

It appears that there was some correspondence from the private sector inquiring about the possibility of obtaining settlement for alleged losses incurred by firms or individuals following the imposition of sanctions. However, few formal applications for compensation seem to have been submitted to the government in other cases. No case of compensation by the government was found aside from the one mentioned above.

When a country is entered on the Area Control List (ACL), individual exporters do not necessarily feel the effect immediately, for the measure may initially be political. The effects can however become comparable to the ones felt from economic sanctions, for goods on the ACL require an export permit, and the Secretary of State for External Affairs has full discretion to approve or refuse authorization for such a permit.⁴⁹ It seems likely, however, that the government avoids committing itself in advance to providing compensation for possible losses resulting from the application of the EIPA, for the Act contains no clause providing for compensation for lost sales resulting from the cancellation or suspension of permits issued pursuant to the EIPA.

Who should take responsibility for the unwanted and inevitable adverse effects of economic sanctions? This question should be considered on a case-by-case basis. Among the factors to be considered are the following:

- a) the number and category of people who could be adversely affected:
- persons directly subject to the sanctions (because they are located in the target country or have close relations with it);
 - persons directly affected by the sanctions or indirectly affected (those in the second category will, with few exceptions, probably be excluded from any compensation program);
 - persons whose acquired rights are affected by the sanctions (current exporters) and those whose potential rights or opportunities may be diminished (such as exporters who are merely interested in the target market);

⁴⁹ While a permit becomes necessary as soon as a country is entered on the ACL, initially negative decisions are sometimes revised to avoid undue injury to exporters who had operative contracts when the entry was made, especially if it can be shown that the goods being sold do not violate the spirit of the sanctions.