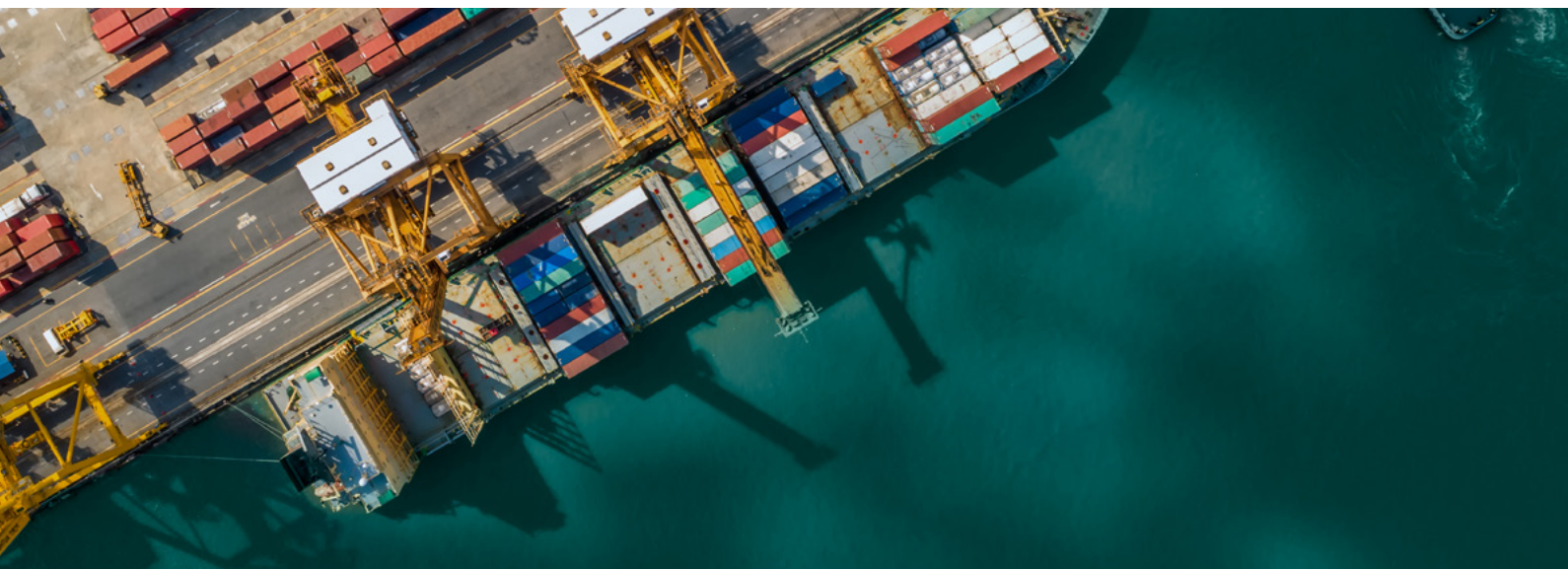


VAN BAEEL & BELLIS



GUIDE TO THE EU SANCTIONS AGAINST RUSSIA

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In response to Russia's recognition of the Donetsk and Luhansk regions of Ukraine on 22 February 2022 and its continuing military aggression against Ukraine starting on 23 February 2022, the European Union ("EU") has so far adopted eight packages of sanctions severely restricting economic relations with Russia, Russian entities, and persons. This Client Alert identifies the relevant regulations, explains what sanctions apply, and flags key compliance actions.

WHERE TO FIND THE RELEVANT LEGISLATION?

Regulations implementing the sanctions decisions unanimously adopted by the Council of the European Union ("Council") were [published](#) in the Official Journal on 23 February 2022 ("**first package**") and 25 February 2022 ("**second package**"). Between 28 February 2022 and 10 March 2022, a third set of measures was published ("**third package**"). On 15 March 2022, an additional set of sanctions was adopted ("**fourth package**"). In response to Russia's targeting of civilians, the Council adopted a fifth package of sanctions on 8 April 2022 ("**fifth package**"). On 3 June 2022, the Council agreed on a further set of sanctions ("**sixth package**"). On 21 July 2022, the Council adopted a further set of measures ("the **maintenance and alignment package**"). On 6 October 2022, the Council adopted the latest set of measures ("**eighth package**").

	Russia Sanctions Regime		New measures
	Amendments to Regulation 269/2014	Amendments to Regulation 833/2014	
First Package	Regulation 2022/259 Implementing Regulation 2022/260 Implementing Regulation 2022/261	Regulation 2022/262	Regulation 2022/263 → new sanctions on non-government-controlled areas of Donetsk and Luhansk
Second Package	Regulation 2022/330 Implementing Regulation 2022/332	Regulation 2022/328	
Third Package	Implementing Regulation 2022/336 Implementing Regulation 2022/353 Implementing Regulation 2022/396 Implementing Regulation 2022/408	Regulation 2022/334 Regulation 2022/345 Regulation 2022/350 Regulation 2022/394	
Fourth Package	Implementing Regulation 2022/427	Regulation 2022/428	
Fifth Package	Regulation 2022/580 Implementing Regulation 2022/581	Regulation 2022/576	
Sixth Package	Regulation 2022/880 Implementing Regulation 2022/878	Regulation 2022/879	
Maintenance and Alignment Package	Regulation 2022/1273 Implementing Regulation 2022/1270 Implementing Regulation 2022/1274	Regulation 2022/1269	

Eight Package	Regulation 2022/1905 Implementing Regulation 2022/1906	Regulation 2022/1904	Regulation 2022/1903: extending the scope of Regulation 2022/263 to non-government-controlled areas of Donetsk, Kherson, Luhansk and Zaporizhzhia
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The regulations imposing 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 EU, 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.

The European Commission (“**Commission**”) regularly updates a [webpage](#) providing answers to frequently asked questions and publishes guidance about the meaning of key provisions with respect to the sanctions imposed against Russia. The Commission has also [published](#) a list of EU Member State authorities responsible for administering the EU sanctions regime against Russia.

