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Article

Polish individual restrictive measures applied to economic entities in the context of the war in Ukraine and the situation in Russia and Belarus

MARIUSZ CICHOMSKI
https://orcid.org/0000-0003-3707-7856
Ministry of the Interior and Administration
Republic of Poland

KONRAD KACZOR
https://orcid.org/0009-0009-7182-4027
Independent author

Abstract

Poland, like several other European Union countries, adopted restrictive measures in response to the Russian Federation's aggression against Ukraine in 2022, as well as serious human rights violations against civil society and the democratic opposition in Russia and Belarus. The aim of this article is to characterise the economic entities subject to the restrictive measures applied in Poland. The type of activities carried out by these entities, the countries of their registration and their links with Russia or Belarus were taken into account as reasons for freezing their activities on the basis of the Polish sanctions list and the administrative decisions by which the list was entered. As an example, the authors analysed the case of an economic entity listed on the sanctions list, taking into account both the rationale for its inclusion and the established scope of restrictive measures, as well as additional legal mechanisms implemented to minimise the negative effects of these measures. The case analysis allowed for answering the question of the legitimacy of introducing individual restrictive measures at the national level and whether the application of such measures can impact the security of energy resource supplies, the functioning of transmission infrastructure, and critical infrastructure.

Keywords

restrictive measures, sanctions list, sanctions, war in Ukraine

Restrictive measures in the European Union

The European Union's packages of restrictive measures introduced so far in connection with the aggression of the Russian Federation (RF) against Ukraine (16 packages at the time of preparing this article) and the support provided by Belarus to Russia in this regard, have their legal basis in Article 29 of the Treaty on European Union[1]. It allows the Council of the EU to impose restrictive measures against non-EU governments, non-state actors such as economic operators, as well as individuals in order to bring about changes in their policies or actions. The second treaty-based foundation for the EU's application of restrictive measures is Article 215(2) of the Treaty on the Functioning of the European Union[2]. According to this provision, the EU Council may adopt the necessary measures to implement decisions adopted under Article 29 of the Treaty on European Union, ensuring their uniform application across all Member States[3]. This refers to the possibility of applying restrictive measures of an economic (sectoral) nature, such as bans on the import of certain types of products or

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[1] *Treaty on European Union* (consolidated version) – Title V – General provisions on the Union's external action and specific provisions on the common foreign and security policy – Chapter 2 – Specific provisions on the common foreign and security policy – Section 1 – Common provisions – Article 29 (former article 15 of the TEU).

[2] *The Treaty on the Functioning of the European Union* (consolidated version) – Part 5 – The Union's external action – Title IV – Restrictive measures – Article 215 (former article 301 of the Treaty Establishing the European Community).

[3] See: M. Cichomski, *Between armed conflict and state terrorism – specific individual restrictive measures adopted in Poland in the context of the war in Ukraine and the situation in Belarus. Legal perspective,* "Terrorism – Studies, Analyses, Prevention" 2024, no. 5, pp. 314–315. https://doi.org/10.4467/27204383TER.24.011.19399; *General framework for EU sanctions,* The European Union, https://eur-lex.europa.eu/PL/legal-content/summary/general-framework-for-eu-sanctions.html [accessed: 20.02.2025].

raw materials from countries subject to these measures, as well as financial measures. These include, in particular, the freezing of financial assets and economic resources held or controlled by specific individuals or economic entities. A separate issue concerns diplomatic sanctions, including the suspension of official visits, bilateral or multilateral cooperation with the EU, and the boycott of events[4].

The challenge does not lie in identifying economically significant vulnerabilities of the state targeted by restrictive measures. The depth of international interconnections is substantial enough to allow for a relatively straightforward assessment of which restrictions would exert the greatest pressure on the targeted state. However, the adoption of restrictive measures at the EU level necessitates agreement between Member States, which poses a significant challenge not only in political but also in economic terms. The implementation of both sectoral and individual restrictive measures requires each EU Member State to conduct a thorough analysis of the potential consequences of these measures[5]. The complexity and gradual nature of the sanctioning process are evidenced by the previously mentioned 16 so-called sanction packages[6] introduced in response to the conflict in Ukraine. The basis for their introduction was the amendment of 3 main pieces of legislation in this area, namely the *Council Regulation (EC) No. 765/2006 of 18 May 2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine* (hereinafter: Regulation 765/2006), the *Council Regulation (EU) No. 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening*

[4] *General framework for EU sanctions...*

[5] See in more detail: M. Cichomski, *Between armed conflict and state terrorism...*, pp. 314–315; P. Pospieszna, *Sankcje Unii Europejskiej wobec Rosji: proces decyzyjny, trwałość i rola państw członkowskich*, „Rocznik Integracji Europejskiej" 2018, no. 12, pp. 311–321. https://doi.org/10.14746/rie.2018.12.21.

