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October 2026

VBB on Belgian Business Law

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Issue Highlights

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Foreign Subsidies Regulation

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European Court of Justice Explains Limits on Use of Copyright Revenue by Collective Management Organisations

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Public Procurement Rules Are Set Aside in European Defence Deals

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Breach of EU Sanctions: Federal Parliament Implements New EU Sanctions Directive

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Competition Law

Belgian Competition Authority Begins to Address AI Antitrust Concerns

On 8 October 2026, the Prosecutor General of the Belgian Competition Authority (*Belgische Mededingingsautoriteit – Autorité belge de la Concurrence* – ***BCA***), Damien Gerard, stated at a conference that EU competition authorities are monitoring established technology companies that are embedding AI products into their existing systems. Speaking to trade magazine "Global Competition Review" (***GCR***), Gerard also revealed that the BCA has received complaints concerning Microsoft Copilot from independent developers. The core concern is that Microsoft now embeds Copilot into its 365 productivity suite, raising issues of tying and bundling. The BCA has not yet opened a formal investigation.

Gerard added that he was opposed to the idea of an antitrust "safe harbour" for AI companies, a protection sought by firms wishing to cooperate on security and safety issues. In his view, such an exemption would allow established AI companies to "boycott" non-proprietary technologies, including rapidly developing open-source alternatives.

Comments

AI is, unsurprisingly, attracting intense scrutiny from competition authorities, and this extends beyond the classic scenario of using AI to facilitate collusion. In December 2025, the European Commission (the ***Commission***) opened a formal investigation into Meta's policy of blocking third-party standalone AI assistants from accessing the WhatsApp Business Solution, while simultaneously bundling and promoting its own proprietary "Meta AI". In June 2026, the European Commission ordered Meta to restore free access to WhatsApp for rival general-purpose AI assistants, and preserve such access until the end of the Commission's antitrust investigation.

Additionally, in December 2025, the Commission also launched another investigation to assess whether Google infringed EU competition law by using web publishers' content to provide "AI mode" search results without their consent and compensation, as well as content uploaded to YouTube for AI training purposes. In a staff document on the review of Regulation (EU) 2022/1925 (Digital Markets Act – the ***DMA***) dated 28 April 2026, the Commission acknowledged that the DMA "*will not be able to tackle every competition issue in the AI value chain*" and that "*other tools must be used, in particular the complementary tool of competition law enforcement*". The Commission will therefore probably welcome Gerard's comments.

AI tools are analysed both as an add-on to existing markets and as an emerging standalone market (or markets), especially as regards generative AI models. While the Commission has not yet taken a definitive position on this issue, the BCA may have to if it decides to tackle the complaints received against Microsoft Copilot, as bundling or tying practices require by definition the existence of at least two standalone products.

Other competition authorities are also showing an interest in this sector. For instance, on 17 July 2026, the French Competition Authority issued an opinion on the competitive functioning of the AI agents (or agentic AI) sector, building on its earlier opinion on the generative AI sector from June 2024.

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While reviewing the competitive challenges raised by AI tools, competition authorities are increasingly deploying these tools in their own investigations. In January 2026, the DICE project was launched "*to enhance the digital capacity of National Competition Authorities (NCAs) across 17 EU Member States*" in "*response to the growing impact of Artificial Intelligence (AI), data science, and digital technologies on competition enforcement*". The initiative aims to strengthen NCAs' "*readiness, skills, and institutional capacity to detect anticompetitive behaviours and enforce competition rules*". The participating NCAs are those of Belgium, Bulgaria, Croatia, Czechia, France, Germany, Greece, Hungary, Italy, Lithuania, Luxembourg, Malta, Poland, Romania, Slovakia, Slovenia and the Netherlands.

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Consumer Law

Federal Government Submits Bill Strengthening Consumer Protection and Enforcement

On 8 October 2026, the federal government submitted to the Chamber of Representatives Bill 56K1780 containing various provisions on consumer protection (*Wetsontwerp houdende diverse bepalingen inzake consumentenbescherming / Projet de loi portant dispositions diverses en matière de protection des consommateurs* - ***Bill***). The Bill amends the Code of Economic Law (***CEL***) and several other laws to strengthen consumer-contract rules, expand enforcement powers, and introduce sector-specific forms of protection.

