

Canada Lifts Most Sanctions Against Burma

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By [John W. Boscariol](#)

Most of Canada's economic sanctions against Burma (Myanmar) have been repealed effective today. Enacted in 2007 and touted as being among the most aggressive in the world, Canada's sanctions and export controls prohibited most activities with Burma, including investment, exports and imports, the provision of financial services and technical data, the transiting of ships and aircraft, and dealings with designated persons. These developments will raise new trade and investment opportunities for Canadian business, however firms should proceed with caution as certain restrictions remain in effect.

Today's amendments to the *Special Economic Measures (Burma) Regulations*(Regulations) can be found [here](#).

Burma has also been listed on Canada's *Area Control List (ACL)* since 1997. Effective today, Burma has been removed from the ACL so that exports and transfers of goods or technology from Canada to Burma are no longer prohibited.

Certain Sanctions Measures Continue to Apply

Certain economic sanctions will remain in effect. Persons in Canada and Canadians outside Canada are prohibited from dealing with designated persons as listed in the Regulations. The list of designated persons includes 44 companies and 38 individuals. These include prohibitions against:

- dealing in any property, wherever situated, held by or on behalf of a designated person;
- entering into or facilitating any transaction related to such a dealing;
- providing any financial or related service in respect of such a dealing;
- making any goods, wherever situated, available to a designated person; or
- providing any financial or related service to or for the benefit of a designated person.

In addition to being prohibited from engaging in a wide range of dealings with designated persons, Canadian companies and individuals are also subject to RCMP reporting requirements in respect of property owned or controlled by designated persons and related proposed or actual transactions. Financial institutions, including federally regulated banks, insurance companies and provincial trust and loan companies and securities dealers, are required to monitor and determine on a continuing basis whether they are in possession or control of property owned or controlled by or on behalf of a designated person.

Further, there is a military trade embargo of Burma. Persons in Canada and Canadians outside Canada are prohibited from supplying, transporting or otherwise dealing in any arms or related material destined for Burma or any person in Burma. These prohibitions also apply to the transfer of technical data and provision of financial services related to military activities or dealings in arms and related materials.

Economic Sanctions Compliance and Enforcement

The increasing use and enforcement of economic sanctions by Canada and its trading partners, including the United States and the European Union, is significantly raising exposure to financial, operational and reputational risk. It is

important for any company doing business internationally to have in place comprehensive internal control measures for compliance with economic sanctions, export controls, anti-corruption laws and related requirements.

These changes to economic sanctions and export controls on trade with Burma will raise new business opportunities for Canadian companies. However, firms should proceed with caution in exploring these new opportunities as Canada and other countries continue to maintain certain trade sanctions measures against Burma.

Further, firms should be reviewing and revising their compliance procedures and controls, including the lists (or list-service providers) used for screening transactions involving designated persons. Notably, the prohibitions against dealings with designated persons apply regardless of whether or not you are engaged in business with Burma. Companies should also be reviewing other components of their internal trade control systems, including their compliance manual and processes, employee and executive training programs, internal audit procedures, and their contract review process, to ensure they are now fully up to date.

At the present time, Canada currently imposes trade controls of varying degrees on activities involving the following countries (and in many cases, individuals and entities associated with them): Belarus, Burma (Myanmar), Côte d'Ivoire, the Democratic Republic of the Congo, Cuba, Egypt, Eritrea, Guinea, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Pakistan, Sierra Leone, Somalia, Sudan, Syria, Tunisia and Zimbabwe. Any involvement of these countries or any "designated person" in proposed transactions or other activities should raise a red flag for further investigation to ensure compliance with economic sanctions.

McCarthy Tétrault's [International Trade & Investment Law Group](#) has extensive experience in dealing with these measures and is available to advise on related enforcement, compliance and strategic planning issues.