[6] On the relationship between the concepts of sanctions, restrictive measures and retaliatory measures at EU level, see in more detail: M. Cichomski, *Between armed conflict and state terrorism...*, pp. 318–319; P. Kobza, *Środki restrykcyjne jako instrument Wspólnej Polityki Zagranicznej i Bezpieczeństwa Unii Europejskiej* (Eng. Restrictive measures as an instrument of the European Union's Common Foreign and Security Policy), „Studia Europejskie" 2006, no. 3, pp. 10–14. The topic of the origins of the concept of sanctions in the dimension of international law was addressed in the: M. Sułek, *Zachodnie sankcje wobec Rosji – sens i skuteczność* (Eng. Western sanctions against Russia – sense and effectiveness), „Rocznik Strategiczny" 2014/2015, vol. 20, pp. 398–400.

the territorial integrity, sovereignty and independence of Ukraine (hereinafter: Regulation 269/2014) and the *Council Regulation (EU) No. 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine* (hereinafter: Regulation 833/2014).

An example of the aforementioned gradual implementation of restrictive measures is the imposition of sanctions on Russian liquefied petroleum gas (LPG). It was only with *Council Regulation (EU) 2023/2878 of 18 December 2023 amending Regulation (EU) No. 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine* and constituting the 12. package of EU sanctions against the FR – that the import of LPG and its components from Russia was prohibited. The export of this raw material represents one of Russia's most significant sources of revenue and directly contributes to the enhancement of its military capabilities. At the same time, a transitional period was introduced, allowing for the import of Russian LPG until 20 December 2024, under acquired rights, meaning contracts concluded before the restrictive measures entered into force. As a result, the effective ban was implemented nearly 3 years after the outbreak of the full-scale armed conflict in Ukraine.

In this type of case, it is the capabilities or interests of the state to apply restrictions that influence the agreement to introduce certain restrictions, rather than the moderation of restrictive measures on the grounds of adequacy to the changing situation that gives rise to the restrictions (e.g. changes on the frontline and actions of the aggressor). In making this decision, the most important consideration is the level of a country's dependence on the supply of specific raw materials or goods from the country against which restrictive measures are to be applied. Lack of real diversification of supply sources may turn into a crisis situation (lack of resilience of the state in a given area). There may also be a reduction in the state revenue, as exemplified by the long-running discussion at the community level on the introduction of restrictions on diamond imports from the RF.

In view of the consensus of the Member States required to introduce restrictive measures, the limited effectiveness of these measures at the community level or the length of the decision-making process should not come as the surprise. This is due to the determinants of such consensus, which include both the particular economic interests of the states and their internal resilience to disruptions in the supply of specific raw materials or goods from a country subject to sanctions. Additionally, the distance from a given country to the source of the restrictions (e.g. the location of the conflict or the country on which pressure is being exerted) plays a significant role. For obvious reasons, the perception of threat from the RF differs between Poland or Latvia and Spain or Portugal, just as the approach to threats from the African continent also varies among these states[7]. This discrepancy also translates into varying levels of willingness to bear the consequences of implementing restrictive measures. This difference in perception necessitates the identification of national restrictive measures that will complement the EU measures, allowing for the adaptation of solutions in a geopolitical context. For this reason, countries such as Poland, the Czech Republic[8], and Latvia[9] apply subsidiary restrictive measures in relation to the EU's.

The question arises as to what the relationship between community and national restrictive measures should be[10]. Reference to it is made in Article 4(2) of the Treaty on European Union, which states that the EU: (...) *shall respect their essential State functions, including ensuring the territorial integrity of the State, maintaining law and order and safeguarding national security. In particular, national security remains the sole responsibility of each Member State.*

It is important to emphasise that the EU's competence in the field of Common Foreign and Security Policy, including adoption of restrictive measures, is not exclusive. Member States retain autonomous powers in these areas and have the right to adopt their own restrictive measures, independent of those at the EU level, as Poland, the Czech Republic and Latvia have done. The legal basis for such national competencies derives exclusively from domestic legislation. However, when adopting their own restrictive measures, Member States must ensure that such measures do not undermine the objectives pursued by the restrictive measures adopted at the EU level.

7 M. Cichomski, *Between armed conflict and state terrorism...*, p. 342.

8 *Zákon o omezujících opatřeních proti některým závažným jednáním uplatňovaných v mezinárodních vztazích (sankční zákon)*, https://www.mzv.cz/jnp/cz/o_ministerstvu/legislativa/pravni_predpisy_v_pusobnosti_mzv/zakon_c_1_2023_sb_o_omezujicich.html [accessed: 26.02.2025].

