

A Guide to US, UK and EU Sanctions and Export Controls on Russia and Belarus

March 15, 2023

In response to Russia's February 24, 2022 invasion of Ukraine, the United States ("US"), the United Kingdom ("UK") and the European Union ("EU"), along with other countries (e.g., Australia, Canada, Japan and Switzerland), imposed various sanctions and export controls.

With no clear end in sight to the conflict, measures imposed by the United States, the UK and the EU continue to expand gradually with the purpose of eroding the Russian economy's ability to support the war. On the war's one-year anniversary, the leaders of the Group of Seven ("G7") met with Ukraine's President Volodymyr Zelenskyy and reaffirmed their "commitment to strengthening the unprecedented and coordinated sanctions and other economic measures" taken to date.¹ The G7 countries declared that in the coming months they will focus on sanctions evasion, including by targeting facilitators and third-country providers that may help Russia evade Western sanctions or replenish military supplies. In addition, the G7 countries announced they would take the following measures: (i) adopt further measures to prevent Russia from accessing inputs that support its military and manufacturing sectors; (ii) build on the measures already taken, including export bans and the price cap for Russian-origin crude oil and refined oil products to limit Russia's energy revenue and future extractive capabilities; (iii) implement further measures on Russian diamonds; and (iv) target additional Russian financial institutions.

Below is an overview of the sanctions and export controls imposed by the United States, UK and EU as of 9:00 a.m. EST March 14, 2023. **All updates since the December 23, 2022 publication are indicated in red.**

¹ White House, Statements and Releases, *G7 Leaders' Statement* (Feb. 24, 2023), available [here](#).

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US SANCTIONS

Since February 2022, the United States has implemented an extensive array of sanctions and export controls in response to the war. These measures can be broadly categorized as follows:

- **Financial sanctions:** prohibitions on Russian sovereign debt in addition to those imposed pursuant to Executive Order (“E.O.”) 14024 in April 2021² and on transactions involving the Central Bank of the Russian Federation (“CBR”) and related entities; correspondent and payable-through account sanctions on one Russian bank and various of its subsidiaries; and prohibitions related to new debt and equity of major Russian state-owned enterprises and large privately owned financial institutions.³
- **Investment prohibition:** prohibition on making new investments in Russia.
- **Blocking sanctions:** sanctions targeting Russian President Vladimir Putin and other Russian political figures, prominent Russian businessmen, Russian financial institutions and Russian state-owned institutions and their management. Blocking sanctions have also been imposed on certain Belarusian persons related to Belarus’s support for and facilitation of the Russian invasion of Ukraine.
- **Services prohibition:** prohibition on providing accounting, trust and corporate formation and management consulting services, quantum computing services and certain services related to the maritime transportation of Russian oil and petroleum products to any person located in Russia.
- **Import and export restrictions:** prohibition on import into the United States of certain products of Russian origin or export, reexport, sale or supply from the United States or by a US person of certain luxury goods to any person in Russia.
- **Restrictions on imports of and investment in Russian energy:** prohibition on imports of certain Russian energy products into the United States and on investments in the Russian energy sector.

² 86 Fed. Reg. 20249 (Apr. 19, 2023).

³ On March 1, 2022, OFAC published the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 to implement E.O. 14024. 87 Fed. Reg. 11297 (Mar. 1, 2022), available [here](#).

- **Transport restrictions:** prohibition on Russian-affiliated vessels from entering into US ports.
- **Comprehensive sanctions** on the Donetsk and Luhansk regions of Ukraine.
- **Export controls:** restrictions on the access of Russia and Belarus to certain US goods, software and technologies.

Russia

Prohibition on New Investment in and Provision of Certain Services to Russia

On April 6, 2022, US President Joe Biden signed Executive Order 14071 prohibiting:

- All new investment in Russia by US persons⁴ (wherever located).
- The exportation, reexportation, sale or supply, directly or indirectly, from the United States, or by a US person (wherever located), to any “person located in the Russian Federation”⁵ of any category of services the Secretary of the US Department of the Treasury (“Treasury”) may determine.
- Any approval, financing, facilitation or guarantee by a US person (wherever located) of a transaction by a foreign person that would be prohibited by the executive order if performed by a US person or within the United States.⁶

In addition, any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of or attempts to violate any of the prohibitions of the executive order, and any conspiracy formed to violate any of the prohibitions of the order, are prohibited. This prohibition applies to all of the executive orders and to directives issued under E.O. 14024 discussed below.

New Investment Prohibition

In a series of FAQs, Treasury’s Office of Foreign Assets Control (“OFAC”) provided guidance on how it will interpret “new investment.”⁷ FAQ 1049 defines “new

⁴ A “US person” is defined as any US citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches) or individual or entity in the United States.

⁵ OFAC interprets this phrase to include persons in the Russian Federation, individuals ordinarily resident in the Russian Federation, and entities incorporated or organized under the laws of the Russian Federation or any jurisdiction within the Russian Federation. OFAC Frequently Asked Question (“FAQ”) 1058.

⁶ 87 Fed. Reg. 20999 (Apr. 8, 2022).

⁷ See FAQs 1049-1055.

investment” as the commitment of capital or other assets for the purpose of generating returns or appreciation, made on or after the effective date of the executive order. New investments include: (i) the purchase or acquisition of real estate in Russia (other than for noncommercial, personal use); (ii) entry into an agreement requiring the commitment of capital or other assets for the establishment or expansion of projects or operations in Russia, including the formation of joint ventures or other corporate entities in Russia; (iii) entry into an agreement providing for the participation in royalties or ongoing profits in Russia; (iv) the lending of funds to persons located in Russia for commercial purposes, including when such funds are intended to be used to fund a new or expanded project or operation in Russia; (v) the purchase of an equity interest in an entity located in Russia; (vi) the purchase or acquisition of rights to natural resources or exploitation thereof in Russia; and (vi) commitments pursuant to the exercise of rights under an agreement entered into *before* the effective date of the executive order, where such commitment is made on or after the effective date of the executive order.

