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EU Adopts Eleventh Package of Sanctions Against Russia for its Continued Illegal War Against Ukraine

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June 29, 2023 – On June 23, 2023, the European Union (“EU”) adopted an eleventh package of restrictive measures (sanctions) against Russia “to ensure that EU sanctions against Russia are even better enforced and implemented, based on the lessons learned from implementation over the past year.” As announced by European Commission (the “Commission”) President Ursula von der Leyen, the new package notably introduces a new tool to combat export-related sanctions circumvention through third countries.

The new EU measures were implemented through two Council Decisions and three Council Regulations.

1. Individual restrictive measures

New designations

On June 23, 2023, the EU added 71 individuals and 33 entities to its restricted parties list through Council Implementing Regulation 2023/1216. The newly-listed individuals and entities include, among others, senior military officials, decision makers on the war, persons involved in the illegal deportation of Ukrainian children to Russia, judges who took politically motivated decisions against Ukrainian citizens, persons responsible for the looting of cultural heritage, businesspersons, propagandists, as well as Russian IT companies providing critical technology and software to Russian intelligence, banks operating in the occupied territories and entities working with the Russian armed forces. The two newly designated banks are MRB Bank and CMRBank.

More importantly, the circumvention designation criterion has been applied for the first time against SPS CJSC, a Russian based entity currently subject to enforcement actions in the Netherlands for being “actively involved in circumventing sanctions through its partnership with an EU-based entity, namely Woerd-Tech BV.”

In total, as of today, 1544 individuals and 238 entities have been placed on the EU restricted parties list under the Russian program in respect of actions undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine.

Newly-designated individuals and entities are subject to an asset freeze and a prohibition from making funds and economic resources available to them, as well as, for individuals, a travel ban in the EU as of the date on which they were added to the EU's restricted parties list.

New designation criteria

Pursuant to Council Regulation 2023/1215, the EU broadened the listing criteria that can be used to add individuals and entities to its restricted parties list:

- In addition to individuals and entities facilitating infringements of the prohibition against circumvention of EU sanctions, the EU can now designate those “otherwise significantly frustrating” EU sanctions;
 - In order to interpret the “frustration” criteria, recital (2) of Council Regulation 2023/1215 provides that “[i]ndications of cases of frustrating the Union’s restrictive measures could include, inter alia, the fact that the main activity of a third country operator consists of purchasing restricted goods in the Union that reach Russia, the involvement of Russian persons or entities at any stage, the recent creation of a company for purposes related to restricted goods reaching Russia, or a drastic increase in the turnover of a third country operator involved in such activities.”
- A new criterion allows the EU to designate entities operating in the Russian IT-sector with a license administered by the Federal Security Service of the Russian Federation (FSB) Center for Licensing, Certification, and Protection of State Secrets or a “weapons and military equipment” license administered by the Russian Ministry of Industry and Trade.

Note that on June 5, 2023, the EU extended the scope of the designation criteria to include “leading businesspersons operating in Russia and their immediate family members, or other natural persons, benefitting from them” through Council Regulation 2023/1089.

New exemption

Pursuant to Council Regulation 2023/1215, asset freeze prohibitions do not apply to the provision of pilot services to vessels in innocent passage as defined by international law which are necessary for reasons of maritime safety.

New and amended derogations

Pursuant to Council Regulation 2023/1215, the derogation related to the disposal or transfer by EU entities of securities currently or previously controlled by VTB Bank has been clarified and extended to allow such disposal or transfer until December 31, 2023 (instead of previously July 24, 2023).