Several proposed measures reflect consumer-protection commitments outlined in the federal governmental agreement of 31 January 2025, previously discussed in this Newsletter (*See*, this Newsletter, Volume 2025, No. 1, p. 7). These include reducing the limitation period for gas and electricity supply claims, addressing unauthorised supplier switches and strengthening the Economic Inspection Service of the Federal Public Service Economy (*Economische Inspectie / Inspection économique*).

Unfair Contract Terms

The Bill expands the list of prohibited terms in consumer contracts under Article VI.83 CEL. In particular, the following terms would be prohibited:

- requiring consumers, under an agreement concluded before a dispute arises, to submit that dispute exclusively to arbitration;
- limiting the validity of paid vouchers to less than two years from the date of issue, or that of prepaid multi-session cards to less than one year from the earliest date on which they can be used, subject to exceptions for certain limited-duration events; and
- requiring consumers to pay compensation for terminating a fixed-term contract in an amount that manifestly exceeds the loss which the business could suffer.

The Bill also expressly prohibits terms describing delivery periods as merely indicative and imposes stricter requirements on the wording of liability exclusion clauses.

Stronger Enforcement Powers

The Bill creates an express obligation to cooperate reasonably with officials of the Economic Inspection Service. Businesses that fail to cooperate or to comply with specified corrective measures will face periodic penalty payments of up to EUR 400,000.00.

If independent testing or examination establishes that goods fail to meet specified requirements or are linked to unfair practices, the competent officials will have the power to order corrective labelling, restrict sales, require recalls or withdrawals, or temporarily suspend the relevant business activities or websites. However, businesses will have the opportunity to present their defence and request a counter-analysis.

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Energy Invoices and Limitation Periods

As envisaged in the federal governmental agreement, the Bill reduces the limitation period for claims relating to gas and electricity supply to two years from the invoice's due date. Claims relating to heat supply and electronic communications services will be subject to a three-year limitation period running from the date of supply. Specific rules will apply to corrected energy invoices.

For residential customers and SMEs, gas and electricity suppliers will generally be required to issue invoices within 12 months of receiving all validated meter data and other information necessary for billing. Final invoices following a change of supplier will have to be issued within six weeks of receipt of all validated meter data. Any shorter deadlines provided for by regional law will continue to apply.

Mystery Switching by Electricity Supplier

The Bill also addresses unauthorised switches of electricity supplier initiated by a supplier and referred to as "mystery switching" in the federal governmental agreement.

The original supply will have to be restored within 90 calendar days of the first notification. The customer will not be required to make any payment to the supplier responsible for the unauthorised switch which will bear the resulting costs and damage.

If the situation remains unresolved after that period, neither supplier will be able to bill retroactively for past consumption. The cost of that consumption will fall on the supplier responsible for the unauthorised switch.

Other Sector-Specific Measures

The Bill broadens access to basic banking services by removing the exclusion based on an average annual cumulative credit balance exceeding EUR 10,000, while allowing a higher fee, subject to a cap, above that threshold. It will also empower the Financial Services and Markets Authority (***FSMA***) to develop financial-product comparison tools and, subject to safeguards, order measures against online interfaces used for unlawful financial activities.

Other measures will allow consumers to choose the veterinarian who treats an animal under the statutory guarantee, subject to the applicable reimbursement limits. The Bill also adds information on traction-battery health to the Car-Pass framework for second-hand vehicles.

Entry into Force

Most provisions of the Bill will enter into force on the first day of the sixth month following publication in the Belgian Official Journal. The basic banking provisions will enter into force upon publication. The amendment to the animal-guarantee rules in Book 7 of the Civil Code will enter into force on 1 September 2027.

The Bill is available here.

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Federal Government Submits Bill Amending Civil Code Provisions Governing Liability for Defective Products

On 16 October 2026, the federal government submitted to the Chamber of Representatives Bill 56K1784 amending the provisions of the Civil Code governing liability for defective products (*Wetsontwerp tot wijziging van de bepalingen van het Burgerlijk Wetboek met betrekking tot de aansprakelijkheid voor gebrekkige producten en tot invoeging van artikel 877/1 in het Gerechtelijk Wetboek / Projet de loi modifiant les dispositions du Code civil relatives à la responsabilité du fait des produits défectueux et insérant l'article 877/1 dans le Code judiciaire* - the ***Bill***). The Bill aims to transpose in part Directive (EU) 2024/2853 of 23 October 2024 on liability for defective products. It adapts the Belgian product liability regime in Book 6 of the Civil Code to address digital products and evolving supply chains and facilitates claims for compensation.

