



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL
MARKETS UNION

Financial systems and crisis management
Sanctions

CONSULTATION DOCUMENT

**PUBLIC CONSULTATION ON THE REVIEW OF THE BLOCKING STATUTE
(COUNCIL REGULATION (EC) NO. 2271/96)**

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudge the final decision that the Commission may take.

The responses to this consultation paper will provide important guidance to the Commission when preparing, if considered appropriate, a formal Commission proposal.

You are invited to reply **by 4 November 2021** at the latest to the **online questionnaire** available on the following webpage:

https://ec.europa.eu/info/publications/finance-consultations-2021-blocking-statute-review_en

Please note that in order to ensure a fair and transparent consultation process **only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.**

This consultation follows the normal rules of the European Commission for public consultations. Responses will be published in accordance with the privacy options respondents will have opted for in the online questionnaire.

Responses authorised for publication will be published on the following webpage:
https://ec.europa.eu/info/publications/finance-consultations-2021-blocking-statute-review_en

Any question on this consultation or issue encountered with the online questionnaire can be raised via email at relex-sanctions@ec.europa.eu.

INTRODUCTION

In recent years, some third countries have increased their use of sanctions or other regulatory measures that restrict, directly or indirectly, the conduct of European Union (EU) individuals or companies, when they operate completely outside those countries' territory or within the EU in situations where a legitimate connection with the prohibiting country does not exist. The EU considers the extra-territorial application of those measures to be in breach of international law. Such measures, or simply the threat of imposing them, has resulted in significant economic damage to the EU economy, past and present, and is likely to have similar effects in the future. Furthermore, the application of extra-territorial sanctions is a source of legal uncertainty for EU individuals, organisations, and economic operators.

This questionnaire seeks your feedback on a [possible amendment to Council Regulation \(EC\) No. 2271/96 \('blocking statute'\)](#). The aim of the 'blocking statute' is to shield EU individuals, organisations, and companies from the extra-territorial application of third-country laws and measures. It does so by

- i. prohibiting compliance with those third-country sanctions
- ii. nullifying the effect in the EU of any non-EU court ruling or administrative decision based on them, and
- iii. allowing EU operators to recover in court damages caused by them

The consultation is open to all organisations and individuals (both in the EU and outside). It consists of a survey divided into 5 sections, with an opportunity for respondents to submit further feedback (such as a position paper) at the end. Respondents may reply in any official EU language.

This initiative is distinct from the [Commission's initiative for an instrument to deter and counteract coercive actions by third countries](#), which focuses on the broader problem of foreign coercion of EU countries and does not address specifically extra-territorial sanctions (more info by clicking on the dedicated link). The Commission will pursue both initiatives and ensure they are consistent with one another. Therefore, any information obtained in this call for evidence that is relevant for the Anti-Coercion Instrument will be shared with that initiative. Section 5 of the questionnaire poses some questions on the possible interaction of such two instruments.

CONSULTATION QUESTIONS

1. PROBLEM DEFINITION: EXTRA-TERRITORIAL SANCTIONS

Restrictive measures (sanctions) are an important tool of the Union's common foreign and security policy, through which the EU can act, notably to preserve peace and strengthen international security. While EU sanctions inherently aim to affect policies or activities in non-EU countries, they are applicable only within the limits of the EU's jurisdiction. In other words, the obligations they impose are binding on EU and non-EU nationals or entities only when there is a legitimate nexus with the EU (for example, because they are located in the EU or doing business there).

By contrast, some other jurisdictions apply some of their sanctions extra-territorially, which means that they expect citizens and entities of third countries, including within the jurisdiction of EU Member States, to act in accordance with them.

As a matter of principle, the EU considers the extra-territorial application of sanctions contrary to international law.

1. In your experience, how does the extra-territorial application of third-country sanctions affect the EU and its operators?