New investment does *not* include: (i) the maintenance of an investment made prior to the effective date of the executive order;⁸ (ii) entry into, performance of or financing of a contract, pursuant to ordinary commercial sales terms, to sell or purchase goods, services or technology to or from an entity in Russia; and (iii) wind down or divestment of a pre-existing investment, such as a pre-existing investment in an entity, project or operation, including any associated tangible property, located in Russia.

In addition, OFAC has provided guidance indicating that US persons are prohibited from purchasing new and existing debt and equity securities issued by an entity in Russia, but are not prohibited from selling or divesting, or facilitating the sale or divestment of, debt or equity securities issued by an entity in Russia to a non-US person.⁹ US persons are also not required to divest such securities and may continue to hold such previously acquired securities.

FAQ 1055 clarifies that US persons are not prohibited from lending funds to or purchasing a debt or equity interest in entities located outside of Russia, *provided that*: (i) such funds are not specifically intended for new projects or operations in Russia; and (ii)

⁸ “Maintenance” of investments generally includes all transactions ordinarily incident to performing under an agreement in effect prior to the effective date of the executive order, *provided that* such transactions are consistent with previously established practices and support pre-existing projects or operations. Maintenance includes: (i) transactions to ensure continuity of pre-existing projects or operations located in Russia (including payments to employees, suppliers, landlords, lenders, and partners); (ii) the preservation and upkeep of pre-existing tangible property in Russia; and (iii) activities associated with maintaining pre-existing capital investments or equity investments. Maintenance activities do not include the expansion of pre-existing projects or operations beyond those in effect prior to the effective date of the executive order. FAQ 1050.

⁹ FAQ 1054.

the entity located outside Russia derives less than 50% of its revenues from its investments in Russia. For purposes of assessing the foregoing, US persons may reasonably rely on the information available to them in the ordinary course of business, including publicly available information such as an entity's most recent quarterly or annual report. For purposes of determining the percentage of revenues derived from investments in Russia, revenues derived from the commercial sale of goods or services by an entity located outside of Russia to persons in Russia should not be included. See the "FAQ" section below for further information on the guidance on new investments issued by OFAC.

Services Prohibition

1. Accounting, Trust and Corporate Formation, and Management Consulting Services

On May 8, 2022, OFAC issued a determination pursuant to E.O. 14071 prohibiting the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a US person of: (i) accounting,¹⁰ (ii) trust and corporate formation¹¹ and (iii) management consulting services,¹² in each case to any person located in Russia. However, the prohibition does not apply to: (i) any service to an entity located in Russia that is owned or controlled (directly or indirectly) by a US person; and (ii) any service in connection with the wind down or divestiture of an entity located in Russia that is not owned or controlled (directly or indirectly) by a Russian person.¹³

In addition, OFAC clarified that the prohibition does not extend to persons located outside of Russia that are owned or controlled by persons located in Russia, *provided* that the services are not an indirect export to a person located in Russia (*i.e.*, the benefit of the services is ultimately received by a person located in Russia).¹⁴ However, the prohibition does apply to services provided to a parent company in Russia by its US

¹⁰ "Accounting sector" includes the measurement, processing and evaluation of financial data about economic entities. FAQ 1038.

¹¹ "Trust and corporate formation services sector" includes assisting persons in forming or structuring legal persons, such as trusts and corporations; acting or arranging for other persons to act as directors, secretaries, administrative trustees, trust fiduciaries, registered agents or nominee shareholders of legal persons; providing a registered office, business address, correspondence address or administrative address for legal persons; and providing administrative services for trusts. FAQ 1038.

¹² "Management consulting sector" includes strategic business advice; organizational and systems planning, evaluation and selection; development or evaluation of marketing programs or implementation; mergers, acquisitions and organizational structure; staff augmentation and human resources policies and practices; brand management; and executive search and vetting services. *Id.*; FAQ 1064.

¹³ US Department of the Treasury, Determination Pursuant to Section 1(a)(ii) of E.O. 14071, *Prohibitions Related to Certain Accounting, Trust and Corporate Formation, and Management Consulting Services* (May 8, 2022), available [here](#).

¹⁴ FAQ 1059.

subsidiary.¹⁵ See the “FAQ” section below for further information on the guidance issued by OFAC, including specific services and roles that are prohibited. The prohibitions pursuant to this determination took effect on June 7, 2022.

2. *Quantum Computing*

On September 15, 2022, OFAC issued another determination pursuant to E.O. 14071 prohibiting the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a US person of quantum computing services to any person in Russia. This prohibition does not apply to services: (i) to an entity located in Russia that is owned or controlled (directly or indirectly) by a US person; or (ii) in connection with the wind down or divestiture of an entity located in Russia that is not owned or controlled (directly or indirectly) by a Russian person.¹⁶ The determination took effect on October 15, 2022.

3. *Russian-Origin Crude Oil and Petroleum Products*

On September 9, 2022, OFAC indicated its intent to issue a determination pursuant to E.O. 14071 to implement a price cap on Russian-origin crude oil¹⁷ (“Russian oil”) and petroleum products¹⁸ (“Russian petroleum”) as proposed by the G7 leaders on June 28, 2022¹⁹ and confirmed on September 2, 2022.

On November 21, 2022, the Secretary of the Treasury issued a determination prohibiting the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a United States person (wherever located) of certain services related to the maritime transportation of Russian oil to any person located in Russia, if the Russian oil is purchased above the price cap.²⁰ The determination took effect at 12:01 a.m. EST on December 5, 2022, and the price cap was set at \$60/barrel.²¹

¹⁵ FAQ 1062.