9 *Starptautisko un Latvijas Republikas nacionālo sankciju likums*, https://likumi.lv/doc.php?id=280278 [accessed: 26.02.2025].

10 See in more detail: M. Cichomski, *Between armed conflict and state terrorism...*, pp. 321–326.

It is also worth mentioning the *Update on EU good practice in the effective implementation of restrictive measures*. The document states that Member States, in addition to the legislation adopted at the EU level, should also have legal mechanisms at the national level that enable them, where necessary, to freeze funds and financial assets, economic resources of individuals and entities subject to EU restrictive measures. Furthermore, national legislation should provide for the prohibition of making financial funds and economic resources available to these individuals and entities or for their benefit, including through administrative enforcement measures or judicial orders for asset freezing[11]. It was explained that such measures should empower national authorities to order and enforce the freezing of financial funds and economic resources within the jurisdiction of a Member State, where such assets belong to, are owned by, controlled by, or held by the targeted individuals or entities. Additionally, these measures should also apply to EU-origin entities and individuals conducting their principal activities within the EU[12].

Polish solutions for the application of individual restrictive measures in connection with the conflict in Ukraine

The Polish legal framework governing the application of national individual restrictive measures in relation to the conflict in Ukraine is the *Act of 13 April 2022 on specific solutions to counteracting support for aggression against Ukraine and to protect national security* (hereinafter: Special Act). This legislation ensured the enforcement of EU Regulations 765/2006, 269/2014 and 833/2014. It introduced criminal or administrative sanctions for violations of the restrictive measures described in these regulations, designated the competent national authorities responsible for their implementation, and outlined the necessary procedures. Furthermore, it defined the framework for the application of national restrictive measures while taking into account the fundamental principles set forth in Regulations 765/2006 and 269/2014.

[11] *Update on EU good practice in the effective implementation of restrictive measures*, Brussels, 4.05.2018, document no. 8519/18, http://data.consilium.europa.eu/doc/document/ST-8519-2018-INIT/pl/pdf [accessed: 20.02.2025].

[12] Ibid.

The Act, in the dimension of the application of individual restrictive measures, is an autonomous piece of national legislation, merely making use of the mechanisms applied by the EU (by reference to them and not duplicating their content). This is clear from the wording of Articles 1(1) and (2) of the Special Act, referring to the Community restrictive measures set out in Article 2(1)-(3) of Regulation 765/2006 and Articles 2 and 9 of Regulation 269/2014. According to Article 2(2) of the Special Act, the measures imposed may not be duplicated: *The scope of the measures referred to in Article 1 applicable to listed persons and entities shall not duplicate the scope of the measures laid down in respect of those persons and entities in the lists set out in Regulation 765/2006 or Regulation 269/2014.*

The national solutions for determining individual restrictive measures were based on the list of persons and entities (hereinafter: the list) maintained by the minister responsible for internal affairs. This list is publicly available on the official website of the minister in the Bulletin of Public Information[13]. Prior to listing, the Minister shall issue a decision, individualised and appealable to the administrative court, on the introduction of individual restrictive measures against the person or entity concerned and on the scope of such measures.

The minister responsible for internal affairs makes a decision regarding the inclusion on the list of individuals and entities that hold financial assets, funds, and economic resources, as defined respectively by Regulation 765/2006 or Regulation 269/2014, and that directly or indirectly support:

1) the RF's aggression against Ukraine, initiated on 24 February 2022, or
2) serious human rights violations, repression against civil society and the democratic opposition, or activities that pose a serious threat to democracy or the rule of law in the RF or Belarus

– or those directly linked to such individuals or entities, particularly due to personal, organisational, economic, or financial ties, or where there is a likelihood that their financial assets, funds, or economic resources could be used for such purposes[14].

The fulfilment of any of the listed criteria must be demonstrated in the decision issued by the minister responsible for internal affairs

[13] *List of sanctioned persons and entities,* Ministry of the Interior and Administration, https://www.gov.pl/web/mswia/lista-osob-i-podmiotow-objetych-sankcjami [accessed: 24.02.2025].

