

EUROPE

11 APRIL 2022

## EU UPDATE: SANCTIONS IN REACTION TO RUSSIA'S INVASION OF UKRAINE

*This is a consolidated version with information from the various Client Alerts published since 4 March 2022.*

In the context of Russia's invasion of Ukraine, the US, UK, and the EU have all imposed sanctions and other measures targeting Russia and Belarus. In addition, other countries, including Australia, South Korea, Singapore, Japan, and Taiwan, also adopted sanctions against these two countries. These sanctions have been imposed in different sets of tranches over the past weeks, following the evolution and aggravation of the situation.

At the time of writing, the EU has imposed various sanctions against Russia and Belarus, in 5 different tranches, which include:

- Prohibition on transactions related to the management of reserves as well as of assets of the Central Bank of Russia and Belarus,
- Closing of EU airspace, airports and ports to Russian planes and ships, and restrictions on the export of goods and technology as well as financing of aviation, space and maritime industries, as well as restrictions on road transportation, including transit,
- Inclusion of various Russian and Belarusian individuals and entities in the sanctions list,
- Prohibition to sell, supply, transfer or export banknotes and transferable securities in any official European currency,
- Prohibition to register and provide services to trusts or other such arrangements having Russian persons or their subsidiaries as beneficiaries,
- Prohibition to invest, participate or otherwise contribute to projects co-financed by the Russian Direct Investment Fund,
- Banning of RT and Sputnik networks,
- Wide range of import and export restrictions on goods, items and services from Russian and Belarus, including an export ban on luxury goods, energy-sector goods and technology (incl. liquefaction of national gas), oil exploration and import ban on coal and solid fuels, sea food, liquor, cement, fertilisers, and others;
- Restrictions targeting new investments in the Russian energy sector,
- Prohibition on the provision of credit rating services and subscription services in relation to credit rating activities to any Russian body, entity national or resident,
- Disconnection of important Russian and Belarusian banks from SWIFT,
- Limitations on Belarus' access to EU capital and finance,
- Ban of EU exports of maritime shipping technology to Russia,
- Restrictions on cash deposits and crypto assets; clarification that crypto assets are covered by existing sanctions
- Exclusion from public procurement, and from financing programmes, including Euratom,

An increased focus on adopting stronger and more proactive enforcement and anti-circumvention measures is also clearly identifiable.<sup>1</sup>

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<sup>1</sup> [European Council conclusions on the Russian military aggression against Ukraine, 24 March 2022 - Consilium \(europa.eu\)](https://www.consilium.europa.eu/en/press/press-releases/2022/03/24-eu-council-conclusions-on-the-russian-military-aggression-against-ukraine/)

## 1. EU MEASURES AGAINST RUSSIA

Regulations imposing sanctions against Russia apply:

- within the territory of the Union, including its airspace;
- on board any aircraft or any vessel under the jurisdiction of a Member State;
- to any person inside or outside the territory of the Union who is a national of a Member State;
- to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State;
- to any legal person, entity or body in respect of any business done in whole or in part within the Union.<sup>2</sup>

Given the EU's strong objection against the extraterritorial application of sanctions, non-EU subsidiaries of EU companies are not bound by these sanctions. However, if these subsidiaries employ EU nationals, these persons would be personally liable for their participation in transactions in breach of EU sanctions.<sup>3</sup> Also, these illegal transactions shall not be subject to the clearance or green light of the EU parent company.<sup>4</sup> In any case, companies are advised against setting up foreign subsidiaries for the purpose of avoiding sanctions, which is prohibited as a circumvention of sanctions.

The European Commission Guidelines explicitly state that "it is prohibited for EU parent companies to use their Russian subsidiaries to circumvent the obligations that apply to the EU parent, for instance by delegating to them decisions which run counter the sanctions, or by approving such decisions by the Russian subsidiary".<sup>5</sup>

Most sanctions became applicable with the entry into force of the relevant EU regulations and without a transitional period.<sup>6</sup> Therefore, as a general rule, EU persons should not make funds or economic resources available to listed persons or engage in other prohibited transactions even if they concluded a contract requiring such transaction before the imposition of sanctions. However, some specific provisions envisage a brief wind-down period.

There are certain exceptions and wind-down periods for previously concluded contracts. However, the Commission requires these contracts to contain all necessary elements for their validity and execution of the transaction (such as indication of the parties, price, quantities, delivery dates, modalities of execution, etc.). Therefore, most framework agreements which do not contain some of these elements would not be considered as contract.<sup>7</sup>

### 1.1 LISTING OF INDIVIDUALS AND ENTITIES

Restrictive measures, namely **asset freezes, prohibitions from making funds and economic resources available** to listed individuals and entities, and **travel bans**, were imposed against **1091 individuals and 80 entities**,<sup>8</sup> including:

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<sup>2</sup> [Consolidated text: Council Regulation \(EU\) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#), Article 17; [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 13; and [Council Regulation \(EU\) 2022/263 of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas](#), Article 15.

<sup>3</sup> [FAQ on export-related restrictions pursuant to Articles 2, 2a and 2b of Council Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine \(hereinafter: the 'Sanctions Regulation'\), as amended by Council Regulation \(EU\) 2022/328 of 25 February 2022](#), Question 31.

<sup>4</sup> Id.

<sup>5</sup> [General FAQ](#), Question 18.

<sup>6</sup> [General FAQ](#), Question 15.

<sup>7</sup> [General FAQ](#), Question 13.

<sup>8</sup> [Q&A on the fifth package of sanctions against Russia \(europa.eu\)](#)

- Bank Rossiya, VEB and Promsvyazbank (with a winding-down period until 24 August 2022<sup>9</sup>),
- Otkritie FC Bank, Novikombank, Sovcombank, and VTB<sup>10</sup> (with a winding-down period until 9 October 2022<sup>11</sup>),
- Officers and members of the parliament in the breakaway regions of Russia<sup>12</sup> and Russian members of the parliament,
- President Vladimir Putin and Foreign Minister Sergei Lavrov, and
- Numerous oligarchs (though divergences exist between those oligarchs targeted by the EU, US and UK).

It is recalled that the act of making **funds and economic resources** is interpreted broadly by the EU courts and institutions:

- For instance, providing **labour or services** is also considered as providing economic resources insofar as the labour or services enables the listed person to obtain funds, goods or services.<sup>13</sup>
- **Intellectual property rights** also constitute an "economic resource" for the purposes of restrictive measures adopted by the EU. As a result, though non-exhaustively :
  - public institutions (e.g. a trademark register) must not enable the use of IPRs of a designated persons, or of a person owned or controlled by a designated person (e.g. no **property transfer** should be registered);
  - no further transactions, such as the payment of **license fees**, are possible with such designated persons and entities; and
  - EU economic operators may not make IPRs available to designated persons (e.g. by means of **licensing agreements**).<sup>14</sup>

Furthermore, in addition to direct transactions with listed persons, transactions with entities owned or controlled by the listed persons may violate sanctions unless the parent company can demonstrate that funds or economic resources concerned do not reach the listed person.<sup>15</sup>

- **Ownership** is defined by the possession of **more than 50%** of the proprietary rights of an entity or having majority interest in it.

However, and critically, in the case of joint ownership of more than one sanctioned person, the European Commission has indicated that their shares are **aggregated** while calculating whether the number of shares surpasses 50%.<sup>16</sup>

- There are several criteria indicating **control** over an entity, which was established by the Council and the Commission.

Control is considered as the fact for one person/entity to be "*able to and effectively assert a decisive influence over the conduct of the other*" person/entity and is assessed with regards to elements such

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<sup>9</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 6b(1).

<sup>10</sup> [Council Implementing Regulation \(EU\) 2022/581 of 8 April 2022 implementing Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)

<sup>11</sup> [Council Regulation \(EU\) 2022/580 of 8 April 2022 amending Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#), Replacement Article 6b(2)

<sup>12</sup> [Council Implementing Regulation \(EU\) 2022/581 of 8 April 2022 implementing Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)

<sup>13</sup> [Opinion on the application of financial sanctions in Council Regulation \(EU\) No 269/2014 \(territorial integrity, sovereignty and independence of Ukraine\) | European Commission \(europa.eu\)](#)

<sup>14</sup> [Sanctions adopted following Russia's military aggression against Ukraine | European Commission \(europa.eu\)](#).

<sup>15</sup> [Updated Sanctions Guidelines](#) published by the Council on 4 May 2018, p. 20-22

<sup>16</sup> [Sanctions adopted following Russia's military aggression against Ukraine | European Commission \(europa.eu\)](#)

as the ability of using assets of the controlled entity, appointing and/or removing management of such entity, or influencing the corporate strategy of such entity.<sup>17</sup>

However, they can be refuted on a **case-by-case** basis.<sup>18</sup>

- With regards to **relationships** between **designated** companies and their **subsidiaries** in particular, the Commission notes that *"as generally parent companies exercise control and direction over the activities of their subsidiaries, in the Commission's view, once control by a designated person over a non-designated entity is determined, it can be presumed that the control also extends to the subsidiaries and the assets of the non-designated entity. This presumption can be rebutted on a case-by-case basis by the EU Subsidiary, if it can demonstrate that some or all of its assets are outside the control of the parent entity, or that the latter is, in fact, not controlled by the designated person"*.

Thus, *"making funds or economic resources available to such a subsidiary would amount to making them indirectly available to the designated person, unless it can be reasonably determined, on a case-by-case basis using a risk-based approach, taking into account all the relevant circumstances, that the funds or economic resources concerned will not be used by or be for the benefit of that designated person"*.<sup>19</sup>

On 8 April, the EU increased the number of **derogations** from the **asset freeze** and prohibition to provide funds and economic resources. Competent national authorities may authorize the release of certain funds and economic resources or provision of funds and economic resources if:

- The funds or economic resources are to be paid into or from an account belonging to or held by a **diplomatic mission, consular post or international organisation enjoying immunities** in accordance with international law, in so far as such payments are intended to be used for official purposes of the diplomatic mission, consular post or international organisation.<sup>20</sup>
- The funds or economic resources are necessary for the sale and transfer by **9 October 2022** of proprietary rights in a legal person, entity or body established in the Union where those proprietary rights are directly or indirectly **owned by a listed person** and the proceeds of such sale and transfer **remain frozen** (allowing for the winding-down/closing of operations).<sup>21</sup>

## 1.2 MEASURES SPECIFICALLY TARGETING DONETSK AND LUHANSK

The EU imposed **restrictions on economic activities** with the regions of Donetsk and Luhansk<sup>22</sup> including:

- An **import ban** on goods originating from these regions, including prohibition of related financing, insurance and reinsurance activities, except for goods for which Ukrainian authorities issued a certificate of origin in accordance with the EU-Ukraine Association Agreement (exemption for execution of contracts concluded before 23 February 2022 until 24 May 2022)<sup>23</sup>;

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<sup>17</sup> [Commission opinion of 8 June 2021, p. 2.](#)

<sup>18</sup> Please refer to [Updated Sanctions Guidelines](#) published by the Council on 4 May 2018, p. 20-21; [Commission opinion of 19 June 2020](#) and [Commission opinion of 8 June 2021.](#)

<sup>19</sup> [Commission opinion of 8 June 2021, pp. 3-4.](#)

<sup>20</sup> [Council Regulation \(EU\) 2022/580 of 8 April 2022 amending Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine.](#) Replacement Article 4(1)(e).

<sup>21</sup> [Council Regulation \(EU\) 2022/580 of 8 April 2022 amending Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine.](#) Replacement Article 4(1)(e).

<sup>22</sup> [Council Regulation \(EU\) 2022/263 of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas.](#) Article 4 and 5. The sectors are the following: transport, telecommunication, energy, oil, gas, and mineral resources industries; and prohibition to provide any related technological assistance, brokering services, and financing.

<sup>23</sup> [Ibid.](#), Article 2.

- Prohibition on **investment**<sup>24</sup> and **tourism** activities<sup>25</sup>; and
- An **export ban** for **listed goods and technologies** suited for use in transport, telecommunication, energy, oil, gas, and mineral resources industries; and prohibition to provide any related technological assistance, brokering services, and financing.<sup>26</sup>

This prohibition only covers economic relations with the areas that are not under the control of the authorities of Ukraine. Since the situation changes quickly, a dynamic assessment is necessary.<sup>27</sup>

### 1.3 SANCTIONS AGAINST RUSSIAN GOVERNMENT AND CENTRAL BANK

Dealing with **transferable securities and money-market instruments issued** after 9 March 2022 by Russia, its government, and the Russian Central Bank is prohibited. It is also prohibited to make, or be part of any arrangement to make, any **new loans** to Russia, its government, and the Russian Central Bank since 23 February 2022.<sup>28</sup> However, there is an exception for contracts concluded before 23 February 2022, subject to certain conditions.

**Transactions** related to the management of **reserves** as well as of **assets** of the **Central Bank of Russia**, including transactions with any legal person, entity or body acting on behalf of, or at the direction of, the Central Bank of Russia are also **prohibited**, save for those transactions that are strictly necessary to ensure the financial stability of the Union as a whole or of a Member State in particular.<sup>29</sup>

The **prohibition on transactions** with the **Central Bank of Russia** was **expanded** to cover transactions with the **Russian National Wealth Fund**, which is deemed to act on behalf of or at the direction of the Central Bank of Russia.<sup>30</sup>

### 1.4 FINANCIAL SECTOR SANCTIONS

The EU imposed severe **financial sanctions** targeting **the majority of the Russian government, market and key state-owned companies**, which aim at preventing Russia from **accessing EU capital markets**. It restricted public financing or financial assistance for trade with or investment in Russia, as follows (subject to limited exceptions):

- **Prohibition to deal with transferable securities and money-market instruments** (note varying maturity dates and dates for assessing public ownership for each sub-prohibition)<sup>31</sup> issued by various entities listed in annexes III, VI, XII, and XIII, including **Sberbank, Gazprombank, VEB, Promsvyazbank United Aircraft Corporation, Rosneft, Novorossiysk Commercial Sea Port; Russian Railways; and United Shipbuilding Corporation**. These instruments also include crypto assets<sup>32</sup>.