TARGETED SANCTIONS

To target persons and entities supporting Russia’s actions in Ukraine, the European Union has ordered the freezing of assets belonging to persons and entities listed in [Annex I](#) to (amended) Regulation [269/2014](#), and has prohibited listed persons from entering the EU territory. The assets of persons and entities not included in the EU sanctions list but owned or controlled by listed persons or entities must also be frozen.

It is also prohibited to make funds and economic resources, including crypto-assets, available to listed persons and entities and entities owned or otherwise controlled by a listed person or entity.

The eighth package expands the grounds upon which the Council may designate a natural or legal person to the list in Annex I. Those grounds now include “the facilitation of circumvention or evasion of the provisions laid down in Regulations [269/2014](#), Council Regulation [833/2014](#), of Regulation [2022/263](#), of Regulation [692/2014](#), of Council Decision [2014/145/CFSP](#), of Council Decision [2014/512/CFSP](#), of Council Decision (CFSP) [2022/266](#) or of Council Decision [2014/386/CFSP](#).”

As of 6 October 2022, the EU [sanctions list](#) includes over a 1200 individuals and over a 100 entities. The entities include companies active in notably the energy, defence, shipbuilding, and transportation sectors and the following Russian banks and financial institutions:

1. Russian National Commercial Bank;
2. Bank Rossiya;
3. Promsvyazbank;
4. Vnesheconombank;
5. Bank Otkritie;
6. Novikombank;
7. Sovcombank;
8. VTB Bank;

9. Sberbank; and

10. National Settlement Depository.

EU Member State authorities may, upon request, authorise transactions benefiting designated persons and entities if the conditions of applicable derogations are met. Derogations exist for the provision of communication services by EU operators, the prevention or mitigation of events with serious and significant impacts on humans or the environment and, solely in relation to the designated Russian banks in points 2-9 above, for transactions necessary for the transfer of agricultural and food products, including wheat and fertilizers.

With respect to Sberbank, national competent authorities may authorise, until 22 August 2023, transactions required to terminate contracts concluded before 21 July 2022 and, until 31 October 2022, transactions necessary to complete an ongoing sale and transfer of proprietary rights owned by Sberbank in an entity established in the EU.

National competent authorities may authorise until 31 December 2022 (or within six months of a person or entity's inclusion in the EU sanctions list, whichever is latest) the release of frozen funds or the making available of funds, where the authority determines this to be necessary for the sale and transfer of proprietary rights in a legal person established in the EU, where those proprietary rights are directly or indirectly owned by a person or entity included in the EU sanctions list. The proceeds of such a sale and transfer must remain frozen.

Within six months of their inclusion in the EU sanctions list, or before 1 September 2022, whichever is latest, designated persons and entities must report the funds or economic resources owned, held or controlled by them within an EU Member State to the competent authorities of that EU Member State. They must cooperate with the competent authorities to verify that information.

Following the adoption of the eighth package, national competent authorities may authorise:

- payments to the Crimean Sea Ports for services provided at the ports of Kerch Fishery Port, Yalta Commercial Port and Evpatoria Commercial Port, and for services provided by Gosgidrografiya and by Port-Terminal branches of the Crimean Sea Ports; and
- the release of certain frozen funds or economic resources belonging to the National Settlement Depository ("NSD"), or the making available of certain funds or economic resources to the NSD necessary for the termination by 7 January 2022 of operation, contracts, or other agreements concluded with or otherwise involving NSD before 3 June 2022.

TRADE SANCTIONS

Import restrictions on iron and steel products, solid fossil fuels, gold, and goods generating significant revenue for the Russian economy

To target key Russian industries, the EU has restricted imports of several categories of goods from Russia. EU persons are prohibited from directly or indirectly importing, purchasing, or transporting the following categories of goods, as well as supplying related technical assistance, brokering services, financing or financial assistance as well as insurance and re-insurance services:

- Iron and steel products listed in [Annex XVII](#) to (amended) Regulation 833/2014, originating in or exported from Russia. This prohibition applies from 16 March 2022. The adoption of the eighth package and the introduction of [Annex XVII – Part B](#) on 6 October 2022 expands the import ban to all iron and steel products classified under HS Chapters 72 and 73.
- **Scope:** the list of iron and steel products in [Annex XVII – Part A](#) to (amended) Regulation

833/2014 overlaps with the list of products in [Annex IV](#) to Implementing Regulation [2019/159](#) imposing definitive safeguard measures against imports of certain steel products into the EU. The Commission redistributed the import quotas originally allocated to Russia to other third countries (see Implementing Regulation [2022/434](#))

- **Carve-out:** the prohibition does not apply to certain quantities of steel products classified under CN codes 7207 11 or 7207 12 10, for which quotas are imposed as follows:

	CN 7207 12 10	CN 7207 11
Period	Quantity in metric tonnes	
7 October 2022 - 30 September 2023	3 747 905	487 202
1 October 2023 - 30 September 2024	3 747 905	Not applicable
1 October 2023 - 31 December 2023	Not applicable	85 260
1 January 2024 - 31 March 2024	Not applicable	48 720