[For each option below, single choice: 1 - no negative impact; 2 - low negative impact; 3 - medium negative impact; 4 - high negative impact; 5 - very high negative impact; Don't know / no opinion / not applicable]

- a. Causes loss of jobs
- b. Hampers EU operators' economic activity
- c. Unduly favours non-EU competitors
- d. Hinders exports to non-EU countries
- e. Hinders imports from non-EU countries
- f. Hinders intra-EU commerce
- g. Disrupts supply chains
- h. Threatens financial stability
- i. Has negative impacts on the provision of humanitarian aid
- j. Has negative impacts on the provision of development aid
- k. Discredits the EU's or its Member States' foreign policy
- l. Has negative environmental impacts
- m. Negatively affects the EU's Open Strategic Autonomy, which means the ability to shape the new system of global economic governance and develop mutually beneficial bilateral relations, while protecting the EU from unfair and abusive practices, including to diversify and solidify global supply chains to enhance resilience to future crises
- n. Other (please explain)

Please explain [Textbox]

2. How significantly do extra-territorial sanctions affect **your activity / your person**?

[Single choice: 1 – No negative impact; 2 – Low negative impact; 3 – Medium negative impact; 4 – High negative impact; 5 – Very high negative impact; Don't know / no opinion / not applicable]

If possible, please describe their impact [Textbox]

3. In your experience, to what extent are the following activities or sectors in the EU affected by extra-territorial sanctions?

[For each option below, single choice: 1 - no negative effect; 2 - low negative effect; 3 - medium negative effect; 4 - high negative effect; 5 - very high negative effect; Don't know / no opinion / not applicable]

- a. Trade in goods
- b. Trade in services
- c. Investments (including foreign direct investments)
- d. Procurement or sale of high technology goods
- e. Financial services, including payment services and insurance
- f. Energy sector
- g. Telecommunications
- h. Transport – aviation, maritime, etc.
- i. Space, Defence and Aeronautics
- j. Raw materials
- k. Humanitarian aid
- l. Development aid
- m. Other (please explain)

Please explain [Textbox]

4. In your experience, to what degree are the following sectors of the EU directly or indirectly affected by the extra-territorial application of sanctions?

[For each option below, single choice: 1 - no negative exposure; 2 - low negative exposure; 3 - medium negative exposure; 4 - high negative exposure; 5 - very high negative exposure); Don't know - No opinion - Not applicable]

- a. Small and Medium Enterprises (SMEs)
- b. Large corporations/groups
- c. Businesses active in one EU Member State only

- d. Businesses active in multiple EU Member States
- e. Businesses active both within the EU and globally
- f. Businesses mostly active globally
- g. Importers (including providers of services)
- h. Exporters (including providers of services)
- i. Network/infrastructure providers (for example, energy, telecommunications, financial, etc.)
- j. Non-governmental operators
- k. Other (please explain)

Please explain [Textbox]

5. In your opinion, through which of the following comparative advantages do non-EU countries apply sanctions extra-territorially to the EU?

[For each option below, single choice: 1 - play no role; 2 - play some role; 3 - play an important role; Don't know - No opinion - Not applicable]

- a. Important currency of the imposing country
- b. Important position of the imposing country on financial markets
- c. Strong technological advantage of the imposing country
- d. Imposing country having a monopoly/being the largest exporter of certain goods
- e. Imposing country having a monopsony/being the largest importer of certain goods
- f. Imposing country having a monopoly/being the largest provider of certain services
- g. Strong political position
- h. Others (please explain)

Please explain [Textbox]

6. In your opinion/experience, in the past 5 to 10 years, have the negative effects of extra-territorial sanctions in the EU increased or decreased?

[For each option below, single choice: 1 - increased significantly; 2 - increased somehow; 3 - neutral; 4 - decreased somehow; 5 - decreased significantly; Don't know - No opinion - Not applicable]

- a. Effects **on the EU as a whole**
- b. Effects **on you / your activity**

7. Please list the most significant examples of extra-territorial sanctions that, in your view, had an impact on you, another EU operator or the EU economy:

Affected person	Country imposing the sanction	Name of measure	Legislative v. regulatory	Description of effects	Date of adoption

2. EVALUATION OF EXISTING EU LEGISLATION

The EU adopted the [blocking statute](#) in 1996. The purpose of the blocking statute is to protect operators active in the EU from being forced to comply with certain foreign extra-territorial measures. For example, certain operators active in the EU today are forced not to do business in certain sectors, even if that activity is perfectly legal under EU or national law. They risk hefty fines and risk losing access to the important foreign market of the country imposing those sanctions.