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<sup>24</sup> [Ibid](#), Article 3.

<sup>25</sup> [Ibid](#), Article 6.

<sup>26</sup> [Ibid](#), Article 4 and 5.

<sup>27</sup> [FAQ on Oblasts](#)

<sup>28</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5a.

<sup>29</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5a.

<sup>30</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5a.

<sup>31</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5(1) to 5(4).

<sup>32</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 1(f).

- **Prohibition** on making or being part of any arrangement to make new **loans** or **credit** to any legal person, entity or body referred above after 26 February 2022.<sup>33</sup>
    - Exceptions are provided in the interest of EU and third countries, as well as for drawdowns and disbursements made under a contract concluded prior to 26 February 2022, with some conditions.
  - Prohibition on the **listing and provision of services on trading venues** registered or recognised by the EU for transferable securities of any Russian-established entities with public ownership of 50+%.<sup>34</sup>
  - Restrictions on **financial fluxes and investments** between Russia and the EU:
    - **Prohibition to accept** any **deposits** from to persons or entities established in Russia, if the total value of deposits of the natural or legal person, entity or body per credit institution exceeds **EUR 100 000**.<sup>35</sup>
    - Prohibition to provide **crypto-asset wallet, account or custody services** to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of crypto-assets of the natural or legal person, entity or body per wallet, account or custody provider exceeds **EUR 10 000**.<sup>36</sup>
    - **EU, EEA, and Switzerland** nationals are **exempted** from **deposit and crypto** limits.
- The restrictions on deposits and crypto, further, do not apply to cross-border trade in goods and services which is not prohibited under the sanctions regulations.
- **Prohibition** for Union central securities depositories to provide certain services for **transferable securities** to persons or entities established in Russia.<sup>37</sup>
  - **Prohibition to sell transferable securities denominated in any official currency of a Member State** (Euro or other) or units in collective investment undertakings with exposure to such securities, to persons or entities established in Russia.<sup>38</sup>
  - **Prohibition to sell banknotes denominated in any official currency of a Member State** (Euro or other) to Russia or to any natural or legal person, entity or body in Russia.<sup>39</sup>

The prohibition only concerns **physical banknotes** and does not extend to transfers via bank accounts insofar as the transfer is not prohibited for any other reason.<sup>40</sup>

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<sup>33</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5(6).

<sup>34</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5(5).

<sup>35</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5b.

<sup>36</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 5b.

<sup>37</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5e.

<sup>38</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 5f(1).

<sup>39</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 5i.

<sup>40</sup> [FAQ on Euro-Denominated Banknotes](#)

Exceptions are provided, such as for private use in the framework of tourism in Europe.

- **Prohibition to invest**, participate or otherwise contribute to **projects** co-financed by the **Russian Direct Investment Fund**.<sup>41</sup>
- **Prohibition**, as of 12 March 2022, to provide specialized financial messaging services (such as **SWIFT**), to the following legal persons or their subsidiaries:
  - **Bank Otkritie**
  - **Novikombank**
  - **Promsvyazbank**
  - **Bank Rossiya**
  - **Sovcombank**
  - **Vnesheconombank (VEB)**
  - **VTB Bank**.<sup>42</sup>

Other large banks such as Sberbank have not (*at the time of writing*) been disconnected from the SWIFT messaging service.

- **Prohibition as of 15 April 2022 of the provision of credit rating services** as well as access to any subscription service in relation to credit rating activities to any Russian person, body or entity.<sup>43</sup> It must be noted that this financial restriction **does not apply to EU nationals or residents**.
- **Prohibition of all transactions with 12 specified stated-owned companies and their non-EU subsidiaries listed** in **Annex XIX**, i.e. OPK Oboronprom; United Aircraft Corporation; Uralvagonzavod; Rosneft; Transneft; Gazprom Neft; Almaz-Antey; Kamaz; Rostec; JSC PO Sevmash; Sovcomflot; United Shipbuilding Corporation.<sup>44</sup>
- There is an **exception** for the **purchase of fossil fuel and certain minerals**: the blanket prohibition on all transactions with the designated entities does not prevent those "*transactions which are strictly necessary for the direct or indirect purchase, import or transport of **natural gas and oil**, including **refined petroleum products**, as well as **titanium, aluminium, copper, nickel, palladium and iron ore** from or through Russia into*" the EU, EEA, Switzerland or Western Balkans.<sup>45</sup>

However, the exception for the **coal and other solid fossil fuels will be phased out in 10 August 2022**.<sup>46</sup>

The prohibitions, further, shall not apply to the execution of certain previously concluded contracts, transactions necessary for fossil fuel trade.

Furthermore, it is prohibited to register, provide a registered office, business or administrative address as well as management services to, a trust or any similar legal arrangement having as a trustor or a beneficiary a

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<sup>41</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 2e(3).

<sup>42</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5h.

<sup>43</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5j.

<sup>44</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5aa.

<sup>45</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 5aa(3)a

<sup>46</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 5aa(3)

Russian persons or their subsidiaries. It is also prohibited to act as a trustee, nominee shareholder, director, secretary or a similar position, for these trusts.<sup>47</sup>

## 1.5 ENERGY SECTOR SANCTIONS

- **Prohibition of the export** of listed goods and technology suited for use in **oil refining and liquefaction of natural gas**<sup>48</sup> to Russia or for use in Russia, or to provide technical assistance or financing in relation to such operations.<sup>49</sup>
- **Prohibition of the export of dual-use items** and items listed in Annex VII, which might contribute to the technological enhancement of Russia's defence and security sector, **intended for the energy sector**.<sup>50</sup>
- **Prohibition** of export of **listed goods suited for oil exploration and production projects in Russia**, listed in the Annex II<sup>51</sup> to any Russian legal person, entity or body or for use in Russia (including its Exclusive Economic Zone and Continental Shelf). **These items were previously subject to an export authorization scheme**.
- **Financial restrictions targeting new investments in the Russian energy sector**, including prohibition on acquiring new stakes in Russian entities, providing loans and forming joint venture with any Russian entity.<sup>52</sup>
- Prohibition of imports of **coal and other solid fuels** (listed in Annex XXII), subject to a four-month **wind-down period** (execution until 10 August 2022 of contracts concluded before 9 April 2022).<sup>53</sup>

The prohibitions shall **not apply** in certain circumstances to **protect energy security of the EU** and for certain previously concluded contracts.

It is also noted that, in order to guarantee energy security in the EU, the Commission established an **EU platform for common purchase of gas, LNG and hydrogen**. The objective is to use the collective political and market weight of the EU to ensure security of energy supply at affordable prices.<sup>54</sup>

In furtherance of this objective, the Commission indicated it would cooperate with the **private industry** for "*market insights and expertise on the gas supply chain*", setting up "*a dedicated consultative working group consisting of industry experts [which would] have an advisory role and operate in compliance with EU antitrust rules, with strong safeguards against conflict of interests*".<sup>55</sup>

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<sup>47</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 5m.

<sup>48</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 3b(1); the list is updated by [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#).

<sup>49</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3b.

<sup>50</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Articles 2(7) and 2a(7); the list is updated by [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#).

<sup>51</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3.

<sup>52</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3a.

<sup>53</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3j.

<sup>54</sup> [First meeting of EU Energy Purchase Platform \(europa.eu\)](#)

<sup>55</sup> [First meeting of EU Energy Purchase Platform \(europa.eu\)](#)



## 1.6 AIRSPACE, MARITIME AND TRANSPORT SECTOR SANCTIONS

It is prohibited to export **goods and technology suited for use in aviation or the space industry**, as listed (incl. aircraft, parts and equipment), including prohibition to provide technical assistance or financing.<sup>56</sup>

It is also prohibited to export **jet fuel and fuel additives** as listed in Annex XX.<sup>57</sup> An aircraft financial lease, concluded before 26 February, might be executed, subject to the authorization of national competent authorities.<sup>58</sup>

The sectoral restrictions include the **prohibition to provide (re)insurance** in relation to items listed in Annex XI as well as to provide "**overhaul, repair, inspection, replacement, modification or defect rectification** of an aircraft or component, with the exception of pre-flight inspection, in relation to the goods and technology listed in Annex XI, directly or indirectly", to any person, entity or body in Russia or for use in Russia<sup>59</sup>.

**EU airspace and airports** are **closed** to Russian air carriers and non-Russian-registered aircrafts owned or chartered by Russian natural or legal person entity and body, save in emergency situations and for humanitarian purposes.<sup>60</sup>

Nevertheless, the Commission has clarified that the Regulation includes an **exception** allowing for the provision of **(re)insurance** until 28 March 2022 to leasing companies *"for aircraft and engines subject to operating or finance lease arrangements signed before 26 February 2022, including when such aircraft or engine is used in Russia or leased to a Russian person"*<sup>61</sup>.

The EU also imposed **maritime sector sanctions** to Russia:

- It is **prohibited to export**, as well as provide related **services** for, **maritime navigation goods and technology**, as listed in Annex XVI to Russia, for use in Russia, or for the placing on board of a Russian-flagged vessel.<sup>62</sup>
- **Restrictions on access to capital** is **expanded** to cover **Russian Maritime Register of Shipping**; accordingly, it is **prohibited** to, directly or indirectly, purchase, sell, provide **investment** services or assistance in the issuance or otherwise deal with transferable **securities** and **money-market instruments issued by Russian Maritime Register of Shipping**.<sup>63</sup>
- After 16 April 2022, **European ports** are **closed to any vessel** currently **registered, or was registered before 24 February, under the flag of Russia**.

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<sup>56</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3c.

<sup>57</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 3c(1)

<sup>58</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3c(6)

<sup>59</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3c(2) and (3).

<sup>60</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3d.

<sup>61</sup> [European Commission. Measures adopted concerning the closure of EU air space. Frequently asked questions - as of 21 March 2022](#), p. 6.

<sup>62</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3f.

<sup>63</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 5(4) and [Council Regulation \(EU\) 2022/394 of 9 March 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Annex III.

National authorities may authorize a vessel to access the ports if it is necessary for the import of gas, oil and certain metals and chemical products.<sup>64</sup> Russia has a **merchant fleet of 2873 vessels** flying its flag.<sup>65</sup>

The European Commission on 11 April 2022 **updated** the **EU Air Safety List**. As a result, a total of **21 Russian air carriers**, their aircraft and personnel, are **banned** from EU skies.<sup>66</sup>

- While explicitly not adopted as a further sanction, it does come as a consequence of sanctions adopted. Indeed, following the measures adopted by G7 countries affecting the aviation industry, Russia forced re-registration of foreign aircraft in Russia, though without access to the necessary goods and items for maintenance and repairs of the aircraft, which raises serious safety concerns, prompting the update of the EU Air Safety List to reflect this situation.

## 1.7 DUAL-USE GOODS AND ADVANCED TECHNOLOGY ITEMS

The EU imposed **trade restrictions/prohibitions** and **export controls** to cut Russia's access to crucial **technology** and other **strategic sectors**<sup>67</sup>:

- Prohibition to export **dual-use goods and technology**, to Russia or for use in Russia, or to provide technical assistance or financing in relation to such operations
  - License to be refused if the operation is destined for (a listed - Annex IV) military end-use(r), space and aviation industry and/or energy industry (certain exceptions still apply<sup>68</sup>).
- Prohibition to export **goods and technology which might contribute to Russia's military and technological enhancement**, or the development of the **defence and security sector**, as listed, to Russia or for use in Russia, or to provide technical assistance or financing in relation to such operations
  - Annex VII lists broadly goods and items relating to restricting access to **drones** and drone-related software, software **encryption**, **semiconductors**, and **advanced electronics**.

The list also covers equipment for **oil production** or **oil exploration**, **quantum computers**, **microscopes** and **advanced semiconductors**.<sup>69</sup>

- License to be refused if the operation is destined for (a listed - Annex IV) military end-use(r), space and aviation industry and/or energy industry (certain exceptions still apply<sup>70</sup>).
- National authorities may **authorize the export of dual-use** items and goods and technology which might contribute to Russia's military and technological enhancement if they are intended for the **exclusive use** of **entities** owned, or solely or jointly controlled by a legal person, entity or body which

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<sup>64</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3ea.

<sup>65</sup> [Q&A on the fifth package of sanctions against Russia \(europa.eu\)](#)

<sup>66</sup> [Q&A: Commission adopts new EU Air Safety List \(europa.eu\)](#).

<sup>67</sup> Consolidated text: [Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Articles 2 and 2a; the list of items is updated by [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#).

<sup>68</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 2(7).

<sup>69</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#)

<sup>70</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Replacement Article 2a(7).

is **incorporated or constituted under the law of a Member State or of a partner country**<sup>71</sup> (i.e. the US and Japan<sup>72</sup>).

