of the EU Best Practices contains examples** describing circumstances that may qualify as indications that a designated person or entity has control over a non-designated entity. For example, the exercise of control through the

² In accordance with the Article 1(i) of Regulation No 269/2014

³ In accordance with the paragraph 63 of the Guidelines “Restrictive measures (Sanctions) – Update of the EU Best Practices for the effective implementation of restrictive measures” of the Council of the European Union of 3 July 2024. Available at: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

⁴ Council Regulation (EU) 2025/2037 of 23 October 2025 amending Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, available here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32025R2037>

⁵ For example, see Article 1 of the Council Regulation (EC) No 2580/2001 of 27 December 2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism

⁶ Answers of the European Commission to frequently asked questions are available at: https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/sanctions-adopted-following-russias-military-aggression-against-ukraine/frequently-asked-questions-sanctions-against-russia_en

⁷ Opinion of the European Commission of 8 June 2021, C(2021) 4223, available at: https://finance.ec.europa.eu/document/download/1cd09e4a-0187-45bc-b234-1de949933f34_en?filename=210608-ukraine-opinion_en.pdf

Opinion of the European Commission of 19 June 2020, C(2020), 4117, available at: https://finance.ec.europa.eu/document/download/320cea0c-2f2e-4337-827e-d55b1080dc05_en?filename=200619-opinion-financial-sanctions_en.pdf

⁸ Council of the European Union, EU Best Practices, 3 July 2024, 11623/24, Available at: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

use of “front persons”, the use of shell companies or trusts, the transfer of shares or equity, e.g., to related persons or family members at a time close to the designation, etc.

- [20.] According to the Article 1(j) of the Regulation No 269/2014 and the explanations of the EU institutions, **if any of the “control” criteria are satisfied, it is considered that the legal person or entity is controlled by another person or entity**, unless the contrary can be established on a case-by-case basis.
- [21.] Where it is established that a designated person controls another legal person or entity, the assets of that legal person or entity shall be deemed to be controlled by the designated person and should therefore be frozen. It is also prohibited to make assets available to such legal person or entity, for example, to receive or provide services to such person, to donate or otherwise transfer funds or other movable or immovable economic resources that can be used to obtain funds, goods, or services.
- [22.] It is important to note that the European Commission has clarified⁹ that, in general, a legal person exercises control over its subsidiaries. **Consequently, where a designated person is found to control another legal person or entity, that control extends to all subsidiaries of the respective legal person.** Consequently, subsidiaries of such legal persons are also subject to the abovementioned targeted financial sanctions restrictions.
- [23.] At the same time, it should be noted that the list of criteria contained in the abovementioned explanations provided by the EU institutions to be taken into account when determining the control is not exhaustive. Moreover, the criteria can be rebutted on a case-by-case basis.
- [24.] In addition, it should be noted that the FIU has developed a guidance material [“Indicators of Sectoral and Targeted Financial Sanction Evasion \(2024\)”](#) which summarises indicators and typologies, including in relation to the violation and evasion of targeted financial sanctions. Please refer to this material in order to identify any characteristics that may indicate a violation and evasion of sectoral and targeted financial sanctions.

PRINCIPLES FOR THE ASSESSMENT OF THE ELEMENT OF CONTROL FOR HIGH-LEVEL PUBLIC OFFICIALS

- [25.] The Annex I of the Regulation No 765/2006 lists a number of high-level Belarusian public officials, including the President of Belarus, Alexander Lukashenko (hereinafter – A. Lukashenko).
- [26.] The nature of A. Lukashenko’s regime in Belarus in general indicates of his potential ability to influence any legal person or entity belonging to the Belarusian public structures. At the same time, when assessing control and ownership in the context of targeted financial sanctions, the abovementioned legal definitions and explanations of the EU institutions must be considered in conjunction with the nature of targeted financial sanctions. Namely, targeted financial sanctions are imposed against such persons whose behaviour sanctions aim to influence. The Council of the European Union has clarified that Targeting should reduce to the maximum extent possible any adverse humanitarian effects or unintended consequences for persons not targeted or neighbouring countries.¹⁰

⁹ See the Opinion of the European Commission of 8 June 2021, C(2021) 4223, available at: https://finance.ec.europa.eu/document/download/1cd09e4a-0187-45bc-b234-1de949933f34_en?filename=210608-ukraine-opinion_en.pdf

¹⁰ Paragraph 6 of the Basic Principles on the Use of Restrictive Measures (Sanctions) of the Council of the European Union of 7 June 2004. Available at: <https://data.consilium.europa.eu/doc/document/ST-10198-2004-REV-1/en/pdf>