The blocking statute nullifies the legal effects in the EU of any judgment of a court or tribunal and of any decision of an administrative authority based on those extra-territorial sanctions (Art. 4); forbids EU persons from complying with a number of extra-territorial sanctions, unless authorised to do so (Art. 5); and allows EU persons to recover in court damages caused by those extra-territorial sanctions ('clawback' provision) (Art. 6).

Overall evaluation

8. Please specify to what extent you agree with the statements below:

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. The blocking statute has been successful in achieving its objective of protecting EU operators from abiding by the extra-territorial application of third-country sanctions
- b. The list of extra-territorial laws and regulations that the blocking statute protects against is clear

- c. The list of extra-territorial laws and regulations that the blocking statute protects against is complete and/or updated sufficiently regularly
- d. The cost of complying with the blocking statute is appropriate
- e. Action at EU-level by means of the blocking statute has brought added value compared to action solely at Member State-level.
- f. Other (please explain)

Please explain [Textbox]

Prohibition to comply

EU operators are prohibited from complying with the laws and regulations specified in the Annex of the blocking statute.

9. Do you find that this prohibition to comply **achieved the objective** of protecting EU operators from the effects of the extra-territorial application of third-country sanctions?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain, in particular by listing the reasons/factors that did or did not contribute to the achievement of the objective [Textbox]

10. Do you find that this prohibition to comply is the **most efficient** means of achieving the objective of protecting EU operators from the effects of the extra-territorial application of third-country sanctions?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain [Textbox]

Authorisation procedure

If EU operators consider that non-compliance with a requirement or prohibition based on the specified foreign laws would seriously damage their interests or the interests of the Union, they can apply to the European Commission for an authorisation to comply with those laws (so-called 'authorisation procedure').

11. Have you applied to the European Commission for an authorisation to comply with those laws?
- a. Yes
 - b. No but I am considering doing so

- c. No and I do not plan to do so
- d. Don't know / no opinion / not applicable

11.1 **If you applied** for an authorisation or considered doing so, do you find that the criteria for the assessment of an authorisation request (as described in [Regulation 2018/1101](#)) are sufficiently clear?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain [Textbox]

11.2 **If you applied** for an authorisation, please estimate your administrative cost (in euros or in working hours) necessary to submit and see through a request for authorisation [textbox]

11.3 **If you applied** for an authorisation, do you consider the authorisation procedure

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Timely
- b. Efficient
- c. Solved the issue
- d. Other (please explain)

Please explain [Textbox]

11.4 **If you did not apply** for an authorisation, what is the reason for not applying?

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Not useful in general
- b. Not timely enough
- c. Unclear whether the prohibition of the blocking statute applied to my situation
- d. The issue was only temporary and was solved
- e. Too costly
- f. Decided not to apply following a cost/benefit analysis

g. Other (please explain)

Please explain [Textbox]

Non-recognition of foreign decisions

The blocking statute nullifies the legal effect in the EU of any foreign court judgments or decisions of administrative bodies that are based on the listed extra-territorial laws.

12. Are you aware of instances where EU national judiciary and/or administrative authorities have applied the prohibition to recognise and enforce foreign decisions?
[Textbox]

13. Do you think that the non-recognition of foreign judgments or decisions achieved the objective of protecting EU operators from the effects of the extra-territorial application of third-country sanctions

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain [Textbox]

13.1 If so, have you been in a situation where this prohibition benefited you or are you aware of a case in which this provision provided a benefit to an EU operator? [Textbox]

Recovery of damages

EU operators can recover damages, including legal costs, arising from the application of the listed extra-territorial legislation from the individuals, legal persons or entities causing them.