[14] Article 3(2) of the Special Act.

regarding the inclusion on the list. For individuals and entities listed, the following measures apply:

- freezing of financial assets, funds, and economic resources in accordance with Article 2(1)–(3) of Regulation 765/2006 or Articles 2 and 9 of Regulation 269/2014. These measures include the freezing of financial assets, funds, and economic resources owned, held, controlled, or possessed by the natural or legal persons, entities, or bodies included in the sanctions list maintained by the minister responsible for internal affairs. This restrictive measure is accompanied by a prohibition on the direct or indirect provision of financial assets, funds, or economic resources to the sanctioned natural or legal persons, entities, or bodies, or for their benefit. Furthermore, it includes a ban on knowingly and intentionally participating in activities aimed at circumventing these measures, either directly or indirectly;
- exclusion from participation in public procurement procedures or competitions conducted under the *Act of 11 September 2019 – public procurement law*[15].

Additionally, a restrictive measure may be applied to listed individuals in the form of their inclusion in the register of foreigners whose stay in the territory of Poland is considered undesirable (Article 434 of the *Act of 12 December 2013 on foreigners*).

The decision regarding inclusion on or removal from the list is issued by the minister responsible for internal affairs, either ex officio or upon a justified request submitted by legally designated entities. The authority to request inclusion on the list has been granted to special services, which are capable of gathering information on existing connections through both operational and reconnaissance activities as well as analytical and intelligence processes, including cooperation with partner services from other countries. Additionally, this authority has been conferred upon two law enforcement services, namely the Police and the Border Guard, entities possessing expertise in financial transactions and fund transfers, including the General Inspector of Financial Information (Poland's Financial Intelligence Unit), the Polish Financial Supervision Authority, the President of the National Bank of Poland, the Head of the National Revenue Administration, the Head of the National Prosecutor's Office, and the Chairman of the Committee of the Council of Ministers responsible

15 Article 1 of the Special Act.

for matters of security and state, due to the Committee's coordinating role in these matters[16].

It is essential to emphasise that, similarly to the restrictive measures imposed by the EU, Poland's national restrictive measures are preventive in nature, rather than repressive or confiscatory[17]. Their primary objective is to prevent the flow of financial assets, funds, and economic resources to the RF or Belarus.

Subject-matter and material scope of the applied national individual restrictive measures

As of 31 January 2025, a total of **523 individuals and economic entities**[18] were listed on the national restrictive measures list. Of the **428 individuals** listed: 379 were linked to Belarus (including Belarusian citizens, such as parliamentarians, propagandist journalists, security officials, prosecutors, and judges), 49 were associated with the RF (including 47 Russian citizens, 1 Moldovan citizen, and 1 Polish citizen).

Among the **95 economic entities** listed:

- 14 were linked to Belarus, registered in:
  - Poland – 6,
  - Belarus – 5,
  - Hungary – 1,
  - the United Arab Emirates – 1,
  - Cyprus – 1.
- 81 were linked to the RF, registered in:
  - Poland – 49,
  - the Russian Federation – 18,
  - Cyprus – 7,
  - Kazakhstan – 4,
  - Luxembourg – 1,
  - Turkey – 1,
  - Latvia – 1.

16 See in more detail: M. Cichomski, *Between armed conflict and state terrorism...*, pp. 327–332.

17 *Commission Opinion of 19 June 2020 on Article 2 of Council Regulation (EU) No. 269/2014*, Brussels, 19.06.2020, C (2020) 4117 final, p. 6. The same opinion in this respect was presented in paragraph 28 of *the Update on EU good practice*...

18 The distinctions in the text come from the authors (editor's note).

All listings to date have concerned a total of 535 individuals and entities (430 individuals and 105 entities). Since the adoption of the Special Act, a total of **12 de-listing decisions have been issued in relation to**:

- 2 individuals (1 person due to EU listing, 1 person due to the cessation of the grounds for restrictive measures),
- 10 entities (1 deletion was in connection with registration on the EU list, 9 were related to changes in the ownership structure and termination of cooperation with counterparties related to Russia or Belarus).

In connection with the issuance of a decision on entry into the list of restrictive measures, a total of 96 complaints were referred to the Voivodeship Administrative Court, of which 37 were dismissed (12 legally, including 3 after the judgments of the Supreme Administrative Court), 4 – repealed, 10 – rejected, 8 – discontinued, and 37 remain pending. Twenty-eight cassation appeals have been filed with the Supreme Administrative Court.

For the purposes of the analysis of the issue described, given the need to present the totality of the restrictive measures applied to date, the following section of the article considers both the economic entities that were on the list on 31 January 2025 and those removed from it by that date. This will allow the full spectrum of national restrictive measures applied to date to be presented.