- [27.] Accordingly, **targeted** financial sanctions are not intended to subject an entire country or territory to the restrictions resulting from targeted financial sanctions. Therefore, **the exposure of a high-level public official, including the leader of an authoritarian regime, to targeted financial sanctions does not mean that all public structures and state-owned entities should automatically be subject to such restrictions.**
- [28.] The abovementioned legal definitions and explanations of the EU institutions do not provide separate criteria or guidance for assessing aspects of the element of control when a high-level public official is subject to targeted financial sanctions or when the mandate, being the source of such control of a person over a legal person, derive from the status of a public official. At the same time, it does not follow from the abovementioned guidelines of the EU institutions that the powers of a public official should be disregarded when assessing whether a person is controlled by a designated person.
- [29.] Although the FIU has in several specific cases decided to release from freezing assets belonging to Belarusian state-owned companies when determined that such assets have not been frozen in accordance with sanctions' legal acts, it should be highlighted that the FIU has on several occasions also concluded that certain Belarusian state-owned companies or public authorities were subject to the targeted financial sanctions restrictions. Therefore, it should be noted that **cooperation with a legal person incorporated in Belarus entails an increased risk of the violation of sanctions, considering the wide range of sanctions imposed against persons, including public officials, in Belarus.** This means that before starting cooperation, it is necessary to verify that the cooperation partner is not related to designated persons and is not owned or controlled by a designated person.
- [30.] In view of the above, **the FIU applied the following key principles for assessing the element of control in its evaluation of the compliance of the asset freeze with the requirements of the sanctions' laws and regulations:**
- i. each case **must be assessed separately**, taking into account individual circumstances;
 - ii. it should also be considered that limited information may be publicly available, which means that it is not always possible to have full certainty on whether a designated person is able to exercise control. However, the element of control should be applied strictly, ensuring that in situations where there are **reasonable grounds** to believe that a designated person exercises control over another legal person or entity, control should be deemed to exist;
 - iii. the application of the element of control must be carried out in accordance with the criteria laid down in legal acts and guidance given by the EU institutions;
 - iv. the **purpose of targeted financial sanctions** must be taken into account, i.e., they are designed to target specific individuals whose behaviour they wish to influence, **rather than to subject an entire country or territory to restrictions;**
 - v. subjecting a high-level public official, including the leader of an authoritarian regime, to targeted financial sanctions does not mean that all public authorities and state-owned companies and other public bodies should automatically be subject to such restrictions;
 - vi. the imposition of targeted financial sanctions on high-level public officials should not have the effect of preventing public authorities from exercising their fundamental statutory public functions, including the collection of taxes, the provision of social security, etc.

[31.] Although this publication offers a more detailed look at the examples of Belarusian state-owned companies, the principles described above for assessing the control element are also applicable to Russian public authorities and state-owned companies.

THE ELEMENT OF CONTROL ANALYSIS THROUGH EXAMPLES

I. Circumstances considered sufficient by the FIU to establish the control element

[32.] Importantly, the FIU has found on several occasions that assets of Belarusian state-owned companies and public authorities, which are not themselves on the sanctions' lists, have been frozen correctly on the basis of the control exercised by a designated high-level public official. In the assessment of the FIU, the asset freezing of the legal persons listed in the Table 1 were carried in accordance with the laws and regulations in the field of sanctions (see Table No 1).

Sanctioned person	Registration No.	Country of registration	Designated person who is exercising control
Belorusskaia Lesnaia Kompaniia OAO	190119648	Belarus	Aliaksandr Ryhoravich LUKASHENKA
GOMELDREV JSC	400021353	Belarus	Aliaksandr Ryhoravich LUKASHENKA
Gosudarstvennoe predpriyatie "NTSOT"	191435810	Belarus	Andrei Yurevich PAULIUCHENKA; Aliaksandr Ryhoravich LUKASHENKA
MOSTOVDREV JSC	500126145	Belarus	Aliaksandr Ryhoravich LUKASHENKA
MOZYRSKIY DOK OAO	490617960	Belarus	Aliaksandr Ryhoravich LUKASHENKA
ZAO "KHOKKEJNYJ KLUB DINAMO-MINSK"	190475680	Belarus	Aliaksandr Ryhoravich LUKASHENKA; Ivan Uladzimiravich KUBRAKOU; Volfovich Aleksandr GRIGORYEVICH
Foundation "Sanatorija "Belorusija"" Jūrmalā	40003020032	Latvia	Aliaksandr Ryhoravich LUKASHENKA
Belarus President Property Management Directorate	100712862	Belarus	Aliaksandr Ryhoravich LUKASHENKA
SIA "BELPIŠČEPROM"	50003714481	Latvia	Aliaksandr Ryhoravich LUKASHENKA