14. Do you think that the possibility to recover damages achieved the objective of protecting EU operators from the effects of the extra-territorial application of third-country sanctions?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain [Textbox]

15. In your opinion, is this provision easy to trigger?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

15.1 If you disagree, why is that?

[Single choice:] I do not want to endanger my business/contractual relations; I cannot seize assets of foreign countries; I cannot locate seizable assets in the EU; The procedure is too long; It is not clear whom I can sue; Other (please explain); Don't know / no opinion / not applicable]

Please explain [Textbox]

16. Is this provision (the possibility to recover damages) detailed enough to allow operators to rely on it?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain [Textbox]

Notifications

EU operators must communicate to the European Commission directly or through the competent authorities of the Member States, within 30 days from the date on which it obtained such information, when the laws specified in the Annex of the blocking statute affect their economic and/or financial interests. EU operators can notify the Commission by email, letter or phone. Since August 2018, the Commission has received on average 24 notifications per year.

17. Do you think the obligation to notify is **relevant** to achieve the objective of protecting EU operators from the effects of the extra-territorial application of third-country sanctions?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain [Textbox]

18. Do you think that the administrative burden resulting from the obligation to notify is **proportionate** to the negative effects of the extra-territorial application of sanctions?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain, including by providing an estimation of the cost of compliance for you (for example, hours spent on a particular case or average cost per case) [Textbox]

Role of National Competent Authorities

Member States are responsible for the enforcement of the obligations contained in the blocking statute. They also set the penalties for breaches of the Regulation.

19. Each Member State determines the penalties for breaches of the blocking statute. In your opinion, is it an efficient way of enforcing the blocking statute?

[Single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

Please explain [Textbox]

20. In your opinion, is it efficient to have Member States, instead of the EU, enforce the following provisions of the blocking statute?

[For each option below, single choice: 1 - strongly disagree (EU-level more efficient); 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree (Member State-level more efficient); Don't know - No opinion - Not applicable]

- a. Obligation to notify (including sanctions for lack of notification)
- b. Prohibition to comply with the listed extra-territorial laws and regulations
- c. Non-recognition of foreign decisions
- d. Recovery of damages

Please explain [Textbox]

3. EVALUATION OF EXISTING EU LEGISLATION

The objective of this initiative, announced in the [Commission's Communication 'The European economic and financial system: fostering openness, strength and resilience'](#) of 19 January 2021 is to amend the blocking statute in order to:

- a) **Further deter and counteract** the unlawful extra-territorial application of third-country sanctions to EU operators, by taking additional commercial, capital market or other measures to protect EU operators; and
- b) **Streamline** the application of the current provisions, as well as **reduce the administrative burden** required for compliance with the Regulation.

This initiative could take the form of an amending regulation, or of a regulation repealing and replacing the blocking statute. In either case, a number of policy options will be explored:

- With regard to objective a) (**further deter and counteract extra-territorial sanctions**), the possibly revised regulation could provide the European Commission with powers to apply deterrent and counteracting measures against

third countries unlawfully applying extra-territorial sanctions, or operators benefiting from the application of extra-territorial sanctions in the EU. This could take the form of commercial restrictions or measures in the field of judicial cooperation in civil matters, as well as exclusion/restrictions from access to the EU capital markets, EU public tenders, or even visa limitations for individuals. Further, the proposed regulation could envisage the provision of financial or other types of support to EU operators willing to engage in trade that is prohibited by such extra-territorial sanctions of third countries but not prohibited by Union law.

- With regard to objective b) (**streamline the application of the blocking statute** as well as **reduce the administrative burden**), the possibly revised regulation could simplify compliance, as appropriate, through: streamlined processing for authorisation requests, including a review of the information required to process the authorisation request; clarifications of the prohibition to comply with unlawful extra-territorial sanctions of third countries, including possible measures tailored to strategic sectors.

This section of the questionnaire discusses the extent of the policy intervention outlined above and its potential impact.

Further deter and counteract extra-territorial sanctions

21. Do you think that the European Commission should introduce additional measures aimed to further deter and counteract extra-territorial sanctions?

