

# The EU's tenth package of sanctions against Russia

27 February 2023

After a reportedly heated debate among EU leaders, the EU has adopted its long announced tenth package of sanctions at the anniversary of Russia's aggression against Ukraine. The latest package introduces yet another set of comprehensive sanctions, including additional financial sanctions on individuals, companies, and three additional Russian banks, the expansion of export and import bans, measure aimed at strengthening enforcement and preventing circumvention, as well as further measures. No additional measures were taken with respect to Belarus. Here are the details:

## **Additional listings of individuals, companies, and banks**

Through [Council Implementing Regulation \(EU\) 2023/429](#), the EU has added about 120 individuals and entities to the sanction list of Regulation (EU) No 269/2014, including Russian decision-makers, senior government officials and military leaders as well as Iranians involved in supply of Russia with drones. In addition, members and supporters of the Wagner mercenary group have been added. The newly sanctioned Russian companies include Aurora JSC, Battery Company Rigel JSC, Limited Liability Company "Commercial Vehicles – GAZ Group", Limited Liability Company United Machine-Building Group, JSC Ural Civil Aviation Factory, AO Plasma, and Atomflot, among others.

In addition, **Alfa-Bank JSC**, **PJSC Rosbank**, and **Tinkoff Bank JSC** have been sanctioned.

Under Article 2 of Regulation (EU) No 269/2014, all assets of these individuals and entities shall be frozen. It is prohibited to make available, directly or indirectly, funds and economic resources to them.

[Council Regulation \(EU\) 2023/426](#) provides for certain exceptions and grace periods with respect to the newly sanctioned persons and entities and further introduces reporting obligations on frozen assets and those which should be frozen.

## **Additional trade restrictions**

[Council Regulation \(EU\) 2023/427](#) has once again significantly expanded the restrictions under Regulation (EU) No 833/2014 (*Regulation*):

- Further sensitive goods are now subject to export restrictions under Article 2a of the Regulation. This applies to certain **electronic components** used in drones, missiles,

helicopters, and other vehicles, as well as specific **rare earths** and **thermal cameras**, as listed in Annex VII to the Regulation. Note that a grace period applies with respect to contracts in relation to these goods.

- 96 further Russian and, for the first time, also seven Iranian entities have been added to Annex IV to the Regulation. For these companies and organisations, the supply with dual-use and advanced technology goods is even further restricted.
- The **transit** via Russian territory of dual-use goods listed in Annex I to the Dual-use Regulation (EU) 2021/821 and firearms is now generally prohibited (new Article 2 (1a) and Article 2aa (1a) of the Regulation, respectively).
- **Turbojets and turbopropellers as well as their parts**, as listed in Annex XI, Part D, are now subject to the export restrictions of Article 3c of the Regulation as well. Pre-existing contracts may be executed until 27 March 2023 (new Article 3c (5c) of the Regulation).
- The **export bans under Article 3k** of the Regulation are expanded to several categories of goods now listed in Annex XXIII, Part C, including:
  - heavy trucks and semi-trailers as well as their parts (e.g., CN codes 870310, 870423, 871639, 871690 – the latter of which had already partly been subject to the luxury goods embargo),
  - electric generators, binoculars, radars, compasses,
  - construction goods, such as flat-rolled iron and steel products, bridges, structures for buildings tower-like, fork-lifts trucks, cranes, etc.,
  - electronics, machine parts, pumps, machinery, such as drilling and boring machines, and
  - complete industrial plants.

A grace period applies for pre-existing contracts until 27 March 2023 (Article 3k (3c) of the Regulation) and authorities may grant exceptions, e.g., for the purposes of the production of titanium goods required in the aeronautic industry, for which no alternative supply is available (Article 3k (5b) of the Regulation).

- The **imports ban** of Article 3i of the Regulation has been expanded to cover goods listed in Annex XXI Part C to the Regulation, namely **bitumen** and related materials like asphalt (goods with the CN codes 2712, 2713, 2714 and 2715) as well as **synthetic rubber** (CN code 4002) and **carbon blacks** (CN code 2803). Existing contracts may be

executed until 27 May 2023 (Article 3i (3d) of the Regulation). However, the grace period is extended for synthetic rubber and carbon blocks until 30 June 2024 of specific quantities (Article 3i (3da) of the Regulation).

- Newly added Article 12e of the Regulation provides further rules in relation to goods subject to import restrictions “stuck in customs”: It clarifies that goods in the EU may be released by the authorities if they have been presented to customs before the entry into force or applicability of the respective import restriction.

## **Further measures**

Further provisions introduced to the Regulation provide for the following:

- Newly added Article 5aa (3) and Article 12d of the Regulation permit pilot services necessary for reasons of maritime safety;
- Article 5o of the Regulation prohibits, as of 27 March 2023, to allow Russians to hold posts in governing bodies of the owners or operators of (European) critical infrastructures and critical entities (as defined in new Article 1 (y), (z), (za) and (zb) of the Regulation);
- Article 5p prohibits to provide storage capacity to Russian nationals and entities in gas storage facilities (LNG excluded);
- Article 5a (4a) to (4e) of the Regulation imposes for new reporting obligations on Russian Central Bank assets;
- Article 3d (5) of the Regulation provides that private flights between the EU and Russia shall be notified by aircraft operators in advance;
- Finally, two additional media outlets have been added to the media ban under Article 2f and Annex XV to the Regulation, namely RT Arabic and Sputnik Arabic.

## **Rules on Divestments**

To facilitate divestments of EU companies, the wind-down periods in connection with the transaction ban of Article 5aa was further extended for half a year until 31 December 2023 (Article 5aa (3) (d) and (3a) of the Regulation). In addition, authorities may now not only authorize the export or import of goods for the purpose of facilitating a divestment, but also permit services prohibited under Article 5n of the Regulation (Article 12b (2a) of the Regulation).

## **Recast of Annexes**

Please note that Annexes VII and XXIII of Regulation (EU) No 833/2014, in particular, have again been recast. It cannot be ruled out that further changes have been made. We

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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 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](#).