Table No 1 – Legal persons controlled by A. Lukashenko and other sanctioned persons whose assets are frozen in Latvia as of 6 July 2026

[33.] In addition, it should be noted that under the direct subordination of A. Lukashenko there are a wide range of institutions that own commercial companies. For example,

under the subordination of The Belarus President Property Management Directorate, which according to the assessment carried out by the FIU should be considered as a sanctioned person, there are commercial companies in the accommodation, wholesale, agricultural and other sectors.

[34.] There is a high risk of violation of sanctions when cooperating with Belarusian state-owned companies, which are owned by a public authority under direct subordination to A. Lukashenko. Therefore, sanctions' risks and the possible control of designated persons must be assessed before cooperation.

A. Rights of the designated A. Lukashenko to appoint the management of an institution directly subordinate to the President and to decide on the use of its assets

[35.] The FIU has concluded that the assets belonging to **The Belarus President Property Management Directorate** (hereinafter – Property Management Directorate) are frozen in accordance with the sanctions' laws and regulations.

[36.] The Property Management Directorate is a public authority which is directly subordinate to the President of Belarus. According to the Belarusian Constitution, the President establishes, abolishes, and reorganises the Property Management Directorate. The Head of the Property Management Directorate and his or her deputies are appointed and dismissed by presidential decree.

[37.] The abovementioned circumstances meet the control criteria: (a) the designated person has the right or is exercising the power to appoint or remove a majority of the members of the administrative, management or supervisory body of a legal person or entity;¹¹ (b) the designated person has the right to use all or part of the assets of a legal person or entity.¹² Therefore, according to the assessment carried out by the FIU, the Property Management Directorate should be considered to be subject to sanctions.

[38.] Accordingly, it should be noted that there are legal persons operating in the accommodation, wholesale, agricultural and other sectors that are subordinated to the Property Management Directorate. Following the clarifications of the European Commission, in general, legal companies exercise control over their subsidiaries. Consequently, where a designated person is found to control another legal person or body, that control extends to all subsidiaries of the respective legal person. **Therefore, subsidiaries of such legal persons are also subject to the abovementioned targeted financial sanctions restrictions** (see Figure No 1).

¹¹ Paragraph 64(a) of the EU Best Practices: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

¹² Paragraph 64(f) of the EU Best Practices: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

