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Introduction

Secondary Sanctions in the International Legal Order

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1.1 BACKGROUND

We live in an age of economic sanctions, of powerful states imposing restrictions on commercial and financial transactions with other states (and non-state actors) to achieve political goals. In particular, states that control key nodes in the global financial, economic and technological network can leverage global economic interdependence and wield massive extraterritorial power over other system participants. They may limit the export of sensitive technology, cut off banking services or interrupt global supply chains. In so doing, they can coerce other participants to adopt policies the latter would not otherwise have adopted. The economic and financial sanctions imposed by the West on Russia after its invasion of Ukraine in 2022 are a case in point. While these sanctions are unprecedented in terms of scale, they are part of a wider pattern of states 'weaponizing' global economic networks for coercive rather than cooperative ends.[1]

Sanctions can be imposed multilaterally by the United Nations Security Council,[2] but due to its susceptibility to deadlock by veto, there has been an explosion, in terms of sheer number and scope, of states adopting unilateral, also known as autonomous, sanctions to achieve their political aims.[3] Sometimes, they do so 'mini-laterally' with like-minded states (e.g., the 'collective West') or within a regional context (in particular the EU, on which member states have conferred the competence to impose restrictive measures).

Traditionally, unilateral sanctions restrict economic or financial interactions between (economic operators based in) the sanctioning state and (operators based in) the target or sanctioned state. The effectiveness of such measures will be limited,

[1] H. Farrell and A. L. Newman, 'Weaponized Interdependence: How Global Economic Networks Shape State Coercion' (2019) 44 *International Security* 1. For a historical analysis of sanctions, see N. Mulder, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War* (Yale University Press, 2022).

[2] L. van den Herik (ed.), *Research Handbook on UN Sanctions and International Law* (Edward Elgar Publishing, 2017).

[3] C. Beaucillon (ed.), *Research Handbook on Unilateral and Extraterritorial Sanctions* (Edward Elgar Publishing, 2021).

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however, in case the target state retains the option to do business with non-sanctioning states,[4] which may be willing to step in to fill the economic gap.[5] Realizing such sanctions 'leakage' and aiming to increase the pressure on the target state, sanctioning states may broaden the sanctions' radius. In particular, they may go a step further by targeting transactions between (the operators of) a third state and the sanctioned state, by attaching various consequences to such transactions.[6] These consequences can adopt many forms. They can, for instance, consist of access restrictions, such as prohibitions for third-country operators to access the financial and commercial markets of the sanctioning state. These could also consist of civil and criminal penalties imposed by the sanctioning state on third-country operators, including foreign financial institutions. Further, third-state economic operators engaging in trade with a 'blacklisted' person or entity can themselves be 'designated' and subject to asset freezes. In essence, these novel and more far-reaching sanctions aim to further isolate the sanctioned state and bring about behavioural change. The effectiveness in achieving such change will ultimately depend on a variety of economic and political factors, such as credible enforcement and the relative absence of mechanisms to circumvent secondary sanctions (e.g., the use of cryptocurrencies). In practice, only the US, at least until now the world's pre-eminent political and economic power, has unambiguously resorted to – and effectively enforced – secondary sanctions, for example regarding Iran, Cuba and China. Still, other political-economic powerhouses such as the EU and China have recently appeared to entertain the idea of imposing them, mainly to prevent circumvention of their own primary sanctions.[7] Notably, the EU has been moving in this direction since 2022 as part of its 'restrictive measures' against Russia. Thus, the EU has prohibited the provision of financial and technical services to vessels (including foreign vessels) which carry Russian oil (also to third countries) at a price exceeding a price cap.[8] In the summer of 2023, it introduced further

[4] This will normally be the case if only one or a limited number of States impose sanctions against the target. Compare C. Beaucillon, 'Practice Makes Perfect, Eventually? Unilateral State Sanctions and the Extraterritorial Effects of National Legislation', in N. Ronzitti (ed.), *Coercive Diplomacy, Sanctions and International Law* (Brill Nijhoff, 2016), p. 109 ('The more States that implement a specific threat of economic sanctions, the smaller the potential for the State target to circumvent the measures by turning to other partners and markets.').