- **Winding down clause:** contracts concerning products listed in [Annex XVII – Part B](#) other than those classified under CN codes 7207 11 and 7207 12 10 (which are not also listed in [Annex XVII – Part A](#)) concluded before 7 October 2022, as well as ancillary contracts necessary for executing those contracts, may be lawfully executed until 8 January 2023.
- Iron and steel products listed in [Annex XVII](#) to (amended) Regulation 833/2014 processed in a third country incorporating iron and steel products originating in Russia as listed in [Annex XVII](#)
 - **Entry into force:** the prohibition applies from 30 September 2023. For products listed in [Annex XVII](#) which were processed in a third country by incorporating steel products originating in Russia classified under CN codes 7207 11 or 7207 12 10, the prohibition applies from 1 April 2024 for CN code 7207 11 and from 1 October 2024 for CN code 7207 12 10.
 - **Derogation:** the EU Member States may authorise the purchase, import, or transfer of restricted goods that are necessary for the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, the supply of precursor material for producing of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development.
- Coal and other products listed in [Annex XXII](#) to (amended) Regulation 833/2014 originating in or exported from Russia. This prohibition applies from 16 March 2022.
- Gold products listed in [Annex XXVI](#) to (amended) Regulation 833/2014 originating in, and exported from Russia into the EU (including after processing in a third country) or to any third country.
- Jewellery and jewellers' wares listed in [Annex XXVII](#) to (amended) Regulation 833/2014 if they originate in Russia and have been exported from Russia into the EU after 22 July 2022.
 - **Carve-out:** the prohibition does not apply to gold which is (i) necessary for official purposes of diplomatic missions and international organisations enjoying immunities in

accordance with international law, and (ii) jewellery and jewellers' wares of individuals travelling to the EU and intended for personal use.

- **Derogation:** the EU Member States may authorise the transfer of cultural goods, containing listed gold or gold products, which are on loan for formal cultural cooperation purposes.
- Goods generating significant revenue for the Russian economy listed in [Annex XXI](#) to (amended) Regulation 833/2014 including, cement, wood, tires, certain machineries as well as caviar and vodka, originating in or exported from Russia. This prohibition applies from 10 July 2022. The eighth package expands the range of goods subject to the import ban by the addition of [Annex XXI – Part B](#), which includes wood pulp and paper, certain stones and precious metals, certain machinery and chemical items, cigarettes, plastics and finished chemical products such as cosmetics.
 - **Winding down clause:** contracts concerning products listed in [Annex XXI – Part B](#) which were conclude before 7 October 2022, as well as ancillary contracts necessary for executing those contracts, may be lawfully executed until 8 January 2023
 - **Derogation:** the EU Member States may authorise the purchase, import, or transfer of restricted goods that are necessary for the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development.

Import, transport, and services restrictions relating to petroleum and oil products

It is prohibited to purchase, import or transfer, directly or indirectly, crude oil or petroleum products, as listed in [Annex XXV](#) to (amended) Regulation 833/2014, originating in Russia or exported from Russia. It is also prohibited to provide related technical assistance, brokering services, financing or financial assistance or any other related services. Annex XXV contains all petroleum and oil products falling within CN codes 2709 00 and 2710.

- **Carve-out:** the prohibition does not apply to
 - “one-off transactions” for near-term deliveries and executing contracts concluded before 4 June 2022 (and ancillary contracts necessary for their execution). Those transactions are permitted if the relevant Member State notifies the European Commission within 10 days of their completion, and the delivery is completed before:
 - a) 5 December 2022 for goods falling within CN code 2709 00; and
 - b) 5 February 2023 for goods falling within CN code 2710.
 - seaborne crude oil and petroleum products originating in third countries and only loaded in, departing from or transiting through Russia if the owner is non-Russian;
 - crude oil falling under CN code 2709 00 delivered by pipeline from Russia to the EU Member States with access to the pipeline; and
 - temporary seaborne deliveries intended for landlocked Member States which, for reasons outside their control, can no longer obtain oil and petroleum products delivered

by pipeline.

- **Derogation:** Bulgaria (until the end of 2024) and Croatia (until the end of 2023) may authorise limited derogations from the prohibitions for specific crude oil and petroleum products.

Any goods exempted from the prohibition either by virtue of being delivered by pipeline or pursuant to an authorisation by Bulgaria and Croatia, may not be sold or transferred onward to other EU Member States or third countries (except, until 5 December 2023, and in a limited way, to the Czech Republic). To facilitate this, those goods must be marked as “REBCO: export prohibited”.

It is also prohibited to provide, directly or indirectly, technical assistance, brokering services or financing or financial assistance related to the transport, including ship-to-ship transports, to third countries of crude oil or petroleum products listed in [Annex XXV](#) to (amended) Regulation 833/2014 and originating in Russia or exported from Russia.

- Winding down clause: contracts concluded before 4 June 2022 and ancillary contracts necessary for their execution may be performed until 5 December 2022, for crude oil falling under CN code 2709 00 and until 5 February 2023, for petroleum products falling under CN code 2710.
- Carve out: the prohibition does not apply
 - to the payment of insurance claims after 5 December 2022, for crude oil falling under CN code 2709 00, or after 5 February 2023, for petroleum products falling under CN code 2710, on the basis of insurance contracts concluded before 4 June 2022 and provided that the insurance coverage has ceased by the abovementioned dates;
 - where the products originate in a third country and are being loaded in, depart from or transit through Russia, if the owner of the goods is not Russian;
 - where the products being transported originate in Russia but the purchase price per barrel of those products does not exceed the pre-established price cap set by the Price Cap Setting Body, laid out in [Annex XXVIII](#); or
 - to specific projects listed in [Annex XXIX](#), for the designated period of time

Export restrictions on exports of dual-use items and oil-related, aerospace, maritime navigation, and luxury goods

To target Russia’s strategic sectors, the EU has introduced several restrictions on exports to Russia.

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 (“**Dual-use Regulation**”) as well as the technological goods listed in [Annex VII](#) to (amended) Regulation 833/2014, to entities and persons in Russia or intended for use in Russia, as well technical assistance, brokering, and financial services related to both categories of goods.

- **Carve-out:** the prohibition does not apply to items intended for a limited list of core legitimate uses, such as for humanitarian or medical purposes, provided the seller, supplier or exporter notifies the use of this exception to EU Member State authorities within 30 days of the transaction.
- **Derogation:** EU Member States may authorise the sale, supply, transfer or export of the items

concerned if the items are used for a limited list of legitimate uses or are due under contracts concluded before 26 February 2022. The authorisation cannot be granted if the items are intended for military use, for the aviation or the space industry or for end-use by an entity listed in [Annex IV](#) to (amended) Regulation 833/2014.