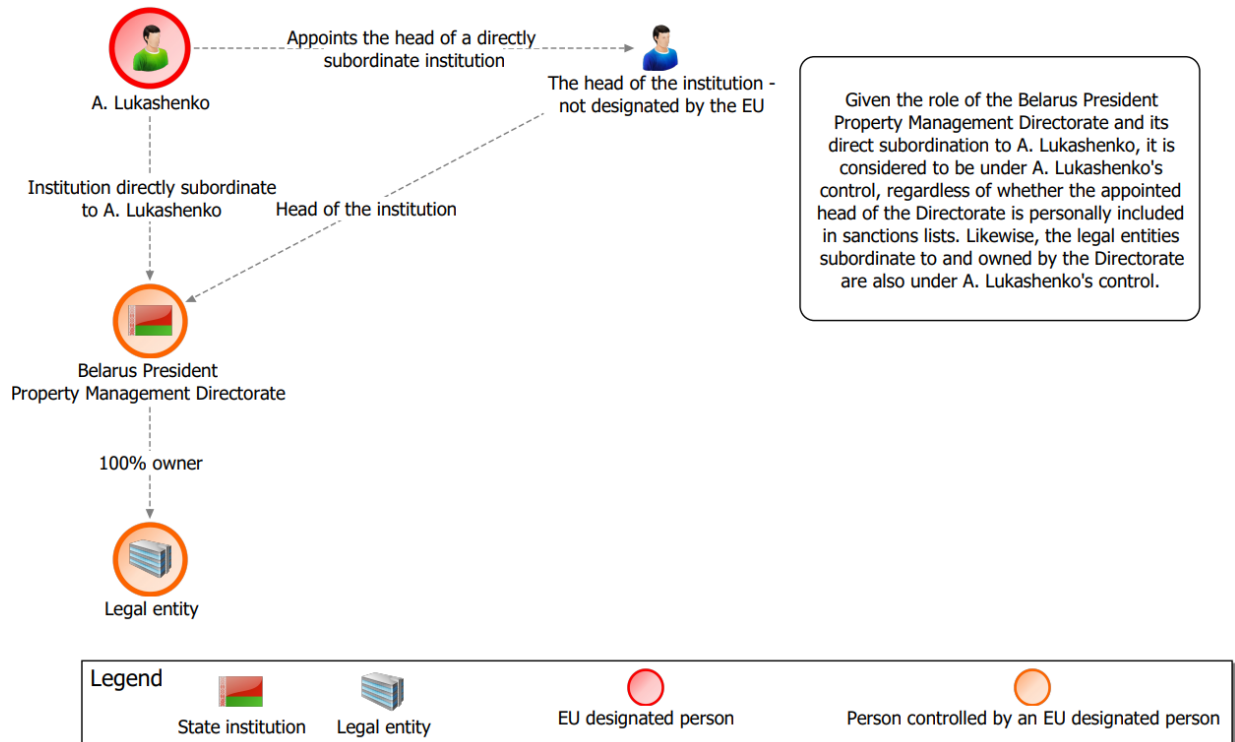
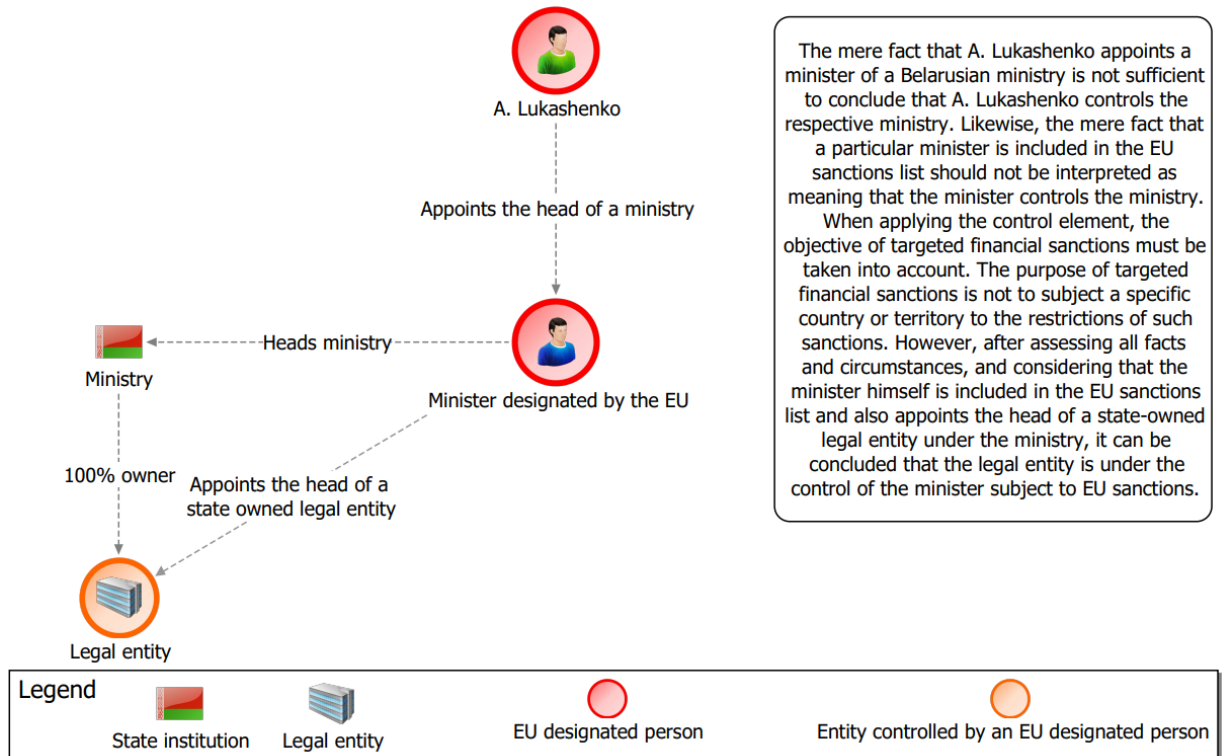


Figure No 1 - The Belarus President Property Management Directorate

[39.] Although Property Management Directorate is also a public authority, its functions and special status under the Belarusian Constitution, as well as the significant influence of the President of Belarus over it, indicate that it is under the control of A. Lukashenko within the meaning of sanctions regulations

B. State-owned company owned by a ministry, if the respective minister is designated

[40.] The FIU would consider assets owned by a state-owned company to be correctly frozen, if shares of the company are owned or managed by a ministry, whose minister is a designated person, and the minister has appointed or is entitled to appoint representatives of the governing bodies of such state-owned company (see Figure No 2).