As indicated, the application of restrictive measures at the EU level requires full consensus among Member States, which inherently prolongs the process of imposing these measures – from the identification of an entity to be subjected to restrictions to their actual implementation through an EU legal act. This also poses a significant challenge for the EU itself in the context of bilateral relations with third countries. The foreign policies of individual Member States are not uniform, as they are primarily guided by their national interests. The reasons for this divergence are manifold, ranging from geographical location (e.g. proximity to Russia and Belarus) to natural resources and economic assets (such as fossil fuel deposits and minerals, as well as the ability to quickly secure alternative supplies in the event of restrictive measures). Furthermore, another crucial factor is the capacity of states to ensure internal security in multiple dimensions (transmission infrastructure, public protection, and meeting essential societal needs).

The introduction of national restrictive measures by states provides a real opportunity for a faster response to evolving political and, more importantly, economic conditions. This enables a flexible adjustment of both the subjective and objective scope of the applied restrictive measures. At the same time, it facilitates more direct engagement with economic entities through domestic enforcement mechanisms such as tax audits, the banking system, and licensing regulations. However, implementing such measures presents a significant challenge for states. It requires careful consideration of a broad spectrum of risks that an EU Member State may face when deciding to introduce these measures. One of the primary concerns is the potential reduction in state revenue resulting from restrictions imposed on a given entity (or multiple entities, in the case of sectoral sanctions). This includes a decrease in tax revenues linked to the scale of business operations affected by the restrictive measures. Additionally, a reduction in the volume of certain products on the market – due to decreased business activity – may also lead to lower VAT revenues, as reduced purchasing power translates into lower tax collection.

The second area of risk relates to infrastructure owned by entities subject to restrictive measures. The application of such measures may cause disruptions to transmission lines used by these entities, e.g. natural gas, liquid fuels or power grids. This may lead, inter alia, to the cessation of production in production plants, non-delivery of fuel supplies to individual consumers (e.g. home heating), as well as to the cessation of operations of hospitals and other entities providing services to the population, the uninterrupted operation of which is necessary to ensure the proper functioning of the state and the security of its citizens.

Further threats to the state have to do with the employees of those subject to restrictive measures. The role of the state, for economic and social reasons, is to shape the market in such a way that its citizens can not only take up employment, but also that it is stable. Undoubtedly, the inclusion of a given operator in restrictive measures, despite their non-repressive nature, while limiting the possibility to continue operating, may result in a reduction of employment or delays in the payment of salaries or other employee benefits. The consequences of listing are therefore borne not only by the business owners, but also indirectly by the employees.

The Polish Special Act makes it possible to alleviate this inconvenience by introducing the institution of temporary compulsory administration (Article 6a). The task of the administration is to dispose of financial resources, funds or economic resources within the meaning of Regulation 765/2006 or Regulation 269/2014, when this is necessary to ensure the functioning of an economic entity running an enterprise in the territory of the Republic of Poland in order to:

1) maintain jobs in that enterprise, or
2) maintain within the scope of activity of that enterprise the provision of services of general interest or the performance of other tasks of public character, or
3) protect the economic interest of the state.

Article 6b allows for the introduction of temporary compulsory administration to transfer ownership of financial assets, funds, or economic resources – within the meaning of Regulation 765/2006 or Regulation 269/2014 – to the State Treasury or another entity. This measure applies to assets belonging to persons or entities listed on the sanctions list if necessary to protect an important public interest, safeguard the state's economic interests or ensure its security. The temporary compulsory administrator is responsible for ensuring the continued operation of the economic entity until the financial assets, funds, or economic resources under administration are sold, thereby severing their connection with individuals and entities supporting the activities of the regimes in Russia and Belarus. The proceeds from the sale are frozen in the accounts of the sanctioned owners[19].

To protect the public interest, specifically the interests of employees working for enterprises run by entities subject to restrictive measures, Article 6e of the Special Act introduces the possibility for such entities to apply for benefits from the Guaranteed Employee Benefits Fund to cover employee claims. If the employer fails to submit such an application, employees can also request the benefits individually.

These measures help ensure the continuity of operations for entities listed under the restrictions while safeguarding the rights of their employees. They also, to some extent, mitigate the risks assumed by the state imposing its own restrictions, which are inherently broader than EU measures. An example of such national solutions includes the exclusion from public procurement or competition procedures and the entry of certain foreign nationals into the register of individuals whose stay in Poland is considered undesirable.

[19] See in more detail: M. Cichomski, *Between armed conflict and state terrorism...*, pp. 339–341.

The distribution of restrictive measures imposed by the Minister of Internal Affairs as of 31 January 2025, based on the country of registration of economic entities, was as follows (with the percentage share of the total number of entities subject to restrictive measures in parentheses):

- Poland – 64 entities (60.95%),
- the RF – 19 entities (18.10%),
- Cyprus – 8 entities (7.62%),
- Belarus – 5 entities (4.76%),
- Kazakhstan – 4 entities (3.81%).