It is prohibited to directly or indirectly sell, supply, transfer or export firearms, their parts and essential components and ammunition as listed in [Annex I](#) to Regulation 258/2012, whether or not originating in the EU, to any natural or legal person, entity or body in Russia or for use in Russia. Furthermore, it is prohibited to directly or indirectly sell, supply, transfer, or export items which might contain certain chemical substances, nerve agents and goods which have no practical use other than for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment, or which could be used for those purposes, which are also covered by Regulation [2019/125](#). If a conflict arises between Regulations [258/2012](#) and [2019/125](#), and the amended Regulation [833/2014](#), the latter will take precedence over the former. It is also prohibited to provide financing, technical assistance, brokering services or other services related to restricted goods or related to the sale, supply, transfer, or export of those goods to Russia.

It is prohibited to directly or indirectly sell, supply, transfer or export from the EU to any natural or legal person, entity or body in Russia, for use in Russia:

- Oil exploration and production goods (including line pipes used for oil or gas pipelines) listed in [Annex II](#) to (amended) Regulation 833/2014.
 - **Carve-out:** the prohibition does not apply to goods necessary for transporting oil or gas from or through Russia into the EU, unless prohibited by the restrictions in relation to crude oil and petroleum products, and goods necessary for preventing or mitigating events that are likely to seriously impact human health or the environment.
 - **Derogation:** EU Member States may authorise the sale, supply, transfer or export of goods listed in Annex II to (amended) Regulation 833/2014 necessary for ensuring critical energy supply within the EU or for the exclusive benefit of entities controlled, solely or jointly, by an entity incorporated or constituted under the law of an EU Member State.
- Goods and technology used for oil refining and liquefaction of natural gas listed in [Annex X](#) to (amended) Regulation 833/2014, as well as related technical and financial assistance and brokering services.
 - **Derogation:** EU Member States may authorise the sale, supply, transfer or export of goods listed in [Annex X](#) to (amended) Regulation 833/2014, and the supply of related services if necessary for disaster prevention.
- Aerospace goods listed in [Annex XI](#) and jet fuel and fuel additives listed in [Annex XX](#) to (amended) Regulation 833/2014, including related technical assistance and financial or brokering services.
 - **Carve-out:** the prohibition in respect of technical assistance or brokering services does not apply to information exchanged which aims to establish [technical standards in the framework of the International Civil Aviation Organisation](#).
 - **Winding down clause:** contracts concerning goods listed in [Annex XI – Part B](#) concluded before 7 October 2022, as well as ancillary contracts necessary for executing those contracts, may be lawfully executed until 6 October 2022.

- Maritime navigation goods and technology listed in [Annex XVI](#) to (amended) Regulation 833/2014, including related technical assistance and financial or brokering services.
 - **Carve-out:** the prohibition does not apply to goods listed in [Annex XVI](#) to (amended) Regulation 833/2014 and related services for non-military use and for a non-military end-user, intended for humanitarian purposes, health emergencies, the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment, or as a response to natural disasters.
 - **Derogation:** EU Member States may authorise the sale, supply, transfer or export of goods listed in Annex XVI to (amended) Regulation 833/2014 and the supply of related services if intended for maritime safety uses.
- Luxury goods listed in [Annex XVIII](#) to (amended) Regulation 833/2014, provided the value of the products exceeds EUR 300 per item, unless Annex XVIII specifies a different threshold.
 - **Carve-out:** this prohibition does not apply to (i) goods necessary for official purposes of diplomatic missions and international organisations enjoying immunities in accordance with international law, and (ii) jewellery and jewellers' wares belonging to individuals travelling to the EU and intended for personal use.
 - **Derogation:** EU Member States may authorise the sale of vehicles for the transport of persons listed in Annex XVIII to (amended) Regulation 833/2014 with a value exceeding EUR 50,000, as well as related accessories and spare parts, if the goods are provided for humanitarian purposes.

It is prohibited to directly or indirectly sell, supply, transfer or export goods which could contribute to the enhancement of Russia's industrial capacity and are listed in [Annex XXIII](#) to (amended) Regulation 833/2014, including pitch coke, petroleum jelly, acetone, methionine, coal, or lignite to any natural or legal person, entity or body in Russia, for use in Russia, as well as technical assistance, brokering, and financial services related to these goods.

- **Carve-out:** the prohibition does not apply to goods necessary for the official purposes of diplomatic or consular missions of Member States or partner countries in Russia or of international organisations enjoying immunities in accordance with international law, or to the personal effects of their staff.
- **Derogation:** EU Member States may authorise the sale, supply, transfer or export of goods and technology listed in [Annex XXIII](#) to (amended) Regulation 833/2014 after having determined that the goods or technology or the provision of related technical or financial assistance are necessary for (i) medical, pharmaceutical or humanitarian purposes, or (ii) the fulfilment of maintenance obligations of Member States in areas subject to a long-term lease with Russia.
- **Winding down clause:** contracts concerning goods falling under CN codes 2701, 2702, 2703, 2704 (i.e., coal, lignite, peat, and coke and semi-coke) as listed in [Annex XXIII](#), which were concluded before 7 October 2022, as well as ancillary contracts necessary for executing those contracts, may be lawfully executed until 8 January 2023.

Restrictions on exchanging Member-State-currency-denominated banknotes

It is prohibited to sell, supply, transfer or export banknotes denominated in any official currency of an EU Member State to Russia and Russian persons and entities, including the Russian Government and the Central Bank of Russia, or for use in Russia. Exceptions apply for personal use and diplo-

matic missions.

