

EU adopts its latest package of sanctions against Russia

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On 6 October 2022, the European Union introduced a new, eighth wave of economic and individual sanction measures against Russia. The package is a response to Russia's latest escalation of the war against Ukraine and its illegal annexation of Ukraine's Donetsk, Luhansk, Zaporizhzhia and Kherson regions. In this briefing, we highlight the most important changes in this package: the expansion of export and import restrictions, the prohibition of certain services to Russian companies, the introduction of a price cap related to the maritime transport of Russian oil, the listing of additional individuals and entities, and the extension of pre-existing sanctions to the newly annexed regions of Ukraine. At the same time, several trade-related restrictions have been amended to avoid threats to nuclear safety and security, allowing for the authorization of exports, imports, or services in relation to civil nuclear capabilities and cooperation.

Export restrictions

The newly adopted Regulation (EU) [2022/1904](#) significantly amends Regulation (EU) No [833/2014](#) (*Regulation*) which establishes the trade and sector-specific sanctions against Russia. The export restrictions under Art. 2a and 2b and Annex VII of the Regulation have been expanded to include, among others, certain weapons and devices designed for the purpose of **riot control** or self-protection, products which can be used for lethal injections, certain **chemicals**, **semiconductors**, and **electronic integrated circuits**. Notably, these prohibitions are not subject to an exception for the execution of contracts already concluded before the new sanctions package.

According to the new Art. 2aa of the Regulation, it is now prohibited to sell, supply, transfer, or export goods listed in Annex I of the Firearms Regulation (EU) No [258/2012](#), which includes **firearms**, their parts and essential components as well as ammunition, military vehicles and equipment, paramilitary equipment, and spare parts. The ban is flanked by a prohibition to provide related technical assistance, brokering services or other services as well as financing or financial assistance.

Annex XI, which lists goods subject to export restrictions under Art. 3c of the Regulation, is also amended. Goods already listed before these latest changes are now covered by Part A whilst Part B of Annex XI delineates the newly listed goods this time around. Although Art. 3c of the Regulation targets **goods suitable for use in the aviation and space industry**, Annex XI Part B now also lists certain goods without a specific reference to these sectors. Braking lining and pads (CN Code 6813 81 00), for instance, are listed

without limitation to a specific end use, possibly also affecting the automotive sector. This might be an editorial inaccuracy, but the scope of the prohibition remains unclear until the EU Commission or national authorities provide a clarification. Art. 3c (5) of the Regulation now provides for a grandfathering clause that distinguishes between the respective Parts of Annex XI. As far as newly added goods of Part B are concerned, the execution until 6 November 2022 of contracts concluded before 7 October 2022 remains permitted. Also, competent authorities may now authorise exports of goods listed in Annex XI Part B, if necessary for the production of titanium goods required in the aeronautic industry.

The list of goods in Annex XXIII and subject to **export restrictions under Art. 3k** of the Regulation has been extended to cover also **coal, lignite, and peat**. With respect to these newly added items, it is possible to execute until 8 January 2023 contracts concluded before 7 October 2022. At the same time, a further possibility for competent authorities to authorise certain exports was inserted. It comprises transactions necessary for the establishment, operation and safety of **civil nuclear capabilities**, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development (Art. 3k (5) of the Regulation).

Import restrictions

Additionally, the import ban of Art. 3g of the Regulation now covers not only an extended list of **iron and steel products** originating in Russia but also applies to listed products, which have been processed in another country and contain iron or steel products originating in Russia. However, the latter prohibition only applies as of 30 September 2023 or, depending on the product, as of April or October 2024. With respect to the import of goods newly added to Annex XVII, Part B of the Regulation, the execution until 8 January 2023 of contracts concluded before 7 October 2022 remains possible. Certain products are further exempted up to a specific amount and within set transition periods (Art. 3g (4) to (6) of the Regulation). Art. 3g (7) of the Regulation allows the authorization of imports if necessary for certain activities in the context of civil nuclear capabilities and cooperation.