[5] J. Meyer, 'Second Thoughts on Secondary Sanctions' (2009) 30 *University of Pennsylvania Journal of International Law* 905, 924; P. C. R. Terry, 'Enforcing U.S. Foreign Policy by Imposing Unilateral Secondary Sanctions: Is Might Right in Public International Law?' (2020) 30 *Washington International Law Journal* 1, 3.

[6] See further T. Ruys and C. Ryngaert, 'Secondary Sanctions: A Weapon out of Control? The International Legality of, and European Responses to, US Secondary Sanctions' (2020) 90 *British Yearbook of International Law* 1.

[7] On circumvention as a jurisdictional ground for secondary sanctions, see A. S. Nagel, 'Unilateral Extraterritorial Sanctions: The Search for a Jurisdictional Justification under International Law' (2023) 8 *The London School of Economics Law Review* 368.

[8] Article 3n(1) of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, [2014] OJ L 229 ('It shall be prohibited to provide, directly or indirectly, technical assistance, brokering services or financing or financial

measures, threatening financial sanctions against persons 'frustrating' EU sanctions against Russia, as well as opening the door to export restrictions against third countries that are at risk of being used for circumvention.[9]

The growing range and changing nature of unilateral sanctions have seen the emergence of a new label of so-called 'secondary' sanctions, as opposed to the more traditional 'primary' sanctions. The notion of secondary sanctions is not a mere academic construct but is increasingly present in legal and political discourse.[10] The term has for some time been part of the lingo of the US Office of Foreign Assets Control (OFAC).[11] It has also been employed in the case law of the Court of Justice of the EU,[12] and it has inter alia featured in debates in the European Parliament.[13] At the same time, before proceeding, it is apt to observe that there is no accepted legal definition of secondary sanctions. The term's precise contours remain disputed. In one sense, secondary sanctions denote sanctions that are imposed on foreign economic operators whose activities have no nexus whatsoever with the sanctioning state. One could think here of sanctions imposed by the US on a third-country (e.g., EU-based) operator doing business with a US sanctions target (e.g., a US-specially designated Iranian national). This business transaction may be entirely foreign and have no link with the US, but the US may still decide to sanction the foreign operator by restricting its access to US territory and markets (i.e., territorial enforcement of extraterritorial sanctions).[14] In so doing, the US forces the operator to choose between doing business with the sanctions target and doing business with the US. This tactic may well result in the operator's decision to forfeit business opportunities with the sanctions target,

assistance, related to the trading, brokering or transport, including through ship-to-ship transfers, to third countries of crude oil or petroleum products as listed in Annex XXV which originate in Russia or which have been exported from Russia.').

[9] See further Chapter 19.

[10] See for earlier academic use of the term, Meyer (n. 5).

[11] For example, United States, Department of the Treasury, Office of Foreign Assets Control, Frequently Asked Questions, '844 … Non-U.S. persons generally do not risk exposure to U.S. secondary sanctions for engaging in the sale of agricultural commodities, food, medicine, or medical devices to Iran', https://ofac.treasury.gov/faqs/844.

[12] CJEU, Grand Chamber, *Bank Melli Iran* v. *Telekom Deutschland GmbH*, Judgment, Case No. C-124/20, ECLI:EU:C:2021:1035, 21 December 2022; CJEU, General Court, *IFIC Holding AG* v. *Commission*, Case No. T-8/21, ECLI:EU:T:2023:387, 12 July 2023.

[13] For example, European Parliament, Resolution, 'One Year of Russia's Invasion and War of Aggression against Ukraine', 16 February 2023, 2023/2558(RSP), para. 22 (European Parliament calling 'for the EU, the Member States and their allies to strengthen the effectiveness of the sanctions already imposed, to take urgent steps to block any attempt to circumvent these sanctions and to work on a secondary sanctions mechanism that would close any loopholes'). Compare, however, with the EU's traditional opposition to extraterritorial sanctions: Council of the European Union, General Secretariat of the Council of the European Union, 'Guidelines on Implementation and Evaluation of Restrictive Measures (Sanctions) in the Framework of the EU Common Foreign and Security Policy', Doc. No 5664/18, 4 May 2018.