The mere fact that A. Lukashenko appoints a minister of a Belarusian ministry is not sufficient to conclude that A. Lukashenko controls the respective ministry. Likewise, the mere fact that a particular minister is included in the EU sanctions list should not be interpreted as meaning that the minister controls the ministry. When applying the control element, the objective of targeted financial sanctions must be taken into account. The purpose of targeted financial sanctions is not to subject a specific country or territory to the restrictions of such sanctions. However, after assessing all facts and circumstances, and considering that the minister himself is included in the EU sanctions list and also appoints the head of a state-owned legal entity under the ministry, it can be concluded that the legal entity is under the control of the minister subject to EU sanctions.

Figure No 2 - Control exercised by a designated minister over a state-owned company

[41.] Accordingly, the fact that A. Lukashenko appoints ministers of the Belarusian Government should not be interpreted as meaning that A. Lukashenko controls, within the meaning of the sanctions, all Belarusian ministries and state-owned companies owned by those ministries. The fact that a minister is a designated person should **not be interpreted as meaning that the ministry should be subject to the targeted financial sanctions restrictions**. The purpose of the targeted financial sanctions must be taken into account when applying the element of control. Targeted financial sanctions are not intended to subject a whole country or territory to the targeted financial sanctions' restrictions, nor should the designation of a certain high-level public official have the effect of preventing public authorities from exercising their fundamental statutory public functions.

[42.] However, in respect of state-owned companies, the powers of high-level public officials, such as ministers, should be taken into account when assessing the element of control, i.e., the power of ministers to appoint and remove a majority of the members of the executive board and supervisory board at the state-owned company. In the example illustrated in Figure 2, the described circumstances meet the control criterion - the designated person has the right or exercises the power to appoint or remove a majority of the members of the administrative, management or supervisory body of a legal person or entity.¹³

C. Rights of the designated A. Lukashenko to decide on the disposal of the assets of a state-owned company and control over the shareholders' meeting

[43.] The FIU has concluded that the freezing of assets owned, *inter alia*, by the following Belarusian state-owned companies is justified - GOMELDREV JSC, registration No. 400021353, MOZYRSKIY DOK OAO, registration No. 490617960, MOSTOVDREV

¹³ Paragraph 64(a) of the EU Best Practices: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

JSC, registration No. 500126145, and Belorusskaia Lesnaia Kompaniia OAO, registration No. 190119648 (hereinafter collectively – State-owned companies).

[44.] The FIU concluded that at the time of the assessment the State-owned companies are managed and owned by the state-owned company OOO IVACEVICH DREV (hereinafter – IVACEVICH DREV).¹⁴ It has been concluded that the aforementioned State-owned companies were transferred into the ownership of the IVACEVICH DREV on the basis of the Decision of the President of Belarus of 3 March 2021 No. 78 Regarding the Establishment of a Wood Processing Holding (hereinafter – Decision No. 78). In particular, the Decision No. 78 stipulated that the shares of the State-owned companies and six other Belarussian state-owned companies had to be transferred to the IVACEVICH DREV by 1 April 2021. The Decision stipulates that these shares, including shares in State-owned companies, shall be contributed to the share capital of the IVACEVICH DREV at their nominal value by way of an issuance of shares by the IVACEVICH DREV.

[45.] The resolution of the IVACEVICH DREV shareholders’ meeting held on 16 March 2021 on the issue of additional shares, which refers to Decision No. 78 in the explanatory memorandum, is publicly available. In conclusion, the shareholders meeting of the IVACEVICH DREV has complied with the decision of A. Lukashenko. Decision No. 78 issued by A. Lukashenko confirms his **ability to exercise unilateral control over the IVACEVICH DREV shareholders’ meeting and the right to dispose of the assets of the State-owned companies by taking unilateral decisions on their change of ownership** (see Figure No 3).