- Prohibition to provide **public financing** or financial assistance for **trade** with, or **investment** in, Russia, save for already binding financing or financial assistance commitments, or inferior to 10M€/project for SMEs, or for trade in food, and for agricultural, medical or humanitarian purposes.<sup>73</sup>

This financing does not have to be provided directly to an SME, but it can also be provided in another way benefiting the SME.<sup>74</sup>

- Authorizations/exceptions are included for **winding-down** operations, as well as general licenses and facilitation of exports to Russian entities owned/controlled by EU or US parents, and;
- **Prohibition to satisfy claims** related to the implementation of the sanctions with regards to the export and investment restriction.<sup>75</sup>

The Regulation 833/2014 does **not** contain a "**shipping clause**" allowing delivery of goods shipped before the imposition of sanctions. Therefore, if an export item was shipped before the imposition of the relevant sanction and it was still underway inside the EU on that date, its subsequent delivery to Russia would violate export control rules.<sup>76</sup>

## 1.8 SUSPENSION OF MOST-FAVOURED NATION TREATMENT AT THE WTO

On 15 March 2022, the EU Commission officially stated that the EU, along with the G7 countries and other like-minded partners, revoked Russia's most-favoured nation ("MFN") status within the WTO framework.<sup>77</sup>

The EU decided to impose sanctions against specific goods instead of preparing a separate tariff schedule for Russian goods. Exclusion from SWIFT services is also considered to be a form of MFN violation under the WTO's General Agreement on Trade in Services (GATS).<sup>78</sup>

As a result, the EU imposed **trade restrictions concerning iron and steel**, prohibiting :<sup>79</sup>

- The **import/purchase/transport** of iron and steel products listed in the Annex XVII if they originate in Russia, located in Russia, or have been exported from Russia; and
- The provision of **technical or financial assistance** and services associated with the above restrictions.

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<sup>71</sup> [Council Regulation \(EU\) 2022/394 of 9 March 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Articles 2(4)(f) and 2a(4)(f).

<sup>72</sup> Japan is added among the partner countries by [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#).

<sup>73</sup> Consolidated text: [Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 2e.

<sup>74</sup> [Council Regulation \(EU\) 2022/394 of 9 March 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 1(3).

<sup>75</sup> Consolidated text: [Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 11.

<sup>76</sup> [FAQ on export-related restrictions pursuant to Articles 2, 2a and 2b of Council Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine \(hereinafter: the 'Sanctions Regulation'\), as amended by Council Regulation \(EU\) 2022/328 of 25 February 2022](#), Question 37.

<sup>77</sup> [Statement by Executive Vice-President Dombrovskis on EU Decision to Stop Treating Russia as a Most-Favoured-Nation at the WTO | European Commission \(europa.eu\)](#)

<sup>78</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ganda\\_22\\_1776](https://ec.europa.eu/commission/presscorner/detail/en/ganda_22_1776)

<sup>79</sup> Consolidated text: [Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3g; the list is updated by [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#).

The prohibitions shall not apply to the execution, until 17 June 2022, of contracts or obligations arising from contracts concluded prior to 16 March 2022. The import ban is expected to cause **EUR 3.3 billion in lost export revenue** for Russia.<sup>80</sup>

**There are also restrictions on luxury goods**<sup>81</sup> involving the prohibition on the export of the goods listed in Annex XVIII to Russia or for use of Russia. The prohibition applies to goods **with a value exceeding EUR 300 per item**, unless specified otherwise.

- The EUR 300 value is to be assessed based on the statistical value of the goods in the export declaration, defined as the price actually paid or payable for the exported goods, excluding arbitrary or fictitious values excl. VAT and adjusted where necessary).<sup>82</sup>

The transfer or export to Russia of **cultural goods** which are on loan in the context of formal cultural cooperation with Russia may be authorized by national authorities.<sup>83</sup>

On 8 April, the EU further **restricted, with wind-down periods, the imports of:**

- Certain **sea food, liquor, cement, fertilizers, tyres, wood, glass fibres, aluminium, lead, turbojets and maritime transportation vehicles** (Annex XXI).<sup>84</sup>
  - It is also noted that, after the wind-down period till 10 July 2022, the prohibitions shall **not apply to** import, purchase or transport, or the related technical or financial assistance, for imports of:
    - **837 570 tonnes of potassium chloride of CN 3104 20** between 10 July of a given year and 9 July of the following year; and
    - **1 577 807 tonnes combined of the other products** listed in **Annex XXI** under **CN 3105 20<sup>85</sup>, 3105 60<sup>86</sup> and 3105 90<sup>87</sup>** between 10 July of a given year and 9 July of the following year.
- **Coal** and other **solid fuels** (Annex XXII).<sup>88</sup>
- Goods which could contribute to the **enhancement** of Russian **industrial capacity** (Annex XXIII).<sup>89</sup>

The prohibition on the import of coal is expected to cause Russia an **EUR 8 billion** loss of revenue *per annum*.<sup>90</sup>

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<sup>80</sup> [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_22\\_1776](https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_1776)

<sup>81</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 3h; the list is updated by [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#).

<sup>82</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions/sanctions-adopted-following-russias-military-aggression-against-ukraine\\_en#general](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions/sanctions-adopted-following-russias-military-aggression-against-ukraine_en#general).

<sup>83</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3h(4).

<sup>84</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3i.

<sup>85</sup> Mineral or chemical fertilisers containing the three fertilising elements nitrogen, phosphorus and potassium.

<sup>86</sup> Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium.

<sup>87</sup> Fertilisers other. With a nitrogen content exceeding 10 % by weight on the dry anhydrous product.

<sup>88</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3j.

<sup>89</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3l.

<sup>90</sup> [Q&A on the fifth package of sanctions against Russia \(europa.eu\)](#)

The prohibition does not concern the **execution, until 10 July 2022, of contracts concluded before 9 April 2022**, or ancillary contracts necessary for the execution of such contracts.

Russia is reported to request consultations at the WTO to challenge the suspension of its MFN status, the first step in the WTO's dispute settlement mechanism.

## 1.9 OTHER MEASURES

It is **prohibited** for any **road transport undertaking** established in Russia to **transport goods** by **road** within the territory of the Union, **including in transit**, with the exception of mail as a universal service.

- There are other **exceptions** in relations to the import of gas and oil, certain metals, wheat and fertilizers, and medical products.<sup>91</sup>

It is **prohibited to award or continue** the execution of any **public or concession contract** to or with Russian persons, their subsidiaries, and persons acting on their behalf or at their direction.

- The prohibition is **extended to subcontractors**, suppliers or entities whose capacities are being relied on, where they account for **more than 10 % of the contract value**.
- There are **exceptions** provided for **nuclear** goods and services, **intergovernmental cooperation in space** programs, and **import of oil, gas and certain minerals**.<sup>92</sup>

Additionally, it is **prohibited** to provide **direct or indirect support, including financing** and financial assistance or any other benefit under a **Union, Euratom or Member State national programme** and contracts within the meaning of Regulation (EU, Euratom) 2018/1046, to any legal person, entity or body **established in Russia with over 50 % public ownership or public control**.<sup>93</sup>

- The prohibition to provide financial and non-financial support applies with **immediate effect**:
  - Ongoing contracts should be terminated, and further contracts may not be awarded to entities falling under the scope of these sanctions.<sup>94</sup>
  - Terminating authorities are protected from liability by **no-claims clause**.<sup>95</sup>

**Visa** rules were revised, ending privileged access of diplomats and related groups and business people to the EU policies, through the **partial suspension** of the application of the **EU-Russia Agreement on the facilitation of the issuance of visas**.<sup>96</sup> EU citizens should not be affected.

The Commission also issued a **recommendation**, urging Member States to **repeal investor citizenship** schemes and to withdraw citizenship and residence granted to individuals listed in EU sanction programs against Russia and Belarus under investment schemes.<sup>97</sup>

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<sup>91</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 3k.

<sup>92</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 5k.

<sup>93</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 5l.

<sup>94</sup> [Q&A on the fifth package of sanctions against Russia \(europa.eu\)](#)

<sup>95</sup> [Q&A on the fifth package of sanctions against Russia \(europa.eu\)](#)

<sup>96</sup> [Council Decision \(EU\) 2022/333 of 25 February 2022 on the partial suspension of the application of the Agreement between the European Community and the Russian Federation on the facilitation of the issuance of visas to the citizens of the European Union and the Russian Federation](#).

<sup>97</sup> [Commission urges Member States to act on 'golden passports' \(europa.eu\)](#)

- On 6 April, the Commission proceeded with **infringement case** against **Malta** for its investment citizenship program.<sup>98</sup>

On 1 March 2020 the EU has set out a **prohibition** on the **broadcasting** of **RT** and **Sputnik** networks in the EU, in pursuance of its earlier announcement to take action to counter disinformation and "other forms of hybrid warfare".<sup>99</sup>

On 4 March 2022, the Commission announced measures affecting the **cooperation and research programmes** with Russia and Belarus:

- Commission **suspended cooperation** with Russia in **research, science** and **innovation**.<sup>100</sup>
- The Commission also **suspended the cooperation** with Russia and its ally Belarus **in the European Neighbourhood Instrument cross-border cooperation programs (ENI CBC)** as well as in the **Interreg Baltic Sea region program**.

In parallel, the Commission is working on strengthening the cooperation programs between the EU countries (Poland, Hungary, Romania, and Slovakia) and Ukraine, as well as the participation of Ukraine in the **ENI CBC Black Sea Basin Programme** or the **Interreg Danube Transnational Programme**.<sup>101</sup>

On 5 April, the **Council** adopted its **conclusions on strategic autonomy of the European economic and financial sector**. Within the context of sanctions, the documents highlighted the importance of coordination between member states and like-minded partners, warned against the threat of sanctions evasions, and rejected extra-territorial application of sanctions.<sup>102</sup>

On 6 April 2022, the **Commission** released a **Communication** providing guidance to Member States concerning **foreign direct investment (FDI) from Russia and Belarus**.

- In this Communication, the Commission urges Member States to use their FDI screening mechanisms to assess and prevent threats related to Russian and Belarusian investments on grounds of security and public order.
- Additionally, Member States with an intra-EU investment screening mechanism are encouraged to use them in relation to investment ultimately controlled by Russian or Belarusian persons.<sup>103</sup>

## 1.10 ENFORCEMENT

In order to ensure effective enforcement of sanctions, the EU established the **EU Sanctions Whistle-blower Tool**.<sup>104</sup> Whistle-blowers can **anonymously report past, ongoing or planned sanctions violations** and attempts to **circumvent** EU sanctions.

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<sup>98</sup> ['Golden passport' schemes \(europa.eu\)](#)

<sup>99</sup> [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Article 2f and Annex XV.

<sup>100</sup> [Commission suspends cooperation with Russia on R&I \(europa.eu\)](#)

<sup>101</sup> [Commission suspends cross-border cooperation \(europa.eu\)](#)

<sup>102</sup> [Council adopts conclusions on strategic autonomy of the European economic and financial sector - Consilium \(europa.eu\)](#)

<sup>103</sup> [EUR-Lex - 52022XC0406\(08\) - EN - EUR-Lex \(europa.eu\)](#)

<sup>104</sup> [EUsanctions - frontpage \(integrityline.com\)](#)

An international task force became operational and it is named as **Russian Elites, Proxies, and Oligarchs ("REPO") Task Force**. The objective of the task force is to identify the assets of key Russian elites and their proxies and to act against their enablers and facilitators.<sup>105</sup>

At the EU-level, there is a separate "**Freeze and Seize**" **Task Force** headed by Commissioner Reynders, which coordinates the sanctions enforcement activities at the national level.<sup>106</sup>

- The Freeze and Seize Task Force has been meeting regularly to ensure coordination between Member States. So far, more than half of the Member States have reported to the Commission the measures taken to freeze assets.
  - They informed about **frozen assets worth €29.5 billion**, including assets such as boats, helicopters, real estate and artwork (worth almost €6.7 billion).
  - In addition, **about €196 billion of transactions** have been blocked.<sup>107</sup>

Meanwhile, Member States are also developing their sanctions enforcement capabilities. For example, in March 2022, **Germany** set up a task force to enforce sanctions such as the seizure of yachts, private jets and houses.<sup>108</sup>

Regarding the use of **crypto assets** for the circumvention from sanctions, the Commission clarified that **(i)** crypto assets are included in the definition of transferable securities, **(ii)** when they are converted into fiat currency, they are subject to anti-money laundering rules, and **(iii)** after being identified, it is easier to track crypto transactions.<sup>109</sup> Additionally, provision of **crypto-asset wallet**, account or custody services to Russian nationals are prohibited (see *supra*). National authorities should inform other member states and the Commission concerning detected breaches of the sanctions through crypto assets.<sup>110</sup>

## 2. EU MEASURES AGAINST BELARUS

### 2.1 IMPORT/EXPORT RESTRICTIONS

- **Prohibition** to sell/supply/transfer/**export** to **Belarus** and to provide related services or financing with respect to:
  - **dual-use items** as listed in Annex I of Regulation (EU) 2021/821;<sup>111</sup>
  - items which might contribute to Russia's **military and technological enhancement**, or the development of the **defence and security sector**, as listed in Annex Va, such as microprocessors<sup>112</sup>
  - **machinery** as listed in Annex XIV, **nuclear reactors**, various types of **turbines** and **engines**, and **furnaces**<sup>113</sup>
  - **goods** listed in Annex VI, including **tobacco** products and **machinery**<sup>114</sup>

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<sup>105</sup> [Task Force Ministerial Joint Statement \(europa.eu\)](#)

<sup>106</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ganda\\_22\\_1776](https://ec.europa.eu/commission/presscorner/detail/en/ganda_22_1776)

<sup>107</sup> [Freeze and Seize Task Force with U.S. and Ukrainians \(europa.eu\)](#)

<sup>108</sup> [Berlin to create task force to enact Russia sanctions — report | News | DW | 12.03.2022](#)

<sup>109</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ganda\\_22\\_1776](https://ec.europa.eu/commission/presscorner/detail/en/ganda_22_1776)

<sup>110</sup> [Council Regulation \(EU\) 2022/576 of 8 April 2022 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), Additional Article 6(1)(d).