¹⁶ US Department of the Treasury, Determination Pursuant to Section 1(a)(ii) of E.O. 14071, *Prohibitions Related to Certain Quantum Computing Services* (Sept. 15, 2022), available [here](#).

¹⁷ “Crude oil” is defined at Harmonized Tariff Schedule of the United States (“HTSUS”) subheading 2709.00. See OFAC, *Guidance on Implementation of the Price Cap Policy for Crude Oil and Petroleum Products of Russian Federation Origin* (Feb. 3, 2023), available [here](#) (the “Price Cap Policy Guidance”).

¹⁸ “Petroleum products” is defined at HTSUS subheading 2710. *Id.*

¹⁹ Press release from the US Department of the Treasury dated June 28, 2022, available [here](#).

²⁰ US Department of the Treasury, Determination Pursuant to Section 1(a)(ii) of E.O. 14071, *Prohibition on Certain Services as They Relate to the Maritime Transport of Crude Oil of Russian Federation Origin* (Nov. 21, 2022), available [here](#).

²¹ US Department of the Treasury, Determination Pursuant to Section 1(a)(ii), 1(b), and 5 of E.O. 14071, *Price Cap on Crude Oil of Russian Federation Origin* (Dec. 5, 2022), available [here](#).

On February 3, 2023, the Secretary of the Treasury issued a determination imposing equivalent prohibitions with respect to Russian petroleum, which took effect at 12:01 EST on February 5, 2023.²² The price cap was set at \$45/barrel for “Discount to Crude”²³ Russian petroleum and at \$100/barrel for “Premium to Crude”²⁴ Russian petroleum.²⁵

OFAC has prohibited the following services as they relate to the maritime transport of Russian oil and Russian petroleum sold above the relevant price cap:²⁶

- *Trading/commodities brokering:* Buying, selling or trading commodities and/or brokering the sale, purchase or trade of commodities on behalf of other buyers or sellers.
- *Financing:* Providing a commitment for the provision or disbursement of any debt, equity, funds or economic resources, including grants, loans, guarantees, suretyships, bonds, letters of credit, supplier credits, buyer credits and import or export advances.
 - The processing or clearing of payments by an intermediary bank is not considered “financing” for the purposes of this prohibition if the bank (i) is operating solely as an intermediary and (ii) does not have any direct relationship with the person providing services related to the maritime transport of the Russian oil or Russian petroleum as it relates to the transaction.
- *Shipping:* Owning or operating a ship for the purpose of carrying or delivering cargo and/or freight transportation; chartering or sub-chartering ships to deliver cargo or transport freight; brokering between shipowners and charterers; and serving as a shipping/vessel agent.
- *Insurance:* Providing insurance, reinsurance or protection and indemnity (“P&I”) services; satisfying claims related to underwriting insurance policies that protect policyholders against losses that may occur as a result of property damage or liability; assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers, including the reinsurance of a non-US insurance carrier by a US person; and providing liability insurance for maritime

²² US Department of the Treasury, Determination Pursuant to Section 1(a)(ii) of E.O. 14071, *Prohibition on Certain Services as They Relate to the Maritime Transport of Petroleum Products of Russian Federation Origin* (Feb. 3, 2023), available [here](#).

²³ Articles subject to the Discount to Crude price cap include naphtha, residual fuel oil, and waste oils. See Price Cap Policy Guidance.

²⁴ Articles subject to the Premium to Crude price cap include gasoline, motor fuel blending stock, gasoil and diesel fuel, kerosene and kerosene-type jet fuel, and vacuum gas oil. *Id.*

²⁵ US Department of the Treasury, Determination Pursuant to Section 1(a)(ii), 1(b) and 5 of E.O. 14071, *Price Cap on Petroleum Products of Russian Federation Origin* (Feb. 3, 2023), available [here](#).

²⁶ See Price Cap Policy Guidance.

liability risks associated with the operation of a vessel, including cargo, hull, vessel, P&I and charterer's liability.

- *Flagging*: Registering or maintaining the registration of a vessel with a country's national registry of vessels. This definition does not include the deflagging of vessels transporting Russian oil or Russian petroleum sold above the relevant price cap.
- *Customs brokering*: Assisting importers and exporters in meeting requirements governing imports and exports. This definition does not include legal services or assisting importers and exporters in meeting the requirements of US sanctions.

Shipping, freight, customs and insurance costs are not included in the price caps and must be invoiced separately and at commercially reasonable rates. OFAC has stated that it would view the billing of commercially unreasonable shipping, freight, customs or insurance costs as a sign of potential evasion of the relevant price cap.²⁷

US persons providing covered services are required to reject participating in evasive transactions or transactions that violate the relevant price cap determination, and to report such transactions to OFAC.²⁸ However, OFAC has provided US service providers with a safe harbor from enforcement, provided that they comply in good faith with a recordkeeping and attestation process. To meet the requirements of the safe harbor, US service providers must ensure that refiners or other purchasers in third countries that have not prohibited the import of Russian oil or Russian petroleum provide documentation showing that the Russian oil or Russian petroleum was purchased at or below the relevant price cap. OFAC published guidance by "tier" of actor on what each type of actor must do and the diligence each type of actor must undertake to be afforded the safe harbor. US persons may reasonably rely on a certificate of origin but should exercise caution if they have reason to believe such certificate has been falsified or is otherwise erroneous.²⁹

Russian petroleum that is loaded onto a vessel at the port of loading prior to 12:01 a.m. EST on February 5, 2023, and unloaded at the port of destination prior to 12:01 a.m. EDT on April 1, 2023, is not subject to the Russian petroleum price cap.³⁰ Thus, US service providers can provide covered services with respect to Russian petroleum purchased at