Digital Products and Compensable Damage

The Bill expressly includes software and digital manufacturing files within the definition of a product, while excluding free and open-source software developed or supplied outside a commercial activity.

Under the proposed rules, the assessment of whether a digital product is defective takes into account cybersecurity requirements, interaction with other products and the product's capacity to continue learning or acquire new features. Liability can also arise from a failure to provide software updates necessary to maintain safety, when the product remains within the manufacturer's control.

Compensable damage expressly includes medically recognised psychological injury and damage resulting from the destruction or corruption of data used for private purposes.

Liable Economic Operators

The Bill broadens the range of potentially liable economic operators. For manufacturers established outside the EU, liability can extend to the importer and the manufacturer's authorised representative or, in their absence, a fulfilment service provider.

If no responsible economic operator established in the EU can be identified, the injured person may ask the distributor to identify either such an operator or the supplier from whom the distributor obtained the product. If the distributor fails to do so within one month, the distributor itself will be held liable.

A similar type of fallback liability applies to online marketplaces that allow consumers to conclude contracts with third-party traders, provided the marketplace is not itself an economic operator. For this liability to arise, the marketplace must present the product or transaction in a way that leads an average consumer to believe that the marketplace supplies the product or that the seller acts under its authority or control. If no responsible economic operator established in the EU can be identified, the marketplace may be held liable if it fails to identify either such an operator or the relevant distributor within one month of the injured person's request.

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The Bill also treats a person as the manufacturer of a product if that person substantially modifies it outside the original manufacturer's control and subsequently makes it available on the market or puts it into service.

Disclosure of Evidence and Burden of Proof

The Bill inserts a new Article 877/1 in the Judicial Code, allowing courts to order the disclosure of relevant evidence if a claimant substantiates the plausibility of the claim. Defendants may also seek disclosure if they demonstrate that the evidence is needed to contest the claim. Disclosure must be necessary and proportionate and subject to safeguards for confidential information and trade secrets.

Claimants remain responsible for proving damage, defectiveness and causation, but the Bill introduces rebuttable presumptions to ease that burden in specified circumstances. For example, defectiveness is presumed if a defendant fails to comply with its disclosure obligations. Defectiveness, causation or both may also be presumed if, despite disclosure, the claimant faces excessive difficulties in adducing evidence, particularly because of technical or scientific complexity, and demonstrates the likelihood of the relevant element.

Time Limits

The Bill retains a three-year limitation period running from the date on which the injured person knew, or should reasonably have known, of the damage, the defect and the identity of the potentially liable operator. The Bill extends the general ten-year limitation period to 25 years if the delayed onset of personal injuries prevents proceedings from being brought within the ten-year period.

Entry into Force

The Bill will enter into force upon publication in the Belgian Official Journal. Under its transitional provisions, the new regime will apply to damage caused by defective products placed on the market or put into service on or after that date. Products put into circulation before that date remain subject to the existing rules.

The Bill is available here **.**

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Foreign Subsidies Regulation

In First for Belgian Public Tendering Litigation, Council of State Suspends EUR 750 Million Casino Concession Award on Foreign Subsidies Regulation Grounds

On 31 August 2026, the Belgian Council of State suspended the decision taken by the city of Brussels on 17 July 2026 to award the concession to operate the Brussels casino to E.C.K. SA (***ECK***), a member of the Napoleon Games group. The judgment, given in extreme urgency proceedings, turns in significant part on the EU's Foreign Subsidies Regulation (***FSR***). This is the first judgment in Belgium in which non-compliance with FSR procedures has resulted in the successful challenge of a public procurement or concession award.

Background

On 19 January 2026, the city of Brussels adopted the terms of a services concession for the operation of the Brussels casino for a 15-year term, with an estimated value of EUR 750 million. The city of Brussels did not publish the estimated value of the award and did not mention the notification obligation under Article 29 of the FSR in the Official Journal or national notices. Only Casinos Austria filed a declaration under Article 29(1) of the FSR; the other tenderers, including ECK, did not. On 17 July 2026, the city of Brussels awarded the concession to ECK, ranking it ahead of the incumbent concessionaire, Casinos Austria International Belgium (***Casinos Austria***), which then sought a suspension of the award decision before the Council of State.

