

The EU's ninth package of sanctions against Russia

20 December 2022

The latest sanctions package, adopted on 16 December 2022, constitutes the EU's ninth round of sanctions since the beginning of Russia's aggression against Ukraine. As in the case of previous packages, the EU has sanctioned further individuals and entities as well as introduced additional trade and sector-specific restrictions. These new measures are effective as of 17 December 2022. We highlight the most important aspects of these latest changes below.

Further listings of individuals and entities

[Implementing Regulation \(EU\) 2022/2476](#) adds additional persons to Annex I of Regulation (EU) No 269/2014. This concerns almost 140 individuals and 50 entities, including government ministers, military officers, lawmakers, judges of the Russian Constitutional Court, regional governors, media executives and TV presenters who are responsible for the spread of propaganda and misinformation, as well as political parties and Russia's armed forces. Further notable additions are the **Credit Bank of Moscow** and **Dalnevostochny Bank**, as well as several **companies involved in the supply of Russia's armed forces with weapons and ammunitions, trucks, high technology, and other goods**. The latter include, among others, Volgograd Machine Building Company (VGTZ), Bryansk Automobile Plant (BAZ), Machine Building Company (VITYAZ), Kazan Optical And Mechanical Plant (KOMZ), ENIKS, Scientific and Production Association (STRELA), Izhevsk Electromechanical Plant (KUPOL), Vostochnaia Verf, TOCHMASH, Automobile Plant URAL, RPA RUSBITECH, Concern Radio-Electronic Technologies (KRET), Radioavionika, Technodinamika, and Motovilikhinskiye Zavody. Already on 12 December 2022, the EU had added the names of four Iranian nationals and four Iranian entities to that list for their involvement in the supply of Russia with Iranian drones. It is prohibited to make funds or other economic resources available to these listed persons, either directly or indirectly. Funds and economic resources held or controlled by them are subject to an asset freeze.

In addition to the expansion of Annex I of Regulation (EU) No 269/2014, the EU also made minor changes to the text of Regulation (EU) No 269/2014 through amending [Regulation \(EU\) 2022/2475](#). Notably, the deadline for the derogation allowing divestments by listed entities under Article 6b (3) (a) of Regulation (EU) No 269/2014 has been extended to 28 February 2023. Further derogations now allow for the authorization to unfreeze assets of, or to make funds and economic resources available to certain listed individuals and

entities, if such transactions are necessary for the supply of agricultural and food products to third countries in order to address food security.

Expanded transaction ban and restrictions on state-owned entities

With [Regulation \(EU\) 2022/2474](#), the EU has further tightened the restrictions imposed on Russia under Regulation (EU) 833/2014. This also pertains to the transaction ban of Article 5aa of Regulation (EU) No 833/2014, which applies to state-owned Russian entities listed in Annex XIX. It now also covers the **Russian Regional Development Bank** and its subsidiaries. There are exceptions in place for the execution of pre-existing contracts until 18 March 2023.

In addition, EU nationals are, starting 16 January 2023, prohibited to hold any posts on the governing bodies of all legal entities controlled or majority-held by Russia and not just entities listed in Annex XIX and their subsidiaries. Authorities may grant an exception in certain circumstances, e.g., if the entity concerned is a joint venture of an EU company or if holding the post is necessary for ensuring critical energy supply.

The prohibition under Article 5 (5) Regulation (EU) No 833/2014 to list and provide services for transferable securities of Russian entities with over 50% public ownership is supplemented by a new prohibition to admit these transferable securities to trading as of 29 January 2023.

Additional export restrictions

The prohibitions to sell, deliver, transfer and exports certain goods, directly or indirectly, to anyone in Russia or for use in Russia are expanded as follows:

- The prohibitions under Article 2a and Annex VII of Regulation (EU) No 833/2014 are extended to cover **drone engines**, further **chemical and biological equipment**, **riot control agents** and **electronic components**. These items are considered to contribute to Russia's military and technological enhancement or to the development of Russia's defence and security sector. Please note that there is **no grace period** for pre-existing contracts in place with respect to these goods.
- The export ban under Article 3c of Regulation (EU) No 833/2014, which targets goods and technology suited for use in aviation and the space industry, is expanded to include **aircraft engines and their parts**, now listed in Part C of Annex XI, i.e. spark-ignition reciprocating or rotary internal combustion piston engine, for aircraft (CN Code 840710) as well as parts suitable for use solely or principally with internal combustion piston engine, for aircraft (CN Code 840910). A grace period of 30 days applies for the execution of pre-existing contracts with respect to these goods. In addition, exceptions, subject to a license requirement, apply with respect to tech-

nical assistance necessary to prevent the collision between satellites or their unintended re-entry into the atmosphere as well as with respect to exports of certain goods and related services intended for medical, pharmaceutical and humanitarian purposes.

