

Bypassing sanctions to export luxury cars to russia



Lithuania is a transit country

Full service:



EU sanctions regarding cars

2022 March

Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine

Many amendments were made since then

Export of luxury cars over 50 000 Eur to RU

2023 July

With 11 sanctions package export ban to RU was broadened:

all new and used cars with an engine capacity exceeding 1,900 cm³

all electric and hybrid cars regardless of their value

2024 July

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

was amended: export bans to BY were expanded to align them with sanctions to RU

Export of cars with an engine capacity exceeding 1,900 cm³ to BY

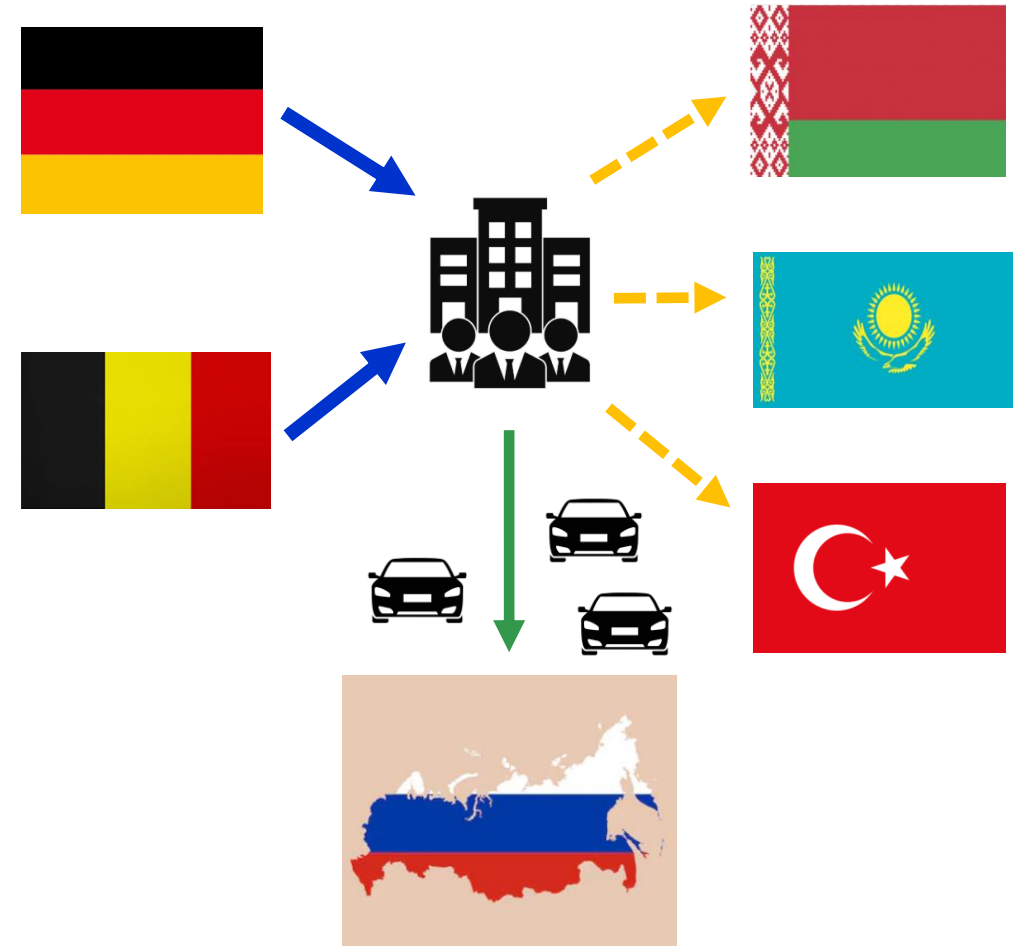
First attempts to circumvent sanctions



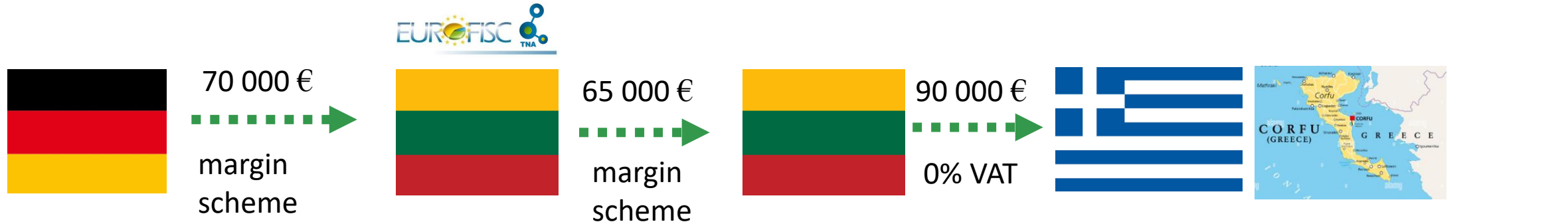
1. Export case

LT court approved LT customs' decision to give 13,6 M Eur penalty for circumvention of sanctions:

- LT company's export declarations did not show actual recipients and final destination
- Customs proved that cars ended in RU
- LT company had to ensure that cars would not get into RU



2. Circumvention by using LT-GR companies



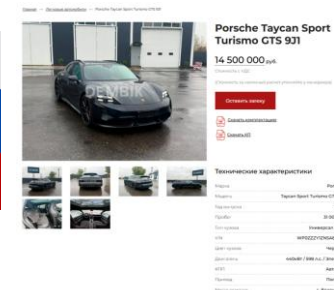
DE trader
natural
person
deregistered
from VAT

LT1
fraudulent
company

LT2 big trader
selling trucks
○ rare
transaction

GR conduit
director LT
citizen who has
LT companies
trading in cars

CMR says car was
transported to
Corfu by LV person



in RU on sale
for ~156 000 €