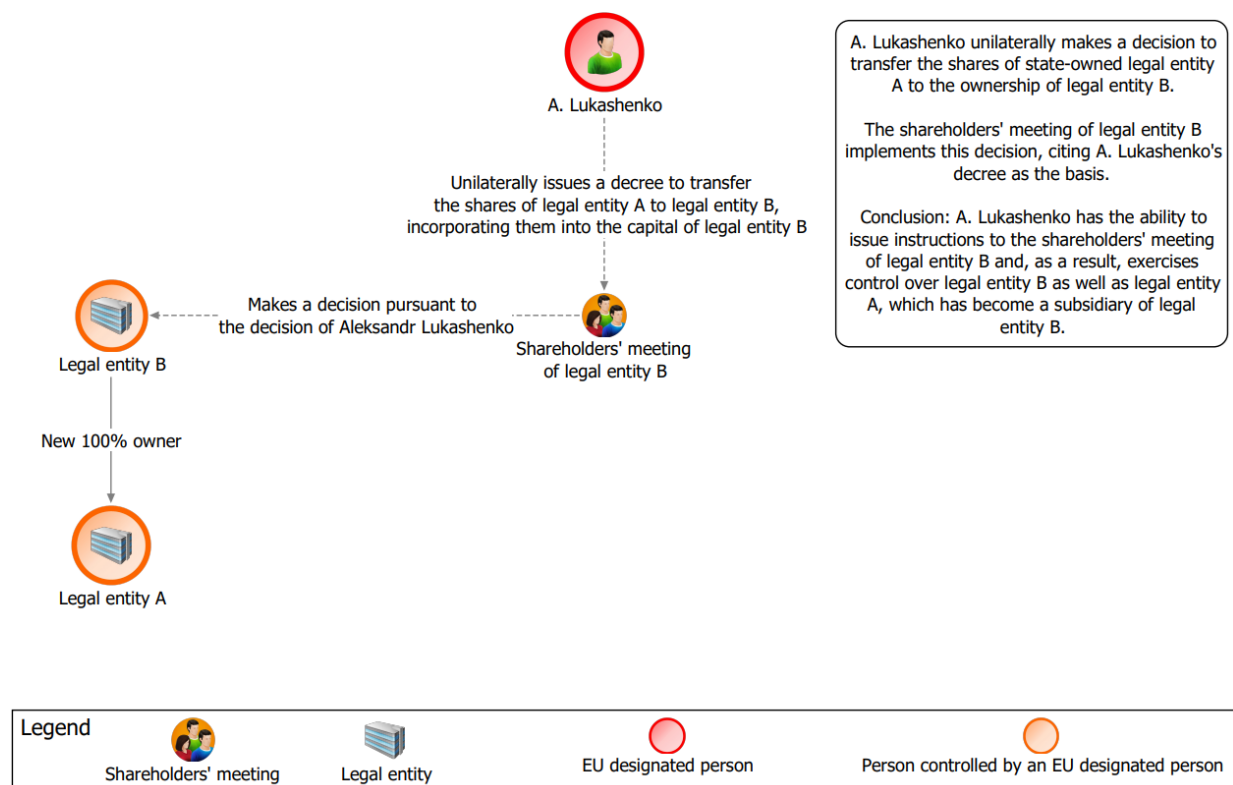


Figure No 3 – Control over the shareholders’ meeting and disposal of the assets of the State-owned companies

¹⁴ OAO “Ивацевичдрев”, registration number in Belarus: 200100328

[46.] The abovementioned circumstances meet the control criteria: (a) the designated person has the right to use all or part of the assets of a legal person or entity;¹⁵ (b) controlling alone, pursuant to an agreement with other shareholders in or members of a legal person or entity, a majority of shareholders' or members' voting rights in that legal person or entity.¹⁶ Therefore, the specified State-owned companies shall be considered to be sanctioned persons.

II. Circumstances considered insufficient to establish the element of control

A. State-owned companies under subordination of a ministry if the respective ministry, its minister, and the company itself are not on the sanctions' list

[47.] In a number of cases the assets of Belarusian state-owned companies not included in the sanctions' list were frozen due to possible control of A. Lukashenko, based on the fact that A. Lukashenko appoints ministers of the Belarusian Government. A. Lukashenko was therefore considered to control the respective ministry within the meaning of the sanctions. Such ministries have been tasked to manage shares of Belarusian state-owned companies, which are subordinated to them (see Figure No 4).