<sup>111</sup> [Consolidated text: 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](#), Article 1e.

<sup>112</sup> [Consolidated text: 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](#), Article 1f.

<sup>113</sup> [Consolidated text: 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](#), Article 1s.

- **Prohibition to import/purchase** following products from **Belarus**, **transport** those products originated in Belarus or are being exported from Belarus to any other country and to provide related services and financing:
  - **wood** products listed in Annex X<sup>115</sup>
  - **cement** products listed in Annex XI<sup>116</sup>
  - **iron** and **steel** products as listed in Annex XII<sup>117</sup>
  - **rubber** products as listed under XIII<sup>118</sup>
  - **potassium chloride products** as listed in Annex VIII.<sup>119</sup>
  - **mineral** products as listed in Annex VII, including **oil** and **gas**.<sup>120</sup>

Similar to the trade restrictions with Russia, Belarusian restrictions also have **exemptions** for the purposes of humanitarian aid, health emergencies, medical and pharmaceutical purposes, temporary use by news media, software updates, use as consumer communication devices, etc.<sup>121</sup>

It is **prohibited** for any **road transport** undertaking established in Belarus to **transport goods** by **road** within the territory of the Union, including in **transit**, with the **exception of mail as a universal service**.

- There are other **exceptions** in relations to the **import of gas** and **oil**, certain **metals** (titanium, aluminium, copper, nickel, palladium and iron ore), **wheat** and **fertilizers**, and **medical** products.
- A "**shipping clause**" is also included which exempts from the prohibition, until **16 April 2022**, transport "*started before 9 April 2022, provided that the vehicle of the road transport undertaking was already in the territory of the Union on 9 April 2022, or needs to transit through the Union in order to return to Belarus*".<sup>122</sup>

## 2.2 FINANCIAL SECTOR SANCTIONS

The EU also imposed **financial sanctions** against **Belarus**, mostly replicating the measures against Russia:

- Transactions related to the **management of reserves** as well as of **assets** of the **Central Bank of Belarus**, including transactions with any legal person, entity or body acting on behalf of, or at the direction of, the Central Bank of Belarus, are **prohibited**.<sup>123</sup>
- It is **prohibited** to list and provide services on **trading venues** registered or recognised in the Union for the transferable securities of any legal person, entity or body established in Belarus and with 50+% public ownership.<sup>124</sup>

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[Consolidated text: 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](#), Article 1g.

<sup>115</sup> [Consolidated text: 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](#), Article 1o.

<sup>116</sup> [Consolidated text: 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](#), Article 1p.

<sup>117</sup> [Consolidated text: 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](#), Article 1q.

<sup>118</sup> [Consolidated text: 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](#), Article 1r.

<sup>119</sup> [Consolidated text: 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](#), Article 1i.

<sup>120</sup> [Consolidated text: 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](#), Article 1h.

<sup>121</sup> As an example see [Consolidated text: 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](#), Article 1s(2).

<sup>122</sup> [Council Regulation \(EU\) 2022/577 of 8 April 2022 amending Regulation \(EC\) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine](#), Additional Article 1zc.

<sup>123</sup> [Consolidated text: 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](#), Article 1ja.



- It is **prohibited** to provide **public financing** or financial assistance for **trade** with, or **investment** in, Belarus.<sup>125</sup>
- It is **prohibited** to accept **deposits** exceeding **EUR 100 000** from Belarusian nationals or natural persons residing in Belarus, or legal entities established in Belarus, with the **exception** of the **citizens** and **residents** of the **EU**, the **EEA** and **Switzerland**.<sup>126</sup>

There are also **other exceptions** for non-prohibited trade, **basic needs** of account holders and their families, **humanitarian** purposes, the payment for professional services, and official purposes of a diplomatic mission.<sup>127</sup>

- Financial institutions should **inform** the **national competent authorities** regarding deposits exceeding **EUR 100 000** held by Belarusians, including those acquired citizenship of a Member State through an investor citizenship/residence scheme.<sup>128</sup>
- It is **prohibited** for **Union central securities depositories** to provide any **services** for **transferable securities** issued after 12 April 2022 to any **Belarusian** national or natural person residing in Belarus or any legal person, entity or body established in Belarus.<sup>129</sup>
- It is **prohibited** to **sell transferable securities denominated in any official currency of a Member State** (Euro or other)<sup>130</sup> issued after 12 April 2022 or **units** in **collective investment undertakings** providing exposure to such securities, to any **Belarusian** national or natural person residing in Belarus or any legal person, entity or body established in Belarus.<sup>131</sup>
- It is **prohibited** to sell, supply, transfer or export **banknotes denominated in any official currency of a Member State** (Euro or other)<sup>132</sup> to Belarus or to any natural or legal person, entity or body in Belarus, including the Government and the Central Bank of Belarus, or for use in Belarus.<sup>133</sup>
- It is **prohibited**, as of 20 March 2022, to provide specialized financial messaging services, such as **SWIFT**, which are used to exchange financial data, to the legal persons, **entities** or bodies **listed** below or their **subsidiaries**:
  - **Belagroprombank**
  - **Bank Dabrabyt**
  - **Development Bank of the Republic of Belarus**<sup>134</sup>

<sup>124</sup> [Consolidated text: 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](#), Article 1jb.

<sup>125</sup> [Consolidated text: 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](#), Article 1t.

<sup>126</sup> [Consolidated text: 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](#), Article 1u.

<sup>127</sup> [Consolidated text: 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](#), Articles 1v and 1w.

<sup>128</sup> [Consolidated text: 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](#), Article 1z.

<sup>129</sup> [Consolidated text: 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](#), Article 1x.

<sup>130</sup> [Council Regulation \(EU\) 2022/577 of 8 April 2022 amending Regulation \(EC\) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine](#), Replacement Article 1y(1).

<sup>131</sup> [Consolidated text: 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](#), Article 1y.

<sup>132</sup> [Council Regulation \(EU\) 2022/577 of 8 April 2022 amending Regulation \(EC\) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine](#), Replacement Article 1za.

<sup>133</sup> [Consolidated text: 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](#), Article 1za.

<sup>134</sup> [Consolidated text: 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](#), Article 1zb.

## 2.3 AIRSPACE

Prior to the invasion of Ukraine by Russia, the EU had sanctions in place against Belarus, preventing Belarusian air carriers from landing in, taking off from or overflying the territory of the Union.<sup>135</sup> On 9 March 2022, the EU published a corrigendum to this regulation adding the definition of Belarusian air carrier.<sup>136</sup>

**For a compendium of the various regulations adopted and published since 23 February 2022, please refer to the *Appendix* attached at the end of this client alert.**

## 3. MEASURES TO PROTECT UNION INDUSTRIES

The Commission adopted a **Temporary Crisis Framework** to enable Member States to support the economy in the context of Russia's invasion of Ukraine. The new framework will enable Member States to *(i)* grant limited amounts of **aid** to companies affected by the current crisis or by the related sanctions and countersanctions; *(ii)* ensure that **sufficient liquidity** remains available to businesses; and *(iii)* compensate companies for the **additional costs incurred due to exceptionally high gas and electricity prices**.<sup>137</sup>

- The first approved scheme under the framework is a **French loan guarantee scheme ("PGE Résilience aux entreprises")** that enables up to **EUR 155 billion in liquidity** support for companies across all sectors in the context of Russia's invasion of Ukraine.<sup>138</sup> The French **Direction Générale du Trésor** has announced an **FAQ** about the scheme.<sup>139</sup>

Furthermore, the European Commission, the European Investment Bank (EIB) and the European Investment Fund (EIF) signed the Guarantee Agreement on a **European Union budget guarantee of EUR 19.65 billion** to support investment projects across Europe. Executive Vice-President for an Economy that Works for People, Valdis Dombrovskis, stated that **InvestEU** will be instrumental in addressing economic and social consequences of the war in Ukraine.<sup>140</sup>

Member states can also use of **residual entitlement of loans** under the EU's Recovery and Resilience Facility, amounting to EUR 732.8 billion.<sup>141</sup>

The **European Maritime, Fisheries and Aquaculture Fund (EMFAF)** will enable Member States to grant **financial compensation** to operators for income foregone due to the current market disruption, as well as 'storage aid' to producer organisations. This step comes in addition to the Temporary Crisis Framework, which enables Member States to provide support through State aid.<sup>142</sup> Link to [decision](#) and [Q&A](#). The Commission released the relevant implementing regulation on 29 March 2022.<sup>143</sup>

## 4. DEVELOPMENTS IN OTHER JURISDICTIONS

<sup>135</sup> [Consolidated text: 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](#), Article 8b.

<sup>136</sup> [Corrigendum to Council Regulation \(EU\) 2021/1030 of 24 June 2021 amending Regulation \(EC\) No 765/2006 concerning restrictive measures in respect of Belarus \(Official Journal of the European Union L 224 I of 24 June 2021\)](#)

<sup>137</sup> [State aid: Commission adopts Temporary Crisis Framework \(europa.eu\)](#)

<sup>138</sup> [Commission approves French liquidity scheme \(europa.eu\)](#)

<sup>139</sup> [Ouverture du PGE Résilience aux entreprises affectées par les conséquences économiques du conflit en Ukraine | Direction générale du Trésor \(economie.gouv.fr\)](#)

<sup>140</sup> [European Commission and EIB Group sign InvestEU agreements \(europa.eu\)](#)

<sup>141</sup> [EU explores measures to shelter economy from Russia sanctions blowback – POLITICO](#)

<sup>142</sup> [Commission activates crisis measures to financially support fishery and aquaculture sectors](#)

<sup>143</sup> [EUR-Lex - 32022D0500 - EN - EUR-Lex \(europa.eu\)](#)

➤ **The following countries** have **aligned** their positions with that of the EU and the UK and adopted similar or even broader sanctions.

- **US:** The US **banned the import of Russian oil, LNG, and coal** as well as investments in Russia's energy sector.<sup>144</sup> It also prohibited the Russian Central Bank and Finance Ministry from making **transactions in USD** and imposed export controls on dual use goods.<sup>145</sup>

On 24 March, the US announced further sanctions on Russian defence entities and Duma members.<sup>146</sup>

On 4 April, the US prevented the Russian Government to use the reserves it held at US Banks to pay holders of its sovereign debt. The US had been previously authorizing the use of these funds on a case-by-case basis.

With this new restriction, Russia should either use its limited foreign reserves not frozen by the US or risk defaulting on its sovereign debt.<sup>147</sup>

In the case of a default, there is limited options for bondholders to enforce the obligations of Russia under its sovereign bonds. Even if a court in a competent jurisdiction rules against Russia, confiscation of the assets of a sovereign is difficult and protracted process.<sup>148</sup>

On 6 April, the US announced new sanctions against Russia, including full blocking sanctions against, among others, Sberbank, Alfa Bank and adult children of Vladimir Putin, prohibition of new investments in Russia by US persons, and prohibition on making debt payments with funds subject to US jurisdiction.<sup>149</sup>

- **Canada: revoked the most-favoured nation (MFN) status** of Russia and Belarus under WTO law.<sup>150</sup> It also imposed sanctions (including asset freezes) on a list of individual persons and entities.<sup>151</sup>

It has restricted Canadians' access to Russian financial services and energy markets, and restricted the export of goods and services used for oil exploration<sup>152</sup> and defence.<sup>153</sup> It also banned imports of Russian petroleum.<sup>154</sup>

After the G7 meeting on 24 March, Canada imposed **additional export control** rules against Russia.<sup>155</sup>

- **Switzerland:** continues to **closely follow the EU** in its imposition of sanctions. Previously, it had restricted trade with Russian-occupied Ukrainian territories.<sup>156</sup> On 4 March, the Federal Council

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<sup>144</sup> [FACT SHEET: United States Bans Imports of Russian Oil, Liquefied Natural Gas, and Coal | The White House](#)

<sup>145</sup> [Treasury Prohibits Transactions with Central Bank of Russia and Imposes Sanctions on Key Sources of Russia's Wealth | U.S. Department of the Treasury](#)

<sup>146</sup> [U.S. Treasury Sanctions Russia's Defense-Industrial Base, the Russian Duma and Its Members, and Sberbank CEO | U.S. Department of the Treasury](#)

<sup>147</sup> [U.S. stops Russian bond payments, raising risk of default | Reuters](#)

<sup>148</sup> [Litigating a Russian Bond Default - Transnational Litigation Blog \(tlblog.org\)](#)

<sup>149</sup> [FACT SHEET: United States, G7 and EU Impose Severe and Immediate Costs on Russia | The White House](#)

<sup>150</sup> [Canada revokes Russia and Belarus's Most Favoured Nation status as trade partners | CBC.ca](#)

<sup>151</sup> [Consolidated Canadian Autonomous Sanctions List \(international.gc.ca\)](#)

<sup>152</sup> [Canadian Sanctions Related to Russia \(international.gc.ca\)](#)

<sup>153</sup> [Canada Sanctions Abramovich, Bars Defense Trade With 32 Russian Firms, Entities | World News | US News](#)

<sup>154</sup> [Regulations Amending the Special Economic Measures \(Russia\) Regulations \(international.gc.ca\)](#)

<sup>155</sup> [Regulations Amending the Special Economic Measures \(Russia\) Regulations \(international.gc.ca\)](#)

<sup>156</sup> [Switzerland adopts EU sanctions against Russia \(admin.ch\)](#)

adopted the EU sanction packages. This included prohibitions on dual-use, oil refining and military exports, as well as financial services restrictions.<sup>157</sup>

Swiss authorities also fully replicated the EU Council's list of persons subject to asset freezes and entry restrictions<sup>158</sup> and adopted the EU measures against Belarus in full.<sup>159</sup>

On 18 March, the Swiss Federal Council further adopted the EU's fourth package of sanctions.<sup>160</sup>

- **Japan**<sup>161</sup>, **Australia**<sup>162</sup>, **New Zealand**,<sup>163</sup> **South Korea**<sup>164</sup>, and **Singapore**<sup>165</sup> are imposing sanctions in line with measures adopted by the EU, the UK and the US.

