

Poland Introduces Draft Law on Restrictive Measures to Expand Sanctions Framework and Align with EU Enforcement Directive

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Poland has released a draft of a sweeping new law on restrictive measures (*Ustawa o środkach ograniczających*), which significantly broadens the national framework for the imposition, enforcement and criminalisation of sanctions-related conduct.

This proposal is currently undergoing public consultation via the government's legislative platform. If adopted, it would mark the most comprehensive reform of Poland's sanctions regime since the adoption of the 2022 law targeting Russia and Belarus, and would position Poland among the most active EU member states in autonomous sanctions enforcement. The law also seeks to implement Directive (EU) 2024/1226, which mandates uniform criminal penalties for sanctions violations across the EU.

Unlike the earlier Act of 13 April 2022 on Special Solutions to Counter Support for Aggression against Ukraine (*Ustawa z dnia 13 kwietnia 2022 r. o szczególnych rozwiązaniach w zakresie przeciwdziałania wspieraniu agresji na Ukrainę oraz służących ochronie bezpieczeństwa narodowego*), which remains in force and is commonly referred to as the Polish Sanctions Act, the current draft is not geographically limited. Rather, it creates a general, autonomous framework through which Poland can impose restrictive measures based on its own foreign policy, national security or human rights considerations, either in parallel with or independently from EU measures. The existing law primarily addresses sanctions related to Russia and Belarus; in contrast, the new draft enables designations and restrictions that apply beyond those contexts, including to cyberattacks, terrorism or serious violations of international law.

One of the most consequential elements of the draft law is the creation of a new national list of designated individuals and entities, maintained by the Head of the National Tax Administration (*Krajowa Administracja Skarbowa*, "KAS"). This list would operate separately from the existing Russia/Belarus list under the 2022 Act and be structured as a standalone instrument of Polish foreign and economic policy. The inclusion on the list would lead to measures such as asset freezes, travel bans, a prohibition on the provision of financial or technical services, exclusion from public procurement procedures and the potential appointment of forced management over the designated entity's affairs. The proposed mechanism includes a streamlined designation process based on recommendations from the Ministry of Foreign Affairs (*Ministerstwo Spraw Zagranicznych*, "MSZ") and security services, subject to administrative appeal and judicial review.

Beyond individual designations, the draft also introduces a legal basis for the temporary suspension or restriction of economic cooperation with particular countries, sectors or foreign entities. This represents a substantial expansion of Poland's sanctions powers, bringing them closer to comprehensive regimes implemented by the EU, like those in place for North Korea or Iran. Specifically, the law permits restrictions on the trade and transit of goods (including dual-use and sanctioned categories); the provision of financial, legal and technical services; insurance and reinsurance operations; and any cross-border cooperation that may implicate national security or foreign policy.

Violations of the law carry significant criminal penalties, many of which mirror or exceed those contemplated in the EU Directive. Individuals may face imprisonment ranging from three months to ten years, depending on the nature and severity of the offense. Covered offenses include failure to freeze or improperly unfreezing of assets; providing financial or technical support to a sanctioned person or entity; facilitating the export of restricted goods; engaging in services prohibited by the imposed measures; and submitting false or misleading declarations to obscure beneficial ownership or evade sanctions.

The draft also contains robust provisions on corporate liability. Legal persons may be held liable for offenses committed by individuals acting on their behalf or in their interest, irrespective of whether a criminal conviction has been secured against the individual perpetrator. This concept is consistent with the Act on the Liability of Collective Entities for Offences Prohibited under Penalty (*Ustawa z dnia 28 października 2002 r. o odpowiedzialności podmiotów zbiorowych za czyny zabronione pod groźbą kary*), which allows for independent proceedings and sanctions against legal entities. Fines may reach up to PLN 200 million (approximately €47 million) or 5% of the entity's total annual turnover.

The procedural elements of the draft law further clarify the role of Polish institutions in sanctions enforcement. MSZ is tasked with submitting designation proposals and conducting diplomatic coordination, while the Head of KAS holds operational responsibility for list management, monitoring compliance and enforcing restrictive measures. The draft also anticipates the use of administrative and fiscal tools under the Act on the National Tax Administration (*Ustawa z dnia 16 listopada 2016 r. o Krajowej Administracji Skarbowej*) and makes reference to Poland's Anti-Money Laundering Act (*Ustawa z dnia 1 marca 2018 r. o przeciwdziałaniu praniu pieniędzy oraz finansowaniu terroryzmu*), which is itself undergoing concurrent amendments to strengthen compliance controls around sanctions-relevant transactions and beneficial ownership reporting.

Importantly, the new law does not repeal the 2022 “Polish Sanctions Act,” but is intended to supplement it. Upon entry into force, Poland would maintain multiple parallel frameworks:

- The 2022 Polish Sanctions Act, which continues to apply primarily to measures targeting Russian and Belarusian interests
- The new Poland Sanctions Act, a general-purpose instrument applying to a broader range of foreign policy and national security risks
- The AML Act, under which sanctions-related financial control obligations are embedded
- The Act on National Tax Administration, enabling operational enforcement
- The Act on Collective Entity Liability, which enables prosecution of corporate entities

The draft legislation is now subject to a formal public consultation process, with inputs to be collected from key government agencies, trade groups, legal associations and civil society organisations. Upon final adoption, the act is expected to enter into force 30 days following its official publication. Monitoring and reporting obligations under the law will likely be elaborated further through implementing regulations.

In light of these developments, companies operating in or through Poland, particularly in sectors such as energy, finance, logistics, insurance and dual-use goods, should urgently review their compliance policies and risk exposure. Firms should evaluate their internal controls, reporting mechanisms, beneficial ownership tracking and third-party screening tools in preparation for a significantly more complex enforcement environment. Entities with exposure to jurisdictions likely to trigger autonomous Polish designations should also consider the possibility of temporary suspensions or sectoral restrictions that may not mirror EU-level measures.

Should you require further information or a tailored impact analysis of the new proposed “Sanctions Act” on your operations, our team would be more than happy to assist.

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