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"I" ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee

Subject: EU Sanctions Mechanism to optimize consistency in the application and monitoring of EU restrictive measures

1. On 31 July 2014, the Council adopted a Joint Council and Commission Declaration on a mechanism to optimize consistency in the application and monitoring of EU restrictive measures (doc. 12305/1/14 REV 1).
2. In its meetings on 1, 3 and 8 September 2014, the Foreign Relations Counsellors Working Party (RELEX), explored the viability of such a mechanism, and agreed, on 9 September 2014, to set up an EU Sanctions Mechanism as laid down in the Annex to this note. The initial focus of the Mechanism will be on Ukraine/Russia sanctions, in view of their upcoming review.
3. In view of the above, the Permanent Representatives Committee is invited to endorse the setting up an EU Sanctions Mechanism as laid out in the Annex.

EU Sanctions Mechanism
to optimize consistency in the application and monitoring of EU restrictive
measures

(Joint Council and Commission Declaration of 31 July 2014)

Establishment and task

With a view to optimizing efficiency, consistency and legal certainty in the implementation of EU restrictive measures by Member States, the EU Sanctions Mechanism is established within the framework of the Relex Working Party. The EU Sanctions Mechanism will aim at improving information sharing, coordination and effectiveness of Member States, the Council, the Commission and the European External Action Service (EEAS) work in the field of implementation, outreach and monitoring of EU restrictive measures, within their respective institutional roles.

Meetings of the Mechanism

The EU sanctions Mechanism will be chaired by the rotating Council Presidency. The meetings of the Mechanism will be convened, as appropriate, within the framework of RELEX, in the light of the relevant issues as submitted by Member States, the Commission and the EEAS. The meetings of the Mechanism will be in principle ‘Country specific’ and will be open also to experts from Member States, the Commission and the EEAS, as appropriate. Documents will be circulated via the Relex network. The Mechanism will work in the spirit of consensus and will, as appropriate, issue outcomes, advice or suggestions. Horizontal issues that arise in the work of the Mechanism will continue to be dealt with-in the framework of RELEX/Sanctions Formation.

Preparatory activity of the Mechanism

In the preparation of meetings and the definition of their agenda, the Chair will be jointly assisted by Commission services and the EEAS. The incoming Presidency will be invited to participate. Given the specificity of sanctions in the EU framework, sharing all relevant questions, proposals, requests for opinion, comments between Member States, the Commission services and the EEAS is a prerequisite for the effectiveness of the Mechanism. The treatment of confidential information will be subject to the Council's rules and procedures on confidentiality and security.

Scope

The Mechanism will be focused on:

- Promoting legal certainty, including on addressing problems of interpretation of the sanction legislation and making sure that all relevant legal issues related to a specific set of sanctions are dealt with rapidly and effectively by the relevant institution or body;
- Optimizing consistency in application and enforcement, including by promoting solutions to issues emerged in the implementation practice and elements for or feedback on information notes presented by the Commission services, jointly with the EEAS;
- Promoting monitoring of the effects of the restrictive measures on the targeted countries and on the EU;
- Identifying loopholes fighting circumvention and addressing over compliance;
- Improving impact, addressing concerns regarding substitution effect ('backfilling').

To this end, the Mechanism will, *inter alia*:

- Invite the Commission services and the EEAS, to address specific issues, notably by issuing guidance and information notes;
- Invite relevant Working Parties to address specific issues;
- As appropriate, invite the High Representative and the Commission to consider proposing specific modifications to the restrictive measures and promote appropriate outreach activities.

The Mechanism will not imply any additional costs, expenses or compensations than those linked to the operation of a Council Working Party. It will be reviewed as appropriate.

