



Luxembourg Newsflash - 1 August 2022

Seventh package of EU economic sanctions against Russia

"Banned Russian gold and a duty to denounce: everything you need to know about the 7th package of EU sanctions against Russia."

On 21 July 2022, the Council of the European Union (the "**Council**") adopted new restrictive measures against Russia that complement those adopted up until 3 June 2022 ([discussed in previous newsflashes](#)_). This new package of restrictive measures bans Russian gold imports, introduces new obligations and aims to close existing loopholes.

The Council adopted four regulations – three relating to the freeze of assets (Regulation 269/2014) and one relating to the sectorial restrictive measures targeting Russia (Regulation 833/2014):

- **Council Regulation (EU) 2022/1273 of 21 July 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.
- **Council Implementing Regulation (EU) 2022/1274 of 21 July 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.
- **Council Implementing Regulation (EU) 2022/1270 of 21 July 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.
- **Council Regulation (EU) 2022/1269 of 21 July 2022** amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

Obligations to denounce and report

- The Council amended the obligation to cooperate with competent authorities with an obligation to denounce situations where the accounts and funds of persons targeted by an asset freeze have not been frozen by those required to do so.
- The seventh package of sanctions also introduced an obligation for persons subject to an assets freeze to report their economic resources and funds located within the EU to the national competent authority. Failure to comply with this obligation is considered a circumvention of the sanctions and triggers national implementing measures (which could be of a criminal nature, as in Luxembourg).

Restrictive measures against designated individuals

The Council listed an additional **54 individuals** in Annex I of Regulation (EU) No 269/2014. These include:

- 48 military leaders and staff, politicians and leading businesspersons responsible for supporting the Russian regime.
- 6 individuals involved in the recruitment of Syrian mercenaries to fight in Ukraine alongside Russian troops.

These individuals will be subject to asset freezes and travel bans, and it will be prohibited to make economic resources available to them.

Restrictive measures against designated entities

The Council also listed an additional **10 entities** in Annex I of Regulation (EU) No 269/2014, including a Russian bank: *Sberbank*. These entities will now be subject to an asset freeze and it will be prohibited to make economic resources available to them.

In addition, **4 entities** have been added to Annex IV of Regulation (EU) No 833/2014, reinforcing the prohibition to export and supply dual-use items and other goods to target Russia's military and technological capacities.

Ban on Russian gold

The Council introduced a new **prohibition to import, purchase or transfer gold** into the EU, including jewellery, if they originate or are exported from Russia. It is also prohibited to provide technical assistance, brokering services or other services related to these goods.

Extension and clarification of existing sectoral prohibitions

The seventh package extends controls to items that may contribute to Russia's military and technological enhancement of its defence and security sector by the adding certain **dual-use goods** to Annex VII of the Regulation (EU) No 833/2014.

In addition, the prohibition to accept **deposits** from Russian nationals and entities beyond a certain threshold has been extended to legal persons and entities established in third countries whose proprietary rights are directly or indirectly owned at more than 50% by Russian nationals or by natural persons residing in Russia.

Derogations and exceptions

The seventh package has harmonised the **exceptions based on nationality and residence**. Services provided by EU central securities depositories, trust-related services, accounting services and audit services can now be provided to Russian nationals or Russian residents if they have the nationality or residence permit of a Member State, Switzerland or a member country of the European Economic Area.

The prohibition to transact with certain entities partially owned by the Russian State (or by an entity listed in Annex XIX of Regulation (EU) No 833/2014) now includes a derogation for transactions necessary for the purchase, import or transport of pharmaceutical, medical, agricultural and food products. A derogation for transactions necessary for a fair access to judicial or administrative proceedings is now also included.

Certain exceptions applicable after a *self-assessment* have been replaced by requirements of prior approval by the competent authorities. For instance, the acceptance of deposits necessary for non-prohibited cross-border trade in goods and services between the EU and Russia is now subject to prior authorisation. The sale, supply, transfer or export of dual-use goods related to cybersecurity now also require prior authorisation from competent authorities.

Cooperation between competent authorities

Cooperation between competent authorities has been substantially reinforced by expressly allowing **information exchange**. National authorities can now share personal data on individuals, entities and property with other national authorities and the EU Commission. Member States are now also required to inform the EU Commission and other Member States for various authorisations granted under Regulation (EU) No 833/2014.

Our expertise

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

This communication, which we believe may be of interest to our clients and friends of Arendt, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice.

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