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ FAQ 1109. Similarly, Russian oil that was loaded onto a vessel at the port of loading prior to 12:01 a.m. EST on December 5, 2022, and unloaded at the port of destination prior to 12:01 a.m. EST on January 19, 2023, was not subject to the Russian oil price cap. FAQ 1094.

any price, provided that the Russian petroleum in question was loaded and unloaded prior to the specified dates.³¹

Prohibition on Certain Imports and Exports

On March 11, 2022, President Biden signed E.O. 14068 prohibiting:

- Imports into the United States of the following products of Russian origin: fish, seafood and preparations thereof; alcoholic beverages; non-industrial diamonds; and any other products of Russian Federation origin as may be determined by the Secretary of the Treasury.
- On June 28, 2022, gold was added to the list of prohibited Russian-origin goods imports.³²
- Export, reexport, sale or supply from the United States or by a US person (wherever located) of luxury goods, and any other items as may be determined by the Secretary of Commerce, to any person in Russia.
- The list of US-origin luxury goods issued by the Bureau of Industry and Security (“BIS”) of the US Department of Commerce include certain spirits, tobacco products, clothing items, jewelry, vehicles and antique goods.³³
- New investment by a US person (wherever located) in any sector of the Russian economy as may be determined by the Secretary of the Treasury.
- Export, reexport, sale or supply (directly or indirectly) from the United States or by a US person (wherever located) of US dollar-denominated banknotes to the Russian government or any person in Russia.
- Any approval, financing, facilitation or guarantee by a US person (wherever located) of a transaction by a foreign person that would be prohibited by this executive order if performed by a US person or within the United States.³⁴

³¹ *Id.*

³² US Department of the Treasury, Determination Pursuant to Section 1(a)(i) of E.O. 14068, *Prohibitions Related to Imports of Gold of Russian Federation Origin* (June 24, 2022), available [here](#). The prohibition excludes gold of Russian Federation origin that was located outside of the Russian Federation prior to June 28, 2022 (see FAQ 1070).

³³ 87 Fed. Reg. 14785 (Mar. 11, 2022).

³⁴ 87 Fed. Reg. 14381 (Mar. 15, 2022).

Prohibition on Certain Imports and Investments Related to Russian Energy

On March 8, 2022, President Biden signed E.O. 14066 prohibiting certain oil imports and new investments in the energy sector. Specifically, the executive order prohibits:

- The importation into the United States of the following products of “Russian Federation origin”³⁵: crude oil; petroleum; petroleum fuels, oils and products of their distillation; liquefied natural gas; coal; and coal products.
- “New investment in the energy sector in the Russian Federation”³⁶ by a US person, wherever located.
- Any approval, financing, facilitation or guarantee by a US person (wherever located) of a transaction by a foreign person that would be prohibited by E.O. 14066 if performed by US person or within the United States.

The prohibition does not apply to imports that are not of Russian Federation origin, even if such items transit through or depart from the Russian Federation.³⁷

US persons are authorized to engage in transactions to sell or re-direct shipments laden on or after March 8, 2022 and previously destined for the United States, and transactions such as the unwinding of contracts or other business-related activities by US persons to comply with the import ban imposed under the executive order are permitted.³⁸ Transactions for the conduct of the official business of the US federal government or the United Nations (including its specialized agencies, programs, funds,

³⁵ OFAC anticipates publishing regulations defining “Russian Federation origin” as “goods produced, manufactured, extracted, or processed in the Russian Federation, excluding any Russian Federation origin good that has been incorporated or substantially transformed into a foreign-made product.” FAQ 1019.

³⁶ OFAC anticipates publishing regulations defining “new investment in the energy sector in the Russian Federation” as “a transaction that constitutes a commitment or contribution of funds or other assets for, or a loan or other extension of credit to, new energy sector activities (not including maintenance or repair) located or occurring in the Russian Federation beginning on or after March 8, 2022.” *Id.* For purposes of this interpretation, a loan or extension of credit is any transfer or extension of funds or credit on the basis of an obligation to repay, or any assumption or guarantee of the obligation of another to repay an extension of funds or credit, including: overdrafts, currency swaps, purchases of debt securities, purchases of a loan made by another person, sales of financial assets subject to an agreement to repurchase, renewals or refinancings whereby funds or credits are transferred or extended to a borrower or recipient, the issuance of standby letters of credit, and drawdowns on existing lines of credit. For the purposes of this interpretation, the energy sector includes the procurement, exploration, extraction, drilling, mining, harvesting, production, refinement, liquefaction, gasification, regasification, conversion, enrichment, fabrication or transport of petroleum, natural gas, liquified natural gas, natural gas liquids or petroleum products or other products capable of producing energy, such as coal or wood or agricultural products used to manufacture biofuels, or the development, production, generation, transmission or exchange of power, through any means, including nuclear, electrical, thermal and renewable. *Id.*

³⁷ FAQ 1020.

³⁸ FAQ 1015.

and related organizations) by employees, grantees or contractors thereof are also authorized.

OFAC clarified that to the extent the import of such prohibited products of Russian Federation origin outside of the United States does not involve a sanctioned person or an otherwise prohibited transaction, non-US persons are not exposed to sanctions under the executive order.³⁹

Prohibition on Russian-Affiliated Vessels Entering US Ports

On April 22, 2022, President Biden issued Proclamation 10371 prohibiting Russian-affiliated vessels from entering into US ports.⁴⁰ “Russian-affiliated vessels” means: (i) vessels of Russian registry (*i.e.*, the vessel is Russian flagged); (ii) vessels that are Russian owned (*i.e.*, the legal title of ownership of the vessel that appears on the ship's registration documents is the Government of the Russian Federation or a Russian company, citizen, or permanent resident); or (iii) vessels that are Russian operated (*i.e.*, a Russian company, citizen or permanent resident is responsible for the commercial decisions concerning the employment of a ship and decides how and where that asset is employed).