Restrictions on dealings with non-government-controlled areas of Donetsk, Kherson, Luhansk and Zaporizhzhia

It is prohibited to import goods originating in the non-government-controlled areas of Donetsk, Kherson, Luhansk and Zaporizhzhia. In addition, it is prohibited to supply tourism services to these areas, invest in these areas, and export goods and technology for use in the telecommunications, transport, oil, gas and mineral sectors. The supply of technical assistance, brokering, construction and engineering services in the Donetsk, Kherson, Luhansk and Zaporizhzhia areas involving the targeted sectors is also prohibited.

Restrictions on air, road, and maritime transport

The EU has closed its airspace to any aircraft operated by Russian air carriers, Russian registered aircraft and any aircraft owned by Russian entities and persons.

It is prohibited for any road transport undertaking established in Russia to transport goods by road within the EU territory, including goods in transit. A road transport undertaking means any natural or legal person, entity or body engaged with a commercial purpose in the transport of freight by means of motor vehicles or a combination of vehicles.

- **Carve-out:** the prohibition does not apply to road transport undertakings transporting mail as a universal service, as well as to goods in transit through the EU between the Kaliningrad Oblast and Russia, if transport of those goods is not otherwise prohibited under (amended) Regulation 833/2014.
- **Derogation:** EU Member States may authorise the transport of goods by a road transport undertaking established in Russia if necessary for the purchase, import or transport into the EU of (i) natural gas and oil, including refined petroleum products, unless prohibited by the restrictions in relation to crude oil and petroleum products, and titanium, aluminium, copper, nickel, palladium, and iron ore, (ii) pharmaceutical, medical, agricultural and food products, including wheat and fertilisers of which the import, purchase and transport are allowed under (amended) Regulation 833/2014, (iii) transactions for humanitarian or (iv) diplomatic purposes, and (v) the transfer or export to Russia of cultural goods which are on loan in the context of formal cultural cooperation with Russia.

It is prohibited to provide access to ports, from 16 April 2022, and locks, from 29 July 2022, in the EU territory, to any vessel registered under the flag of Russia and any Russian vessel that has changed its flag or registration to any other state after 24 February 2022. Vessels are defined as (i) ships falling within the scope of the relevant international conventions, (ii) yachts of minimum 15 meters long that do not carry cargo and with maximum 12 passengers, and (iii) recreational craft or personal watercraft defined by Directive [2013/53/EU](#).

After 8 April 2023, it will be prohibited to provide access to ports and locks in the EU territory to any vessel certified by the Russian Maritime Register of Shipping.

- **Carve-out:** access to locks for the purpose of leaving the EU territory is allowed. Furthermore, the prohibition, covering both ports and locks, does not apply in case a vessel needs assistance in seeking a place of refuge, emergency port call due to maritime safety, or for saving life at sea.

- **Derogations:** EU Member States may authorise a Russian vessel to access a port or lock if this is necessary for (i) the purchase, import or transport into the EU of natural gas and oil, including refined petroleum products, unless prohibited by the restrictions in relation to crude oil and petroleum products, titanium, aluminium, copper, nickel, palladium and iron ore, as well as certain chemical and iron products as listed in [Annex XXIV](#) to (amended) Regulation 833/2014, (ii) the purchase, import or transport of pharmaceutical, medical, agricultural and food products, including wheat and fertilisers of which the import, purchase and transport are allowed under (amended) Regulation 833/2014, (iii) humanitarian purposes, (iv) transport of nuclear fuel and other goods strictly necessary for the functioning of civil nuclear capabilities, or (v) the purchase, import or transport into the EU, until 10 August 2022, of coal and other solid fossil fuels listed in [Annex XXII](#) to (amended) Regulation 833/2014.
 - EU Member States may authorise a vessel that has changed its flag or registration from Russia to any other state, before 16 April 2022, to access a port or lock if a Russian flag or registration was required by contract and that access is necessary for the unloading of goods strictly necessary for the completion of renewable energy projects in the EU, provided that these goods do not otherwise fall within the scope of the trade sanctions under (amended) Regulation 833/2014.
 - EU Member States may authorise the access to a port or lock of a vessel that
 - i. has flown the Russian Federation flag under a bareboat charter registration initially effected prior to 24 February 2022,
 - ii. has resumed its right to fly the flag of the underlying Member State registry before 31 January 2023; and
 - iii. is not owned, chartered, operated or otherwise controlled by a Russian national or any legal person, entity or body incorporated or constituted under the law of the Russian Federation.

Visa and media restrictions

The EU has suspended facilitated access to EU visas pursuant to the 2007 Agreement between the European Community and the Russian Federation on the facilitation of issuance of short-stay visas, for Russian government officials and businesspersons.

In addition, EU persons are prohibited from broadcasting, facilitating broadcasting or advertising in any content produced or broadcast by Russian media outlets listed in [Annex XV](#) to (amended) Regulation 833/2014. New entities were added to this list in the sixth package.

FINANCIAL SANCTIONS

Restrictions on dealing with certain Russian State-owned enterprises

From 16 March 2022, it is prohibited to engage, directly or indirectly, in any transaction with a legal person, entity or body established in Russia which is controlled or owned by Russia, the Russian Government, or the Central Bank of Russia, as listed in [Annex XIX](#) to (amended) Regulation 833/2014. The prohibition also extends to legal persons, entities or bodies established outside the EU that are owned for more than 50% by entities listed in [Annex XIX](#) or act on behalf of those entities. The amendments introduced by the eighth package clarify that the prohibition on engaging in transactions also includes a ban on EU nationals holding any position in the governing bodies of the entities listed in [Annex XIX](#).