In addition, the relevant enforcement authorities of the competent Member States (“National Competent Authorities”) may now authorize:

- The release of certain frozen funds or economic resources of, or the making available of certain funds or economic resources to:
 - **VTB Bank** for the disposal or the transfer of securities by an entity established in the EU, currently or previously controlled by VTB Bank, provided the disposal or transfer is completed by December 31, 2023 (previously July 24, 2023) and is carried out on the basis of operations, contracts or other agreements concluded with, or otherwise involving VTB Bank before June 3, 2022;

- **Alexey Mordashov** or an entity owned by Mordashov for the completion of transactions, including sales, which are strictly necessary for the wind-down, by August 31, 2023, of a joint venture or similar legal arrangement established in Russia with Mordashov or an entity owned by Mordashov before February 28, 2022;
- **MRB Bank** and **CMRBank** for the purchase, import or transport of agricultural and food products, including wheat and fertilizers.
- The release of certain frozen funds or economic resources belonging to, owned, held or controlled by a party listed in Annex I, or the provision of services to a party listed in Annex I, for the setting-up, certification or evaluation of a firewall:
 - Removing the control by the party listed in Annex I over the assets of a non-listed entity incorporated or constituted under the law of a Member State and owned or controlled by the party listed in Annex I; and
 - Ensuring that no further funds or economic resources accrue for the benefit of the listed party in Annex I.
- The conversion by December 25, 2023 by nationals or residents of a Member State, or an entity established in the EU, of a depositary receipt with Russian underlying security held with the National Settlement Depository for the purpose of selling the underlying security, and the making available of funds linked to the conversion of the depositary receipt and to the sale of the underlying security directly or indirectly to that entity in Russia, provided:
 - The depositary receipt was issued before June 3, 2022;
 - The relevant request for authorization is submitted by September 25, 2023;
 - The holder of the depositary receipt is able to demonstrate that such conversion is necessary for the sale of the underlying security;
 - The sale of the underlying security is compliant with prohibitions under Regulation 833/2014, including Articles 5 and 5f; and
 - No funds will be made available to any other entity listed in Annex I to Regulation 269/2014.

Revised reporting obligations

Pursuant to Council Regulation 2023/1215, amendments were made to reporting obligations under Regulation 269/2014 to:

- Clarify that reporting obligations must be consistent with respect for the confidentiality of communications between lawyers and their clients guaranteed in Article 7 of the Charter of Fundamental Rights of the European Union; and
- Reinforce information sharing requirements between National Competent Authorities (including within the same Member State and with other Member States) and the Commission, in particular in relation to sanctions circumvention issues.

2. Export-related restrictions

In addition to housekeeping changes through the deletion of certain wind-down derogations and exemptions that are no longer available, Council Regulation 2023/1214 reinforces restrictions applicable to military items, dual-use items, advanced technology, firearms, aerospace, jet fuel and fuel additives, luxury goods, and makes significant amendments to the list of goods which could contribute to the enhancement of Russian industrial capacities, while also providing for new exemptions and derogations. It also extends the scope of the services restricted for all export-related restrictions to certain operations in relation to intellectual property rights and trade secrets. Finally, it introduces a new mechanism to prevent and fight the circumvention of export-related restrictions.

IP rights and trade secrets

- **Extension of prohibitions to IP rights and trade secrets** – For all categories of export-controlled items in Regulation 833/2014, in addition to the services that were already restricted, it is now prohibited to (i) sell, license or transfer in any other way intellectual property rights or trade secrets, and (ii) to grant rights to access or re-use any

material or information protected by means of intellectual property rights or constituting trade secrets related to export-controlled items and to the provision, manufacture, maintenance and use of those goods and technology, directly or indirectly, to any person in Russia or for use in Russia.

Military items (EU Common Military List)

- **New prohibition on brokering services** – In addition to the services already prohibited in relation to military items (i.e., items listed in EU's Common Military List), it is now prohibited to provide brokering services relating to military items to any person in Russia or for use in Russia.

Dual-use (Annex I of Regulation 2021/821) and advanced technology items (Annex VII of Regulation 833/2014)