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Additional **deterrent measures**, which means to dissuade third countries from applying sanctions extra-territorially
- b. Additional **counteracting measures**, which means to act against the extra-territorial application of sanctions by third countries in order to reduce their effects on EU operators
- c. Other (please explain)

Please explain [Textbox]

21.1 If you think that there is a need for additional measures, which of the following deterrent or counteracting measures, affecting sectors of, or operators from, the third country imposing the extra-territorial sanctions, should be added to the Regulation in your view?

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Targeted commercial restrictions, including limitations to access the EU market or to be granted EU certifications
- b. (Partial) Exclusion of non-EU operators from the EU financial market
- c. Blacklisting certain non-EU operators that comply with extra-territorial sanctions
- d. Exclusion from the EU public procurement market
- e. Restrictions on the free movement of capital between the EU and the third country concerned
- f. Visa restrictions for business trips
- g. Higher financial penalties for the breach of the blocking statute
- h. Possibility to claim punitive damages (including against foreign sovereign assets)
- i. Legal support for operators entangled in foreign legal proceedings
- j. Financial compensation to defray the cost of operating in a sanctioned environment
- k. Other (please explain)

Please explain [Textbox]

21.2 If you think that there is a need for additional measures, to whom should the additional deterrent or counteracting measures, affecting sectors of, or operators from, the third country imposing the extra-territorial sanctions, be addressed in your view?

[Single choice: Certain sectors of the third country's economy; Certain sectors and additionally specific operators of the third country active in the EU; Only specific operators of the third country active in the EU; Other (please explain); Don't know / no opinion / not applicable]

Please explain [Textbox]

21.3 If you think that there is a need for additional measures, should the additional deterrent or counteracting measures, sectors of, or operators from, affecting the third country imposing the extra-territorial sanctions, be taken at EU or national level?

[For each option below, single choice: EU level; Both EU- and Member State-level; Member State-level; Don't know - No opinion - Not applicable]

- a. Targeted commercial restrictions, including limitations to access the EU market or to be granted EU certifications
- b. (Partial) Exclusion of non-EU operators from the EU financial market
- c. Blacklisting certain non-EU operators that comply with extra-territorial sanctions

- d. Exclusion from the EU public procurement market
- e. Restrictions on the free movement of capital between the EU and the third country concerned
- f. Visa restrictions for business trips
- g. Higher financial penalties for the breach of the blocking statute
- h. Possibility to claim punitive damages (including against foreign sovereign assets)
- i. Legal support for operators entangled in foreign legal proceedings
- j. Financial compensation to defray the cost of operating in a sanctioned environment
- k. Other (please explain)

Please explain [Textbox]

21.4 If you think that there is a need for additional measures, how should the additional deterrent or counteracting measures, affecting sectors of, or operators from, the third country imposing the extra-territorial sanctions, be imposed?

[Multiple choice between the below answers]

- a. Automatically, when an operator active in the EU complies with third country sanctions applied extra-territorially to the EU
- b. Automatically, when a third country imposes sanctions extra-territorially on the EU
- c. By request of an injured EU operator
- d. At the initiative of the European Commission
- e. At the request of a Member State
- f. Other (please explain)

Please explain [Textbox]

21.5 If you think that there is a need for additional measures, how quickly should the additional deterrent or counteracting measures be imposed?

[Single choice: Immediately; As soon as the first negative effects on EU operators are reported; Timely; Timing does not matter; Other; Don't know / no opinion / not applicable]

Please explain [Textbox]

21.6 If you think that there is a need for additional measures, for how long should the additional deterrent or counteracting measures be imposed?