The prohibition does not apply in two scenarios:

- Russian-affiliated vessels used in the transport of source material,⁴¹ special nuclear material⁴² and nuclear byproduct material⁴³ for which, and for such time as, the Secretary of Energy determines that no viable source of supply is available that would not require transport by Russian-affiliated vessels; and
- Russian-affiliated vessels requesting only to enter US ports due to force majeure, solely to allow seafarers of any nationality to disembark or embark for purposes of conducting crew changes, emergency medical care or for other humanitarian need.

The prohibition went into effect on April 28, 2022.

³⁹ FAQ 1018. However, targeted prohibitions or restrictions may apply to certain energy-related dealings with specified Russian persons under other sanctions authorities.

⁴⁰ 87 Fed. Reg. 24265 (Apr. 22, 2022).

⁴¹ The term “source material” has the same meaning given to that term in section 11(z) of the Atomic Energy Act of 1954 (AEA) ([42 U.S.C. 2014\(z\)](#)).

⁴² The term “special nuclear material” has the same meaning given to that term in section 11(aa) of the AEA ([42 U.S.C. 2014\(aa\)](#)).

⁴³ The term “byproduct material” has the same meaning given to that term in section 11(e) of the AEA ([42 U.S.C. 2014\(e\)](#)).

Full Blocking Sanctions

E.O. 14024 authorizes blocking sanctions on persons determined to operate or to have operated in the technology and defense and related materiel sectors of the Russian economy and any other sectors as determined by the Secretary of the Treasury.

Treasury has expanded the scope of E.O. 14024 under this provision to cover Russia's financial services sector,⁴⁴ aerospace, marine and electronics sectors,⁴⁵ accounting, trust and corporate formation services and management consulting sectors⁴⁶ and quantum computing sector.⁴⁷

Most recently, on February 24, 2023, Treasury issued a determination pursuant to E.O. 14024 authorizing the imposition of sanctions on any person determined to operate or to have operated in the metals and mining sector of the Russian economy.⁴⁸ OFAC anticipates publishing regulations defining the term "metals and mining sector of the Russian Federation economy" to include any act, process or industry of extracting, at the surface or underground, ores, coal, precious stones or any other minerals or geological materials in the Russian Federation, or any act procuring, processing, manufacturing or refining such geological materials, or transporting them to, from or within the Russian Federation.⁴⁹

Specially Designated Nationals and Blocked Persons List

OFAC and the US Department of State have imposed full blocking sanctions under E.O. 14024 and other sanctions authorities by placing numerous entities and individuals on OFAC's List of Specially Designated Nationals and Blocked Persons ("SDN List"). Since February 2022, OFAC has added over 2,500 Russia-related targets to the SDN List. Financial institutions representing over 80 percent of Russia's banking sector by assets are under US sanctions, including the top state-owned banks, as are many state-owned enterprises, political figures, prominent business figures and others. Below is a non-exhaustive list of entities and individuals on the SDN List:

⁴⁴ US Department of the Treasury, Determination Pursuant to Section 1(a)(i) of E.O. 14024 (Feb. 22, 2022) (Russian financial services sector), available [here](#).

⁴⁵ US Department of the Treasury, Determination Pursuant to Section 1(a)(i) of E.O. 14024 (Mar. 31, 2022) (Russian aerospace, marine and electronics sectors), available [here](#).

⁴⁶ US Department of the Treasury, Determination Pursuant to Section 1(a)(i) of E.O. 14024 (May 8, 2022) (Russian accounting, trust and corporate formation services and management consulting sectors), available [here](#).

⁴⁷ US Department of the Treasury, Determination Pursuant to Section 1(a)(i) of E.O. 14024 (Sept. 15, 2022) (Russian quantum computing sector), available [here](#).

⁴⁸ US Department of the Treasury, Determination Pursuant to Section 1(a)(i) of E.O. 14024 (Feb. 24, 2023) (Russian metals and mining sector), available [here](#).

⁴⁹ FAQ 1115.