- **Extension of the list of advanced technology items (Annex VII of Regulation 833/2014)** to include:
 - Certain items related to Printed Circuit Boards (items X.B.I.003, X.B.I.004, X.C.I.002, X.D.I.002 and X.E.I.002);
 - Certain marine boilers (item X.A.VI.001.e);
 - Certain separate chemically defined compounds (items X.C.IX.001.b.61 to 92);
 - Certain tungsten, tungsten carbide and alloys (item X.C.IX.013);
 - Additional semiconductor devices (Part B, Section 1, products of sub-heading 8541 30);
 - Certain electronic manufacturing and testing equipment (Part B, Section 2, products of sub-headings 3818 00, 8486 10, 8486 20, 8486 40, 8534 00, 8543 20, 9027 50, 9030 20, 9030 32, 9030 39 and 9030 82);
 - Certain optical components (Part B, Section 3, products of sub-headings 8529 90 and 9013 10);
 - Certain electrical/magnetic components (Part B, Section 4, products of sub-heading 8536 41);
 - Certain energetic materials and precursors (Part B, Section 6, products of sub-heading 4706 10); and
 - Certain electronic devices, modules and assemblies (Part B, Section 7, products of sub-heading 8471 50, 8471 80, 8471 70 98, 8517 62, 8517 69, 8526 91, 9104 20 and 9014 80).
- **New prohibition on transit via the territory of Russia of advanced technology items** exported from the EU.
 - Exemptions and derogations are partly modelled on those applicable to prohibitions on sale, supply, transfer, export of or restricted services related to advanced technology items.
- **New derogation for Member States regarding advanced technology items** – National Competent Authorities may now authorize the sale, supply, transfer, export of or restricted services related to advanced technology items required to fulfill maintenance obligations in areas which are under a long-term lease agreement between a Member State and Russia.
- **Extension of the list of entities subject to enhanced restrictions in relation to dual-use and advanced technology items** to cover an additional 87 entities (Annex IV of Regulation 833/2014), including entities outside Russia (i.e., Hong-Kong, Uzbekistan, Syria, United Arab Emirates and Iran) underlying EU efforts to address the involvement of third-country operators in facilitating circumvention.
- **Reinforced information exchange mechanisms regarding dual-use and advanced technology items** – Information exchanges between Member States and the Commission have been reinforced to cover, notably, suspected forum shopping, enforcement, best practices and the detection and prosecution of unauthorized exports of dual-use and advanced technology items.

Firearms (Annex I of Regulation 258/2012 and Annex XXXV of Regulation 833/2014)

- **Extension of the list of controlled items** – In addition to the items listed in Annex I of Regulation 258/2012, items listed in the new Annex XXXV of Regulation 833/2014 are now covered (i.e., other firearms and similar devices and other arms bearing CN codes 9303 and ex 9304).

Aerospace, jet fuel and fuel additives (Annexes XI and XX of Regulation 833/2014)

- **New prohibition on transit via the territory of Russia of aerospace, jet fuel and fuel additives items** exported from the EU.

- Derogations are partly modelled on those applicable to prohibitions on sale, supply, transfer, export of or restricted services related to aerospace, jet fuel and fuel additives items.
- **New derogation for Member States regarding aerospace, jet fuel and fuel additives items** – National Competent Authorities may now authorize the sale, supply, transfer, export of or restricted services related to aerospace, jet fuel and fuel additives items required to fulfill maintenance obligations in areas which are under a long-term lease agreement between a Member State and Russia.

Luxury goods (Annex XVIII of Regulation 833/2014)

- **Amended list of controlled items** - Annex XVIII of Regulation 833/2014 has been amended to:
 - Clarify that “dust and powder of natural or synthetic precious or semi-precious stones” of heading 7105 are covered, even for industrial use;
 - Clarify that “vehicles” does not exclude ambulances;
 - Remove from the list certain items that are controlled under other annexes.
- **Extension of prohibitions to services** – In addition to the sale, supply, transfer and export of luxury goods (Annex XVIII of Regulation 833/2014), the provision of technical assistance, brokering services, other services, financing and financial assistance related to luxury goods to any person in Russia or for use in Russia is now prohibited.
- **New derogation for certain vessels** – National Competent Authorities may now authorize, until December 31, 2023, the sale, supply or the provision of related technical assistance or financial assistance for cruise ships (CN 8901 10 00) and vessels for the transport of goods or the transport of both persons and goods (CN 8901 90 00) provided that:
 - The vessel is physically located in Russia on June 24, 2023, and for use in Russia;
 - The vessel has flown the Russian Federation flag under a bareboat charter registration initially effected prior to February 24, 2022;
 - The legal person, entity or body in Russia is not a military end user and will not use the vessel for military purposes; and
 - The sale or supply is not for the benefit of a sanctioned person under Regulation 269/2014 or subject to the restrictive measures of Regulation 833/2014.

