



Luxembourg Newsflash - 17 March 2022

Additional EU economic sanctions against Russia and Belarus

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On 9 and 15 March 2022, the Council of the European Union (the "Council") adopted new restrictive measures against Russia and Belarus due to the ongoing conflict in Ukraine. These new restrictive measures complement those adopted up until 2 March 2022, [which we discussed in a previous newsflash](#).

Restrictive measures against individuals in Russia

The Council adopted restrictive measures against an additional 175 individuals which include:

- **146** members of the Russian Federation Council, who have ratified the decisions of the government regarding the *Treaties of Friendship, Cooperation and Mutual Assistance* between the Russian Federation and (i) the Donetsk People's Republic and (ii) the Luhansk People's Republic;
- **29** Russian high-net-worth individuals, including their family members, active in the metallurgical, agricultural, pharmaceutical, telecom, military, digital and energy sectors.

These 175 individuals have been added to the list of sanctioned natural persons under 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. The restrictive measures include:

- The freezing of funds and economic resources belonging to or owned, held or controlled by these listed individuals.
- A prohibition to make funds or economic resources available, directly or indirectly, to or for the benefit of these listed individuals.
- A travel ban applicable to the listed individuals that prevents them from entering or transiting through EU territory.

As of 15 March 2022, restrictive measures imposed in response to the conflicts in Ukraine since the annexation of Crimea targeted a total of 877 listed individuals.

Restrictive measures against entities in Russia

The Council adopted restrictive measures against additional entities which include:

- **9** entities active in the aviation, military and dual-use, shipbuilding as well as machine building sectors.

These entities have been added to the list of sanctioned entities under EU Regulation 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. The restrictive measures applicable to the listed entities include the freezing of their funds and economic resources, as well as a ban on making funds or economic resources available to them, in the same way that these measures apply to individuals.¹

As of 15 March 2022, restrictive measures imposed in response to the conflicts in Ukraine since the annexation of Crimea targeted a total of 62 listed entities.

Restrictive measures in the banking and financial sectors in Russia

The Council amended/adopted certain restrictive measures in the banking and financial sectors which include:

- The clarification of the definition of “transferable securities” to include securities in the form of *crypto-assets*.
- A prohibition, as of 15 April 2022, to provide credit rating services, or access to any subscription services in relation to credit rating services, to any Russian national or individual residing in Russia or any entity established in Russia.

The Council also revised its position regarding the prohibition for credit institutions to accept deposits from Russian nationals, individuals residing in Russia and entities established in Russia that exceed 100,000 euros. The very broad scope of this prohibition has now been narrowed by additionally exempting nationals of all Member States of the European Economic Area (the “EEA”) or of Switzerland, as well as individuals with a temporary or permanent residence permit for a Member State of the EEA or for Switzerland. Previously, this exemption only included nationals and/or residents of EU Member States.

Restrictive measures in other sectors of Russia’s economy

The Council adopted new restrictive measures in other economic sectors, which include:

- A prohibition to sell, supply, transfer or export, directly or indirectly, *maritime navigation goods and radio communication technology*, as listed in Annex XVI, whether or not originating in the EU, to any individual or entity in Russia, for use in Russia, or for placing on board a Russian-flagged vessel. It is furthermore prohibited to:
 - provide technical assistance, brokering services or other services related to the items listed in Annex XVI, including the provision, manufacture, maintenance and use of these items directly or indirectly to/by any individual or entity in Russia or for use in Russia;
 - provide financial assistance or financing relating to the items listed in Annex XVI for any sale, supply, transfer or export of these items, or for the provision of services listed under the previous bullet point, directly or indirectly, to any individual or entity in Russia or for use in Russia.
- A prohibition to import, directly or indirectly, the iron and steel products listed in Annex XVII into the EU if they originate in Russia or have been exported from Russia. It is also prohibited to:
 - purchase, directly or indirectly, products listed in Annex XVII which are located or which originate from Russia;
 - transport products listed in Annex XVII if they originated in Russia or are being exported from Russia to any other country;
 - provide, directly or indirectly, technical assistance, brokering services, financing or financial assistance, including financial derivatives, as well as insurance and re-insurance, related to any of the prohibitions relating to the products listed in Annex XVII.
- A prohibition to sell, supply, transfer or export, directly or indirectly, any of the luxury goods listed in Annex XVIII to any individual or entity in Russia or for use in Russia. Unless stated otherwise in the Annex, this prohibition applies to listed luxury goods whose value exceeds 300 euros.
- A prohibition on new investments in the Russian energy sector, including a prohibition to provide investment services directly related to the activities referred to in Article 3a of Regulation (EU) 833/2014, as replaced by Regulation (EU) 2022/428.
- A prohibition to export goods and technology related to the energy sector, including the provision of technical or financial assistance related to these items.

In addition to these restrictive measures, the Council adopted a prohibition to directly or indirectly engage in any transaction with any of the state-owned entities listed in Annex XIX. It is also prohibited to directly or

indirectly engage in any transaction with:

- an entity established outside the EU over 50% of whose proprietary rights are directly or indirectly owned by an entity listed in Annex XIX;
- an entity acting on behalf or at the direction of a listed entity, or an entity owned at over 50% by a listed entity.

This measure will have major repercussions on trade, as any transaction with a Russian public entity as defined in the newly inserted Article 5aa of Regulation (EU) 833/2014 will be prohibited, with only a few specific exceptions listed by the Council.

Restrictive measures regarding Belarus

In addition, the Council has adopted restrictive measures against Belarus, mirroring those in force against Russia. These restrictive measures include:

- A prohibition, as of 20 March 2022, to provide *specialised financial messaging services* (which include SWIFT (Society of Worldwide Interbank Financial Telecommunications)) to the 3 Belarusian banks listed below or to any legal person, entity or body established in Belarus over 50% of whose proprietary rights are directly or indirectly owned by one of those banks. The listed banks are:
 - Belagroprombank,
 - Bank Dabrabyt,
 - Development Bank of the Republic of Belarus.
- A prohibition on transactions concerning the management of reserves or 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.
- A prohibition, as of 12 April 2022, to list and provide services on trading venues registered or recognised in the EU for the transferable securities of any legal person, entity or body established in Belarus and with over 50% public ownership.
- A prohibition to provide public financing or financial assistance for *trade* with, or *investment* in, Belarus.
- A prohibition to accept any *deposits* from Belarusian nationals or individuals residing in Belarus, or entities established in Belarus if the value of the deposits per credit institution exceeds 100,000 euros.
- A prohibition for EU 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.
- A prohibition to sell euro-denominated transferable securities issued after 12 April 2022, or units in collective investment undertakings providing exposure to such securities, to any Belarusian national or individual residing in Belarus or any entity established in Belarus.
- A prohibition to sell, supply, transfer or export euro-denominated banknotes to Belarus or to any individual or entity in Belarus, including the Government and the Central Bank of Belarus, or for use in Belarus.

For more details regarding the restrictive measures against Belarus, [please refer to our earlier newsflash on the subject](#).

Our expertise

Contact our experts [Philippe-Emmanuel Partsch](#) and [Marianne Brésart](#) in the [EU Financial & Competition Law](#) practice for assistance understanding these measures and how they could potentially impact your activities.

¹ For more details, please refer to the first two bullet points of the list of restrictive measures described in section 1 *Restrictive measures against individuals*.

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