Additionally, restrictive measures were applied to individual entities registered in Luxembourg, Turkey, the United Arab Emirates, Hungary, and Latvia, accounting for 4.76% of the total.

It is worth noting that Poland has listed not only entities registered in the RF and Belarus – consistent with the EU-wide objective of restricting the financing of the RF's aggression against Ukraine and the Belarusian regime under Alexander Lukashenko – but primarily entities registered in Poland itself.

The application of restrictive measures to economic entities registered in Poland should also be considered in the context of their ultimate beneficiaries and managing personnel. The fact that an entity is registered in Poland does not necessarily mean it has Polish capital. Due to the freedom of economic activity, this circumstance has no legal significance. Meeting the statutory requirements for registering a business entity – whether in the form of a company or a sole proprietorship – results in its inclusion in the National Court Register or the Central Register and Information on Economic Activity. As a result, a company registered in Poland does not have to be "Polish" in terms of its founding capital or operational funds. Consequently, there is flexibility in appointing its management personnel.

A similar situation applies to the ultimate beneficiaries of economic entities. According to the *Act of 1 March 2018 on counteracting money laundering and terrorist financing*, an ultimate beneficiary is any natural person who directly or indirectly exercises control over a company through rights arising from legal or factual circumstances. They enable decisive influence to be exerted over activities or actions undertaken by the company or any individual on whose behalf a business relationship is established or an occasional transaction is conducted. As a result, the beneficiaries of economic entities registered in Poland can be both business entities and natural persons associated with any country in the world or an economic entity registered there. This means that individuals linked to the regimes in Russia or Belarus may also be beneficiaries. Consequently, this creates the possibility of unrestricted transfers of funds to these countries, which could then be used to support aggression against Ukraine or repression of the democratic opposition in Russia and Belarus.

The restrictive measures imposed by the Minister of Internal Affairs as of 31 January 2025, apply to economic entities operating in the following sectors (with the percentage share in the total number of entities subject to restrictive measures in parentheses):

- chemical industry (including production and distribution of fertilisers) – 17 entities (16.20%),
- transport and forwarding – 11 entities (10.48%),
- production, export, and distribution of natural gas (including owners of transmission infrastructure) – 9 entities (8.57%),
- production and distribution of construction chemicals – 8 entities (7.62%),
- production and distribution of software – 6 entities (5.71%),
- petrochemical industry – 5 entities (4.76%),
- organisation of mass events – 5 entities (4.76%),
- production and distribution of agricultural machinery – 5 entities (4.76%),
- production and distribution of industrial and medical gases – 4 entities (3.81%),
- trade in birch plywood – 4 entities (3.81%),
- import and distribution of coal – 3 entities (2.86%),
- metallurgical and mining industry – 3 entities (2.86%),
- sale of vehicles and automotive parts – 3 entities (2.86%),
- sale of electronic and telecommunication equipment – 3 entities (2.86%),
- production of hygiene products – 2 entities (1.90%),
- automotive industry – 2 entities (1.90%),
- machinery industry – 2 entities (1.90%),
- financial sector – 2 entities (1.90%),
- production and distribution of food products – 2 entities (1.90%).

Additionally, restrictive measures were applied to individual entities operating in the following sectors: sale of sports goods, electricity distribution, machinery production, online sales, battery production, production and distribution of salt, trade in industrial machinery, fuel distribution settlements, and distribution of methyl alcohol. Together, they represent 8.57% of those subject to restrictive measures.

In the context of the subject matter of this study, specifically entities importing energy resources or possessing transmission infrastructure, further analysis of the Polish list of entities subject to restrictive measures shows that they were applied to (with the percentage share in the total number of entities subject to restrictive measures in parentheses):

- 5 entities importing energy resources, including 3 dealing with coal imports (4.76%),
- 5 entities possessing transmission infrastructure (4.76%).

The list also included 4 business entities that were in the initial stages of operating in the import and distribution of gas. The imposition of restrictive measures on these entities was preventive in nature and prevented them from developing full-scale operations.

One of the frozen companies listed did not own its own transmission networks, yet being listed on the sanctions list prevented it from engaging in wholesale electricity sales or purchases and from using the transmission networks of the owner of critical infrastructure (CI).

In relation to entities importing energy resources or possessing transmission infrastructure, regarding their place of registration, these restrictions were applied to (with the percentage share in the total number of entities subject to restrictive measures in parentheses):

- 9 entities registered in Poland, i.e. 3 dealing with coal imports, 2 importing natural gas, and 4 planning to start business operations in the import and distribution of gas (8.57%),
- 3 entities registered in the RF (2.86%).