**Australia** prohibited import of Russian **oil** and **coal**<sup>166</sup> and banned export of **alumina** to Russia.<sup>167</sup>

- The **International Bank of Settlements** has suspended Russia.<sup>168</sup>
- The Prime Minister of **Poland** announced that Poland will **ban all imports of Russian gas, oil and coal**, going beyond existing EU-level import restrictions on Russian goods.<sup>169</sup>

The government spokesperson acknowledged that this ban might be legally questionable given the EU's competence over trade matters.<sup>170</sup>

## 5. RUSSIAN COUNTERSANCTIONS

Since the onset of its invasion of Ukraine, Russia took several measures to resist the impact of international sanctions, and occasionally, to insert economic damage against sanction implementing countries:

### ➤ Capital markets and finance

- Authorities required the **exporters** of commodities, including gas and oil, to **convert 80%** of their **foreign currency** revenue to **roubles**, which may cause problems for these exporter when importing equipment and technologies.<sup>171</sup>
- The Government **banned** Russian **residents** from **lending foreigners in foreign currency, crediting** foreign currency in their deposit accounts located outside the territory of Russia, and making **money transfers** without opening a bank account by using electronic means of payment services provided by foreigners.<sup>172</sup>

<sup>157</sup> [Measures related to the situation in Ukraine \(admin.ch\)](#)

<sup>158</sup> [Violations of international law in Ukraine: further individuals sanctioned \(admin.ch\)](#)

<sup>159</sup> [Ukraine: Federal Council tightens sanctions against Belarus \(admin.ch\)](#)

<sup>160</sup> [Ukraine: Adoption of further EU sanctions against Russia \(admin.ch\)](#) and [Ukraine: Implementation of further EU sanctions \(admin.ch\)](#)

<sup>161</sup> [Japan joins sanctions on Russian central bank, says 'Japan is with Ukraine' | Euronews](#)

<sup>162</sup> [Economic Measures Against Russia And Lethal Military Equipment For Ukraine | Prime Minister of Australia](#)

<sup>163</sup> [NZ allows for significant expansion of sanctions on Russia | Beehive.govt.nz](#)

<sup>164</sup> [READOUT: Deputy Secretary of the Treasury Wally Adeyemo's Meeting with Korea First Vice Minister of Economy and Finance Eog-weon Lee | U.S. Department of the Treasury](#)

<sup>165</sup> [In rare stand, South Korea, Singapore unveil sanctions on Russia | Russia-Ukraine crisis News | Al Jazeera](#)

<sup>166</sup> [Autonomous Sanctions \(Import Sanctioned Goods—Russia\) Designation 2022 \(legislation.gov.au\)](#)

<sup>167</sup> [Autonomous Sanctions \(Export Sanctioned Goods—Russia\) Designation 2022 \(legislation.gov.au\)](#)

<sup>168</sup> [Russia Suspended From Bank for International Settlements \(wsi.com\)](#)

<sup>169</sup> [Poland to ban all Russian oil and gas imports and urges Germany to do more : NPR](#)

<sup>170</sup> [Poland to ban Russian coal imports – POLITICO](#)

<sup>171</sup> [Russia's Central Bank takes urgent steps to halt sanction panic | Upstream Online](#) and [Указ о применении специальных экономических мер в связи с недружественными действиями США и примкнувших к ним иностранных государств и международных организаций • Президент России \(googleusercontent.com\)](#)

<sup>172</sup> [Executive Order on the Application of Special Economic Measures in Connection with Unfriendly Actions of the United States and Foreign States and International Organisations That Have Joined Them • President of Russia \(googleusercontent.com\)](#)

- The government **prohibited** from 2 March 2022, the **export** from the **Russian Federation** of cash **foreign currency** and (or) **monetary instruments in foreign currency** in an **amount exceeding** the equivalent of **10 thousand USD** and calculated at the official rate of the Central Bank of the Russian Federation established on the date of export.<sup>173</sup>
- The government established a **special mechanism** for the Russian Federation, public bodies, and residents to **fulfil** their **obligations** under **loans** from **foreign creditors** who are **connected to foreign states that commit unfriendly acts against Russia**, including the EU.

In order to fulfil the debt, a **special bank account of type “C” in roubles** is opened for **creditors**. Creditors can use the funds in their C accounts in a manner determined by the Russian Central Bank.<sup>174</sup>

Type C account provides for the possibility to make **transactions with securities recorded in C-type accounts, tax payments, and transfers between C-type accounts**.<sup>175</sup>

- Russian Central Bank held that **until 9 September** customers can only **withdraw** up to **10 thousand US dollars in cash and the remaining funds in roubles at the market exchange rate as of the date of a withdrawal**.

**Withdrawals** are made in **USD regardless** of the currency of **accounts**. People may continue to hold funds in foreign currency accounts or deposits and open new foreign currency accounts. During this period **banks will not sell foreign currency cash to citizens**.<sup>176</sup>

➤ **Export restrictions:**

- Director of Russian space agency announced that the agency will not ship **rocket engines** to the US and maintaining the 24 engines that are currently owned by the country, and it halt scientific experiments on the **International Space Station**.<sup>177</sup>
- A **ban/restriction on export** outside the territory of the Russian Federation of certain **products** including **more than 200 items of goods** in total, such as railway cars and locomotives, containers, turbines, machines for processing metal and stone, monitors, projectors, consoles and panels. The export of these goods is banned until the **end of 2022 to all countries** save the Eurasian Economic Union members, Abkhazia and South Ossetia.<sup>178</sup>

For the list of items subject to export restriction please refer to **Resolution No. 311**, **Resolution No. 312** and **Resolution No. 313**.

The list mostly **include manufactured goods**, and it **excludes raw materials** which form a lifeline for Russian economy as it is one of the top producers of iron, steel, aluminium, nickel and palladium.<sup>179</sup>

- In addition, **exports of timber** are **banned** to those countries listed as "**unfriendly States**", which includes the EU countries.<sup>180</sup>

<sup>173</sup> [Executive Order on Additional Temporary Economic Measures to Ensure Russia's Financial Stability • President of Russia \(kremlin.ru\)](#)

<sup>174</sup> [Executive Order on the Temporary Procedure for Fulfilling Obligations to Certain Foreign Creditors • President of Russia \(kremlin.ru\)](#)

<sup>175</sup> [Bank of Russia clarifies rules for Russian issuers' external debt repayments | Bank of Russia \(cbr.ru\)](#)

<sup>176</sup> [Bank of Russia establishes temporary procedure for foreign cash transactions | Bank of Russia \(cbr.ru\)](#)

<sup>177</sup> [Russia's space agency hits back at US — RT Russia & Former Soviet Union](#)

<sup>178</sup> <http://government.ru/news/44762/>

<sup>179</sup> [Russia bans export of over 200 products but leaves energy and metals | Fortune](#)

<sup>180</sup> [https://edition.cnn.com/europe/live-news/ukraine-russia-putin-news-03-10-22/h\\_11095a35610c1cf7b9a436e5d1270a31](https://edition.cnn.com/europe/live-news/ukraine-russia-putin-news-03-10-22/h_11095a35610c1cf7b9a436e5d1270a31)

- Russia also imposed a **temporary ban on the export of grains** to the countries of the Eurasian Economic Union and the **export of white sugar and raw cane sugar** to third countries.<sup>181</sup>

In the meantime, Russian government is giving **permits for the import of food products from other destinations**, such as Turkey, India, China, Belarus, Azerbaijan, Kyrgyzstan, and Kazakhstan.<sup>182</sup>

Further developments can be expected in the (near) future and will be included in upcoming updates of this document.

- Though unconfirmed thus far, there are reports of **Russian customs barring imports** of EU from entrance into the Russian Federation. It is recalled that, in 2014, Russian counter-sanctions included a restrictions on imports of European foodstuffs and agricultural products.
- Russia extended its **export ban on ammonium nitrate** until 1 May 2022. The ban was in place since 1 February.<sup>183</sup>
- On 31 March 2022, President Putin signed a Decree requiring **payments for Russian gas** to be in **roubles** starting 1 April. However, it is reported that the new measure still allows a mechanism to pay for Russian gas in **foreign currency**, thereby reducing the threat of a gas shutoff.<sup>184</sup>
- Dimitry Medvedev, former president and current deputy secretary of Russia's security council, announced that Russia **may limit its export of agricultural products, including wheat** to friendly nations and conduct these transactions in **roubles** and corresponding national currency.<sup>185</sup>

This remark was followed by Putin's statement that the government is **monitoring food exports to hostile countries**.<sup>186</sup>

- **Closing of Russian airspace to EU and UK air carriers:** Russia closed its airspace to airlines in the UK, Latvia, Lithuania, Estonia and Slovenia.<sup>187</sup>
- It is also reported that Russian government decided that **intellectual property rights should not be paid to patent holders from unfriendly countries**, including 27 EU Member States.<sup>188</sup>
- It is further reported that since 2 March 2022, restrictions have been adopted by the Russian government for **real estate transactions** involving persons and/or entities from "unfriendly States", and for which prior approval would be required.

This measure would limit possible exiting from Russia of foreign economic players.<sup>189</sup>

- The government **allowed certain companies not to disclose otherwise required information** if the disclosure will lead to the introduction of restrictive measures in relation to the issuer or other persons.<sup>190</sup>

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<sup>181</sup> <http://government.ru/docs/44807/>

<sup>182</sup> <http://government.ru/news/44804/>

<sup>183</sup> [Russia Extends Ammonium Nitrate Export Suspension | 29.03.2022 \(seanews.ru\)](https://seanews.ru/news/2022-03-29-russia-extends-ammonium-nitrate-export-suspension/)

<sup>184</sup> [Putin signs order demanding gas payments in roubles from Friday | Russia | The Guardian](https://www.theguardian.com/world/2022/mar/31/putin-signs-order-demanding-gas-payments-in-roubles-from-friday-russia)

<sup>185</sup> [Putin ally warns agriculture supplies could be limited to 'friends' | Reuters](https://www.reuters.com/world/europe/putin-ally-warns-agriculture-supplies-could-be-limited-to-friends-2022-03-31/)

<sup>186</sup> [Putin Says Russia Will 'Monitor' Food Exports to 'Hostile' Countries - The Moscow Times](https://www.moscowtimes.ru/news/putin-says-russia-will-monitor-food-exports-to-hostile-countries/)

<sup>187</sup> [Russia closes airspace to planes from several EU countries | Euronews](https://euronews.com/2022/03/31/russia-closes-airspace-to-planes-from-several-eu-countries/)

<sup>188</sup> [Russia legalises intellectual property piracy – EURACTIV.com](https://www.euractiv.com/en/russia-legalises-intellectual-property-piracy/)

<sup>189</sup> [Russian countermeasures getting more comprehensive - Noerr](https://www.noerr.com/en/insights/2022/03/russian-countermeasures-getting-more-comprehensive/)

<sup>190</sup> <http://government.ru/docs/44798/>

It is also planning to **increase the minimum threshold for the number of shares** the shareholders need to request joint-stock companies' documents, and challenge actions of the company and its management.

Specifically for financial institutions, the Central Bank of Russia will determine a list of information that cannot be publicly available.<sup>191</sup>

- Russian government is also taking measures to **seize remaining foreign assets in Russia**. Russian Prime Minister Mikhail Mishustin said that the government has drafted a legislation to **transfer the control of businesses**, which are controlled by a foreigner, **to an external administration** in Russia.

According to reports, seized assets are planned to be auctioned off instead of being nationalized.<sup>192</sup>

- A legislation is adopted to allow **Russian airlines to register planes leased from foreigners as the airlines' property**.<sup>193</sup> Bermuda and Ireland, where most of the leased planes in Russia are registered, suspended their certificate of airworthiness.

In response, Russia passed a measure that allows **registration and certification of safety of leased planes in Russia**.<sup>194</sup>

- Russian government announced that it is preparing a retaliatory measure against the **admission of the ships of unfriendly countries to the Russian ports**.<sup>195</sup>
- It is reported that on 15 March, Russia imposed **sanctions** against several American officials, including **President Biden**, Secretary of State Antony Blinken and Hillary Clinton, as well as Biden's son Hunter Biden.

Russia also banned **Canadian Prime Minister** and other Canadian officials from entering the country.<sup>196</sup> It is not clear whether these measures will be followed by sanctions against EU officials.