FSR Plea

Casinos Austria argued that the city of Brussels had awarded the concession without verifying whether the successful tenderer had complied with its notification or declaration obligations under the FSR, and that its tender was therefore irregular.

The Council of State agreed. Applying Articles 28(1) and 29(1) of the FSR, it held that once the estimated value of a public contract or concession reaches EUR 250 million, every participating operator must either notify its foreign financial contributions to the contracting authority or submit a declaration listing all contributions received and confirming that they are not notifiable. That obligation arises by operation of law and does not depend on demonstrating the existence, amount, or distortive effect of any foreign financial contribution. According to the Council of State, it was therefore irrelevant that Casinos Austria had not shown that ECK had received any such contribution.

The Council of State rejected the argument of the city of Brussels that the FSR imposes obligations only on economic operators, and not on the contracting authority. Article 29(2) of the FSR requires the contracting authority to transmit notifications and declarations to the European Commission (the ***Commission***) without delay, and Article 29(3) of the FSR obliges it, after giving the operator ten working days to produce the missing document, to declare the tender unaccompanied by a notification or declaration as irregular and therefore reject it and inform the Commission.

Article 29(3) of the FSR leaves the contracting authority no discretion: once the ten-working-day cure period has expired without the missing document being produced, the tender must be

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declared irregular and rejected. A concession or public contract may therefore not be awarded to an operator whose tender lacks the required notification or declaration, irrespective of how that tender scores on the substantive award criteria.

The consequence is significant: an economic operator failing to submit a notification or declaration under the FSR is not merely non-compliant with a formality, its tender is irregular by operation of law.

The Council of State also rejected the argument that proof of compliance could be deferred until conclusion of the concession. Based on a combined reading of Articles 29(3), 29(4) and 32(1) of the FSR, the Council of State held that a contracting authority must ensure FSR compliance to exist before adopting the award decision. This is because Article 32(1) of the FSR allows every other step of the tendering procedure to continue during the Commission's review, but not the award itself. Notably, the city of Brussels had not even availed itself of the discretion existing under Article 29(3) of the FSR to grant the tenderers a ten-working-day cure period to produce the missing documents. Instead, it had proceeded directly to the award without engaging with the FSR at all. That wholesale omission, and in particular the non-compliance with Articles 28 and 29 of the FSR, affected the regularity of both the tendering procedure and the award decision. The plea was held to be well founded, and the Council of State ordered immediate suspension.

National Courts, Not Commission, Police FSR Compliance of Tendering Procedure

The judgment is a useful reminder of how the FSR's enforcement architecture interacts with national public procurement remedies. The FSR gives the Commission exclusive competence to assess, once notifications or declarations are transmitted, whether foreign financial contributions made it possible to submit an unduly advantageous tender or distorted the tendering procedure. The Commission is then in a position to exercise its powers of preliminary review, investigation and decision.

By contrast, the Commission has no power under the FSR to compel a national contracting authority to rescind or reopen an award made in breach of Articles 28 and 29 of the FSR. It is national law, and national courts, that provide the remedy: an unsuccessful tenderer can challenge the regularity of the award before the competent national court, as Casinos Austria did here. The Council of State confirmed this division of competences: it examined whether the city of Brussels had complied with Articles 28 and 29 of the FSR as a matter of the regularity of the award decision, noting that it was not for it to rule on the regularity of individual tenders. Practically, a competitor's ability to invoke an FSR breach depends on timely recourse to national judicial review, since failing to challenge an irregular award within the applicable time limits may leave no further remedy.

Why This Matters for Private Entities Participating in Tender Procedures

The judgment carries a clear practical lesson. The obligation to notify or declare foreign financial contributions under Articles 28 and 29 of the FSR arises automatically once the EUR 250 million threshold is met, regardless of whether the contracting authority raises the issue in the tender documents.

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For private businesses, this has a double implication. First, tenderers cannot assume that silence from the contracting authority means that the FSR does not apply: a failure to file a notification or declaration risks having their tender declared irregular and rejected, even at a late stage. Second, competitors have a direct interest in monitoring whether other tenderers and the contracting authority have complied with their FSR obligations. A missing notification or declaration confers a ground on competitors to challenge an award.