with VAT

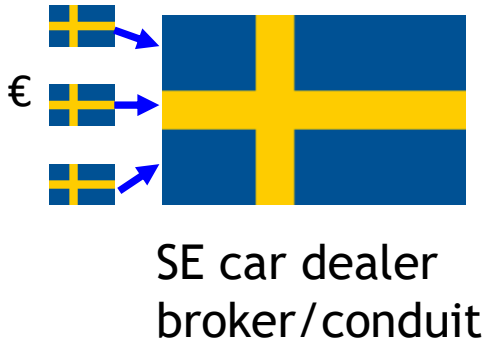
Where is Lithuania?

Where is Corfu?

Where is Russia?

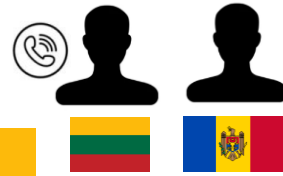


3. Circumvention by using LT companies



7 BMW for
0,5 M €

VIES
discrepancies



LT1 company
denied transactions

DE bank account



USA offshore company



3 BMW for 230 000 €



LT2 company
not VAT payer
registered 3 cars in LT

did not prove
it had enough
cash to pay

advance payments ~0,34 M €

sold

free use
cars were not insured in LT





Anonymous report

- LT2 company officially declares it rents cars
- Actually cars are transported via LV/BY border to BY and sold to BY persons
- LT2 company finds drivers (via ads) who drive cars crossing LV/BY border (for 500 Eur) and come back by bus
- LT1 company's director has connections in BY and finds buyers

4. Transportation

Since July 2024 it is forbidden for EU carriers to transport goods in RU/BY, for RU/BY carries to transport goods in EU

2 trucks transported fruits and vegetables from NL to RU

Carrier (on documents) was LT company, drivers were BY citizens

Trucks had registration in RU documents, although they had been previously registered in LT



Automatic mechanism to change license plates from LT to RU was found

Manual mechanism to swap license plates from LT to RU using magnets was found

Two infringements: circumvention of truck export and transportation



**Thank you
for your
attention**



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