A winding down period applies, allowing EU persons to execute, until 15 May 2022, contracts con-

cluded before 16 March 2022 and ancillary contracts necessary for executing those contracts. EU persons may also continue to receive payments due under contracts that were performed before 15 May 2022. The eighth package clarifies that it is lawful for the entities listed in [Annex XIX – Part A](#) to receive payments due under contracts performed before 15 May 2022

The prohibition on dealing with certain Russian State-owned enterprises does not apply to:

- i. transactions strictly necessary for the purchase, or import of natural gas, titanium, aluminium, copper, nickel, palladium, and iron ore from Russia – or the transport of these commodities through Russia – into the EU, a country member of the European Economic Area (“EEA”), Switzerland, or the Western Balkans;
- ii. transactions strictly necessary for the purchase, import or transfer of oil, including refined petroleum products, from or through Russia (unless prohibited under another provision);
- iii. transactions relating to energy projects outside Russia in which an entity listed in [Annex XIX](#) to (amended) Regulation 833/2014 is a minority shareholder;
- iv. transactions strictly necessary for the winding down, before 31 December 2022, of a joint venture or similar legal agreement concluded with entities listed in [Annex XIX](#) to (amended) Regulation 833/2014 before 16 March 2022, and entities owned or acting on behalf of those entities;
- v. transactions relating to the provision of electronic communication and data center services, as well as related equipment and services for their operation, maintenance, security, including the provision of firewalls, and call center services, to persons listed in [Annex XIX](#) to (amended) Regulation 833/2014;
- vi. transactions which are strictly necessary for the purchase, import or transfer of pharmaceutical, medical, agricultural and food products, where not otherwise forbidden by (amended) Regulation [833/2014](#).
- vii. transactions which are strictly necessary to ensure access to judicial, administrative or arbitral proceedings in an EU Member State, as well as for the recognition or enforcement of a judgment or an arbitration award rendered in a Member State and if those transactions are consistent with the objectives of Regulations 833/2014 and 269/2014.

The eighth package adds the Russian Maritime Shipping Register (a wholly Russian State-owned entity performing vessel inspection and survey activities) to [Annex XIX – Part B](#). The recognition of the Russian Maritime Shipping Register under the EU common rules and standards for ship inspection and survey organisations is also withdrawn. A winding down period applies, enabling EU persons to execute, until 6 December 2022, contracts concluded with the Russian Maritime Shipping Register before 7 October 2022, as well as ancillary contracts necessary for executing those contracts.

SWIFT ban

The EU prohibits persons from providing specialised financial messaging services to several Russian banks listed in [Annex XIV](#) to (amended) Regulation 833/2014. The date from which this prohibition applies, in relation to each of the listed entities, is indicated in that Annex, which is reproduced below.

Bank excluded from the SWIFT messaging system	Date of exclusion
Bank Otkritie	12 March 2022
Novikombank	12 March 2022
Promsvyazbank	12 March 2022
Bank Rossiya	12 March 2022
Sovcombank	12 March 2022
VNESHECONOMBANK (VEB)	12 March 2022
VTB BANK	12 March 2022
Sberbank	14 June 2022
Credit Bank of Moscow	14 June 2022
Joint Stock Company Russian Agricultural Bank, JSC Rosselkhozbank	14 June 2022

Restrictions on transactions involving Russian sovereign debt, reserves and assets

Extending credit and loans to, and purchasing, selling or trading transferable securities and bonds issued by the Russian Government, the Central Bank of Russia, or any entity acting on behalf of or at the direction of the Central Bank of Russia, including the Russian National Wealth Fund, is prohibited.

EU persons are also prohibited from making any transaction related to the management of reserves and assets of the Central Bank of Russia with any person or entity acting on behalf of or directed by the Central Bank of Russia. EU Member States may authorise those transactions only if they are necessary to maintain the financial stability of the EU or an EU Member State.

Restrictions on transactions involving Russian corporate debt and securities

EU persons are prohibited from purchasing, selling, providing investment services for or assisting in the issuance of, or otherwise dealing with transferable securities, including crypto-assets, and money-market instruments issued by entities listed or controlled / directed by:

- i. State-owned Russian financial institutions listed in [Annex III](#) to (amended) Regulation 833/2014; and
- ii. major defence companies listed in [Annex V](#) to (amended) Regulation 833/2014.

From 12 April 2022, it is prohibited to conduct transactions involving all securities issued by entities listed or controlled/directed by:

- i. State-owned oil companies listed in [Annex VI](#) to (amended) Regulation 833/2014;
- ii. major State-owned credit institutions listed in [Annex XII](#) to (amended) Regulation 833/2014; and
- iii. other State-owned and State-controlled entities included in [Annex XIII](#) to (amended) Regulation 833/2014.

From 26 February 2022, no new loans or credit, including in the form of crypto-assets, may be extended to entities listed in points (i)-(v) above, with limited exceptions for, *inter alia*, trade financing involving non-prohibited goods and drawdowns and disbursements made under contracts concluded before 26 February 2022.

Restrictions on investments in the Russian energy sector

From 16 March 2022, it is prohibited to acquire any new participations or extend existing participations in any legal person, entity or body operating in the energy sector in Russia, irrespective of where that person, entity or body is established. To this end, the notion of “energy sector” covers:

- the exploration, production, distribution within Russia or mining of crude oil, natural gas or solid fossil fuels, the refining of fuel, the liquefaction of natural gas or regasification;
- the manufacture or distribution within Russia of solid fossil fuel products, refined petroleum products or gas; or
- the construction of facilities or installation of equipment for, or the provision of services, equipment or technology for, activities related to power generation or electricity production, except for civil nuclear related activities.

It is prohibited to grant any new loan or credit or otherwise provide financing, including equity capital, to legal persons operating in the Russian energy sector. In addition, EU persons are prohibited from creating new joint ventures with legal persons operating in the Russian energy sector. Providing related investment services is also prohibited

EU Member State authorities may authorise an otherwise prohibited transaction if this is deemed necessary to ensure critical energy supply within the EU, as well as the transport of natural gas and oil, including refined petroleum products. An authorisation may be granted if the investment exclusively concerns a legal person, entity or body operating in the energy sector in Russia owned by a legal person, entity or body incorporated or constituted under the law of an EU Member State. The transport of crude oil cannot however be authorised if that transport is also prohibited under the specific provision covering the products listed in [Annex XXV](#) to Regulation 833/2014 (as amended)

Restrictions on the acceptance of deposits and provision of crypto-assets wallets and accounts

It is prohibited to accept deposits exceeding EUR 100,000 from Russian persons and entities, persons and entities established or resident in Russia, and entities owned for more than 50% by such persons. The eighth sanctions package prohibits EU persons from providing any crypto-asset wallet, account or custody services for crypto-assets, irrespective of value, to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia.