- Russia reportedly prohibited Russian **insurers** from completing transactions with insurers, reinsurers and broker firms in unfriendly states, which also cover transfer of funds under existing contracts.<sup>197</sup>

## 6. PRIVATE ACTIONS WITH IMPACT ON BUSINESSES

Several private actors have taken independent action, beyond and aside from legal obligations, for instance as of 25 March, over **450 companies announced their withdrawal from Russia**.<sup>198</sup> Below we provide, a non-exhaustive list of, examples of actions taken by private actors in response to the adoption of sanctions:

- **Divestment of Pension and Sovereign Funds from Russian Assets**: the **Swiss Federal Pension Fund PUBLICA** has resolved not to purchase any further Russian securities and divest its existing holdings, both in compliance with EU sanctions and as a responsible investment practice.<sup>199</sup>

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<sup>191</sup> <http://government.ru/news/44756/>

<sup>192</sup> [Putin seeking 'legal solutions' to seize assets of Western companies exiting Russia | Fortune](#)

<sup>193</sup> [Documents - Government of Russia](#)

<sup>194</sup> [Putin changes law on leased jets to keep them flying - BBC News \(ampproject.org\)](#)

<sup>195</sup> <http://government.ru/docs/44897/>

<sup>196</sup> [Russia issues sanctions against Biden and a long list of US officials and political figures - CNNPolitics](#)

<sup>197</sup> [Russian government bans majority of foreign re/insurance transactions :: Insurance Day \(informa.com\)](#)

<sup>198</sup> [Over 300 Companies Have Withdrawn from Russia—But Some Remain | Yale School of Management](#)

<sup>199</sup> [PUBLICA excludes Russia from its market portfolio \(admin.ch\)](#)

- **Logistics:** **Boeing** announced that it will suspend parts, maintenance and technical support for Russian airlines<sup>200</sup>; **Maersk**, **FedEx**, **UPS**, and **DHL** have stopped sending shipments to Russia<sup>201</sup>.
- **Russian banks crippled under sanctions:** the **Single Resolution Board** determined on 27 February that **Sberbank Europe AG** in Austria and its subsidiaries in Croatia (Sberbank d.d.) and Slovenia (Sberbank banka d.d.) were failing or likely to fail due to a rapid deterioration in their liquidity situation, and it decided to transfer all shares of the group's Croatian subsidiary Sberbank d.d. to Hrvatska Poštanska Banka d.d. (Croatian Postbank) and all shares of the group's Slovenian subsidiary Sberbank banka d.d. to Nova ljubljanska banka d.d. (NLB d.d.).<sup>202</sup>
- **Financial services:** **Apple Pay** and other services have been limited<sup>203</sup>; **Visa**, **Mastercard** and **American Express** said they were blocking Russian banks from their payment networks following international sanctions.<sup>204</sup>; and the **World Bank** Group stopped all its programs in Russia and Belarus.<sup>205</sup> In addition, it announced a large package of financing in support to Ukraine.<sup>206</sup>
- **Energy:** **Exxon Mobil**<sup>207</sup>, **Shell**<sup>208</sup> and **BP**<sup>209</sup> announced that they are winding down their operations and exiting investments and joint ventures; and it is reported in the news that **Nord Stream 2 company** based in Switzerland filed for insolvency.<sup>210</sup>
- **Software:** Software giants **Oracle**<sup>211</sup> and **SAP**<sup>212</sup> suspend operations in Russia; **Sabre Corp.**, which provides ticket distribution and reservation services for air carriers, announced that it terminated its distribution agreement with Russia's Aeroflot, which may impact the latter's ability to sell seats.<sup>213</sup> As a result, Aeroflot tickets will not show up on online travel agencies or other third-party sites.
- **Others:** **Apple**<sup>214</sup>, **IKEA**<sup>215</sup>, and **Nike**<sup>216</sup> stopped selling their products in Russia. **McDonald's** suspended its operations.<sup>217</sup>
- **Over-compliance:** There are concerns that different sanctions programs instituted by different jurisdictions may cause a "chilling effect" on financial institutions to execute cross-border payments and provide trade finance.<sup>218</sup>

Case in point, **Société Générale SA** and **Credit Suisse AG** are reported to have stopped the financing of commodities trading from Russia over the concerns that future sanctions may include energy. Similarly, **ING Groep NV** decided not to do any new business with any Russian companies.

<sup>200</sup> [Boeing, Airbus suspend parts for Russia - Airport Technology \(airport-technology.com\)](https://www.airport-technology.com/news/2022/03/01/boeing-airbus-suspend-parts-for-russia/)

<sup>201</sup> [Nike stops selling shoes online in Russia because it can't find anyone to deliver them \(yahoo.com\)](https://www.yahoo.com/news/nike-stops-selling-shoes-online-in-russia-20220301.html)

<sup>202</sup> [Sberbank Europe AG: Croatian and Slovenian subsidiaries resume operations after being sold while no resolution action is required for Austrian parent company | Single Resolution Board \(europa.eu\)](https://www.europa.eu/news/economy/sberbank-europe-ag-croatian-and-slovenian-subsidiaries-resume-operations-after-being-sold-while-no-resolution-action-is-required-for-austrian-parent-company-single-resolution-board)

<sup>203</sup> [Apple joins other global giants in Russia exit – POLITICO](https://www.politico.com/news/2022/03/01/apple-joins-other-global-giants-in-russia-exit-politico)

<sup>204</sup> [Visa, Mastercard, Amex Block Russian Banks After Sanctions - The Moscow Times](https://www.themoscowtimes.com/2022/03/01/visa-mastercard-amex-block-russian-banks-after-sanctions)

<sup>205</sup> [World Bank Group Statement on Russia and Belarus](https://www.worldbank.org/en/news/2022/03/01/world-bank-group-statement-on-russia-and-belarus)

<sup>206</sup> [Russia Ukraine conflict: World Bank stops all projects in Russia, Belarus with 'immediate effect' - The Economic Times \(indiatimes.com\)](https://www.euractiv.com/news/2022/03/01/world-bank-stops-all-projects-in-russia-belarus-with-immediate-effect)

<sup>207</sup> <https://www.politico.com/news/2022/03/01/exxon-russia-ukraine-energy-00013003>

<sup>208</sup> <https://www.shell.com/media/news-and-media-releases/2022/shell-intends-to-exit-equity-partnerships-held-with-gazprom-entities.html>

<sup>209</sup> [https://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-to-exit-rosneft-shareholding.html?utm\\_source=C%26A%7Cexternal%7Cbp.com%20news&utm\\_medium=email&utm\\_campaign=13028613\\_27%20Feb&dm\\_i=1PGC.7R8XX.PJ4FCC.VMMP3.1](https://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-to-exit-rosneft-shareholding.html?utm_source=C%26A%7Cexternal%7Cbp.com%20news&utm_medium=email&utm_campaign=13028613_27%20Feb&dm_i=1PGC.7R8XX.PJ4FCC.VMMP3.1)

<sup>210</sup> [Nord Stream 2 files for bankruptcy, fires employees – EURACTIV.com](https://www.euractiv.com/news/2022/03/01/nord-stream-2-files-for-bankruptcy-fires-employees)

<sup>211</sup> [@FedorovMykhailo @SAP On behalf of Oracle's 150,000 employees around the world and in support of both the elected government of Ukraine and for the people of Ukraine, Oracle Corporation has already suspended all operations in the Russian Federation." / Twitter](https://twitter.com/FedorovMykhailo)

<sup>212</sup> [Standing in Solidarity with Ukraine | SAP News Center](https://www.sap.com/news/2022/03/01/standing-in-solidarity-with-ukraine)

<sup>213</sup> [Airline software giant ends service with Russia's Aeroflot \(cnbc.com\)](https://www.cnbc.com/2022/03/01/airline-software-giant-ends-service-with-russia-s-aeroflot.html)

<sup>214</sup> [Apple joins other global giants in Russia exit – POLITICO](https://www.politico.com/news/2022/03/01/apple-joins-other-global-giants-in-russia-exit-politico)

<sup>215</sup> [IKEA pauses operations in Russia and Belarus](https://www.ikea.com/uk/en/press-releases/2022/ikea-pauses-operations-in-russia-and-belarus)

<sup>216</sup> [Nike stops selling shoes online in Russia because it can't find anyone to deliver them \(yahoo.com\)](https://www.yahoo.com/news/nike-stops-selling-shoes-online-in-russia-20220301.html)

<sup>217</sup> [McDonald's To Temporarily Close Restaurants & Pause Operations in Russia \(mcdonalds.com\)](https://www.mcdonalds.com/uk/en/press-releases/2022/mcdonalds-to-temporarily-close-restaurants-and-pause-operations-in-russia)

<sup>218</sup> [Sanctions against Russia may prompt Iran-style de-risking by banks | S&P Global Market Intelligence \(spglobal.com\)](https://www.spglobal.com/market-intelligence/news/2022/03/01/sanctions-against-russia-may-prompt-iran-style-de-risking-by-banks)



- Nevertheless, it is noted that many companies having announced the termination of their operations in Russia seem to instead **spin-off** their Russian activities, which would allow them continuing to operate in Russia and not lose their positions in a strategic market (market share that would otherwise fall, for two cents on the dollar, in other hands) without bearing the burden of potentially high reputational damage.

Of note in this regard is the **Commission's response** to the question whether Russian subsidiaries of EU parent companies are bound to comply with the EU sanctions (Regulation 883/2014 in particular). To this, the Commission reiterated the position that while "*EU sanctions must be complied with by all EU persons – both natural and legal – and therefore by all EU incorporated companies, including subsidiaries of Russian companies in the EU. Russian branches of EU companies remain EU persons, and thus bound by the Regulation.*", "*Russian subsidiaries of EU parent companies are incorporated under Russian law, not under the law of a Member State, hence they are not bound by the measures*".<sup>219</sup>

Critically, however, the Commission stressed that "*it is prohibited for EU parent companies to use their Russian subsidiaries to **circumvent** the obligations that apply to the EU parent, for instance by delegating to them decisions which run counter the sanctions, or by approving such decisions by the Russian subsidiary*".<sup>220</sup>

Caution is thus warranted in the spin-off of Russian activities of European companies and, depending on the operation of the Russian entity and its ties with the European Group, such activities might be scrutinised by the national competent authorities in charge of sanctions enforcement.

## 7. WHAT'S NEXT FOR COMPANIES?

The sanctions recently imposed against Russia and Belarus have broad implications for the business activities of EU companies in Russia and also for their international reputation.

International measures restrict the operations of the Russian central bank, Russian oligarchs, media networks, airlines, oil and gas industry, defence industry, aviation and space industry, other high-tech industries, and state-owned and private financial institutions.

Further expansion of sanctions could be potentially in the form of further broadening the list of items, entities, and individuals falling under these categories.

### 7.1 RISK ASSESSMENT

- **Focus on payments and SWIFT impact**
  - For EU businesses exporting to or importing from Russia, it is relevant to **identify open payment** channels. In the event EU businesses are dealing with Russian and/or Belarussian counterparts that are not affected by the sanctions adopted thus far, they could demand for payment in advance to decrease the risk of possible future sanctions on their operations.
  - Even if the transaction does not involve a restricted item, or the corresponding Russian bank is not in a sanction list, **European banks** might be **overcautious** in processing payments to and from Russia or providing export/import finance.

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<sup>219</sup> [Frequently asked questions on general questions related matters concerning sanctions adopted following Russia's military aggression against Ukraine \(europa.eu\).](#)

<sup>220</sup> [Frequently asked questions on general questions related matters concerning sanctions adopted following Russia's military aggression against Ukraine \(europa.eu\).](#)

- The exclusion of the 7 identified banks, and their majority-owned subsidiaries, from **SWIFT** after 12 March 2022 will make international payments very difficult.

However, insofar as the banks are not the object of asset freeze measures, payments may still take place; though not using the SWIFT messaging system.

- It is unclear how authorised payments, e.g. benefitting from a license for **wind-down** operations, including after the SWIFT disconnection goes into effect, would take place in practice. Specific **government action** would likely be required.<sup>221</sup>

#### ➤ Focus on logistics

- On top of restrictions on goods and items that may be traded and of reported actions by Russian customs, the **bans on shipping** in the UK, Russia, and others announced or to follow soon, as well as reciprocal **restrictions on flights and aircraft** will render trade between the EU bloc and Russia increasingly difficult.

Thus far, **rail freight** does not appear to be targeted yet, though it cannot be excluded in the future.

- In addition, due to sanctions and reputational risks, major international **logistics companies** are refraining to conduct business in Russia, which may **affect** the **supply chain** of exporters and importers in the EU.
- Companies involved in trade with and from Russia (and Belarus) will need to take a close look at the organisation of their supply chains and coordinate with their transporters.

#### ➤ Focus on customs

- While most **border crossing points appear to remain open**, such may evolve rapidly. On the EU side, a few border crossing points are closed between Lithuania and Belarus (though reportedly for reasons independent of the present crisis). Several border crossing points in **Poland** are also reportedly closed (Gronowo, Goldap, Kuznica, Polowce, Slawatyce).<sup>222</sup>

- Prohibitions on trade (import and export in various forms) in goods identified in the various applicable sanctions regulations apply to the products declared in the **customs declaration**.

The prohibition applies to the commercial object of the movement of the products (e.g. the product itself and not the packaging if such packaging is a good subject to prohibitions).<sup>223</sup>

- Through Notice 2022/C 87 I/01, the European Commission clarified that, given the situation in the territories in the **Luhansk and Donetsk** regions that are not under Ukrainian control, the **preferential tariffs** under the EU-Ukraine Association Agreement could not apply for imports of goods into the Union from those regions.

However, as parts of the Luhansk and Donetsk regions are still under Ukrainian control, preferential tariffs may be claimed for imports from those parts.<sup>224</sup> It remains to be seen, however, how this will be established in practice given the ever-moving control lines.

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<sup>221</sup> [MoneyLaundering.com :: Changes in Bank Regulations, Financial Compliance Regulations, Regulation Banks, Money Laundering Cases, Anti Money Laundering, Money Laundering Training.](#)

<sup>222</sup> [Aggression against Ukraine - Customs related frequently asked questions \(europa.eu\).](#)

<sup>223</sup> [Aggression against Ukraine - Customs related frequently asked questions \(europa.eu\).](#)

- It is also noted that exports of prohibited goods with final destination Russia and which originate from outside the EU, but **transit** through the Union, will fall under the sanctions prohibitions.