Restrictive measures were applied to these 12 business entities under the provisions of Regulation 269/2014, which constitutes 13.79% of all 87 entities subject to the measures outlined in the regulation.

The entities mentioned are of significant importance for the functioning of the state and its infrastructure due to the nature of their activities, which are critical to ensuring the country's energy security. The application of restrictive measures to these companies posed a threat to the stability of energy and fuel supplies. On one hand, this highlights the risks assumed by a state when introducing such measures at the national level. On the other hand, it provides a real opportunity to exert pressure on the state against which these measures are applied. The application of individual restrictive measures may have an impact on

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the security of energy resource supplies, the functioning of transmission infrastructure as well as CI, and should be judged from this perspective.

Case study

In the next section of the article, a case study of one of the entities listed on the national restrictive measures list is analysed. This analysis includes both a description of the premises for the listing and the scope of the restrictive measures applied, as well as additional legal mechanisms implemented to minimise the social and economic negative effects associated with listing this entity. The analysis was conducted based on the decisions of the Minister of the Interior and Administration published on the Ministry's website. In the article, authentic names of business entities have been omitted.

Company A had been operating on the Polish market for several years. Its main business profile involved the import and sale of LPG and liquefied natural gas (LNG), also in the European market. Additionally, the company was involved in the construction of LNG regasification installations, LNG refuelling stations, and the supply of liquefied natural gas. It owned LPG transhipment terminals and an LPG bottling plant. The company also supplied gas through its own transmission networks to several municipalities being gasified using LNG technology. The business profile of Company A, especially in the context of gas supply to individual entities, positioned it in the sector of entities crucial for ensuring the country's energy security, although it was not at a critical level.

Company A was a subsidiary within the B capital group, controlled by the Russian corporation C, from which it imported gas to Poland. Corporation C is one of the largest natural gas producers in Russia and one of the largest business entities in the RF, subject to restrictive measures imposed by the US government through OFAC (Specially Designated Nationals and Blocked Persons List, US Department of the Treasury's Office of Foreign Assets Control). Corporation C is linked to person X, who is subject to restrictive measures by the UK government under *the Sanctions and Anti-Money Laundering Act 2018* – No. 996. Additionally, a board member of corporation C was Y, one of Vladimir Putin's trusted associates, who is also subject to restrictive measures under Regulation 269/2014. Due to the sector in which corporation C operated, as well as its size, it provided a significant source of revenue to the RF government.

These connections fully met the statutory grounds for the application of restrictive measures against Company A. As a result, the Minister of the Interior and Administration issued an administrative decision, and based on it, placed Company A on the list referred to in Article 2(1) of the Special Act, and initially applied the following measures to it:

- freezing of financial assets and economic resources within the meaning of Regulation 269/2014, owned by, held by, under the actual control of, or controlled by the entity, in full,
- prohibition of making available to the entity, or on its behalf – directly or indirectly – any financial assets or economic resources within the meaning of Regulation 269/2014,
- prohibition of knowingly and intentionally participating in actions aimed at or resulting in the circumvention of the above measures,
- exclusion from the public procurement or a competition conducted under the Public procurement law.

The justification for issuing the decision and applying the restrictive measures was the finding that Company A is an entity possessing financial assets and economic resources within the meaning of Regulation 269/2014, directly or indirectly supporting the RF's aggression against Ukraine. The factual grounds, on the other hand, are the personal, organisational, economic, and financial connections with the Russian entity (Corporation C), which provides the financial resources used to support the aggression against Ukraine. Additionally, individuals connected with Corporation C (both ownership and decision-making ties) are close associates of Putin and beneficiaries of decisions made by the RF government.

As indicated, Company A operated in Poland in the segment of importing natural gas and its subsequent distribution to end users (entities in the public and private sectors). Due to the critical importance of this activity, in order to ensure uninterrupted natural gas supply by the company, the Minister of the Interior and Administration took into account the need to counter the effects of a potential crisis situation[20] that could arise from the implementation of the measures specified in the initial decision regarding the inclusion of Company A on the list. He issued a decision in which he modified the scope of measures related to

[20] Within the meaning of Article 7a, point 1 of the *Act of 26 April 2007 on crisis management.*

the freezing of financial assets and economic resources of the company, as well as the prohibition of making them available, by excluding the scope related to activities carried out under the orders issued by the Prime Minister in accordance with Article 7a of the *Act of 26 April 2007 on crisis management*.