Financial Institutions ⁵⁰	State-Owned Enterprises ⁵¹	Prominent Business Figures ⁵²	Political Figures ⁵³	Other
<p>Bank Zenit PJSC</p> <p>PJSC Bank Uralsib</p> <p>PJSC Ural Bank for Reconstruction and Development</p> <p>SDM-Bank PJSC</p> <p>JS Commercial Bank Primorye</p> <p>Bank Saint-Petersburg PJSC</p> <p>Novosibirsk Social Commercial Bank Levoberezhny PJSC</p> <p>PJSC MTS Bank</p> <p>PJSC Commercial Bank Metallurgical Investment Bank</p> <p>JSC Commercial Bank Lanta Bank</p> <p>Credit Bank of Moscow PJSC</p> <p>PJSC Rosbank (“Rosbank”)</p> <p>JSC Moscow Industrial Bank</p> <p>PJSC Transkapitalbank (“TKB”)</p> <p>Public Joint Stock Company Sberbank of Russia (“Sberbank”)</p> <p>Alfa-Bank JSC (“Alfa-Bank”)</p> <p>SMP Bank</p> <p>VTB Bank PJSC (“VTB”)</p> <p>PJSC Bank Financial Corporation Otkritie (“Otkritie”)</p>	<p>NPK Tekhmash OAO</p> <p>JSC National Aviation Service Company</p> <p>JSC Aerospace Defense Concern Almaz-Antey</p> <p>JSC Promising Industrial and Infrastructure Technologies</p> <p>JSC State Transportation Leasing Company</p> <p>State Corporation Rostec (“Rostec”)</p> <p>3 state-owned television stations</p> <p>PJSC Alrosa (“Alrosa”)</p> <p>JSC United Shipbuilding Corporation</p> <p>Russian Direct Investment Fund (“RDIF”) and its management company (JSC RDIF)</p> <p>Tactical Missiles Corporation JSC</p> <p>Advanced Research Foundation</p>	<p>Vladimir Potanin (and family members)</p> <p>Alexey Mordashov (and family members)</p> <p>Alisher Usmanov</p> <p>Sergei Kogogin</p> <p>Gennady Timchenko (and family members)</p> <p>Andrei Melnichenko</p> <p>Victor Rashnikov</p> <p>Viktor Vekselberg</p> <p>Andrei Guriev (and son)</p> <p>Andrei Skoch</p> <p>Suleiman Kerimov (and son)</p> <p>27 Gazprombank JSC board members</p>	<p>Vladimir Putin (and daughters)</p> <p>All members of the State Duma</p> <p>Senior Russian defense officials</p> <p>All members of the Russian Federation Council</p> <p>All members of the Russian Security Council</p> <p>The Federation Council of the Federal Assembly of the Russian Federation</p> <p>Federal Security Service (“FSB”)⁵⁴</p> <p>47 Russian governors</p> <p>Former Russian President Dmitry Medvedev (and family)</p> <p>Russian Prime Minister Mikhail Mishustin (and family)</p> <p>Foreign Minister Sergei Lavrov (and wife and daughter)</p> <p>Deputy Prime Minister Aleksandr Novak</p> <p>Deputy Prime Minister Dmitriy Grigorenko</p> <p>Ministers of Defense, Transport, Economic Development, Construction and Housing</p> <p>Head of Russian National Guard</p>	<p>4 entities operating in Russian metals and mining sector (e.g., OOO Metallurg-Tulamash)</p> <p>10 Russian naval entities</p> <p>Russian paramilitary groups (e.g., Private Military Company Wagner (“Wagner Group”), Task Force Rusich, Private Military Company Redut)</p> <p>Private defense and security firms (e.g., Promtekhlogiya LLC, RSB-Group)</p> <p>Companies developing, manufacturing or procuring technology for Russian military or defense (e.g., Radioavtomatika, Novastream Limited, AO PKK Milandr, UMATEX)</p> <p>Russian financial technocrats (e.g., CEO of the National Payment Card System JSC (“NSPK”))</p> <p>Nord Stream 2 AG (halted pipeline)</p> <p>8 Russian maritime-related companies</p> <p>Crypto services provider Bitriver AG</p> <p>Over 200 entities and individuals that have assisted Russia evade sanctions</p> <p>Railway operator OOO</p>

⁵⁰ Bank Rossiya was previously designated by OFAC. Bank Rossiya is described in the “EU Sanctions” section as subject to sanctions imposed by the EU.

⁵¹ UralVagonZavod was previously designated by OFAC. UralVagonZavod is described in the “EU Sanctions” and “UK Sanctions” sections as subject to sanctions imposed by the EU and UK.

⁵² Except for the 27 Gazprombank board members, this summary chart includes only individuals with over \$2 billion of wealth as reported by Forbes World’s Billionaires List. For further information on other Russian billionaires who have been sanctioned, see our Russian Billionaires Table at [Annex A](#).

⁵³ This chart does not include political figures who have been designated for human rights violations related to the war. See e.g., Press release of the US Department of State dated April 20, 2022, available [here](#).

⁵⁴ Re-designated June 28, 2022 pursuant to E.O. 14024.

Financial Institutions ⁵⁰	State-Owned Enterprises ⁵¹	Prominent Business Figures ⁵²	Political Figures ⁵³	Other
OJSC Sovcombank (“Sovcombank”) JS Commercial Bank Novikombank (“Novikombank”) Vnesheconombank (“VEB”) Promsvyazbank (“PSB”)				Transoil 7 Russian media outlets and websites Over 100 Russian defense and defense-related entities Third-country suppliers and manufacturers of military or defense-related goods and services

Additionally, all entities that are owned 50% or more (directly or indirectly) by any of these entities or individuals are subject to blocking, even if not identified by OFAC.

Generally, US persons are prohibited from any dealings with, and are required to block and freeze the assets of, persons placed on the SDN List and any entities that are owned (directly or indirectly) 50% or more by such persons. These restrictions also prohibit making any contribution or provision of funds, goods or services by, to or for the benefit of any blocked person and receiving any contribution or provision of funds, goods or services from any such person.

OFAC explained that a US fund may not buy, sell or otherwise engage in transactions related to debt or equity of the blocked Russian financial institutions and must block such holdings, unless exempted or otherwise authorized by OFAC. However, a US fund that contains such blocked holdings generally is not itself considered a blocked entity as long as the blocked holdings represent less than a **50% share by value of the fund**. As a result, US persons may continue to invest in the fund and the fund may continue to operate. The fund may divest itself of blocked holdings to the extent authorized by OFAC.⁵⁵

Secondary Sanctions

Although the prohibitions related to blocked persons apply only to US persons, the United States has authority to apply “secondary sanctions” on those non-US persons that have “materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of” persons blocked pursuant to E.O. 14024 or certain activities for or on behalf of, or for the benefit of, the Russian government (including malicious cyber-enabled activities, interference in a US or other foreign government election, actions or policies that undermine democratic

⁵⁵ FAQ 982. Throughout this document we refer to the most recent versions of GLs that have been amended, even if the FAQs have not yet been updated to reflect the new GL number.

processes or institutions and other specified malign activities).⁵⁶ These secondary sanctions do not impose direct compliance obligations, but instead seek to discourage non-US persons from engaging in targeted activities with Russia by threatening the imposition of certain penalties against any person determined to have engaged in the targeted activity. However, OFAC explained that non-US persons generally do not risk exposure to US blocking sanctions under E.O. 14024 for engaging in transactions with blocked persons, where those transactions would not require a specific license if engaged in by a US person (*provided* that such transactions do not evade or avoid, have the purpose of evading or avoiding, cause a violation of, attempt to violate or constitute a conspiracy formed to violate prohibitions under E.O. 14024).⁵⁷

Expanded Secondary Sanctions Related to Trade in Russian Gold

On December 23, 2022, President Biden signed the Fiscal Year 2023 National Defense Authorization Act (“NDAA”) into law. Notably, section 5590 of the NDAA includes provisions directing the President to impose sanctions against trade in Russian gold.