[14] B. Stern, 'Can the United States Set Rules for the World? A French View' (1997) 31 *Journal of World Trade* 5, 14; A. Bianchi, 'Extraterritoriality and Export Controls: Some Remarks on the Alleged Antinomy between European and U.S. Approaches' (1992) 35 *German Yearbook of International Law* 366, 373.

given the lucrativeness of the US market for international operators and the dominance of the US dollar in international finance.

Secondary sanctions could also be defined in a more encompassing way, however, namely as 'all measures which, in essence, aim to regulate economic transactions between a third state and a target state'.[15] Such a definition would also include certain primary sanctions insofar as they regulate foreign conduct by foreign persons, even if, formally speaking, they are based on a (tenuous) nexus with the sanctioning state – for instance, US dollar clearing through US correspondent bank accounts in relation to a commercial transaction which is otherwise wholly foreign, US ownership of a foreign subsidiary or US origin of items incorporated in foreign-made products (such as semiconductors). We have embraced this definition in an earlier publication.[16] However, in this handbook, we refrain from imposing a particular conception of secondary sanctions on the contributors. Instead, we have left it to each contributor to espouse their own conception of secondary sanctions and to explain their choice when introducing the scope of their respective chapters.

Regardless of the precise definition of secondary sanctions, it is evident that such sanctions have a strong extraterritorial dimension, even if a faint territorial link with the sanctioning state could be discerned (e.g., making use of that state's financial system). Indeed, in essence, a secondary sanction restricts economic transactions between third countries which may be entirely lawful under the laws of these countries. It is their extraterritorial character which gives secondary sanctions their distinctive and particularly controversial character. Whereas traditional primary unilateral sanctions are already contentious,[17] secondary sanctions add a layer of legal complexity as they impinge on *third states*' economic sovereignty and the their operators' freedom to conduct international business.[18] At the same time, since the main purpose behind secondary sanctions is to isolate a targeted country significantly further than primary sanctions do, they could have far-reaching adverse effects on individuals' enjoyment of human rights in the targeted country, a problem that has been highlighted inter alia by the UN Special Rapporteur on Unilateral Coercive Measures.[19]

The manifold, and as of yet unresolved, international legal issues raised by the imposition of secondary sanctions are the subject of this handbook. It is the aim of the contributions to this handbook to chart a path forward.

15 Ruys and Ryngaert (n. 6), 7.

16 Ibid.

17 On the contested character of primary sanctions, see D. Hovell, 'Unfinished Business of International Law: The Questionable Legality of Autonomous Sanctions' (2019) 114 *AJIL Unbound* 140. Note, however, that primary sanctions necessarily also have extraterritorial effects, inasmuch as they are aimed at bringing about political change in other States. Moreover, the imposition of some 'traditional' primary sanctions may also amount to an exercise of extraterritorial jurisdiction, insofar as they target the international operations of persons having the nationality of the sanctioning State.

18 Compare Chapter 9.

19 A. Douhan, Report of the Special Rapporteur on the negative impact of unilateral coercive measures on the enjoyment of human rights: Secondary sanctions, civil and criminal penalties for

Most conspicuously, secondary sanctions create inter-state tensions and may well violate a number of public international law regimes. They may, for instance, run afoul of accepted international legal principles of jurisdiction, insofar as they are not based on a meaningful connection between the sanctioning state and the third state (or third-country operator based there). They may violate the principle of non-intervention in that they could be considered as coercing another state to adopt a preferred course of action. They may also breach particular (multilateral or bilateral) treaty regimes governing (the liberalization of) international economic relations, in particular international trade law (the law of the World Trade Organization (WTO)), international investment law and international monetary law, insofar as they restrict cross-border economic and financial transactions. Third states or third-country operators could potentially challenge violations of relevant international legal norms before international, or even national, dispute-settlement mechanisms, provided these have jurisdiction – although in practice, such mechanisms have hardly been used.