Businesses should therefore build FSR compliance into their tender approach and exercise due diligence on public contracts and concessions above the EUR 250 million threshold, rather than relying on the contracting authority to raise the issue.

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Intellectual Property

European Court of Justice Explains Limits on Use of Copyright Revenue by Collective Management Organisations

In its judgment of 22 October 2026 in *VG Wort* (Case C-840/24), the European Court of Justice (the ***ECJ***) explained when collective management organisations (***CMOs***) may use copyright revenue to fund social, cultural or educational services. Under Directive 2014/26/EU on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market (the ***Directive***), it distinguished between deductions from revenue and the later use of at first non-distributable amounts.

Background

German CMO VG Wort deducted part of the rights revenue which it collected, including private copying compensation and public lending remuneration, to finance a science promotion fund. The fund supported scientific publications, research, and related initiatives. An author challenged those deductions, relying on his own rights and the rights assigned by another author. Germany's Federal Court of Justice (the ***Referring Court***) asked the ECJ whether EU law permits such funding if beneficiaries do not, or do not yet, hold copyright.

Judgment

The ECJ held that deductions under Article 12(4) of the Directive may fund social, cultural or educational services only if those services directly or indirectly and exclusively benefit rightholders. Therefore, a national cultural promotion mandate cannot justify deductions that benefit non-rightholders. Nor can the CMO's general assembly of members authorise uses beyond the Directive's limits.

However, different rules govern non-distributable amounts. These include sums that the CMO is unable to distribute after three years from the end of the collection year despite taking all necessary measures to identify and locate rightholders. According to the ECJ, the general assembly has the power to authorise cultural, social or educational services benefiting non-rightholders using those non-distributable amounts, unless the EU Member State concerned restricts that use.

Separately, the ECJ clarified which rightholders may benefit from services funded through deductions. Those recipients do not require either a present right to remuneration or a management agreement with the CMO. However, they must qualify as rightholders under Article 3(c) of the Directive, and management of their rights must fall, directly or indirectly, within the field of activity of the CMO. The judgment therefore distinguishes existing rightholders without a present right to remuneration from creators who do not yet hold rights.

Practical Implications

For Belgian CMOs, the judgment highlights the importance of checking both funding sources and beneficiary eligibility. A cultural objective alone does not permit deductions supporting non-rightholders. CMOs contemplating broader support should distinguish genuinely non-distributable

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amounts from ordinary revenue and verify applicable national restrictions and general assembly approval. Conversely, they should not equate the absence of current royalties or a direct management agreement with the absence of qualifying rights.

The judgment can be found here.

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Public Procurement

Public Procurement Rules Are Set Aside in European Defence Deals

Courts in several EU Member States have upheld the use of Article 346(1)(b) of the Treaty on the Functioning of the European Union (***TFEU***) to justify the award of long-term defence contracts without competitive public procurement procedures.

- Earlier this year, the Belgian Council of State confirmed the legality of Belgium's long-term multinational strategic partnership with FN Herstal NV/SA (***FN Herstal***) for the provision of light weapons systems, even though that agreement had been concluded without a competitive public procurement procedure.
- Similar rulings have been delivered in Denmark, Finland and Sweden.
- These judgments are of direct relevance to firms operating in the defence industry, both those benefitting from direct awards and those excluded from them.

The judgments confirm broad EU Member State discretion in relying on Article 346(1)(b) TFEU, while underscoring that excluded competitors may still challenge such awards and that strategic monitoring of defence procurement decisions remains essential.

Convergent Case Law across the EU

Courts across several EU Member States have delivered judgments confirming the legitimacy of using Article 346 TFEU to award long-term defence contracts without competitive public procurement procedures. In Finland, the Finnish Supreme Court handed down a judgment on 4 February 2026 following an action brought by the German weapons manufacturer Heckler & Koch GmbH (***Heckler & Koch***). The Finnish Supreme Court held that the application of Article 346 TFEU was lawful, reasoning in essence along the same lines as the Belgian Council of State in its subsequent judgment of 16 February 2026 (discussed below). Courts in Denmark and Sweden handed down similar judgments on the application of Article 346 TFEU to national public procurement procedures.