The NDAA requires that the President submit periodic reports to Congress identifying foreign persons that knowingly participated in a significant transaction for the sale, supply or transfer (including transportation), of gold, directly or indirectly, to or from (i) Russia or (ii) the government of Russia, including from reserves of the Central Bank of Russia held outside of Russia. The report must also identify foreign persons who knowingly participated in a significant transaction that otherwise involved gold in which the Russian government had any interest.

The President is required to impose blocking sanctions, and may impose visa sanctions, against those persons identified in the reports.

Prohibition on Sovereign Debt and Transactions with the Central Bank of Russia

[Directive 4](#) under E.O. 14024, “Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation” (the “Russia-related Sovereign Transactions Directive”), prohibits US persons from engaging in any transaction (direct or indirect)⁵⁸ involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation or the Ministry of Finance of the Russian Federation (“Directive 4 Entities”), including any transfer of assets to such entities or any foreign exchange transaction for or on behalf of such entities.

⁵⁶ E.O. 14024 section 1(a)(vi).

⁵⁷ FAQ 980.

⁵⁸ FAQ 998.

Because the directive's prohibition covers direct and indirect involvement of the Directive 4 Entities, OFAC has urged US persons to be cautious of nonroutine foreign exchange transactions that may indirectly involve Directive 4 Entities. OFAC also noted that US persons should exercise caution in engaging in foreign exchange transactions on the Moscow Exchange given the current heightened risk that the Central Bank of the Russian Federation could be a counterparty to such transactions.⁵⁹

OFAC clarified that its "50% Rule"⁶⁰ does not apply to this directive⁶¹ and that US persons are not required to block transactions involving Directive 4 Entities, but must only reject such transactions.⁶²

[Directive 1A](#), "Prohibitions Related to Certain Sovereign Debt of the Russian Federation" (the "Russia-related Sovereign Debt Directive"), prohibits US financial institutions⁶³ from participating in the secondary market for bonds issued after March 1, 2022 by the Directive 4 Entities (prohibitions on participation in primary market and lending had been introduced earlier). Subsequently, the new investment prohibition of E.O. 14071 prohibited US persons from purchasing debt and equity securities issued by any entity in Russia, which include bonds issued by Directive 4 Entities.

Entities determined to be subject to the prohibitions of Directive 1A or Directive 4 are listed on OFAC's Non-SDN Menu-Based Sanctions List.

Correspondent and Payable-Through Account Sanctions on Sberbank

Prior to the imposition of full blocking sanctions on Sberbank and its subsidiaries on April 6, 2022, OFAC imposed restrictions on Sberbank and 25 foreign financial institution ("FFI") subsidiaries that are 50% or more owned, directly or indirectly, by Sberbank pursuant to Directive 2 under E.O. 14024.

⁵⁹ FAQ 981, 1002.

⁶⁰ The "50% Rule" states that the property and interests in property of entities directly or indirectly owned 50 percent or more in the aggregate by one or more blocked persons are considered blocked.

⁶¹ FAQ 1001.

⁶² FAQ 1004.

⁶³ For the purposes of this directive, the term "US financial institution" means any US entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding or brokering loans or credits, or purchasing or selling foreign exchange, securities, futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes depository institutions, banks, savings banks, money services businesses, operators of credit card systems, trust companies, insurance companies, securities brokers and dealers, futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones or jewels and US holding companies, US affiliates or US subsidiaries of any of the foregoing.

[Directive 2](#), “Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions” (the “Russia-related CAPTA Directive”), prohibits US financial institutions⁶⁴ from:

- opening or maintaining a correspondent account⁶⁵ or payable-through account⁶⁶ for or on behalf of FFIs determined to be subject to the prohibitions of the directive, or their property or interests in property; and
- processing a transaction involving such FFIs or their property or interests in property.

OFAC clarified that the prohibitions of Directive 2 apply with respect to any currency, not just transactions denominated in US dollars.⁶⁷

All FFIs that are 50% or more owned by a designated entity are covered. However, OFAC also clarified that the prohibitions do not apply to subsidiaries that are not FFIs, even if those non-FFI subsidiaries are 50% or more owned, directly or indirectly, individually or in the aggregate, by one or more FFIs determined to be subject to the directive.⁶⁸

Directive 2 does not impose blocking sanctions and, thus, does not require US financial institutions to block the assets of FFIs subject to the prohibitions of the directive.⁶⁹ Instead, the directive requires that US financial institutions reject any transaction involving any such FFI or its property or interests in property. This includes rejecting transactions related to any securities (including depositary receipts) issued by such FFI, including secondary market trading.⁷⁰

For FFIs determined to be subject to Directive 2, the prohibitions of the directive would take effect 30 days after the date of such determination. Entities determined to be subject to the prohibitions of this directive will be listed on OFAC’s CAPTA List.

⁶⁴ The prohibition only applies to US financial institutions and does not apply to foreign subsidiaries of US financial institutions (see FAQ 972). US individuals and companies that are not “US financial institutions,” as defined in fn. 63, can process transactions involving FFIs that are subject to the directive. See FAQ 973.