EU Member States may authorise deposits and crypto-assets wallet, account or custody services intended for a limited number of legitimate purposes including for cross-border trade in non-prohib-

ited goods, the exclusive purpose of paying routine maintenance fees or service charges in relation to frozen economic assets.

It is also prohibited to sell securities denominated in any official currency of any EU Member State, issued after 12 April 2022, to Russian persons and entities.

These prohibitions do not apply in respect of nationals and registered temporary or permanent residents of the EU, the EEA or Switzerland.

Restrictions on supplying services to the Government of Russia or legal persons established in Russia

It is prohibited to provide, directly or indirectly, accounting, auditing, including statutory audit, book-keeping, tax consulting, business and management consulting or public relations services to either the Government of Russia or legal persons, entities, or bodies established in Russia. These services are further defined by reference to [Annex II](#) of Regulation 184/2005.

A winding down period allows providing services which are strictly necessary for executing, until 5 July 2022, contracts concluded before 4 June 2022 and ancillary contracts necessary for executing those contracts.

The eighth package extends the prohibition to the provision of architectural and engineering services, legal advisory services, and IT consultancy services. Architectural and engineering services also cover integrated engineering services, urban planning and landscape architectural services and engineering-related scientific and technical consulting services. IT consultancy services cover consultancy services related to the installation of computer hardware, including assistance services to the clients in the installation of computer hardware and computer networks, as well as software development and implementation services. Legal advisory services cover the provision of legal advice in non-contentious matters, the participation with or on behalf of clients in commercial transactions, negotiations and other dealings with third parties, and the preparation, execution and verification of legal documents.

All prohibitions on services provide for exceptions in relation to services which are:

- i. strictly necessary for exercising the right of defence in legal proceedings and the right to an effective legal remedy;
- ii. strictly necessary to ensure access to judicial, administrative or arbitral proceedings in a Member State, as well as for the recognition or enforcement of a judgment or an arbitration award rendered in a Member State and if the provision of those services is consistent with the objectives of Regulations [833/2014](#) and [269/2014](#); or
- iii. intended for exclusive use by bodies established in Russia, owned by, or solely or jointly controlled by, a legal person, body or entity incorporated under the laws of an EU Member State, an EEA country, Switzerland or of a partner country as listed in [Annex VIII](#).

In addition, the prohibition on the provision of architectural and engineering services, legal advisory services, and IT consultancy services does not apply where the services are:

- i. necessary for public health emergencies, the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or on the environment, or

as a response to natural disasters; or

- ii. necessary for software updates for non-military use and for a non-military end user, permitted by Articles 2(3)(d) and 2a(3)(d) of Regulation [833/2014](#) in relation to goods listed in [Annex VII](#).

EU Member States may also authorise the provision of covered services under such conditions as their competent authorities deem appropriate, where those services are necessary for:

- i. humanitarian purposes such as delivering or facilitating the delivery of assistance, including medical supplies, food, or the transfer of humanitarian workers and related assistance, or for evacuations;
- ii. civil society activities that directly promote democracy, human rights or the rule of law in Russia;
- iii. the functioning of diplomatic and consular representations of the EU and of the Member States or partner countries in Russia;
- iv. ensuring critical energy supply within the EU and the purchase, import or transport into the EU of titanium, aluminium, copper, nickel, palladium and iron ore;
- v. ensuring the continuous operation of infrastructure, hardware and software which are critical for human health and safety, or the safety of the environment;
- vi. the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development; or
- vii. the provision of electronic communication services by Union telecommunication operators necessary for the operation, maintenance and security, including cybersecurity, of electronic communication services, in Russia, in Ukraine, in the EU, between Russia and the EU, and between Ukraine and the EU, and for data centre services in the EU.

Restrictions on trusts created by or benefiting Russian persons and entities

It is prohibited to register a trust, provide a registered office, business, administrative address and management services to a trust or any similar legal arrangement which has as the trustor or beneficiary:

- i. Russian nationals or natural persons residing in Russia;
- ii. legal persons, entities or bodies established in Russia;
- iii. legal persons, entities, or bodies of which the proprietary rights are directly or indirectly owned for more than 50% by a natural or legal person, entity or body referred to in points (i) or (ii);
- iv. legal persons, entities or bodies controlled by a natural or legal person, entity or body referred to in points (i), (ii) or (iii); and
- v. natural or legal person, entity or body acting on behalf or at the direction of a natural or legal person, entity or body referred to in points (i), (ii), (iii) or (iv)

Since 5 July 2022, EU persons are prohibited from acting as, and from arranging for another person to act as, a trustee, nominee shareholder, director or secretary or serving in a similar position, for a trust created by or benefiting Russian persons or entities, and entities and persons owned, controlled or acting on their behalf. However, the EU Member States may nonetheless authorise operations:

- strictly necessary for terminating contracts concluded before 9 April 2022 and ancillary contracts necessary for executing those contracts, by 5 September 2022, *if* those operations started before 11 May 2022; and
- for other reasons, deemed appropriate by an EU Member State, provided that the service providers do not accept from, or make available to, the persons referred to in points (i) to (v) above any funds or economic resources, directly or indirectly, or otherwise provide such persons with any benefit from assets placed in a trust.

Restrictions on security depositories and credit rating systems

From 12 April 2022, Central Securities Depositories (“**CSDs**”) subject to the [CSD Regulation](#) may not provide financial services to persons and entities residing or established in Russia, except to nationals and registered temporary or permanent residents of the EU, the EEA or Switzerland..