[48.] Accordingly, the element of control was based on the criterion that the designated person has the right or is exercising the power to appoint or remove a majority of the members of the administrative, management or supervisory body of a legal person or entity.¹⁷

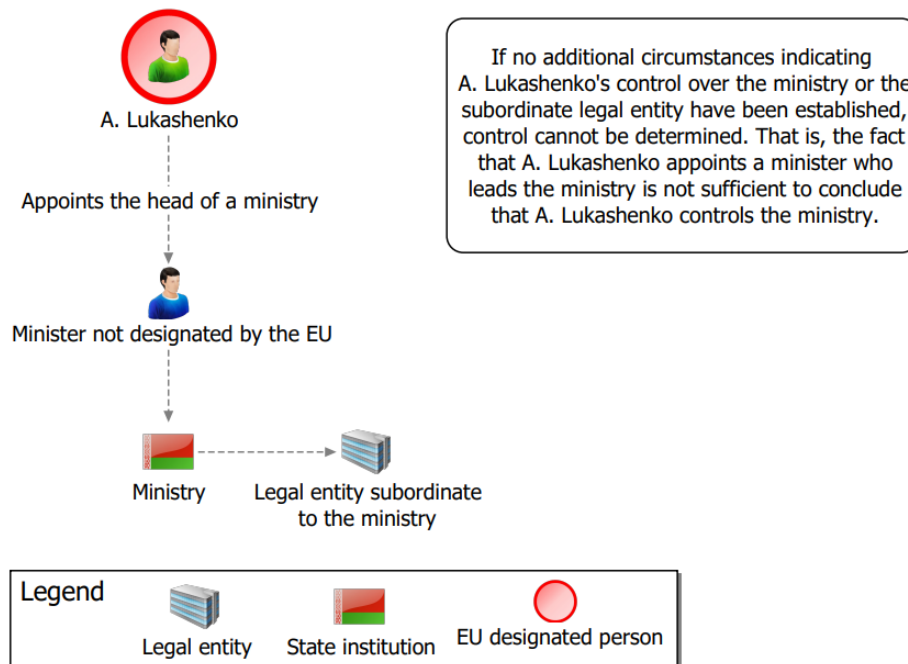


Figure No 4 – State-owned company under subordination of a ministry

[49.] The fact that A. Lukashenko appoints ministers of the Belarusian Government **should not be interpreted as meaning that A. Lukashenko controls, within the**

¹⁵ Paragraph 64(f) of the EU Best Practices: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

¹⁶ Paragraph 64(c) of the EU Best Practices: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

¹⁷ Paragraph 64(a) of the EU Best Practices: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

meaning of the sanctions, all Belarusian ministries. In view of the aforementioned, the purpose of the targeted financial sanctions must be taken into account when applying the element of control. Targeted financial sanctions are not intended to subject the whole country or territory to the targeted financial sanctions' restrictions.

[50.] Accordingly, the fact that A. Lukashenko appoints a minister whose ministry receives the shares of a state-owned company for management as such does not suggest that the respective state-owned company is under the control of A. Lukashenko within the meaning of sanctions regulations. In the absence of any identifiable additional circumstances relevant to the application of the sanctions' regulations, there is generally no reason to believe that in such case the state-owned company would be under the control of A. Lukashenko.

[51.] Other circumstances that may be relevant to the application of the sanctions regulations to determine the element of control are, for example, the minister appointed by A. Lukashenko is included in the sanctions list, the head of state-owned companies appointed by the minister is included in the sanctions list, or A. Lukashenko himself directly appoints the head of state-owned companies or members of the governing bodies (supervisory board, executive board), or A. Lukashenko has specific powers to determine the strategies, investments and other relevant aspects of the operations of state-owned companies.

B. Non-listed public authorities that exercise basic public functions and whose management is appointed by A. Lukashenko

[52.] In certain cases, the FIU has assessed whether Belarusian authorities exercising basic public functions should be considered to be sanctioned persons, considering that their management is appointed by A. Lukashenko.

[53.] **Example 1: National Bank of the Republic of Belarus** (hereinafter – Central Bank). The Central Bank is a public authority that as such is not specifically included in the sanctions list. It acts solely in the interests of Belarus and conducts its activities in accordance with Belarusian legislation, including the laws and regulations of the President of Belarus, as well as is operationally independent.¹⁸ The Central Bank of Belarus is subordinate to the President of Belarus, who approves its Articles of Association and Annual Reports, appoints the auditor to examine the financial statements, coordinates expenditures and investments, and takes other decisions relating to its activities, including appointing and dismissing the chairperson and members of the board. As of March 10 2025, the current head of the Central Bank is Roman Golovchenko who is not included in the sanctions lists.