- The export restrictions of Article 3k of Regulation (EU) No 833/2014 are further expanded. Newly added Part B of Annex XXIII lists, among others, **medium and heavy oils and preparations, of petroleum or bituminous minerals** (not containing biodiesel), **generators, toy drones, laptops, hard drives, IT components, night-vision and radio-navigation equipment, cameras and lenses**. For these items, a grandfathering clause of thirty days for the execution until 16 January 2023 of pre-existing contracts applies.

Finally, the list of entities contained in Annex IV of Regulation (EU) No 833/2014 is expanded by 168 new entries. With that change, it is, pursuant to Article 2b of Regulation (EU) No 833/2014, no longer possible to apply for authorization to export listed dual-use or advanced technology goods to these entities.

Exceptions and authorizations for divestment

Article 5aa (3) (d) of Regulation (EU) No 833/2014 is further amended to give EU companies more time to divest themselves from any joint venture with entities listed in Annex XIX. The exception applicable to transactions necessary to wind-down such a joint venture is **extended** from 31 December 2022 to **30 June 2023**.

With a similar aim in mind, it is now possible under Article 5aa (3a) of Regulation (EU) No 833/2014 to obtain an authorization for transactions which are strictly necessary for the divestment and complete withdrawal by 30 June 2023 of listed state-owned entities or subsidiaries from EU companies.

To further allow EU companies a withdrawal from the Russian market without complications with existing restrictions, there is now a temporary possibility until 30 September 2023 to obtain a **license to derogate from export or import restrictions** under newly introduced Article 12b of Regulation (EU) No 833/2014. Competent authorities may authorize the otherwise prohibited sale, supply and transfer, or import and transfer of listed goods if this is strictly necessary for the divestment from Russia or the wind-down of business activities in Russia. Additionally, the goods and technologies in question have to be owned by an EU national, EU company, or a subsidiary or joint venture of EU companies and they must have been located in Russia before the relevant prohibitions entered into force. In case of the export restrictions, the competent authorities may also have no reasonable grounds to believe that the goods might be for a military end-user or have a military end-use in Russia.

Further services banned

The ban on services under Article 5n of the Regulation (EU) No 833/2014 is extended to the provision of **advertising, market research and opinion polling services**, as well as **product testing and technical inspection services**. The prohibition is subject to a thirty-day grace period for pre-existing contracts. For the definition of these services, the Amending Regulation's recital 26 refers to the United Nations' Central Products Classification in its provisional 1991 version. Exceptions apply, among others, to the provision of services intended for the exclusive use of Russian subsidiaries or joint ventures of EU companies or companies from certain partner countries.

Prohibition to invest in the mining sector

It is now also prohibited under Article 3a of Regulation (EU) No 833/2014 to make new investments in the Russian mining sector, with the exception of activities involving certain critical raw materials listed in Annex XXX. The prohibitions, which previously only applied with respect to the energy sector, apply to the acquisition of participation in or creation of new joint ventures with Russian companies as well as companies from any other third countries, the granting of new loans or credits to this end, and the provision of related investment services.

Additional notification requirement for credit institutions

Article 5g of Regulation (EU) No 833/2014 is further amended to include an additional notification requirement of credit institutions: They are required to supply to the authorities by 27 May 2023 a list of deposits exceeding EUR 100,000 held by a legal person, entity or body established outside the EU and whose proprietary rights are directly or indirectly owned for more than 50% by Russian nationals or natural persons residing in Russia. They must provide updates on the amounts of such deposits every 12 months.

Further changes

Additional changes include the suspension of broadcasting activities of four additional media outlets as listed in Annex XV and the extension for an additional six months of the exception applicable to pre-existing contracts for the otherwise prohibited import of methanol from Russia under Article 3i of Regulation (EU) No 833/2014. Certain clarifications and exceptions are also made with respect to the import ban on Russian iron and steel products under Article 3g and the one on Russian crude oil and natural gas under Articles 3m and 3n of Regulation (EU) No 833/2014. In the latter case, this is done in particular with respect to the pre-existent special derogations for Bulgaria, Hungary and Slovakia, and the import, purchase or transfer of natural gas condensate needed for the security of energy in the EU, in particular with respect to liquefied natural gas.

Please note that the EU has recast several of the Annexes of Regulation (EU) No 833/2014 and it cannot be ruled out that further amendments have been made, especially to the

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lists of goods subject to export restrictions. We recommend that you check your products carefully against these lists before selling, supplying, transferring, or exporting them to Russia or for use in Russia.

We continue to follow developments in EU sanctions against Russia closely. 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](#).