[Single choice: For a fixed duration; For as long as the breach of the blocking statute continues; For as long as the non-EU country applies those sanctions extra-territorially; Other (please explain); Don't know / no opinion / not applicable]

Please explain [textbox]

Streamline the application of the blocking statute and reduce the administrative burden

22. Please indicate the areas and provisions in the blocking statute Regulation where policy action would be most needed to streamline its functioning. Please rate as follows:

[For each option below, single choice: 1 - no policy action needed; 2 - little need for policy action; 3 - neutral; 4 - policy action could be considered; 5 - policy action strongly needed; Don't know - No opinion - Not applicable]

- a. Notification of effects of extra-territorial sanctions
- b. Prohibition to comply with extra-territorial sanctions
- c. Authorisation to comply with certain extra-territorial sanctions
- d. Non-recognition of foreign judgments giving effect to the extra-territorial sanctions
- e. Damages ('clawback') clause
- f. Penalties
- g. Exchange of information between the European Commission and the EU national authorities
- h. Other (please explain)

Please explain [Textbox]

23. Regarding the **prohibition to comply** with extra-territorial sanctions (please refer to the evaluation section), how should the prohibition be streamlined?

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Further clarify the laws and regulations contained in the Annex
- b. Exclude certain sectors (or operators) of the EU Single Market from this prohibition, after consultation with stakeholders
- c. Substitute the prohibition to comply with an alternative measure (please explain)
- d. Other (please explain)

Please explain (in particular if you chose option B, please indicate the sectors of the EU Single Market that should be excluded) [Textbox]

24. How should the current authorisation procedure be streamlined?

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Automatic approval of request after expiry of a deadline (if the Commission/interested parties do not oppose the request within a set deadline, or if the Commission does not request further information within a set deadline, the authorisation is approved automatically)
- b. Automatic authorisation, if certain objective criteria are met
- c. More stringent conditions to grant authorisations
- d. More detailed criteria for the assessment of authorisation requests
- e. No need to change the current authorisation procedure
- f. Other (please explain)

Please explain [Textbox]

25. How should notification obligations be streamlined?

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Establish a minimum amount of information to be notified
- b. Greater automation of notifications, including by digitalisation
- c. A notification automatically becomes an authorisation request, if requested by the notifying party and without need to file an additional request
- d. Notifications should be made public, and be a pre-condition to requesting an authorisation
- e. A notification should be a precondition for other rights conferred by the blocking statute (for example, authorisation requests and actions under the damages ('clawback') clause)
- f. Other (please explain)

Please explain [Textbox]

26. How should penalties for the breach of the obligations in the Regulation be streamlined?

[For each option below, single choice: 1 - strongly disagree; 2 - rather disagree; 3 - neutral; 4 - rather agree; 5 - strongly agree; Don't know - No opinion - Not applicable]

- a. Harmonise penalties across the EU
- b. Limit penalties to administrative fines, but establish those at an appropriate level to be dissuasive
- c. Provide the Commission with powers to impose penalties
- d. Other (please explain)

Please explain [Textbox]

27. What else could be done to simplify and streamline the functioning of the Regulation? [Textbox]

4. LIKELY IMPACT OF A POLICY INTERVENTION OR NO INTERVENTION

No policy intervention

In this scenario, the EU continues to exercise only the existing options. These include the current [Council Regulation \(EC\) No. 2271/96 \('blocking statute'\)](#), diplomatic means and the possibility, under certain conditions, for the European Parliament and the Council of the EU to act on the basis of Article 207 of the Treaty on the Functioning of the EU.

Since trade measures are taken exclusively at EU level, Member States cannot act in this respect. Measures in the area of capital and payments, freedom, security and justice, and judicial cooperation in civil matters involve competences shared between the EU and its Member States.

28. How likely are the following effects to materialise, should the EU choose **not to make** any policy intervention?

[For each option below, single choice: 1 - not likely at all; 2 - rather not likely; 3 - neutral; 4 - rather likely; 5 - very likely; Don't know - No opinion - Not applicable]

- a. Avoid economic harm or other costs to the EU
- b. Avoid the risk of negative impact on relations with non-EU countries (political or economic)
- c. Leave open the possibility for a new policy intervention at a later stage
- d. Reduce the effectiveness of the EU's foreign policy and of its open strategic autonomy
- e. Threaten the integrity of the EU Single Market and its financial system
- f. Lead to more extra-territorial application of sanctions by third countries as a result of the failure to deter
- g. Cause direct costs to your activity