Goods which could contribute to the enhancement of Russian industrial capacities (Annex XXIII of Regulation 833/2014)

- **Reorganization and extension of the list of controlled items** – Annex XXIII to Regulation 833/2014 has been reorganized as a single annex, no longer divided into parts. Annex XXIII now includes:
 - Broader products definitions for items that were already listed, which significantly extend the list of controlled items;
 - New entries including notably new and second-hand cars above a certain engine size and electric and hybrid vehicles.
- **Wind-down exemptions for specific and newly listed goods** for the performance until September 25, 2023, of contracts concluded before June 24, 2023, and ancillary contracts, with regard to:
 - Goods of a value not exceeding EUR 50 000 per unit for certain motor cars and vessels (i.e., CN 8703 23, CN 8703 24, CN 8703 32, CN 8703 33, CN 8703 40, CN 8703 50, CN 8703 60, CN 8703 70, CN 8703 80, CN 8703 90 and CN 8903);
 - Goods falling under various CN codes (i.e., CN 2710 12, CN 2909 60, CN 3905 99, CN 4002 19, CN 4002 70, CN 4010 11, CN 4010 12, CN 4011 20, CN 4012 90, CN 4805 93, CN 4810 29, CN 4823 90, CN 7216 61, CN 8402 11, CN 8454 30, CN 8477 10, CN 8477 20, CN 8477 59, CN 8477 80, CN 8477 90, CN 8514 32, CN 8514 40, CN 8525 89, CN 8704 21, CN 9024 90, CN 9031 10, CN 9031 41, CN 9031 49, CN 9031 80, CN 9031 90 and CN 9406 20);
 - Newly listed goods that are not specifically identified in Annex XXIII to Regulation 833/2014, provided these goods were not included in Annex XVIII of Regulation 833/2014 (luxury goods);

- **Amendment to the derogation for certain goods necessary for the production of titanium goods required in the aeronautic industry** – In light of the reorganization of Annex XXIII, the derogation has been re-defined to apply to goods falling under CN chapters 72, 84, 85 and 90 (previously goods in Part C of Annex XXIII of Regulation 833/2014).

Goods which are suitable for oil exploration or production purposes (Annex II of Regulation 833/2014)

- **New derogation** - National Competent Authorities may now authorize the sale, supply or transfer of goods suitable for oil exploration or production purposes (Annex II of Regulation 833/2014) until March 31, 2024, necessary for the divestment from a joint-venture incorporated or constituted in the EU before February 24, 2022, which involves a Russian entity and operates a gas pipeline infrastructure between Russia and third countries.

Caspian Pipelines Consortium pipelines (“CPC”) derogations

- **New derogations** - National Competent Authorities may now authorize, for the operation and maintenance of the CPC pipelines and associated infrastructure necessary for the transport of goods falling under CN 2709 00 originating in Kazakhstan and which are only being loaded in, departing from or transiting through Russia:
 - The sale, supply, transfer, export to, or transit through Russia, or the provision of restricted services, in relation to dual-use items (Annex I of Regulation 2021/821), advanced technology items (Annex VII of Regulation 833/2014), maritime navigation goods and technology (Annex XVI of Regulation 833/2014) or goods which could contribute in particular to the enhancement of Russian industrial capacities (Annex XXIII of Regulation 833/2014), provided:
 - The restricted activity is necessary for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure;
 - The type of goods, technologies and assistance requested does not go beyond the type of goods and technology previously exported from, or the assistance previously provided from, the EU, a country member of the European Economic Area (“EEA”), Switzerland or a partner country as listed in Annex VIII to Russia for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure, and related assistance;
 - The requested volumes are commensurate with those used for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure; and
 - Such goods and technology will be provided by a natural or legal person subject to Article 13 exclusively for end use in the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure.
 - The provision of auditing services, engineering services, legal advisory services, technical testing and analysis services, provided:
 - The provision of those services is necessary for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure; and
 - Such services are provided by a natural or legal person subject to Article 13.
 - We note that EU operators who wish to benefit from this new derogation will have to provide an end-user certificate and detailed regular reports to the National Competent Authorities in order to prove the absence of diversion of the products.