The prohibition under Art. 3i of the Regulation to **import goods**, which are deemed to generate significant revenues for Russia, has also been **expanded significantly**. The relevant Part B of Annex XXI covers, for example, cigarettes, plastics, cosmetics, wood pulp and paper, clothing, household machinery, materials especially used in the jewellery industry such as stones and precious metals, as well as certain vehicles. At the same time, the execution of pre-existing contracts concerning these newly added goods, concluded before 7 October 2022, remains permitted until 8 January 2023 (Art. 3i (3b) of the Regulation). In addition, it is now also with respect to these import restrictions possible

to apply for an authorization if the goods or related services are necessary for certain activities related to civil nuclear capabilities and cooperation under newly inserted Art. 3i (3c) of the Regulation.

Restrictions on certain services

The new Art. 5n (2) of the Regulation prohibits providing **architectural services, engineering services, IT consultancy services and legal advisory services** to the Russian Government or legal entities established in Russia, with certain transitional regulations. Providing these services is not prohibited if they are solely for the benefit of subsidiaries or other entities owned or controlled by a company constituted under the law of an EU Member State or other partner states (Art. 5n (7) of the Regulation). Among other specific exceptions, Art. 5n (11) (c) of the Regulation provides for the possibility to obtain authorization for services necessary for civil nuclear safety and security. At the same time, Art. 5n (9) allows for IT consultancy services necessary for software updates, but, this exception pertains only to dual-use and high technology goods in accordance with Art. 2 (3) (d) and 2a (3) (d) of the Regulation. In contrast, services necessary for other software updates appear to be prohibited.

Previously, the ban of the provision of **crypto-asset wallet, account or custody services** to Russians was restricted to amounts above 100.000€. Now, the prohibition comprises all services regardless of the total value of those crypto-assets under Art. 5b (2) of the Regulation.

Price cap on Russian oil

Art. 3n of the Regulation establishes a **price cap related to the maritime transport of Russian oil for third countries** and further restrictions on the maritime transport of crude oil and petroleum products to third countries. In general, it will be prohibited to provide maritime transport, technical assistance, brokering services or financing related to the maritime transport of crude oil to third countries (as of December 2022) or specific petroleum products (as of February 2023) which originate in or are exported from Russia. The prohibition is subject to certain provisional rules and exceptions.

Sanctions against certain individuals and entities

Additionally, Implementing Regulation (EU) [2022/1906](#) amends Regulation (EU) No [269/2014](#) to sanction **individuals and entities with a role in organising the illegal “referenda”** in the four annexed Ukrainian regions, such as the Central Election Commission or the Russian joint-stock company JSC Goznak, certain representatives of the defence sector, and well-known persons spreading disinformation about the war. Further exemptions, in which competent authorities might authorise payments or the release of frozen funds were added in Art. 6a and 6b of Regulation (EU) No 269/2014 by Regulation (EU) [2022/1905](#).

The **transaction ban** stipulated under Art. 5aa and Annex XIX of Regulation (EU) No 833/2014 has further been expanded. On the one hand, the **Russian Maritime Shipping Register** has been added to the list of state-owned entities, with whom an EU person or entity is prohibited – directly or indirectly - to do business. On the other hand, Art. 5aa (1a) of Regulation (EU) No 833/2014 establishes a ban on EU nationals to hold **any posts in the governing bodies** of certain Russian state-owned or controlled legal persons, entities, or bodies affected by the transaction ban. Art. 5aa (2) to (2c) of the Regulation contain transitional provisions.

Extension of sanctions to Russian-controlled parts of Zaporizhzhia and Kherson oblasts

The Council also decided to extend the scope of application of Regulation (EU) [2022/263](#), previously applicable to areas in Donetsk and Luhansk oblasts only. It **now applies to the non-government controlled areas in the oblasts Donetsk, Luhansk, Zaporizhzhia and Kherson** (Regulation (EU) [2022/1903](#)). For companies doing business related to these areas, it is therefore necessary to constantly monitor the situation and continuously assess the applicability of the sanctions. The extended Regulation (EU) 2022/263 entails, among others, a comprehensive import ban of goods originating from these areas as well as export restrictions.

Since, in particular, some of the annexes have been considerably expanded, we recommend reviewing them thoroughly with regard to your business activities. We are continuing to monitor developments in EU sanctions against Russia. BLOMSTEIN 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. Please do not hesitate to contact [Pascal Friton](#), [Roland M. Stein](#), [Florian Wolf](#), [Laura Louca](#) or [Tobias Ackermann](#).