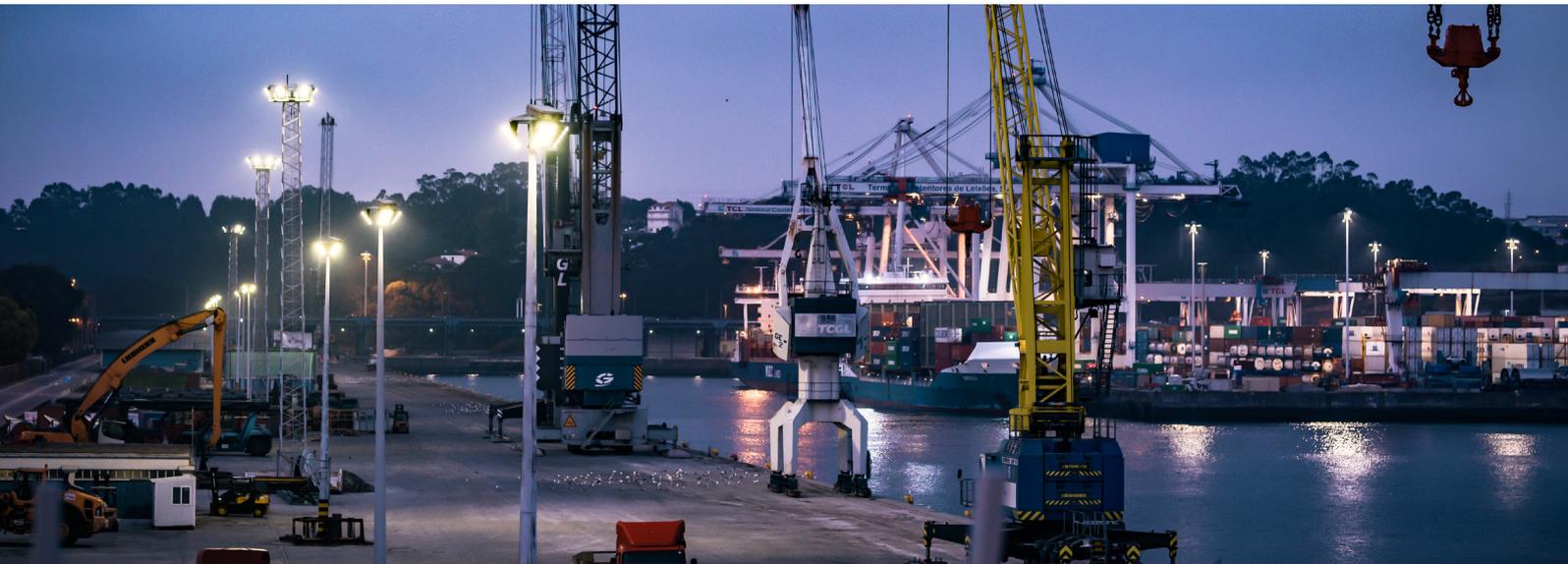


VAN BAEL & BELLIS



EUROPEAN UNION IMPOSES NEW SANCTIONS ON BELARUS

| 4 March 2022

In response to Belarus' support of Russia's aggression against Ukraine starting on 23 February 2022, the European Union has adopted additional sanctions restricting economic relations with Belarus, Belarusian entities, and persons. These measures amend the existing sanctions regime in place with respect to Belarus and add important trade restrictions. This Client Alert covers sanctions measures imposed by the European Union against Belarus as of 3 March 2022.

WHERE TO FIND THE RELEVANT LEGISLATION?

Regulations implementing the sanctions decisions unanimously adopted by the Council were [published](#) in the Official Journal on 2 March 2022.

Belarus Sanctions Regime	
Amendments to Regulation 269/2014	Amendments to Regulation 765/2006
Implementing Regulation 2022/336	Regulation 2022/355

These sanctions apply to all persons within EU jurisdiction ("**EU persons**"). This includes EU nationals in any location, entities incorporated under the law of an EU Member State including branches outside the European Union, as well foreign companies with respect to their EU operations, and on board of aircraft or vessels under the jurisdiction of the EU Member States.

TARGETED SANCTIONS

To target persons and entities supporting Belarus actions in Ukraine, the European Union has ordered the freezing of assets belonging to several Belarusian military officers listed in [Annex I](#) to (amended) Regulation 269/2014 and prohibited listed persons from entering the EU territory. It is prohibited to make funds or economic resources available to listed persons and entities, including indirect economic benefits such as payments to entities owned or controlled by a listed person. EU Member States may nonetheless, upon request, authorise transactions benefiting designated persons and entities.