Divestment and wind-down derogations

- **Extension of existing derogation** – National Competent Authorities may now authorize (i) the sale, supply or transfer of goods and technology listed in Annexes II (exploration or production), VII (advanced technology), X (oil refining and liquefaction of natural gas), XI (aviation and space), XVI (maritime), XVIII (luxury goods), XX (jet fuels and additives) and XXIII (industrial capacities) of Regulation 833/2014, as well as in Annex I to Regulation 2021/821 (dual-use), (ii) as well as the sale, licensing or transfer in any other way of intellectual property rights or trade secrets, or granting access or re-use any material or information protected by means of intellectual property rights, until

December 31, 2023, (previously September 30, 2023), where necessary for the divestment from Russia or the wind-down of business activities in Russia, provided certain conditions are met (as explained in our [previous alert](#)).

Anti-circumvention mechanism

[Council Regulation 2023/1214](#) introduces “exceptional” and “last-resort measures” to rapidly address attempts to circumvent EU’s restrictive measures against Russia through third countries when the EU’s “efforts in the framework of bilateral or multilateral cooperation do not yield the intended result of preventing circumvention.”

- **New prohibition** – It is now prohibited to (i) sell, supply, transfer, export, (ii) provide technical assistance, brokering services, other services, financing, financial assistance related to, or (iii) sell, license or transfer in any other way intellectual property rights or trade secrets, and grant rights to access or re-use any material or information protected by means of intellectual property rights or constituting trade secrets related to, goods and technology listed in new Annex XXXIII of Regulation 833/2014, whether or not originating in the EU, to any person in the third country specified in Annex XXXIII.
 - Annex XXXIII is currently empty but should be drawn up based on “a high and continuous risk of being sold, supplied, transferred or exported from third countries to Russia after being sold, supplied, transferred or exported from the Union. Annex XXXIII shall specify, for each item of listed goods or technology, the third countries to which the sale, supply, transfer or export is prohibited. Annex XXXIII shall only include third countries that have been identified by the Council as having systematically and persistently failed to prevent the sale, supply, transfer or export to Russia of goods and technology, as listed in that Annex, exported from the Union, despite the Union’s prior outreach and assistance to the country in question.”
- **Exemptions and derogations** – The same exemptions and derogations provided for in Regulation 833/2014, that would apply for the sale, supply, transfer or export of the goods and technology listed in Annex XXXIII to a person in Russia or for use in Russia are available, provided their conditions are met.

3. Import-related restrictions

Iron and steel products (Annex XVII of Regulation 833/2014)

- **Reorganization of the list of controlled items** – Annex XVIII of Regulation 833/2014 has been reorganized as a single annex, no longer divided into parts.
- **Requirement to prove origin of iron and steel products** as listed in Annex XVII of Regulation 833/2014, as from September 30, 2023, April 1, 2024, or October 1, 2024 – At the moment of the importation, importers will be required to provide evidence of the country of origin of the iron and steel inputs used for the processing of the product in a third country.

Goods which generate significant revenues for Russia (Annex XXI of Regulation 833/2014)

- **Reorganization and extension of the list of controlled items** - Annex XXI to Regulation 833/2014 has been reorganized as a single annex, no longer divided into parts. Coal and other products previously listed in Annex XXII of Regulation 833/2014 (that has been deleted) and subject to Article 3j have been transferred to Annex XXI and are now subject to Article 3i.
- **New derogation for the Budapest metro line 3 cars** - National Competent Authorities may now authorize the purchase, import, transfer and provision of technical assistance and financial assistance related to certain listed goods (i.e., CN 7007, CN 8479, CN 8481, CN 8487, CN 8504, CN 8517, CN 8525, CN 8531, CN 8536, CN 8537, CN 8538, CN 8542, CN 8543 and CN 8603) for the operation, maintenance or repair of Budapest metro line 3 cars delivered in 2018, in execution of a guarantee provided by Metrowagonmash prior to June 24, 2023.

