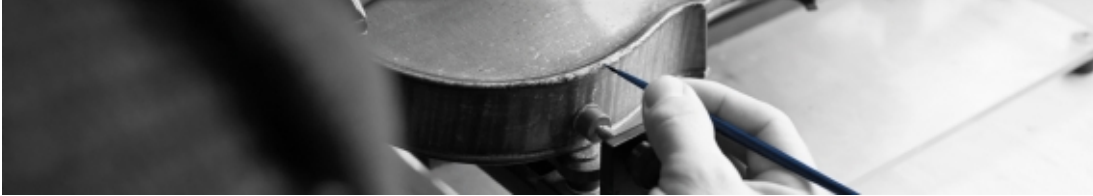


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Luxembourg Newsflash - 29 December 2023

12th package of EU restrictive measures against Russia

On 18 December 2023, the Council of the EU adopted its twelfth package of restrictive measures against Russia.

On 18 December 2023, the Council of the EU adopted its twelfth package of restrictive measures against Russia, [which supplements those discussed in our previous newsflashes](#). This latest package targets additional Russian individuals and entities and places further restrictions on trade with Russia.

The Council of the EU has adopted:

- Council Regulation (EU) 2023/2873 of 18 December 2023 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) 2023/2875 of 18 December 2023 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) 2023/2878 of 18 December 2023 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

Additional sanctions against individuals and entities

An additional 61 individuals and 86 entities have been listed under Regulation No 269/2014. These persons are now subject to an asset freeze and making funds and economic resources available to them is prohibited.

29 entities, including certain entities outside Russia, have also been added to Annex IV of Regulation No 833/2014 and are now thus subject to tighter trade restrictions.

Import restrictions on diamonds and other goods

The Council of the EU has introduced a new ban on the direct or indirect import, purchase, or transfer of diamonds sourced from Russia. Starting from 1 January 2024, this prohibition extends to both non-

industrial natural and synthetic diamonds, including diamond jewellery.

Between 1 March 2024 and 1 September 2024, there will be a phased-in import ban on Russian diamonds that have been processed in third countries. This includes restrictions on jewellery containing diamonds originating from Russia. The phased implementation aims to provide operators with a window to introduce traceability measures to ensure compliance.

Additionally, restrictions have been imposed on the import of various other goods, including liquefied propane gas, copper wires, aluminium wires, foil, tubes and pipes.

Due diligence in relation to Russian oil

To enforce adherence to the price cap imposed on Russian oil and petroleum products, certain operators will need to gather detailed price data regarding incidental expenses associated with trading these products, such as insurance and freight charges. Competent authorities will have the authority to demand this information from any entity involved in the supply chain to verify compliance, irrespective of their position within that chain.

Export and re-exportation of sensitive goods and technology

The twelfth package broadens the range of goods identified as contributing to Russia's military and technological advancement or bolstering its defence and security sector. This expanded list now encompasses machinery parts, such as ball bearings.

Obligation to modify contracts

The Council of the EU has introduced a new obligation for exporters of certain sensitive goods. They are now required to include contractual clauses preventing their counterparts from re-exporting the goods to Russia or using them within Russia.

Prohibition on provision of services

The package extends the current prohibition on providing services to encompass software used for enterprise management, as well as software related to industrial design and manufacturing.

Restrictions on transfer of funds out of the EU

Limitations have been imposed on the transfer of funds exceeding EUR 100,000 out of the EU by entities established within the EU and more than 40% owned by Russian persons or residents.

New derogation mechanisms

Additional derogations have been added to allow funds affected by an asset freeze to be released or economic resources to be made available to a listed person. For example, a derogation has been introduced to facilitate the termination of contracts with a newly listed entity.

The Council of the EU has also made specific technical amendments to Regulation No 833/2014, replacing exemptions from prohibitions with derogations.

Our Expertise

Contact our experts, [Philippe-Emmanuel Partsch](#), [Björn ten Seldam](#) and [Sébastien Thomas](#) in the [EU Financial & Competition Law](#) practice for assistance in understanding this twelfth package and how it could potentially impact your activities.

your contact



PHILIPPE-EMMANUEL PARTSCH

Partner
EU Financial & Competition Law

[Learn more_](#)



Arendt & Medernach SA
Registered with the Luxembourg Bar
RCS Luxembourg B 186371

[arendt.com](https://www.arendt.com)

41A avenue JF Kennedy
L-2082 Luxembourg
T +352 40 78 78 1

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