



US government reminds non-US companies of requirement to comply with US sanctions and export controls



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DLA Piper US' national security alert

Our colleagues in DLA Piper US has published a national security alert with the title "US government reminds non-US companies of requirement to comply with US sanctions and export controls".

They provide comments on the Tri-Seal Compliance Note issued jointly by the US Departments of Commerce, Treasury and Justice on 6 March 2024. The note reminds non-US companies that they must comply with US sanctions and export controls and that they otherwise may face severe penalties.

DLA Piper US' national security alert is available [here](#).

Please refer to their national security alert for their comments on the Tri-Seal Compliance Note.

We only provide a short summary of a few main points and matters discussed by them.

Jurisdiction of US sanctions and export controls

US sanctions and export control laws apply to non-US parties in several circumstances. For instance, transactions involving US persons, US goods, or US dollars are subject to US sanctions jurisdiction. Foreign subsidiaries of US companies may also be subject to restrictions under certain US sanctions programs. A non-US person that causes a US person to violate US sanctions or engage in conduct that evades US sanctions may itself become subject to US sanctions.

Enforcement against non-US companies

Over the past two years, there has been a significant increase in enforcement actions against non-US parties. Violations of US sanctions and export controls are subject to strict liability, which means a company or individual may face penalties even if the violation was unintentional or unknown at the time.

Penalties for violations

Civil penalties can include fines up to roughly USD 370,000 for each violation or twice the amount of the transaction that is the basis of the violation, whichever is greater. Criminal penalties for intentional violations can be up to USD 1 million for each violation and imprisonment for up to 20 years.

Compliance considerations

The Tri-Seal Compliance Note reaffirms the compliance measures that companies should consider in balancing their compliance risk.

They include developing, implementing and routinely updating a US sanctions and export controls compliance program. They also include establishing internal controls and procedures, conducting training for employees, and taking prompt and effective action when addressing compliance issues.

Main points and recommendations

The document concludes by emphasising the importance of an effective US sanctions and export controls compliance program for both US and non-US companies.

It also warns that companies that do not have a proper compliance program are at risk. The Tri-Seal Compliance Note signals that the US government will continue to prioritize civil and criminal enforcement action against non-US parties and scrutinize the compliance practices in considering penalties.

The comments in the document may serve as a reminder for companies to familiarise themselves with the requirements of US sanctions and export control laws and adopt and implement a compliance program which is appropriately tailored to the risks based on their operations, products, business model, and geographical footprint.

Companies should consult with US legal counsel to receive advice and assistance in relation to US law

Please note that this is a summary only and does not cover all the details in DLA Piper US' national security alert. For a complete understanding, it is necessary to read the full document.

Please note that this news alert provides general information only and does not constitute legal advice.

Companies and other parties should consult with US legal counsel to understand their specific obligations under US sanctions and export controls and laws.

You are welcome to contact the following partners of the DLA Piper US National Security and Global Trade practice:

[Nate Bolin](#)

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We are happy to assist

In DLA Piper Denmark, we are happy to assist Danish companies if they would like to receive advice and assistance in relation to US sanctions and export controls from our colleagues in DLA Piper US.

We are also happy to assist Danish companies if they would like to receive advice and assistance in relation to Danish and EU sanctions and export controls.

Danish and EU sanctions and export controls laws

Under Danish and EU sanctions and export controls laws, Danish and EU companies must in the same manner develop, implement and routinely update a sanctions and export controls compliance program.

The compliance program must have a policy and procedures which clearly state the company's commitment to comply with Danish and EU sanctions and export controls laws. The policy and procedures must be tailored to the company's specific activities, provision of goods and/or services, transactions in relation thereto, suppliers, customers, countries of doing business, and compliance matters and risks in relation thereto.

The company's policy and procedures must also provide clear guidance to employees on how to comply in their daily work with these sanctions and export controls laws and the company's policy and procedures.

The companies must also establish internal controls and procedures, conduct training for employees, and take prompt and effective action when addressing compliance issues.

Sanctions and export controls compliance program covering both Danish and EU laws and US law

A Danish company's sanctions and export controls compliance program, including policy and procedures, can cover both Danish and EU laws and US law.

We will be happy to advise and assist Danish companies in making, implementing and applying such compliance programs. We will do so in cooperation with your colleagues in DLA Piper US.

Fagområder	Minedrift, Compliance i internationale ansættelsesforhold, International virksomhedsledelse og compliance, Internationale virksomhedsomstruktureringer, Shipping og transport, Akkvisitionsfinansiering, Finansiering af aktiver (fly, skibe, vindmøller mv.), Eksportkredit, Regulatoriske forhold i den finansielle sektor, International handel, investeringer, reguleringer og compliance, Kapitalmarkeder og børsnoterede selskaber, Internationale koncernomstruktureringer, Private equity, Virksomhedsoverdragelser (M&A), Selskabsret og corporate governance, Kommercielle kontrakter, FinTech, Venturekapital og start-ups, Transaktioner, Entreprise og byggeri, Projektudvikling, IT-kontrakter, Varemærker, designs og ophavsret, Told, Afgifter
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