Crude oil (Annex XXV of Regulation 833/2014)

- **Termination of pipeline import-related exemption for Germany and Poland** – The exemption allowing Russian crude oil imports by pipeline from Russia no longer applies to Germany and Poland as from June 23, 2023.
- **Extension of the exemption for transport to Japan of Sakhalin-2 crude oil** – The exemption allowing the transport to Japan of Russian crude oil originating in the Sakhalin-2 project and related services is extended until March 31, 2024 (previously June 5, 2023).

4. Transport

- **Notification of non-scheduled flights between Russia and the EU** – It is now clarified that such notification has to be made to the National Competent Authority of the Member State of departure or destination.
- **New prohibition on access to EU ports or locks for vessels suspected of breaching Russian oil-related prohibitions** – As of July 24, 2023, it will be prohibited to provide access to EU ports and locks, by any vessel (i) performing ship-to-ship transfers, at any point of the voyage to a Member State's ports or locks, and/or (ii) illegally interfering with, switching off or otherwise disabling its shipborne automatic identification system at any point of the voyage to a Member State's ports or locks, in breach of SOLAS Regulation V/19, point 2.4 if the National Competent Authority has reasonable cause to suspect that the vessel is in breach of Russian oil-related prohibitions (i.e., Article 3m(1) and (2), as well as Article 3n(1) and (4)). To note that the National Competent Authority shall use, in addition to any national system and information, the integrated maritime information of the vessel.
 - Access will be denied in case of ship-to-ship transfer occurring within a Member State's Exclusive Economic Zone or 12 nautical miles from the baseline of its coast, without having been notified at least 48 hours in advance.
 - Exemptions apply to vessels in need of assistance seeking a place of refuge, emergency port calls for reasons of maritime safety or for saving life at sea.
 - Derogations are available for humanitarian purposes.
- **Extension of prohibition on transport of goods by road within the EU** – In addition to road transport undertakings established in Russia, the prohibition to transport goods by road within the EU (including transit) now applies to road transport undertakings using trailers or semi-trailers registered in Russia, including if those are hauled by trucks registered in other countries.
 - An exemption applies until June 30, 2023, for trailers or semi-trailers that were in the EU on June 24, 2023, or need to transit through the EU to be returned to Russia.
 - The same derogations provided for road transport undertaking established in Russia are available for the new prohibition targeting road transport undertakings using trailers or semi-trailers registered in Russia.

5. Finance

- **Extension of prohibition on the sale of transferable securities** – In addition to transferable securities denominated in EU currencies issued after April 12, 2022, it is now prohibited to sell transferable securities denominated in any other currency issued after August 6, 2023, or units in collective undertakings providing exposure to such securities) to any Russian national, resident or entity.
 - The exemption for EU, EEA and Swiss nationals or residents still applies.

6. Public procurement

- **Amendment to the scope of public or concession contracts covered** – Contracts falling within the scope of "Title VII of Regulation (EU, Euratom) 2018/1046" have been removed from the scope of Article 5k of Regulation 833/2014 prohibiting EU operators from awarding or continuing the performance of certain public or concession contracts.

7. Restricted services (Article 5n of Regulation 833/2014)

- **New derogation for firewalls** - National Competent Authorities may now authorize (i) accounting, auditing, bookkeeping, tax consulting, business and management consulting or public relations services and (ii) architectural

and engineering services, legal advisory services and IT consultancy services, necessary for the setting-up, certification or evaluation of a firewall:

- Removing the control by the party listed in Annex I of Regulation 269/2014 over the assets of a non-listed entity incorporated or constituted under the law of a Member State and owned or controlled by the party listed in Annex I; and
 - Ensuring that no further funds or economic resources accrue for the benefit of the listed party in Annex I of Regulation 269/2014.
- **Extended derogation for divestment or wind-down from Russia** - National Competent Authorities may now authorize the provision of restricted services listed under Article 5n or Regulation 833/2014, if they are necessary for the divestment from Russia or the wind-down of business activities in Russia until March 31, 2024 (previously December 31, 2023) under certain conditions.
 - **New derogation for legal advisory services** - National Competent Authorities may now authorize the provision of legal advisory services until March 31, 2024, which are legally required for the completion of a sale or transfer of proprietary rights owned by Russian entities in an EU entity.