It is not self-evident that secondary sanctions violate international law per se, however. The international law of jurisdiction is notoriously unclear when it comes to the strength of the required nexus for a jurisdictional assertion to pass muster, it remains elusive under what circumstances secondary sanctions are exactly coercive, and breaches of international economic law provisions may well be justified by a security exception. Moreover, the international law of responsibility may possibly *authorize* states to impose secondary sanctions where such sanctions respond to third states' failure to properly address another State's serious violations of international law (e.g., an act of aggression).[20]

In any event, it is apparent that secondary sanctions, short of illegality, may harm the politico-economic interests of third states, which forfeit economic opportunities to trade with countries of their choice. Third states have at times responded to the perceived unlawfulness of secondary sanctions and/or their adverse impacts by imposing 'blocking statutes' or, more recently, 'anti-coercion instruments', which, among other measures, prohibit operators from complying with foreign secondary sanctions and provide for counter-sanctions.[21] The effectiveness – or even international lawfulness – of such responses is not fully settled yet.

circumvention of sanctions regimes and overcompliance with sanctions, by Alena Douhan, A/HRC/51/33, 15 July 2022. para. 80, who focuses specifically on operators' overcompliance with sanctions, fearing exposure to secondary sanctions ('Overcompliance magnifies the negative impact of sanctions on human rights by extending the sanctions to additional targets, ranging from individuals to entire populations.'). In this volume, we do not directly address the human rights impacts of secondary sanctions in the target countries.

[20] Articles 41 and 54 of the Articles on the Responsibility of States for Internationally Wrongful Acts, Annex to UNGA Res. A/56/83, UN Doc. A/RES/56/83, 12 December 2001; see Chapter 10.

[21] For example, the Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom, [1996] OJ L 309; see also the EU Anti-Coercion Instrument, which allows the EU to respond to, and counteract economic coercion (including secondary sanctions

Secondary sanctions do not just raise concerns for states. They may also cause headaches for private economic operators, whose potential exposure to secondary sanctions complicates the already complex web of multi-jurisdictional norms governing their international business transactions. Secondary sanctions add to the compliance burden for operators and financial intermediaries, who are forced to commit substantial resources to monitor whether business activities breach not just international or local economic regulations but also foreign sanctions laws. Furthermore, secondary sanctions may compel operators to suspend or terminate business deals – deals which may be entirely lawful under the law of the contract – or risk losing access to the sanctioning state's market. Suspending or terminating contracts on grounds of exposure to secondary sanctions, however, is not legally straightforward under private international law and the law of contracts. A layer of legal complexity is added where local blocking legislation bars operators from discontinuing contractual performance, as a result of which states may be caught between a rock and hard place.

1.2 STRUCTURE OF THE HANDBOOK

This volume comprises five parts. Part I sets the stage by explaining the notion of secondary sanctions and laying bare their economic, financial and political impact. Parts II and III review secondary sanctions in light of general international law and international economic law, respectively. Part IV zooms in on the legal impact of secondary sanctions on commercial practices and domestic contractual litigation, while Part V examines what the future holds in store for the use of secondary sanctions and possible responses thereto.

Part I begins with Chapter 2 by Charlotte Beaucillon, who takes up the challenge of defining what secondary sanctions actually are. She identifies multiple definitional approaches to secondary sanctions, which can in her view be explained by the 'demonstration-oriented' purposes served by the respective approach, namely a denunciation of extensive extraterritoriality or a focus on effective sanctions targeting. Each approach creates its own legal issues, for both public and private actors, and calls for a tailored analysis.

In Chapter 3, Christopher A. Hartwell continues by examining the economic effects of secondary sanctions for third countries and third-country operators. Relying on economic theory and the scarce empirical evidence available (especially

imposed by other States): European Commission, Proposal for a Regulation of the European Parliament and of the Council on the protection of the Union and its Member States from economic coercion by third countries, COM(2021) 775 final, 2021/0406(COD), 8 December 2021, https://eur-lex.europa.eu/resource.html?uri=cellar:9f3b1699-58d9-11ec-91ac-01aa75ed71a1.0001.02/DOC_1&format=PDF; European Commission, 'Political Agreement on New Anti-Coercion Instrument to Better Defend EU Interests on Global Stage', press release, 6 June 2023, https://ec.europa.eu/commission/presscorner/detail/en/IP_23_3046.

regarding secondary sanctions against Cuba and Iran), he argues that secondary sanctions are likely to amplify the effect of (primary) sanctions. He cautions, however, that these effects will depend on the particular firm, the overall trading relationship between the third party and the sanctioned party, and the relationship between the firm and the sanctioning country.

