

EU adopts a “maintenance and alignment” package – the seventh wave of EU’s sanctions against Russia

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On 21st of July 2022, the European Union introduced a new wave of new sanctions measures against Russia. These measures are reflected in the [amendments](#) to Council Regulations 833/2014 and 269/2014 and to Council Decisions 2014/512/CFSP and 2014/145/CFSP. The EU’s new measures aim to maintain and strengthen the effectiveness of the previous six packages of sanctions. Furthermore, the new package clarifies a few provisions from the previous packages. Finally, it aligns the EU’s sanctions with its allies, in particular, the G7 countries. In total, the new package contains a slew of updates, including minor tweaks. Below we highlight several important changes in this package.

Import Ban on Gold

One of the most important aspects of the seventh sanctions package is the new prohibition on importing, purchasing, or transferring **gold** from Russia into the EU after 22 July 2022. The restriction applies only to gold listed in Annex XXVI of Regulation (EU) No 833/2014, which includes gold plated with platinum, unwrought or in semi-manufactured forms, in powder form, waste and scrap of gold. However, the European Commission [clarifies](#) that the prohibition does include gold jewellery. This addition aligns EU’s sanctions measures with those of the G7 countries.

Extended export controls and broadened exemptions

The seventh wave of sanctions measures updates the listed goods subject to export controls – [Annexes VII \(dual-use items\), X \(goods and technology suited for use in oil refining and liquefaction of natural gas\), and XXIII \(industrial items\)](#) are amended. For example, the expanded Annex VII incorporates fifty additional dual-use goods, including, for example, multi-data-stream processing technology, special materials and related equipment, manufacturing equipment, certain pharmaceutical and medical products, and items used for law enforcement, like protective and detection equipment and batons, or chemicals used in riot control. Many of these dual-use items may contribute to Russia’s military and technological enhancement or the development of its defence and security sector. Specifically, a limited number of vaccines against pathogens, e.g., variola virus, yellow fever, MERS-corona, etc., are included in the dual-use list for their association to the development of biological weapons.

In Annex X, only CN code 8419 89 10 (cooling towers and similar plant for direct cooling (without a separating wall) by means of recirculated water, designed to be used with the technology listed in this Annex) was added. In Annex XXIII, some of the CN codes of the listed industrial goods were subject to corrections. On the other hand, exemptions also are broadened for certain export prohibitions of industrial goods. Previously, the exemptions were limited to only humanitarian purposes. Now, additionally, the authorities of the EU member states may authorise exports for medical and pharmaceutical purposes as well.

Above we describe only some of the most relevant examples of the changes, and we recommend a thorough review of the updated annexes to determine whether a certain goods is subjected to EU export controls.

Clarifications on existing prohibitions in the field of public procurement, aviation, and dealings with listed entities

The provision on public procurement under Article 5k of Regulation (EU) No 833/2014 underwent minor tweaks in the seventh wave of sanctions. In particular, the amendments add to the award or execution ban any public or concession contract falling within the scope of Title VII of Regulation (EU, Euratom) 2018/1046, which governs procurement procedures conducted by the EU bodies. The changes in the public procurement provision also clarify that the prohibition extends to any natural person residing in Russia.

On the prohibition of technical assistance for the goods and technology in aviation and the space industry, an amendment to Regulation (EU) No 833/2014 excepts the exchange of information for the purpose of establishing technical standards under the International Civil Aviation Organization framework.

Moreover, the changes to Regulation (EU) No 833/2014 clarify the transaction ban with listed entities and state-owned enterprises in Russia. To ensure food and energy, the seventh wave of measures clearly codifies exemptions for transactions which are necessary for the purchase, import or transport of pharmaceutical, medical, agricultural and food products and which are strictly necessary for the direct or indirect purchase, import or transport of oil, including refined petroleum products, from or through Russia. Finally, the pre-existing wind-down authorization for dealings with sanctioned state-owned enterprises is now extended **until 31 December 2022**.

Expanded financial sanctions and strengthened reporting requirements

This new round of sanctions adds forty-eight individuals and nine entities to the list of blocked persons, subject to asset freeze, in Annex I of Regulation (EU) No 269/2014. One notable addition is **Sberbank**, a major financial institution in Russia, accounting for about a quarter of the aggregate Russian banking assets and a third of the banking

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capital. However, the new measures introduce a derogation from asset-freezing restrictions to make funds and economic resources available for the ordering wind-down of operations with Sberbank.

Meanwhile, the new sanctions measures place the reporting burden on the blocked persons. That is, the blocked persons must report all their EU assets to competent member state authorities. The reporting obligations for EU operators are also toughened – a failure to report would constitute a circumvention of the freezing of assets.

We are continuing to monitor developments in EU sanctions against Russia. [BLOM-STEIN](#) is at your disposal at any time to answer questions on the practical implementation as well as on the scope of application of these measures.