8. Media

- **Extension of broadcasting ban** – As we explained in a [previous alert](#), it is prohibited for operators to broadcast, to enable, facilitate or otherwise contribute to the broadcast of any content, and to advertise products or services in any content, by the legal persons, entities or bodies listed in Annex XV of Regulation 833/2014.
 - In order to address Russia's campaign of disinformation and information manipulation, [Council Regulation 2023/1214](#) adds RT Balkan, Oriental Review, Tsargrad, New Eastern Outlook and Katehon to Annex XV. These restrictions will enter into force as from October 1, 2023, and once a Decision to that effect is adopted.

9. Extension of the list of partner countries

[Council Regulation 2023/1214](#) also extends the list of partner countries (Annex VIII of Regulation 833/2014) to Switzerland.

This list, reflecting EU allies applying a set of export control measures substantially equivalent to those set out in Regulation 833/2014, triggers the availability of certain exemptions or derogations in relation to sanctions affecting dual-use items and advanced technologies, luxury goods, goods which could contribute in particular to the enhancement of Russian industrial capacities and restricted business services.

10. Information exchanges and reporting

- **Increased information exchange requirements** – Increased information exchange requirements between Member States and the Commission are introduced in relation to:
 - Detected instances of breach or circumvention or attempts at a breach or circumvention of the prohibitions set out in Regulation 833/2014;
 - Authorizations granted and denied. Before granting an authorization of a transaction that has been defined by another Member State, a consultation between these Member States shall take place.
- **New reporting requirements** – Similar to amendments made to reporting requirements regarding asset freeze measures, operators must now provide National Competent Authorities, which must then share it with the Commission, "any information which would facilitate the implementation of" Regulation 833/2014.

11. EU FAQs

Since our [last alert](#), the Commission has updated existing FAQs on the implementation of Regulations 833/2014 and 269/2014 on its [dedicated webpage](#) regarding (i) state-owned enterprises, (ii) crypto assets, (iii) intellectual property

rights, (iv) export-related restrictions for dual-use goods and advanced technology items, (v) the Russian Central Bank, (vi) asset freeze and prohibition to provide funds or economic resources, and (vii) media.

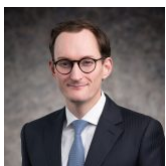
On May 3, 2023, the Commission released a [guidance note](#) to assist operators in the implementation and recognition of firewalls in the trade of agricultural and food products (including wheat and fertilizers). Firewalls aim to remove the control by a designated person over an EU non-designated entity so that the EU entity's business operations in the trade of agricultural and food products can continue, while keeping the funds and economic resources owned by the designated person frozen. The guidance clarifies (i) the requirements for firewalls, including the entities for which a firewall may be established and the removal of the designated person, (ii) the implementation of firewalls by legislation or operators, and (iii) the recognition of firewalls by Member States and in cross-border situations. An annex provides the criteria for the appointment of a third party in implementing a firewall by legislation.

On June 23, 2023, a brief "questions and answers" memo on the eleventh package has been made available on the European Commission's [website](#).

More importantly, the Commission has published two lists of items to support due diligence, compliance and enforcement efforts, provided for businesses to exercise additional vigilance relating to the items listed therein:

- An [economically critical goods list](#), listing those "for which anomalous trade flows via certain third countries to Russia have been detected; and
- A [list of high priority battlefield items](#), which were "found on the battlefield in Ukraine or [are] critical to the development, production or use of those Russian military systems."
- This comes after two important documents of March 9, 2023, from the Russian Elites, Proxies, and Oligarchs ("REPO") Task Force members:
- In a [Joint Statement](#), the REPO Task Force underlines its continuing efforts to investigate Russian sanctions evasions, such as attempts to hide assets, illicit crypto currency and money laundering schemes, use of financial facilitators and illicit Russian defense procurement; and
- To help banks and the private sector, the REPO Task Force published a [global advisory](#) identifying certain typologies of Russian sanctions evasion schemes.

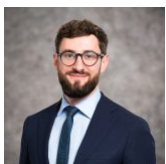
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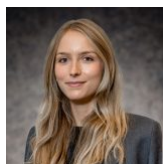
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