In Chapter 4, Martin Vogt, for his part, focuses on the specific impact of secondary sanctions on international financial institutions (globally active commercial banks) and their compliance officers. He explains how secondary sanctions regulations are operationally implemented in international financial institutions and identify practical challenges arising from the extraterritorial nature of secondary sanctions and the demands of blocking regulations. He observes that, ultimately, the threat of (US) secondary sanctions plays only a limited role in European financial institutions' sanctions compliance, as US and EU sanctions regulations tend to be aligned with each other (as in the case of the sanctions against Russia).

In Chapter 5, Clara Portela reflects on secondary sanctions from a political science perspective. Focusing on the EU, she observes that US secondary sanctions pose a major challenge to European foreign policy. She reflects on the difficulties which the EU faces in countering the adverse effects of such sanctions, while exploring the prospects of EU tools aimed at resisting secondary sanctions (such as the EU Blocking Statute and the Anti-Coercion Instrument).

Part II reviews secondary sanctions in light of general public international law, in particular customary international law.

In Chapter 6, Patrick C. R. Terry reviews access restrictions imposed under US secondary sanctions regulations in light of the law of jurisdiction. He argues that these restrictions – for example, denying access to US markets or cutting persons off from US financial services – cannot be justified under any accepted jurisdictional ground (territoriality, personality and security), as states have persistently and over a long period of time condemned US secondary sanctions legislation as internationally unlawful.

Susan Emmenegger and Florence von Mutzenbecher (Chapter 7) point out that – even if states and legal doctrine have broadly rejected the lawfulness under customary international law of the wide jurisdictional claims made by the US – the US has continuously expanded its jurisdiction. They note that its OFAC has recently asserted jurisdiction over transactions that were processed without any involvement of the US banking system simply on the grounds that these transactions correlated with a subsequent transaction processed inside the US. In so doing, they consider whether there are any viable options for operators to avoid this extensive type of jurisdiction while still transacting in US dollars.

In Chapter 8, William S. Dodge goes on to examine whether (unlawful) secondary sanctions could be legally challenged before US domestic courts. He notes that, so far, foreign institutions have chosen to acquiesce to secondary sanctions for fear of being subject to access restrictions. He points out, however, that, for the first time, US secondary sanctions have been challenged in a series of prosecutions involving a Turkish state-owned bank (Halkbank). Dodge finds that the charges against Halkbank may not be challenged under the US presumption against extraterritoriality. He takes the view, however, that the sanctions regulations cannot lawfully be applied to Halkbank under customary international law, as relevant persons and property in the Halkbank case are not subject to US jurisdiction.

In Chapter 9, Felipe Rodríguez Silvestre raises the question of whether secondary sanctions could breach the customary international law principle of non-intervention. He observes that secondary sanctions exert pressure on foreign economic or financial operators, aiming to change their conduct vis-à-vis a target state. As a result, these sanctions compel third states where these operators are based to modify or prevent the fulfilment of their foreign or economic policies. In this context, he explores whether the adoption of secondary sanctions may amount to economic coercion and whether such type of coercion is sufficient to contravene the principle of non-intervention, especially in light of recent developments. Rodríguez Silvestre concludes by advocating for the integration of the principle of non-intervention into the jurisdictional analysis in the context of secondary sanctions.

Stefano Silingardi (Chapter 10) investigates whether a link could be established between secondary sanctions and the international law of state responsibility. In particular, he ascertains whether sanctioning states are entitled to impose secondary sanctions against third states which do not cooperate in bringing to an end serious breaches of peremptory norms of international law. He argues that sanctioning states may justify secondary sanctions as third-party countermeasures under the law of responsibility or may alternatively rely on states' duty to cooperate to bring to an end serious breaches.

Part III reviews the legality of secondary sanctions in light of three international economic law regimes: the law of the WTO, international investment law and international monetary law.

Because secondary sanctions restrict economic transactions between the target state and third countries, they risk coming into conflict with international trade law. This applies in particular to WTO law (which evidently applies only to Member States of the WTO). In Chapter 11, Peter-Tobias Stoll specifically examines to what extent secondary sanctions contravene the prohibition of quantitative restrictions and WTO non-discrimination standards. Insofar as secondary sanctions give rise to a prima facie breach of WTO law, Stoll acknowledges that the sanctioning state could rely on a WTO exception clause but points out that the rather distant connection between secondary sanctions and legitimate policy objectives makes such sanctions rather unlikely to survive the demanding standards of exception clauses.