TRADE SANCTIONS

Restrictions on trade in dual-use items and related services

To target Belarus military and technology sectors, it is prohibited to directly or indirectly sell, supply, transfer or export dual-use goods, software or technology, listed in [Annex I](#) to Regulation 2021/821 as well as goods listed in [Annex Va](#) to (amended) Regulation 765/2006, to entities and persons in Belarus or intended for use in Belarus, as well as related technical assistance, brokering, and financial services, *unless*:

- (i) the items are used for a limited list of core legitimate uses, such as humanitarian and medical purposes, provided the seller, supplier or exporter notifies its use of this exception to the customs authorities of the EU Member State where it is established, within 30 days of the transaction; or

(ii) the items are used for a limited list of legitimate uses, or are due under contracts concluded before 3 March 2022, if the dual-use licensing [authorities](#) of the EU Member State where the seller, supplier or exporter is resident or established have authorised the transaction. The items must not be intended for military or aerospace uses, or for end-use by an entity listed in [Annex V](#) to Regulation 765/2006.

Measures on oil refining goods, potash, wood, cement, steel, rubber, and machinery goods

Before the adoption of the new sanctions against Belarus, it was already prohibited to sell, supply, transfer, or export to Belarusian persons and entities or for use in Belarus any goods used for **tobacco** production listed in [Annex VI](#) to Regulation 765/2006 and any **potash** products listed in [Annex VIII](#) to Regulation 765/2006, whether or not originating in the European Union. It is now also prohibited to supply technical assistance and financial or brokering services, including financial derivatives, as well as insurance and re-insurance related to these goods.

In addition, it was already prohibited to directly or indirectly sell, supply, transfer or export from the European Union **petroleum products** listed in [Annex VII](#) to Regulation 765/2006 if originating or consigned to Belarus, to transport such products, irrespective of the destination, and to purchase them if located in Belarus. Additional petroleum products have now been added to the Annexes.

Provisions allowing for the winding down of export contracts related to these products and concluded before 25 June 2021 have also been revoked.

The new sanctions impose additional trade restrictions on five new product categories (“**restricted goods**”):

- wood products listed in [Annex X to Regulation 2022/355](#);
- cement products listed in [Annex IX to Regulation 2022/355](#);
- iron and steel products listed in [Annex X to Regulation 2022/355](#);
- rubber products listed in [Annex XI to Regulation 2022/355](#); and
- machinery listed in [Annex XII to Regulation 2022/355](#).

With respect to these restricted goods, it is now prohibited to:

- import, directly or indirectly, into the European Union, restricted goods originating or consigned from Belarus;
- transport restricted goods originating in Belarus, in any country;
- purchase, directly or indirectly, restricted products originating or located in Belarus; and
- provide, directly or indirectly, technical assistance, brokering services, financing or financial assistance, including financial derivatives, as well as insurance and re-insurance.

VAN BAELE & BELLIS

Pursuant to the winding-down provision, a transitional period applies until 4 June 2022, during which the transactions listed above with respect to restricted goods that occur pursuant to contracts concluded before 2 March 2022 and any ancillary contracts required to execute those contracts may still be performed.

FINANCIAL SANCTIONS

In response to Belarus' support of Russia's military actions in Ukraine, the European Union has so far not imposed additional restrictions on financial transactions involving Belarus. However, we note that several financial sanctions already apply under Regulation [765/2006](#).

MANAGING SANCTIONS RISKS

EU persons doing business with Belarus, Belarussian persons and entities or having supply chains that extend to Belarus should immediately assess whether their operations are affected by the new EU sanctions. Key risks are:

- **Payments:** making payments to persons and entities subject to asset freezes, as well as entities controlled by listed persons or entities is prohibited. EU persons are advised to screen payment beneficiaries, their principals, and recipient banks using the [EU sanctions list](#).
- **Supply chain:** supplying goods and services benefiting listed persons and entities, as well as entities owned or factually controlled by listed entities or persons are prohibited. Also, trading in restricted goods is prohibited. EU persons should classify and screen the end-use and end-user of their products and services.

Lawyers to contact



Pablo Muñiz

Partner

pmuniz@vbb.com



Gabriele Coppo

Partner

gcoppo@vbb.com



Isabelle Van Damme

Partner

ivandamme@vbb.com



Aldo Scalini

Counsel

ascalini@vbb.com



Mats Cuvelier

Associate

mcuvelier@vbb.com

VAN BAEL & BELLIS

BRUSSELS

Glaverbel Building
Chaussée de La Hulpe 166
B-1170 Brussels, Belgium

Phone: +32 (0)2 647 73 50

Fax: +32 (0)2 640 64 99

GENEVA

26, Bd des Philosophes
CH-1205 Geneva
Switzerland

Phone: +41 (0)22 320 90 20

Fax: +41 (0)22 320 94 20

LONDON

5, Chancery Lane
EC4A 1BL London
United Kingdom

Phone: +44 (0)20 7406 1471