The purpose of issuing the indicated decision was to release the financial assets and economic resources held by the company, in order to allow their use to ensure the continuity of gas supply to recipients through the infrastructure owned by the company. It should be noted that the structure of the Special Act – and consequently the decision issued on its basis – means that the release of financial assets and economic resources of an entity subject to restrictive measures requires the prior approval of the Head of the National Revenue Administration. According to this law, the tasks and competences referred to in Article 4(1) of Regulation 269/2014 concerning individuals and entities on the list are carried out by the Head of the National Revenue Administration. Upon a justified request, the Head of the National Revenue Administration can agree to release certain frozen financial assets or economic resources or to make specific financial assets or economic resources available, with regard to individuals and entities subject to restrictive measures. However, considering the necessity of ensuring continuous gas supplies, submitting a request to the Head of the National Revenue Administration each time and waiting for a positive decision could disrupt the supply.

The consequence of issuing the aforementioned decision regarding the exclusion of the application of restrictive measures in relation to the company A was the issuance of a decision by the Prime Minister based on Articles 7a and 7b of the crisis management act. Under this decision, the Prime Minister instructed the company to provide specified economic entities engaged in gas fuel distribution with all documentation concerning the infrastructure owned and operated by the company for gas transmission, as well as documentation necessary to ensure uninterrupted gas supply to end consumers. Most notably, the company was required to transfer, on a free-of-charge loan basis, the networks and installations used for gas distribution. The designated economic entities, which were to take over the responsibilities of the company A, were, in turn, obligated to sell gas to the end consumers previously served by the company and to ensure the technical conditions necessary for carrying out these operations.

The actions taken ensured the uninterrupted and urgent delivery of gas to businesses, schools, kindergartens, and other public utility institutions that had previously received gas supplies from Company A. Moreover, despite the application of restrictive measures against the company – effectively prohibiting it from importing gas – no shortages of LPG were recorded in the Polish fuel market.

Company A, exercising the rights granted under the Special Act and administrative law regulations, filed complaints with the Voivodeship Administrative Court against the decisions issued by the Minister of the Interior and Administration. These complaints were dismissed by both the first-instance court and the Supreme Administrative Court. Additionally, the company submitted a request to the minister for removal from the sanctions list, which was denied. Consequently, the company filed a complaint, which was also dismissed by both the first- and second-instance courts.

Exercising his statutory powers, the Minister of Economic Development and Technology, at the request of the Head of the Central Anticorruption Bureau, imposed temporary compulsory administration on the company and defined the scope of financial resources, funds, and economic assets covered by it, including tangible fixed assets, intangible assets and legal rights, movable and immovable assets, as well as financial assets. The Minister considered that the application of this measure was necessary to ensure the operation of the entity in the provision of public services or the performance of other tasks of a public nature and to protect the economic interests of the state. The key task of the appointed administration, as specified in the decision, was to secure the company's assets to ensure the continuity of gas supply services. The temporary administrator initiated actions aimed at selling the company, which are still ongoing.

Summary

The presented analysis clearly indicates that the introduction of restrictive measures at the national level, regardless of those applied by the EU at the community level, is essential for effectively cutting off the revenues of states targeted by pressure. Of particular relevance in this respect is the sanctions policy of countries close to the state targeted by direct restrictive action. National restrictive measures serve as a valuable complement to EU measures, offering greater flexibility and a stronger capacity for impact. Additionally, their significance lies in the ability to shorten response times to changing circumstances and in the scale of their influence within the territory of the state implementing them.

It should be noted that while the restrictive measures introduced by the EU predominantly target economic entities registered in the RF and Belarus, the measures implemented by Poland primarily affect entities registered in this country. The position of Poland, as a country bordering both the RF and Belarus, as well as Ukraine, where a full-scale war is ongoing, remains relevant in this context. This proximity results, on one hand, in a greater number of local economic ties, which may seem marginal from the perspective of EU objectives. On the other hand, it determines the introduction of restrictions. Poland in the context of the conflict in Ukraine, demonstrates that applying national restrictive measures to certain entities can be crucial for ensuring the security of energy supply, the functioning of transmission infrastructure, and CI.

The significance and effectiveness of national restrictive measures are also reflected in statistical data. According to the National Revenue Administration, the total value of assets frozen in Poland so far exceeds EUR 1.3 billion, including 885.4 million under national legislation[21].

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Mariusz Cichomski

Lawyer, sociologist. He works on issues related to terrorism, organised crime, oversight of service activities, security legislation and issues related to the application of national restrictive measures. He is the author of more than 30 publications on security, particularly in the legal dimension, and on sociology.

Konrad Kaczor

A former police officer and former employee of the Ministry of the Interior and Administration. He has over thirty years of experience in combating economic and organised crime. He specialises in issues related to the international geopolitical situation.