- h. Cause indirect costs to your activity, including loss of business opportunities
- i. Cause difficulties to access foreign markets resulting in a competitive disadvantage vis-à-vis foreign companies
- j. Cause direct or indirect costs to consumers
- k. Hampers humanitarian activity
- l. Hampers the provision of development aid
- m. Lead to the EU's values not being defended sufficiently
- n. Cause other effects, including social, environmental, affecting fundamental rights, administrative simplification or burden, etc. (please comment in the section below and provide evidence, including quantitative data)

Please explain [Textbox]

Policy intervention in the form of a revision of the blocking statute

This scenario refers to the various policy measures outlined in questions 21 to 27 (section 3).

29. How likely are the following **benefits** to materialise, should the EU proceed with a revision of the blocking statute?

[For each option below, single choice: 1 - not likely at all; 2 - rather not likely; 3 - neutral; 4 - rather likely; 5 - very likely; Don't know - No opinion - Not applicable]

- a. A dissuasive effect towards non-EU countries applying sanctions extra-territorially
- b. Further counteracting extra-territorial sanctions
- c. Protecting EU economic interests (in general and in concrete cases)
- d. Preserving and promoting international trade, investment, and other business opportunities with non-EU countries
- e. Increasing the resilience of EU operators engaged in lawful international trade and/or movement of capital, as well as related commercial activities
- f. Reducing the administrative burden required for compliance with the Regulation
- g. Projecting the EU as a credible geopolitical actor
- h. Facilitating the provision of humanitarian aid
- i. Facilitating the provision of development aid
- j. Enhancing the EU's open strategic autonomy
- k. Reducing the EU's vulnerability to external economic threats
- l. Not precluding the (simultaneous) use of diplomatic means

- m. Other benefits, including social, environmental, affecting fundamental rights, administrative simplification or burden (please specify)

Please explain [Textbox]

30. How likely are the following **negative effects** to materialise, should the EU proceed with a revision of the blocking statute?

[For each option below, single choice: 1 - not likely at all; 2 - rather not likely; 3 - neutral; 4 - rather likely; 5 - very likely; Don't know - No opinion - Not applicable]

- a. It does not effectively protect EU operators from the effects of the extra-territorial application of third-country sanctions
- b. Harms political relations with the non-EU countries imposing the sanctions
- c. Harms economic relations with the non-EU countries imposing the sanctions
- d. Direct or indirect costs for EU business and consumers if countermeasures are applied by the non-EU country imposing sanctions (such as large companies having exposure to third countries imposing those extra-territorial sanctions)
- e. Negative effects on economic operators or nationals of third countries that are active in the EU
- f. Negative effects on the provision of humanitarian aid
- g. Negative effects on the provision of development aid
- h. Other costs or negative impacts, including social, environmental, affecting fundamental rights, administrative simplification or burden (please specify)

Please explain [Textbox]

5. COMPATIBILITY WITH OTHER INSTRUMENTS

As unlawful extra-territorial third-country sanctions could potentially also be applied with coercive effect, there is a potential partial overlap between problems identified by this initiative and those identified in the [Commission's initiative for an Anti-Coercion Instrument](#). The instrument under consideration should aim first of all to deter, and only where needed to counteract, coercive practices by non-EU countries unduly interfering in the EU's or Member States' policy choices. The Commission aims to adopt a legislative proposal by the end of 2021.

31. How should the amended blocking statute and the anti-coercion instrument (ACI) interact with each other to foster the EU's open strategic autonomy?

[Single choice between the below]

- a. No need for the two instruments to interact, as they address different issues (more precisely, the blocking statute counters and deters the extra-territorial application of sanctions; the ACI addresses coercion targeting the EU or its Member States);
- b. The ACI should be triggered if the blocking statute is not successful (please explain)
- c. The blocking statute, as amended, and the ACI should be triggered in parallel to counter the extra-territorial application of sanctions to the EU (please explain)
- d. Other (please explain)

Please explain [Textbox]