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**The European Union's 11th
sanctions package against Russia
– key changes**

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On 23 June 2023, the European Union adopted and published its 11th package of sanctions against Russia and those supporting it in its illegal aggression against Ukraine. The new package further expands the trade and financial sanctions (Regulation [2023/1214](#) amending Regulation [833/2014](#)) as well as the targeted sanctions (Regulation [2023/1215](#) amending Regulation [269/2014](#), and Implementing Regulation [2023/1216](#) adding new listed persons and entities). Sectors specifically affected are shipping, aviation, and steel. Through this new package, the European Union also widens the toolkit for addressing circumvention as well as reporting obligations for anyone needing to comply with EU sanctions.

ANTI-CIRCUMVENTION SANCTIONS

Diversions from third countries

As anticipated, the new package strengthens the toolkit available to prevent circumvention by companies as well as third countries which help Russia to evade sanctions. Where the Council identifies that a third country “systematically and persistently” failed to prevent the sale, supply, transfer or export of goods subject to trade sanctions it may add that third country and the relevant goods to Annex XXXIII. This determination then triggers the application of a prohibition on the sale, supply, transfer and export of goods listed in Annex XXXIII, as well as the provision of certain services related to these listed goods, to the third countries specified in that Annex. Prior to doing so, the European Union must first reach out and offer assistance to the third country in question.

The scope of goods targeted by this new anti-circumvention sanction includes sensitive dual-use goods and technology or goods and technology that might contribute to the enhancement of Russia’s military, technological or industrial capacities or to the development of Russia’s defence and security sector in a way that strengthens its ability to wage war. Furthermore, the export of those goods must otherwise be prohibited under Regulation 833/2014 before those goods may be listed under Annex XXXIII. Consequently, if a carveout or derogation applies in respect of the trade sanction, it will also apply in respect of the anti-circumvention sanction.

Sanctions to prevent “shadow fleets”

The new package aims to address so-called “shadow fleets” circumventing the restrictions on the purchase, import or transfer of Russian crude oil or petroleum products listed in Annex XXV and the provision of related services.

First, the European Union now prohibits access to EU ports and locks to any vessel performing ship-to-ship transfers if the Member State’s competent authority “has reasonable cause to suspect” that the vessel is in breach of that prohibition. Vessels must notify the Member State’s competent authorities of a ship-to-ship transfer occurring within the Member State’s Exclusive Economic Zone or 12 nautical miles from the baseline of its coast at least 48 hours in advance if they want to be granted access to the ports of that Member State. If access is refused, the other Member States’ competent authorities and the Commission will be immediately informed. Second, the European Union bans access to EU ports and locks to any vessel if a Member State’s competent authority “has reasonable cause to suspect” that the shipborne automatic identification system has been illegally interfered with, switched off or otherwise disabled. Both new sanctions envisage carve-outs for safety and humanitarian purposes.

TRANSIT BANS

The new package introduces additional prohibitions on the transit via Russia of certain goods exported from the European Union. Until the 11th sanctions package, only the transit of dual-use goods and firearms via Russia was prohibited. It is now also prohibited to transit goods and technology which might contribute to Russia's military and technological enhancement or to the development of its defence and security sector, as listed in Annex VII, goods and technology suited for use in aviation or the space industry listed in Annex XI and jet fuel and fuel additives listed in Annex XX. The goal of these sanctions is to prevent the circumvention of applicable export restrictions.

OTHER TRADE AND SERVICES SANCTIONS

There are a number of new trade measures in the package.

87 new entities have been added to the list of those directly supporting Russia's military and industrial complex in its war of aggression against Ukraine. They are subject to tighter export restrictions for dual-use and advanced technology items.

Restrictions on the import of iron and steel goods have been tightened. Importers of sanctioned iron and steel goods that have been processed in a third country must prove that the inputs used do not come from Russia.

Sanctions prohibiting the provision of services related to the export of listed goods have also been strengthened. There are now explicit prohibitions on the sale, licensing or transfer of intellectual property rights or trade secrets. Those prohibitions also extend to granting rights to access or re-use any material or information protected by means of intellectual property rights or constituting trade secrets. They apply in respect of goods listed under Annexes II, VII, X, XVI, XVIII XX, XXIII and XXXIII.

TARGETED SANCTIONS

The new package also adds over 100 individuals and entities to the lists of persons subject to EU asset freezing restrictions. These include senior military officials, decision makers on the war, persons involved in the illegal deportation of Ukrainian children to Russia, judges who took politically motivated decisions against Ukrainian citizens, persons responsible for the looting of cultural heritage, businesspersons, propagandists, as well as certain Russian IT companies.

A new ground for listing individuals for "significantly frustrating" the EU sanctions has been added. Furthermore, it has been further clarified that facilitating infringements of the prohibition against circumvention of EU sanctions is a basis for listing.

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