Against the backdrop of an evolving geopolitical landscape and increasing emphasis on European defence cooperation, this body of case law illustrates how Article 346 TFEU can be used to structure long-term, strategic partnerships with national industry players, even if such arrangements extend beyond straightforward procurement. While the restrictive interpretation developed in EU case law remains relevant, these judgments underscore the significant margin of discretion retained by EU Member States and the largely deferential approach adopted by their national courts in reviewing defence-related measures.

At the same time, this case law highlights the broader implications of bypassing competitive public procurement procedures. While often justified on security grounds, such approaches may lead to higher costs for public authorities and increased interoperability risks within the European defence ecosystem. This underscores the importance of a measured and substantiated reliance on Article 346 TFEU, as well as the potential value of robust judicial scrutiny. The Belgian Council of State

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judgment of 16 February 2026 offers an illustration of how these considerations may play out in practice.

Belgian Council of State Judgment Confirms Trend

In 2024, the Belgian Ministry of Defence concluded a 20-year multinational strategic partnership (***MSP***) with Belgium-based FN Herstal covering a broad range of activities relating to light weapons systems, including maintaining the existing weapons inventory, research and development, leasing of weapons, and procurement of the corresponding ammunition. The MSP, open to participation by other EU Member States, aims to ensure operational readiness by safeguarding security of supply and national strategic autonomy.

The Minister of Defence relied on Article 346(1)(b) TFEU to justify its recourse to a negotiated procedure without prior publication and with only FN Herstal being invited to participate, and thus excluding the German weapons manufacturer Heckler & Koch from participating in the envisaged partnership.. While that provision allows EU Member States to take such measures as considered necessary to protect the essential interests of its security that are connected with the production of or trade in arms, munitions, and war material, it does not permit these measures to adversely affect the conditions of competition in the internal market for products that are not intended for specific military purposes.

Heckler & Koch unsuccessfully challenged the use of Article 346(1)(b) TFEU for the MSP of the Belgian State with FN Herstal.

Based on extensive reasoning detailed in its judgment of 16 February 2026, the Belgian Council of State confirmed that the conditions for invoking Article 346(1)(b) TFEU had been satisfied.

The Council of State noted that the weapons concerned formed part of the EU Common Military List and therefore serve a specific military purpose. Consequently, the arrangement does not adversely affect the conditions of competition in the internal market for products that are not intended for specific military purposes.

Additionally, the Council of State held that the Belgian State had adequately demonstrated that the MSP is necessary to safeguard Belgium's essential security interests. The Council of State accepted that these interests could be compromised if standard defence public procurement rules were applied. Referring to established EU case law, the Council of State emphasised that national authorities enjoy "particularly broad discretionary powers" in this domain. Judicial review is therefore limited, and the Council of State refrained from substituting its own assessment for that of the government regarding the necessity of specific defence measures. The Council of State also endorsed the Belgian State's position on security of supply, notably the need to partner with a domestically established supplier to mitigate the risk of export restrictions imposed by other EU Member States.

Key Takeaways for Defence Industry Participants

For operators active in the defence sector, the recent case law from across several EU Member States confirms both the opportunities and the limitations inherent in Article 346 TFEU:

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- *Broad State discretion*. There is a demonstrated willingness of EU Member State courts to accept far-reaching justifications for direct awards in the name of essential national security interests.

- *Challenges remain possible*. Competitors excluded from similar defence public procurement procedures should nevertheless consider the robustness of an EU Member State's reliance on Article 346 TFEU in selecting a supplier without a competitive process. There may be grounds to challenge decisions that unduly restrict market access, especially when the link between the measure and the protection of essential national security interests is not sufficiently substantiated.

- *Strategic monitoring is essential*. From a commercial perspective, it is critical that defence firms closely monitor public procurement strategies, anticipate the use of security-based exemptions, and evaluate potential legal remedies when access to key defence public contracts and projects is being restricted.

Looking Ahead

The trend towards long-term strategic partnerships in the defence sector in Europe is expected to continue as EU Member States seek to strengthen their defence capabilities. While national case law on Article 346 TFEU has emerged mostly in northern EU Member States, it is expected that southern EU Member States will face similar legal issues.

Industry participants should monitor developments in national public procurement practice and any further judicial clarification of the scope of Article 346 TFEU. Companies that may be affected by direct award decisions, whether as beneficiaries or as excluded parties, should ensure they have a clear understanding of the applicable legal framework.