[54.] **Example 2: The Council of Ministers of the Republic of Belarus or the Government of the Republic of Belarus** (hereinafter – Council of Ministers). The Council of Ministers as such is not specifically included in the sanctions list. The Council of Ministers is a collegial central body of public administration, subordinate to the President of Belarus and accountable to the National Assembly of the Republic of Belarus. The Council of Ministers consists of the Prime Minister, his or her deputies, ministers, chairpersons of state committees subordinate to the Council of Ministers of the Republic of Belarus, the Head of the Council of Ministers Office of the Republic of Belarus, and the heads of other state institutions and organisations, according to the decisions taken by the President of Belarus. The Prime Minister of Belarus is appointed by the President of Belarus with the prior consent of the House of Representatives of the National Assembly of the Republic of Belarus. The deputy prime ministers,

¹⁸ According to Decree No. 320 of the President of the Republic of Belarus of 13 June 2001, Regarding Approval of the Articles of Association of the National Bank of the Republic of Belarus

ministers and other members of the Council of Ministers are appointed by the President of Belarus. The President of Belarus has the power to dismiss any member of the Council of Ministers.¹⁹ Certain members of the Council of Ministers are included in the lists of targeted financial sanctions.

- [55.] In these examples, as well as in respect of other public authorities, including the abovementioned ministries, in the assessment of the criteria for identifying the element of control in the clarifications of the EU institutions it is possible to identify *prima facie* compliance with the control criteria. In particular, it is *prima facie* possible to establish that: (a) the designated A. Lukashenko has the right or is exercising the power to appoint or remove a majority of the members of the administrative, management or supervisory body of a legal person or entity;²⁰ (b) A. Lukashenko has influence as regards corporate strategy, operational policy, business plans, investment, capacity, provision of finance, human resources and legal matters.²¹
- [56.] However, the fact that A. Lukashenko appoints the management of such Belarusian public authorities which **exercise basic public functions should not be interpreted as meaning that A. Lukashenko controls the Central Bank, the Council of Ministers or other such public authorities within the meaning of the sanctions**. The nature of the targeted financial sanctions must be taken into account when applying the element of control. Targeted financial sanctions are not intended to subject a country or territory to the targeted financial sanctions restrictions. The imposition of targeted financial sanctions on public officials **should not have the effect of preventing public authorities from exercising their statutory public functions**, including the collection of taxes, the provision of social security, etc.
- [57.] At the same time, there may be situations where this type of public authorities is specifically subject to targeted financial sanctions, specifically including such authorities in the sanctions lists. In such cases, the targeted financial sanctions restrictions would also apply to such public authorities.
- [58.] At the same time, it should be noted that **the Central Bank of Belarus, the Government, public authorities, companies and agencies are subject to various types of sectoral sanctions under Regulation No 765/2006 which prohibit certain types of cooperation and transactions with the aforementioned persons**.

C. European Commission opinion on certain legal persons in the absence of control by designated persons

- [59.] In some cases, the FIU based its decision to release certain assets from freezing on the opinion expressed by the European Commission on certain legal persons. For example, the FIU has received a written opinion from the European Commission that certain designated persons do not exercise control over the state-owned companies "Belarusian Railways"²² and "Russian Railways"²³. Accordingly, at the moment, as of 6 July 2026, **the companies "Belarusian Railways" and "Russian Railways" are not considered to be sanctioned persons**.

¹⁹ According to Law No. 424-Z, On the Council of Ministers of the Republic of Belarus, of the Republic of Belarus adopted on 23 July 2008

²⁰ Paragraph 64(a) of the EU Best Practices: <https://data.consilium.europa.eu/doc/document/ST-11623-2024-INIT/en/pdf>

²¹ See answer to question 1.1, sub-paragraph (d), Opinion of the European Commission of 8 June 2021, C(2021) 4223, available at: https://finance.ec.europa.eu/document/download/1cd09e4a-0187-45bc-b234-1de949933f34_en?filename=210608-ukraine-opinion_en.pdf

²² Belarusian State Capital Company "Belarusian Railways" ("Белорусская железная дорога"), registration number in Belarus: 100088574.

²³ Russian State Capital Company "Russian Railways" (ОАО "Российские железные дороги"), registration number in Russia: 1037739877295.

[60.] The FIU takes into consideration these opinions of the European Commission and communicates them to other parties **in order to ensure uniform implementation of sanctions across EU Member States**. At the same time, in the event of a change in factual circumstances which might have an impact on the previously expressed opinion of the European Commission, the FIU has requested the European Commission to clarify whether the change in factual circumstances has an impact on the previously expressed opinion.