

New EU sanctions against Russia

24 February 2022, 8pm

If the Western states stick to their pronouncements of the past few days, the imposition of further sanctions against Russia for invading Ukraine is only a matter of time. The EU has already announced a crisis summit for tonight (24 February 2022), which will lead to a massive tightening of yesterday's sanctions for Russia's recognition of independence of Ukrainian's regions of Donetsk and Luhansk.

The current sanctions regime consists of two layers:

Extension of existing Crimea sanction measures

First, on 23 February 2022, the EU has extended the existing sanction measures that were implemented in 2014 with regard to Russia's annexation of Crimea in 2014, consisting of financial and economic restrictions and targeted restrictive measures:

- **Financial and economic restrictions:** Sanctions based on Decision 2014/512/GASP and Regulation (EU) 2014/833 consist of a prohibition of trade in certain financial instruments issued in Russia, a prohibition of the sale, supply, transfer or export of arms, dual-use goods and technology, certain technology for oil exploration and production, and assistance related to goods and technology included in the Common Military List.

The EU has now extended those measures to further financial instruments. In addition, the EU has implemented a ban on the purchase of Russian government bonds and a prohibition of lending to Russia or its central bank (Council Regulation (EU) 2022/262 of 23 February 2022 amending Regulation (EU) No 833/2014).

- **Targeted restrictive measures:** Sanctions based on Decision 2014/145/GASP and Regulation (EU) 269/2014 consist of travel bans, a freezing of assets of and a prohibition from making funds available to certain listed persons.

The list of persons has now been extended by 336, namely all Duma deputies (not yet listed) who agreed to the recognition of the occupied territories of Donetsk and Luhansk as independent entities (Council Regulation (EU) 2022/259 of 23 February 2022 amending Regulation (EU) No 269/2014; Council Implementing Regulation (EU) 2022/260 of 23 February 2022 implementing Regulation (EU) No 269/2014; Council Implementing Regulation (EU) 2022/261 of 23 February 2022 implementing Regulation (EU) No 269/2014).

Implementation of new sanctions targeting trade to and from Donetsk and Luhansk

Second, the EU has introduced a new sanctions regulation (Regulation (EU) 2022/263) that targets trade to and from the areas of Donetsk und Luhansk. It consists of an import ban on goods from those areas, an export ban on specific goods and technologies from those areas, trade and investment restrictions in specific economic sectors and a prohibition to supply tourism services. The measures are very similar to those of the Crimea sanctions described above.

What to do now?

Companies doing business in Russia and Ukraine or with Russian companies or state entities should extend screening measures to the newly listed persons and companies. Consideration should also be given to whether transactions could indirectly involve listed persons. Companies active in the occupied regions of Donetsk and Luhansk or whose products or services could end up there should check against the new sanctions regulations whether they trade in listed goods. Russia-related transactions should be brought to a halt as long as there is a risk that they fall within the scope of application of the new sanctions.

We are at your disposal at any time to answer questions on the practical implementation as well as on the scope of application of the sanctions. Please do not hesitate to contact Dr. Pascal Friton, Dr. Roland M. Stein, Dr. Florian Wolf or Dr. Laura Louca.