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Sanctions

Breach of EU Sanctions: Federal Parliament Implements New EU Sanctions Directive

Since 1 September 2026, Belgium is applying new enforcement rules for breaches of EU restrictive measures (*beperkende maatregelen* / *mesures restrictives*) (often referred to as ***EU sanctions***) pursuant to Directive (EU) 2024/1226 (the ***Sanctions Directive***). The Directive establishes EU-wide minimum standards for criminalising and penalising the infringement of sanctions. For businesses, the headline change is a sharp increase in exposure which results in substantially higher fines and a new link to anti-money laundering rules.

Background

EU restrictive measures (asset freezes, travel bans, trade and financial embargoes) are enforced by individual Member States, which has led to significant divergence in how violations are penalised. To address this fragmentation and safeguard the effectiveness of sanctions, the European Union adopted the Sanctions Directive, laying down common minimum rules on criminal offences, penalties, aggravating and mitigating factors, jurisdiction and whistleblower protection.

Criminalised Conduct

Member States must criminalise intentional conduct that breaches EU restrictive measures and includes making funds available to a designated person; failing to freeze funds; enabling a designated person to enter or transit a Member State; dealing with a sanctioned third state or related entities (including public contracts); trading, importing or exporting restricted goods and related services; providing financial or other services (such as legal, accounting, IT, and consulting services) in breach of a sanction; and circumventing sanctions, including by providing false information. The attempt, the incitement and complicit behaviour are also covered. Member States may exclude violations that are worth less than EUR 10,000 from criminal liability.

Penalties for Legal Persons

For legal persons, the Directive requires fines of at least 5% of total worldwide annual turnover (or EUR 40 million) for most offences, and at least 1% of turnover (or EUR 8 million) for failure to report frozen funds. Additional sanctions may include the exclusion from public funding and procurement, a ban on business activities, the withdrawal of licences, judicial supervision, winding-up, and closure of establishments. Aggravating factors include acting within a criminal organisation, using forged documents, acting as a professional service provider, and carrying prior convictions.

Belgian Transposition

Belgium amended several laws, including the Law governing restrictive measures[1], granting competent authorities broader investigative powers (document requests, inspections, financial

[1] *Wet van 13 mei 2003 inzake de tenuitvoerlegging van de beperkende maatregelen die genomen worden door de Raad van de Europese Unie ten aanzien van Staten, sommige personen en entiteiten » / Loi du 13 mai 2003 relative à la mise en*

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and IT investigations, seizures), subject to proportionality safeguards. Administrative fines may reach EUR 25 million for legal entities. Critically, breaches of EU sanctions now becomes a predicate offence for money laundering under the Belgian Anti-Money Laundering Act of 18 September 2017, giving the Financial Intelligence Processing Unit (***CFI/CTIF***) a role in receiving related reports.

The new regime entered into force on 1 September 2026.

Why It Matters for In-House Counsel and Companies

The exposure for legal entities rises materially: fines of up to 5% of global turnover or EUR 40 million exceed most current Belgian penalties. Additionally, the link to anti-money laundering measures significantly raises the compliance and reporting risks. Companies with cross-border activity, particularly in financial services, trade, logistics and professional services, should review sanctions screening and export control procedures, strengthen internal reporting lines, and ensure licence conditions are strictly observed.

The Sanctions Directive can be consulted here. The Belgian law transposing the Sanctions Directive[2] can be found here.

œuvre des mesures restrictives adoptées par le Conseil de l'Union européenne à l'encontre d'Etats, de certaines personnes et entités.

[2] *Wet van 15 juli 2026 tot omzetting van Richtlijn (EU) 2024/1226 van het Europees Parlement en de Raad van 24 april 2024 betreffende de definitie van strafrechtelijke delicten en van sancties voor de schending van beperkende maatregelen van de Unie en tot wijziging van Richtlijn (EU) 2018/1673 en andere bepalingen/ Loi du 15 juillet 2026 portant transposition de la direc tive (UE) 2024/1226 du Parlement européen et du Conseil du 24 avril 2024 relative à la définition des infractions pénales et des sanctions en cas de violation des mesures restrictives de l'Union et modifiant la directive (UE) 2018/1673 et autres dispositions.*

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