However, in cases of "external transit, transshipment, reshipment, re-exported from a free zone, temporary stored and directly re-exported from a temporary storage facility, introduced into the customs territory of the Union on the same vessel or aircraft that will take them out of that territory without unloading", the goods at issue are under **customs supervision** until they exit the Customs Union.

In such cases, the customs authorities will carry out a risk assessment and carry out controls where it considers warranted in light of the sanctions regulations.<sup>225</sup>

- Also of note is the recommendation by the Commission for holders of an authorisation for **temporary storage facilities** to request authorisation for customs warehouse for those facilities as a means of extending the 90-day time limit normally applicable for temporary storage.<sup>226</sup>
- Potential **reputational implications** for businesses is also a consideration. Several private actors have taken independent action, beyond and aside from legal obligations.
- For those businesses planning to **exit the Russian market**, there is an increased risk of getting caught by **Russian restrictions**.

It is important to closely monitor Russian sanctions and, in the case of a potential damage, to identify **alternative dispute settlement** mechanisms.

## 7.2 DUE DILIGENCE

- It should be expected that lists of sanctioned persons and entities can continue to be **further updated** and **broadened**. The scope of permissible transactions may thus rapidly vary in light of additional designations.

It is also likely that listed persons and entities will challenge their listing at the European Court of Justice, which could result in their de-listing.

- Due diligence on transactions involving exporters of **controlled items** should include compliance with **new export control rules**.
  - Be aware that **lists of controlled goods may evolve rapidly and can be (very) extensive**. Exporters of dual-use and military items should carefully review new export rules published by the US.
  - **US rules** can have significant **extraterritorial effects** which renders them relevant for exports from non-US countries to Russia and, in certain cases, exports between two countries outside of Russia (e.g. foreign direct product rule).
  - Companies should **prepare for secondary sanctions** which may involve significant operational challenges in international groups, such as isolating group operational functions like IT, accounting,

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<sup>224</sup> [Notice to importers - Imports of products into the Union under the EU-Ukraine Association Agreement from the non-government controlled areas of the Donetsk and Lugansk oblasts of Ukraine \(2022/C 87 I/01\); Aggression against Ukraine - Customs related frequently asked questions \(europa.eu\).](#)

<sup>225</sup> [Aggression against Ukraine - Customs related frequently asked questions \(europa.eu\).](#)

<sup>226</sup> [Aggression against Ukraine - Customs related frequently asked questions \(europa.eu\).](#)

e-mail and other corporate services and the monitoring of the activities of overseas subsidiaries that currently carry out these activities independently.

- As is the case in Canada and the UK, and possibly others to follow, measures may involve **cancellation of existing export licenses**.

Exporters with previous export control experience should review the new rules to identify whether they have any implication on their licenses.

- The EU, the UK and the US came up with a comprehensive sanctions and export control mechanism which might be implemented in the context of **future international disputes**.

It is notable that China has also claims over its neighbouring territory Taiwan. Members of the US Congress have introduced the "*Deterring Communist Chinese Aggression Against Taiwan Through Financial Sanctions Act*"<sup>227</sup> in this regard.

- Companies with little exposure to Russia may wish to assess their exposure to other regions of the world in light of the wide-ranging sanctions adopted against Russia and integrate in their risk exposure analysis.
- It would be prudent to **reinforce internal compliance mechanisms** and inquire potential clients regarding intended end-use of products.
- Pay attention to less reported **sub-national sanctions measures**: some **states/provinces and cities** are looking at their own by-laws or other legally binding measures.

Companies dealing with such jurisdictions should **(i) liaise** with relevant authorities to determine whether sanctions are adopted/considered, **(ii) have a protocol** for up to date information-sharing with their operations teams and **(iii) consider** where such measures are indiscriminate or represent a business **risk** that should be addressed by setting up alternative **arrangements**.

- Many sanction and export restriction programs include **wind-down periods** to finalize restricted activities subject to the conditions listed in relevant legislations.
- Businesses facing a sanction or export restriction program are advised to be observant about the **deadlines** and to establish appropriate winding-down **strategies**.

These **may be complex operations**. Companies should note that, for example:

- EU/UK companies will have to prepare to justify not to pay close-out payments in relation to **unwinding portfolios of investments** that have the effect of providing finance to sanctioned entities, such as derivatives transactions;
- **JVs** involving affected assets (e.g. real estate, stocks and shares) may need to be **isolated** or **divested**, all of which will need time to achieve.
- Consult (updates of) **guidelines** published by your national administrations. Be aware that **export licenses** are being suspended, re-examined and **revoked**.

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<sup>227</sup> [Sen. Cramer, Colleagues Introduce Bill to Sanction Communist China in the Event of Taiwan Invasion \(senate.gov\)](#).

- Most **national administrations** are publishing (updates of) **guidance** on the sanctions and export controls adopted.

Consultation of these is also highly recommended to accompany your (re)screening of partners and (re)classification of items for export control purposes. Please note these are updated regularly, in the same way the sanctions are.

- In this regard, the **French Finance Ministry** has set up **dedicated** support to assist companies. Relevant **contacts** as follows<sup>228</sup>:
  - Sanctions (Bercy) : [sanctions-russie@dgtresor.gouv.fr](mailto:sanctions-russie@dgtresor.gouv.fr)
  - Sanctions (MEDEF/MEDEFI) : [information-russie@medef.fr](mailto:information-russie@medef.fr)
  - Export controls on dual-use goods : [doublusagesanctions.russie@finances.gouv.fr](mailto:doublusagesanctions.russie@finances.gouv.fr)
  - Supplying issues : [tensions-approvisionnements.russie@finances.gouv.fr](mailto:tensions-approvisionnements.russie@finances.gouv.fr)
  - Cyber threats: [cert-fr.cossi@ssi.gouv.fr](mailto:cert-fr.cossi@ssi.gouv.fr)
- The **French Customs** authorities (**DGDDI**) have released a very useful flowchart ([available here](#)) to assist companies in the decision-making process of exports to Russia or Belarus in light of sanctions adopted, depending on the items involved and including the formalities to be carried out with the relevant authorities.

➤ **Overall**, it is strongly advised to

- review** the new sanctions adopted,
- (re)screen** (potential)customers and parties involved in (contemplated) transactions,
- (re)consider classification** of goods and other items under export control rules and (re)apply for licenses where needed,
- stay up-to-date and **regularly review**.

➤ Be alert on the risk of **sanctions evasion and circumvention**: It is recalled that it is "*prohibited to participate in activities the object or effect of which is to circumvent prohibitions*" set out in the sanctions regulations.

- In line with the **EU's territorial application of sanctions**, the Commission once more recalled that legal persons incorporated in third countries are not bound to comply with EU sanctions.

Such would, for example, be the case for companies in third countries with Russian or Russia-established ultimate beneficial owners.

- Nevertheless, as part of their due diligence, EU persons and entities (those under obligation to comply with EU sanctions) must verify that these third country persons and/or entities are not being used as a **screen** for designated ultimate beneficial owners to **evade sanctions**.<sup>229</sup>
- In this regard, it is noted that the South, Middle East and most Asian-Pacific countries have not aligned on G7/NATO sanctions. There is some concern that entities in those jurisdictions could be

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<sup>228</sup> [Ukraine et sanctions économiques contre la Russie : des points de contacts dédiés aux entreprises affectées | Direction générale du Trésor \(economie.gouv.fr\)](#).

<sup>229</sup> [Sanctions adopted following Russia's military aggression against Ukraine | European Commission \(europa.eu\)](#).

used to evade sanctions. **High vigilance** should be exercised in particular with regards to those **countries that are grey- or blacklisted by the FATF**.

- Several, private sector, tools have been put into place to help with due diligence and the tracking of assets. A few helpful examples include:
  - Peterson Institute for International Economics "Realtime economic issues watch" with a detailed worldwide sanctions tracker [accessible here](#).
  - Bloomberg on the richest Russian Oligarch's assets [accessible here](#).
  - The Organized Crime and Corruption Reporting Project's ("OCCRP") "asset tracker" [accessible here](#).

These sources are merely highlighted as indicative. As always, due diligence has to be carried out on a case-by-case basis and information must be verified before using.

***Gide's International Trade & Regulation Team in Brussels and London will provide further updates and guidance as matters continue to unfold.***

***Our Team will gladly assist you should you have questions or need legal assistance in ensuring compliance when dealing under the newly adopted sanctions.***

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## APPENDIX: EU MEASURES PUBLISHED IN THE EU OFFICIAL JOURNAL UNTIL 1 APRIL 2022

→ **Latest Consolidated List** of persons, groups and entities subject to EU Sanctions, involving an asset freeze and the prohibition to make fund and economic resources available to them, published by the Commission: [European Union Consolidated Financial Sanction List \(updated on 11/04/22\)](#).

→ **For a Consolidated Version of Regulations:**

- [Consolidated text: Council Regulation \(EU\) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)
- [Consolidated text: Council Regulation \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#)
- [Council Regulation \(EU\) 2022/263 of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas](#)
- [Consolidated text: 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](#)

→ **For Guidelines and Resources on the measures adopted in reaction to Russia's invasion in Ukraine:**

<i>Recent Guidelines and Resources on sanctions</i>
<i>European Union</i>
<p><a href="#">Commission's FAQ on sanctions adopted following Russia's military aggression against Ukraine</a></p> <ul style="list-style-type: none"> <li>• <a href="#">General questions concerning sanctions adopted following Russia's military aggression against Ukraine</a></li> <li>• <a href="#">FAQ on Deposits acceptance</a></li> <li>• <a href="#">FAQ on Euro-denominated banknotes related matters</a></li> <li>• <a href="#">FAQ on Trading</a></li> <li>• <a href="#">FAQ on Insurance and Reinsurance</a></li> <li>• <a href="#">FAQ on Export-related restrictions</a></li> <li>• <a href="#">Customs Related Questions</a></li> <li>• <a href="#">FAQ on Financial assistance</a></li> <li>• <a href="#">FAQ on Donetsk and Luhansk oblasts</a></li> <li>• <a href="#">FAQ on the Closure of EU Airspace</a></li> <li>• <a href="#">FAQ on Restrictions on Russian State-owned media</a></li> </ul>
<i>France</i>

### Recent Guidelines and Resources on sanctions

French Customs' Guide on export restrictions (Guide des douanes relatif aux sanctions contre la Russie et la Biélorussie : mesures restrictives à l'exportation)

#### Germany

BAFA's Overview of the country-specific embargos (as of 21 March 2022)  
Questions and Answers on Sanctions against Russia (Federal Ministry for Economic Affairs and Climate Action)

#### Netherlands

Q&A Ukraine / Russia: influence on business (Netherlands Enterprise Agency)

### EU SANCTIONS TARGETING THE RUSSIAN FEDERATION

<i>Date of publication in the EU Official Journal</i>	<i>Reference to the Regulation(s) and/or Decision(s) adopted</i>	<i>Legal act amended, if any</i>
	<p><i>Extension of the prohibition on deposits to crypto-wallets, on the export of euro-denominated banknotes and on the sale of euro-denominated transferrable securities to all official currencies of the Member States ;</i></p> <p><i>Prohibition of the award and continued execution of public contracts and concessions with Russian nationals and entities or bodies;</i></p> <p><i>Prohibition of the provision of support, including financing and financial assistance or any other benefit from a Union, Euratom or Member State programme to Russian publicly owned or controlled entities ;</i></p> <p><i>Prohibition on being a beneficiary, acting as trustee or in similar capacities for Russian persons and entities, as well as a prohibition on providing certain services to trusts ;</i></p> <p><i>Prohibition of access to ports in the territory of the Union to vessels registered under the flag of Russia ;</i></p> <p><i>Restriction of exports of jet fuel and other goods to Russia and additional import restrictions on certain goods exported by or originating from Russia, including coal and other solid fossil fuels ;</i></p> <p><i>Prohibition to any road transport undertaking established in Russia to transport goods by road within the territory of the Union;</i></p> <p><i>Extension of the exemption from the prohibition to engage in transactions with certain State-owned entities to Switzerland, the European Economic Area and the Western Balkans ;</i></p> <p><i>Introduction of certain derogations in relation to the restrictions on dual-use goods and technologies, goods and technologies.</i></p>	
8 April 2022	<ul style="list-style-type: none"> <li><u>Council Regulation (EU) 2022/576 of 8 April 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the</u></li> </ul>	Regulation (EU) No 833/2014