Another field of international economic law, international investment law, is also potentially relevant to secondary sanctions. Although secondary sanctions cases have so far not been submitted to investment arbitration tribunals, Pierre-Emmanuel Dupont (Chapter 12) argues that a foreign investor, who made an investment in a sanctioning State (the US in particular), could invoke breach of a (bilateral) investment agreement insofar as the investor has been subjected to penalties and restrictions under a (US) secondary sanctions regime. He takes the view that such sanctions could amount to expropriation or breach of the fair and equitable treatment standard, although the sanctioning state could possibly rely on a security exception.

In Chapter 13, Annamaria Viterbo ascertains whether the adoption of secondary sanctions, and in particular asset freezes under secondary sanctions regimes, is consistent with international monetary law. She focuses on member states' obligations under the law of the International Monetary Fund (IMF) and examines and critiques the IMF mechanism for (tacitly) approving exchange restrictions inspired by security concerns. In the end, she finds that international monetary law does not as such prohibit states from imposing asset freezes but also that it does not explicitly allow their extraterritorial enforcement.

Next, Geraldo Vidigal and Celia Challet (Chapter 14) consider in greater depth whether key exceptions in international economic agreements could justify the adoption of secondary sanctions. The analysis encompasses both the notorious 'security exception', having regard to recent case law, and other general exceptions, relating, for example, to the protection of public morals. While the focus rests on the exceptions enshrined in the WTO agreements, the analysis has broader relevance beyond the immediate sphere of WTO law.

Part IV takes the perspective of economic operators and examines the legal impact of secondary sanctions on commercial practices and domestic contractual litigation.

Roger Kaiser and Eduard Hovsepyan (Chapter 15) highlight the main challenges which financial institutions need to overcome in ensuring sanctions compliance. They focus specifically on uncertainty surrounding contractual force majeure clauses, which may excuse non-performance of contractual obligations where performance would lead to violating secondary sanctions. They put forward five recommendations for policymakers and economic operators to improve the current landscape.

While Kaiser and Hovsepyan focus on contractual sanctions (force majeure) clauses, in Chapter 16 Mercédeh Azeredo da Silveira and Cedric Ryngaert delve into the more general question of whether, and under which circumstances, a party might be exempted from liability for non-performance in case of subsequent imposition of extraterritorial or secondary sanctions. They discuss how courts and tribunals have characterized such sanctions as potential legal or factual impediments to the performance of contractual obligations, analyse the conditions that must be met for such impediments to justify a party's exemption from liability for non-performance and point out how economic operators may be legally caught between secondary sanctions and measures enacted by states (or the EU) to thwart the effects of such sanctions.

Lastly, Part V brings together several forward-looking contributions that from different perspectives examine what the future holds in store for the adoption and contestation of secondary sanctions.

Thus, Congyan Cai (Chapter 17) examines how China has (re-)positioned itself in the sanctions landscape. Observing how (US) secondary sanctions have become a major threat for China, Cai discusses several recent Chinese instruments aimed at resisting secondary sanctions. Using a case study, he shows the impact of secondary sanctions on Chinese strategic industries and the difficulties of resisting US secondary sanctions. Cai ultimately believes that China is less likely to weaponize its economic power by imposing sanctions, although he does not exclude that China may occasionally use secondary sanctions.

Lauren E. Brown (Chapter 18) analyses how operators have sought viable alternatives to the US financial system in order to escape the reach of US secondary sanctions. She notes that one alternative is for individuals and entities to participate in the informal economy and points out that, in recent years, operators have used cryptocurrencies to challenge the US financial system. Brown concludes by observing that cryptocurrencies are unlikely to pose a real threat to US dominance, although they may complicate the enforcement process for sanctions authorities.

In Chapter 19, Tom Ruys and Felipe Rodríguez Silvestre examine how the recourse to and appraisal of secondary sanctions has been influenced by Russia's invasion of Ukraine and state responses thereto. In particular, the authors examine the extent to which the EU has itself moved towards the adoption of secondary sanctions. They conclude that some of the far-reaching measures adopted at the EU level are difficult to reconcile with the EU's traditional opposition to US extraterritorial sanctions, although certain differences can still be discerned with US practice.