



# **Canadian Sanctions Related to Russia and Belarus: Implications for the Profession**

**Prepared by the  
Policy Counsel Counterpart Group**

**April 6, 2022**

## Canadian Sanctions Related to Russia and Belarus: Implications for the Profession

In recent weeks the Government of Canada has introduced new sanctions against Russia and related parties in response to Russia's invasion of Ukraine. The [Special Economic Measures \(Russia\) Regulations](#), the [Special Economic Measures \(Ukraine\) Regulations](#), and the [Special Economic Measures \(Belarus\) Regulations](#) (collectively "the sanctions"), made under the [Special Economic Measures Act](#), impose an asset freeze and prohibit dealings with designated persons, including both individuals and entities. The sanctions have important implications for legal professionals.

*Legal professionals are expected to familiarize themselves with the sanctions and exercise due diligence in determining whether the sanctions apply to a matter or client they are dealing with.*

*Due to the evolving nature of the situation, it is essential that legal professionals stay up to date on any changes to the sanctions.*

*Legal professionals are reminded of their duty to comply with all applicable federal, provincial, and territorial laws, including the sanctions.*

### **Implications for your practice**

In considering the potential impacts of the sanctions on the provision of legal services, legal professionals should be particularly mindful of the following obligations:

#### **1. Not assisting clients engaging in illegal conduct**

Law society rules of professional conduct across Canada prohibit legal professionals from assisting in or encouraging illegal conduct.

The sanctions prohibit any persons in Canada or Canadians outside of Canada from participating or assisting in prescribed prohibited activities in relation to sanctioned persons. Prohibited activities include:

- dealing in any property, wherever situated, held by or on behalf of a designated person whose name is listed in Schedule 1;
- entering into or facilitating, directly or indirectly, any transaction related to such a dealing;
- providing any financial or other related services in respect of such a dealing;
- making any goods, wherever situated, available to a designated person listed in Schedule 1; or
- providing any financial or related service to, or for the benefit of, a designated person listed in Schedule 1<sup>1</sup>

---

<sup>1</sup> This does not apply to financial services required in order for a designated person listed in Schedule 1 to obtain legal services in Canada with respect to the application of any of the prohibitions set out in these Regulations (see: s.4(f) of the relevant sanctions).

The sanctions also impose restrictions on certain sectors, such as the financial and energy sectors.

Legal professionals should carefully scrutinize the requests they receive from clients to ensure they do not involve a designated person dealing in a prohibited activity.

Legal professionals are reminded that they may be targeted by bad actors seeking to evade or avoid the consequences of the sanctions. Legal professionals should remain vigilant and guard against such advances.

## **2. *Withdrawal from representation***

Legal professionals who receive a request from a client that would, if acted upon, violate the sanctions or the rules of professional conduct, must advise their client of that fact. If a client persists with their request despite this advice, the legal professional must withdraw from representation.

Legal professionals who withdraw representation must follow the applicable rules of professional conduct governing withdrawals from representation.

## **3. *Client identification and verification requirements***

Legal professionals must know their clients and comply with [client identification and verification rules](#). They should familiarize themselves with the persons targeted by the sanctions. Legal professionals may also wish to take this opportunity to review their client identification, verification, and risk management practices.

Legal professionals should take all reasonable steps to identify participants in a transaction and ensure that they do not include persons targeted by the sanctions.

## **4. *Sources of funds***

In addition to the above-noted client identification and verification requirements, legal professionals are reminded of their [obligation to obtain information about the source and origins of the funds related to the legal services to be provided](#).

## **5. *Non-discrimination in the provision of legal services***

Legal professionals are reminded of their duties under the applicable rules of professional conduct and human rights statutes not to engage in discrimination based on a protected ground, such as national or ethnic origin, when providing legal services.