### EU SANCTIONS TARGETING THE RUSSIAN FEDERATION

	<p><u>situation in Ukraine</u></p> <ul style="list-style-type: none"> <li>• <u>Council Decision (CFSP) 2022/578 of 8 April 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></li> </ul>	
<p><i>Restrictive measures on leading businesspersons involved in economic sectors providing a substantial source of revenue to, and on persons supporting or benefitting from, the Government of the Russian Federation ;</i></p> <p><i>Restrictive measures on the Ministers and members of the 'People's Council' of the so-called 'Donetsk People's Republic' and 'Luhansk People's Republic';</i></p> <p><i>Restrictive measures on companies supporting, materially or financially, or benefitting from the Government of the Russian Federation and materially or financially supporting its actions.</i></p>		
8 April 2022	<ul style="list-style-type: none"> <li>• <u>Council Implementing Regulation (EU) 2022/581 of 8 April 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> </ul>	Regulation (EU) No 269/2014
<p><i>Further derogation options from the asset freeze and the prohibition to make funds and economic resources available to designated persons and entities.</i></p>		
8 April 2022	<ul style="list-style-type: none"> <li>• <u>Council Regulation (EU) 2022/580 of 8 April 2022 amending Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/582 of 8 April 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> </ul>	Regulation (EU) No 269/2014
<p><i>Prohibitions of all transactions with certain state-owned companies;</i></p> <p><i>Prohibitions of the provision of any credit rating services, as well as access to any subscription services in relation to credit rating activities, to any Russian person or entity;</i></p> <p><i>Expansions of the list of persons connected to Russia's defence and industrial base ;</i></p> <p><i>Prohibitions of new investments in the Russian energy sector ;</i></p> <p><i>Export restriction on equipment, technology and services for the energy industry in Russia, with the exception of nuclear industry and the downstream sector of energy transport ;</i></p> <p><i>Trade restrictions concerning iron, steel as well as luxury goods</i></p>		
15 March 2022	<ul style="list-style-type: none"> <li>• <u>Council Regulation (EU) 2022/428 of 15 March 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/430 of 15 March 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising</u></li> </ul>	Regulation (EU) No 833/2014

<b>EU SANCTIONS TARGETING THE RUSSIAN FEDERATION</b>		
	<u>the situation in Ukraine</u>	
<i>New sanctions against 15 individuals and 9 entities</i>		
15 March 2022	<ul style="list-style-type: none"> <li>• <u>Council Implementing Regulation (EU) 2022/427 of 15 March 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/429 of 15 March 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> </ul>	Regulation (EU) No 269/2014
<i>Update of the description for listings of individuals</i>		
11 March 2022	<ul style="list-style-type: none"> <li>• <u>Council Implementing Regulation (EU) 2022/408 of 10 March 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/411 of 10 March 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> </ul>	Regulation (EU) No 269/2014
<i>Correction of a spelling error in the name of an individual</i>		
10 March 2022	<ul style="list-style-type: none"> <li>• Corrigendum to Council Decision (CFSP) 2022/267 of 23 February 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</li> </ul>	Decision 2014/145/CFSP
<i>New restrictive measures regarding the export of maritime navigation goods and technology; Expansion to the maritime sector, the list of persons, entities and bodies subject to financing limitations via loans, transferable securities and money market instruments</i>		
9 March 2022	<ul style="list-style-type: none"> <li>• <u>Council Regulation (EU) 2022/394 of 9 March 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/395 of 9 March 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></li> </ul>	Regulation (EU) No 833/2014
<i>New sanctions against 146 members of the Russian Federation Council (who ratified the government decisions of the 'Treaty of Friendship, Cooperation and Mutual Assistance between the Russian Federation and the Donetsk People's Republic and between the Russian Federation and the Luhansk People's Republic); New sanctions against 14 persons supporting and benefitting from the Government of the Russian Federation or associated with listed persons or entities</i>		

<b>EU SANCTIONS TARGETING THE RUSSIAN FEDERATION</b>		
9 March 2022	<ul style="list-style-type: none"> <li><a href="#">Council Implementing Regulation (EU) 2022/396 of 9 March 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</a></li> <li><a href="#">Council Decision (CFSP) 2022/397 of 9 March 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</a></li> </ul>	Regulation (EU) No 269/2014
<i>Extension of restrictive measures until 6 March 2023 in respect of three persons, and until 6 September 2022 in respect of four persons; Update of the information (in the Annex to Decision 2014/119/CFSP) regarding the rights of defence and the right to effective judicial protection; Removal of the entry for one person</i>		
4 March 2022	<ul style="list-style-type: none"> <li><a href="#">Council Implementing Regulation (EU) 2022/375 of 3 March 2022 implementing Regulation (EU) No 208/2014 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine</a></li> <li><a href="#">Council Decision (CFSP) 2022/376 of 3 March 2022 amending Decision 2014/119/CFSP concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine</a></li> </ul>	Regulation (EU) No 208/2014
<i>SWIFT ban for seven Russian banks : Bank Otkritie; Novikombank; Promsvyazbank; Bank Rossiya; Sovcombank; VNESHECONOMBANK (VEB); VTB BANK)</i>		
2 March 2022	<ul style="list-style-type: none"> <li><a href="#">Council Regulation (EU) 2022/345 of 1 March 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</a></li> <li><a href="#">Council Decision (CFSP) 2022/346 of 1 March 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</a></li> </ul>	Regulation (EU) No 833/2014
<i>Prohibition on the broadcasting of two Russian operators in the EU: RT (Russia Today English, Russia Today UK, Russia Today Germany, Russia Today France and Russia Today Spanish) and Sputnik</i>		
2 March 2022	<ul style="list-style-type: none"> <li><a href="#">Council Regulation (EU) 2022/350 of 1 March 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</a></li> <li><a href="#">Council Decision (CFSP) 2022/351 of 1 March 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</a></li> </ul>	Regulation EU No 833/2014
<i>Prohibition of any transactions with the Central Bank of Russia; Closing of the EU airspace for Russian air carriers</i>		
28 February	<ul style="list-style-type: none"> <li><a href="#">Council Regulation (EU) 2022/334 of 28 February 2022 amending Council Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the</a></li> </ul>	Regulation EU No 833/2014

<b>EU SANCTIONS TARGETING THE RUSSIAN FEDERATION</b>		
2022	<p><u>situation in Ukraine</u></p> <ul style="list-style-type: none"> <li>• <u>Council Decision (CFSP) 2022/335 of 28 February 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></li> </ul>	
<i>New sanctions against 26 persons and one entity (business persons, government officers, members of media):</i>		
28 February 2022	<ul style="list-style-type: none"> <li>• <u>Council Implementing Regulation (EU) 2022/336 of 28 February 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/337 of 28 February 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> </ul>	Regulation (EU) No 269/2014
<i>Amendment of the criteria of designation to include persons and entities supporting and benefitting from the Government of the Russian Federation, providing a substantial source of revenue to it, or associated with listed persons and entities</i>		
25 February 2022	<ul style="list-style-type: none"> <li>• <u>Council Regulation (EU) 2022/330 of 25 February 2022 amending Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/329 of 25 February 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> </ul>	Regulation (EU) No 269/2014
<i>Partial suspension of the Agreement between the EU and Russia on the facilitation of the issuance of visas to the citizens of EU and Russia:</i>		
25 February 2022	<ul style="list-style-type: none"> <li>• <u>Council Decision (EU) 2022/333 of 25 February 2022 on the partial suspension of the application of the Agreement between the European Community and the Russian Federation on the facilitation of the issuance of visas to the citizens of the European Union and the Russian Federation</u></li> </ul>	
<i>Sanctions against the members of the National Security Council who supported Russia's immediate recognition of the two self-proclaimed republics Donetsk and Luhansk:</i>		
25 February 2022	<ul style="list-style-type: none"> <li>• <u>Council Implementing Regulation (EU) 2022/332 of 25 February 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> <li>• <u>Council Decision (CFSP) 2022/331 of 25 February 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></li> </ul>	Regulation (EU) No 269/2014

### EU SANCTIONS TARGETING THE RUSSIAN FEDERATION

*Restrictive measures related to the finance, defence, energy, aviation and space sectors; Expansion of existing financial restrictions on access by certain Russia entities to capital markets ; Restrictions on exports of dual-use goods and technologies ; Restrictions on the sale, supply, transfer or export to Russia of specific goods and technologies ; Export ban covering goods and technology suited for use in aviation and the space industry:*

25 February 2022	<ul style="list-style-type: none"> <li>• <a href="#"><u>Council Regulation (EU) 2022/328 of 25 February 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></a></li> <li>• <a href="#"><u>Council Decision (CFSP) 2022/327 of 25 February 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></a></li> </ul>	Regulation (EU) No 833/2014
<p><i>New sanctions against 22 Russian persons and 4 Russian entities ; Introduction of a derogation mechanism for certain operators falling under the assets freeze and the prohibition on making funds and economic resources available to them.</i></p>		
23 February 2022	<ul style="list-style-type: none"> <li>• <a href="#"><u>Council Implementing Regulation (EU) 2022/260 of 23 February 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></a></li> <li>• <a href="#"><u>Council Regulation (EU) 2022/259 of 23 February 2022 amending Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></a></li> <li>• <a href="#"><u>Council Decision (CFSP) 2022/265 of 23 February 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></a></li> </ul>	Regulation (EU) No 269/2014
<p><i>New sanctions against 336 members of the State Duma due to their vote in favour of the recognition of the separatist-claimed parts of eastern Ukraine as independent states:</i></p>		
23 February 2022	<ul style="list-style-type: none"> <li>• <a href="#"><u>Council Implementing Regulation (EU) 2022/261 of 23 February 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></a></li> <li>• <a href="#"><u>Council Decision (CFSP) 2022/267 of 23 February 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</u></a></li> </ul>	Regulation (EU) No 269/2014
<p><i>Restrictions on access to the capital markets, prohibiting the financing of Russia, its Government and its Central Bank:</i></p>		
23 February 2022	<ul style="list-style-type: none"> <li>• <a href="#"><u>Council Regulation (EU) 2022/262 of 23 February 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine</u></a></li> </ul>	Regulation (EU) No 833/2014

**EU SANCTIONS TARGETING THE RUSSIAN FEDERATION**

- [Council Decision \(CFSP\) 2022/264 of 23 February 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#)

*Prohibition and restrictions related to trade with the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine:*

23 February  
2022

- [Council Regulation \(EU\) 2022/263 of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas](#)
- [Council Decision \(CFSP\) 2022/266 of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas](#)

**EU SANCTIONS TARGETING BELARUS**

**Date of publication in  
the EU Official  
Journal**

**Reference to the Regulation(s) and/or Decision(s) adopted**

**Legal act amended, if  
any**

*Prohibition of the sale to Belarus of transferable securities denominated in any official currency of a Member State, and prohibition of the sale, supply, transfer or export to Belarus of banknotes denominated in any official currency of a Member State ;*

*Restrictive measures prohibiting road transport undertakings established in Belarus from transporting goods by road within the territory of the European Union.*

8 April 2022

- [Council Regulation \(EU\) 2022/577 of 8 April 2022 amending Regulation \(EC\) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine](#)
- [Council Decision \(CFSP\) 2022/579 of 8 April 2022 amending Decision 2012/642/CFSP concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine](#)

Regulation (EC) No 765/2006

*Renumbering of provisions*

10 March 2022	<ul style="list-style-type: none"> <li><a href="#">Corrigendum to Council Regulation (EU) 2022/398 of 9 March 2022 amending Regulation (EC) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine</a></li> </ul>	Regulation (EC) No 765/2006
<p><i>Prohibition of the listing and provision of services in relation to shares of Belarusian state-owned entities on Union trading venues; Limitation of the financial inflows from Belarus to the EU; Prohibition of the transactions with the Central Bank of Belarus; Restrictions of the provision of specialised financial messaging services to certain Belarusian credit institutions and their Belarusian subsidiaries; New obligations on the Network Manager for air traffic management network functions of the single European sky regarding overflight prohibitions.</i></p>		
9 March 2022	<ul style="list-style-type: none"> <li><a href="#">Council Regulation (EU) 2022/398 of 9 March 2022 amending Regulation (EC) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine</a></li> <li><a href="#">Council Decision (CFSP) 2022/399 of 9 March 2022 amending Decision 2012/642/CFSP concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine</a></li> </ul>	Regulation (EC) No 765/2006
<p><i>Additions of definitions to the amending Regulation (EC) No 765/2006</i></p>		
9 March 2022	<ul style="list-style-type: none"> <li><a href="#">Corrigendum to Council Regulation (EU) 2021/1030 of 24 June 2021 amending Regulation (EC) No 765/2006 concerning restrictive measures in respect of Belarus (OJ L 224 I, 24.6.2021)</a></li> </ul>	Regulation (EC) No 765/2006
<p><i>New sanctions against 22 persons in relation to the involvement of Belarus in the invasion of Ukraine:</i></p>		
2 March 2022	<ul style="list-style-type: none"> <li><a href="#">Council Implementing Regulation (EU) 2022/353 of 2 March 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</a></li> <li><a href="#">Council Decision (CFSP) 2022/354 of 2 March 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine</a></li> </ul>	Regulation (EU) No 269/2014
<p><i>New restrictions related to the trade of goods used for the production or manufacturing of certain products ; New restrictions on export control of certain goods and technology (which might contribute to Belarus's military, technological, defence and security development):</i></p>		
2 March 2022	<ul style="list-style-type: none"> <li><a href="#">Council Regulation (EU) 2022/355 of 2 March 2022 amending Regulation (EC) No 765/2006 concerning restrictive measures in view of the situation in Belarus</a></li> <li><a href="#">Council Decision (CFSP) 2022/356 of 2 March 2022 amending Decision 2012/642/CFSP concerning restrictive measures in view of the situation in Belarus</a></li> </ul>	Regulation (EC) No 765/2006

*New sanctions against 27 persons and 7 entities considering the persistent gravity of the situation in Belarus:*

<i>25 February 2022</i>	<ul style="list-style-type: none"><li>• <a href="#"><u>Council Implementing Regulation (EU) 2022/300 of 24 February 2022 implementing Article 8a of Regulation (EC) No 765/2006 concerning restrictive measures in view of the situation in Belarus</u></a></li><li>• <a href="#"><u>Council Decision (CFSP) 2022/307 of 24 February 2022 amending Decision 2012/642/CFSP concerning restrictive measures in view of the situation in Belarus</u></a></li></ul>	Regulation (EC) No 765/2006
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