It is prohibited to provide to Russian nationals or persons and entities residing or established in Russia (i) credit rating services and (ii) access to any subscription services in relation to credit rating activities

Restrictions on contributing to funds

EU persons are prohibited from investing, participating or otherwise contributing to projects co-financed by the Russian Direct Investment Fund, Russia’s sovereign wealth fund. EU Member States may nonetheless authorise investments under contracts concluded before 2 March 2022.

Restrictions on public support for investment and trade with Russia

Except where binding financing arrangements have been made prior to 26 February 2022, EU persons are prohibited from providing public financing or financial assistance for trade with, or investment in, Russia. The prohibition does not apply to public financing or financial assistance for trade in food and for agricultural, medical, or humanitarian purposes. Nor does it apply to public financing or financial assistance benefiting small and medium-sized enterprises established in the EU, provided the amount financed does not exceed a total value of EUR 10 million per project.

Exclusion from EU public procurement

Russian nationals and entities, and entities directly or indirectly owned by a Russian national or entity are excluded from EU public procurement, including, *inter alia*, subcontractors accounting for more than 10% of the contract value. The exclusion prohibits (i) the awarding of new public or concession contracts to Russian persons and entities and (ii) the execution of ongoing contracts.

Public or concession contracts are defined as contracts falling within the scope of the public procurement Directives, as well as Article 10(1), (3), (6) points (a) to (e), (8), (9) and (10), Articles 11, 12, 13 and 14 of Directive [2014/23/EU](#), Article 7, points (a) to (d), and Article 8, Article 10 points (b) to (f) and (h) to (j) of Directive [2014/24/EU](#), Article 18, Article 21 points (b) to (e) and (g) to (i), Articles 29 and 30 of Directive [2014/25/EU](#) and Article 13 points (a) to (d), (f) to (h) and (j) of Directive [2009/81/EC](#), and Title VII of Regulation [2018/1046](#).

A winding down clause allowed the execution of public or concession contracts concluded before 9 April 2022, until 10 October 2022.

EU Member States may authorise contracts intended for (i) maintaining and operating nuclear capabilities, (ii) intergovernmental cooperation in space programmes, (iii) supplying strictly necessary goods or services in sufficient quantities that cannot be provided by a viable alternative, and (iv) certain diplomatic and consular functions. Derogations are also available for purchasing, importing or transporting into the EU (v) natural gas and oil, unless prohibited by the restrictions in relation to crude oil and petroleum products, as well as titanium, aluminium, copper, nickel, palladium, and iron ore from or through Russia into the EU.

Exclusion from public financing and financial assistance

It is prohibited to provide direct or indirect support, including financing and financial assistance or any other benefit under an EU, Euratom or Member State national programme and contracts within the meaning of Regulation [2018/1046](#), to any legal person, entity or body established in Russia with over 50% public ownership or public control. According to the Commission, this prohibition is [intended](#) to cover financing provided under the Horizon 2020, Horizon Europe, Euratom and Erasmus + programmes.

The prohibition does not apply to financing and financial assistance intended for (i) humanitarian purposes and disaster prevention, (ii) phytosanitary and veterinary programmes, (ii) intergovernmental cooperation in space programmes and under the International Thermonuclear Experimental Reactor Agreement, (iv) civil nuclear activities, (v) climate and environmental programmes, except for research and innovation, and (vi) diplomatic purposes.

MANAGING SANCTIONS RISKS

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

- **Payments:** making payments to and withdrawing assets from Russian banks excluded from SWIFT will become practically impossible. Likewise, making payments to listed persons and entities (which include many Russian banks), as well as entities controlled by those persons or entities, is prohibited. Dealings with certain State-owned enterprises are also prohibited. EU persons are therefore advised to carefully screen payment beneficiaries, their principals, and recipient banks.
- **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. Transactions involving certain Russian State-owned enterprises are also prohibited. In addition, selling dual-use items, goods for the aerospace industry or oil refining, luxury goods and maritime navigation equipment to Russian-owned companies or any recipient who might use such items in Russia, is prohibited. Importing certain iron and steel products, coal and other solid fossil fuels, as well

as other industrial products is now prohibited as well. EU persons should therefore carefully classify and screen the end-use and end-user of their products and services. Finally, transport restrictions affect air, road and maritime traffic to the Russian Federation if carried out by Russian transport companies.

- **Sourcing:** importing into the EU territory or purchasing iron and steel products incorporating steel products originating in Russia will become unlawful from 30 September 2023. For goods classified under CN codes 7207 11 or 7207 12 10, the prohibition applies from 1 April 2024 for CN code 7207 11 and from 1 October 2024 for CN code 7207 12 10.

To enable EU persons to terminate contracts envisaging prohibited transactions, EU sanctions block any claims for performance or damages made against EU persons by Russian persons, entities, and bodies

In the sixth package, the EU has strengthened its position on the applicable penalties for infringements of these sanctions. Whilst confirming that defining the exact penalties remains the remit of each individual EU Member State, the (amended) Regulation 833/2014 now explicitly refers to the possibility of “criminal penalties” and the potential “confiscation” of the proceeds of any infringements.

In the maintenance and alignment package, the EU introduced several elements to “[strengthen the effectiveness](#)” of the existing restrictions. First, it sets a time-limit of two weeks within which EU Member States must notify other EU Member States and the European Commission whenever an authorisation to derogate from certain prohibitions is granted. Second, to “ensure effective co-operation [...] in the application of [the] Regulation”, the EU requires the competent authorities of EU Member States to share information with other EU Member State authorities and the European Commission. Third, several acts previously benefiting from a carve-out now require prior authorisation, including the provision of crypto deposit and wallet services for cross-border trade. Fourth, the scope of several derogations was clarified, to enable trade in food, fertiliser and medical and pharmaceutical goods. Finally, following the adoption of the eighth package, the Council may impose targeted sanctions on persons and entities (including EU citizens and companies) who facilitate the circumvention of sanctions.

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