⁶⁵ Directive 2 defines “correspondent account” as “an account established by a US financial institution for [an FFI] to receive deposits from, or to make payments on behalf of, the [FFI], or to handle other financial transactions related to such [FFI].”

⁶⁶ The term “payable-through account” is defined as “a correspondent account maintained by a US financial institution for [an FFI] by means of which the [FFI] permits its customers to engage, either directly or through a subaccount, in banking activities usual in connection with the business of banking in the United States.”

⁶⁷ FAQ 971.

⁶⁸ FAQ 969.

⁶⁹ FAQ 967.

⁷⁰ *Id.*

Debt and Equity Prohibitions

Prior to the implementation of the new investment prohibition under E.O. 14071, which by its broad mandate covers transactions under [Directive 3](#), “Prohibitions Related to New Debt and Equity of Certain Russia-related Entities” (the “Russia-related Entities Directive”), the directive prohibited US persons and persons within the United States from all transactions in, provision of financing for and other dealings in: (i) new debt⁷¹ of longer than 14 days’ maturity; and (ii) new equity, in each case of entities determined to be subject to the prohibitions of the directive or their property or interests in property, including entities 50% or more owned by an entity subject to the directive, and irrespective of currency denomination.⁷²

OFAC determined 13 entities were subject to the prohibitions under Directive 3. Four of these, Sberbank, Alfa-Bank, Alrosa and Credit Bank of Moscow PJSC, later became subject to full blocking sanctions. The other nine entities determined to be subject to Directive 3 were:

- Gazprombank JSC
- JSC Russian Agricultural Bank
- PJSC Gazprom
- PJSC Gazprom Neft
- OJSC Russian Railways
- PJSC Transneft
- PJSC Rostelecom
- PJSC RusHydro
- JSC Sovcomflot

Prohibitions took effect at 12:01 a.m. EDT on March 26, 2022 for these entities and their 50% or more owned subsidiaries. For any entity later determined to be subject to Directive 3, the prohibitions of the directive would take effect 30 days after the date of such determination. Entities determined to be subject to the prohibitions of this directive will be listed on OFAC’s Non-SDN Menu-Based Sanctions List.

General Licenses

For the purpose of minimizing unintended consequences on third parties, OFAC issued a number of general licenses (“GLs”) in connection with these actions. Below is a list of GLs in effect as of the publication date of this document. For a summary of GLs that have expired, see [Annex C](#).

⁷¹ For the purposes of Directive 3, “debt” includes “bonds, loans, extensions of credit, loan guarantees, letters of credit, drafts, bankers acceptances, discount notes or bills, or commercial paper,” and “equity” includes “stocks, share issuances, depositary receipts, or any other evidence of title or ownership.” FAQ 986.

⁷² FAQ 985, 984.

GL 2: Servicing Transactions Involving VEB

GL 2 authorizes all transactions prohibited by E.O. 14024 involving VEB and its subsidiaries that are ordinarily incident and necessary to the servicing of bonds issued before March 1, 2022 by the Directive 4 Entities.

GL 5: Transactions Related to Official Business of Certain International Organizations and Entities

GL 5 authorizes transactions by employees, grantees or contractors for the conduct of the official business of: (i) the International Centre for Settlement of Investment Disputes, the Multilateral Investment Guarantee Agency, the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies; and (ii) The African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank Group, including any fund entity administered or established by any of the foregoing (the “Selected International Organizations”).

Note that transactions for the conduct of the official business of the United Nations (including its specialized agencies, programs, funds and related organizations) by employees, grantees or contractors are exempted under section 9 of E.O. 14024.

GL 6C: Transactions Related to Agricultural Commodities, Medicine, Medical Devices, the COVID-19 Pandemic or Clinical Trials⁷³

GL 6C authorizes transactions related to (1) the production, manufacturing, sale, transport or provision of agricultural commodities,⁷⁴ agricultural equipment, medicine,⁷⁵ medical devices,⁷⁶ replacement parts and components for medical devices or software updates for medical devices; (2) the prevention, diagnosis, or treatment of COVID19 (including research or clinical studies relating to COVID-19); or (3) clinical trials and other medical research activities.

⁷³ Effective January 17, 2023, GL 6C replaces and supersedes GL 6B, issued July 14, 2022.

⁷⁴ Agricultural commodities are products that fall within the term “agricultural commodity” as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602) and are intended for use as: (i) food for humans (including raw, processed, and packaged foods; live animals; vitamins and minerals; food additives or supplements; and bottled drinking water) or animals (including animal feeds); (ii) seeds for food crops; (iii) fertilizers or organic fertilizers; or (iv) reproductive materials (such as live animals, fertilized eggs, embryos, and semen) for the production of food animals.

⁷⁵ Medicine is an item that falls within the definition of the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

⁷⁶ A medical device is an item that falls within the definition of “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

GL 6C authorizes certain services that would otherwise be prohibited under the determination of May 8, 2022 made pursuant to E.O. 14071, which prohibited certain accounting, trust and corporate formation and management consulting services.⁷⁷

Because GL 6C does not authorize a US financial institution to maintain or open a correspondent account or payable-through account for or on behalf of entities subject to the prohibitions of Directive 2, OFAC clarified that for a US financial institution to engage in transactions authorized under GL 6C all such funds transfers must be processed indirectly through a non-sanctioned, non-US financial institution.⁷⁸

GL 7A: Transactions Related to Overflight and Emergency Landings⁷⁹

GL 7A authorizes transactions that are ordinarily incident and necessary to: (i) the receipt of, and payment of charges for, services rendered in connection with overflights of the Russian Federation or emergency landings in the Russian Federation by aircraft registered in the United States or owned or controlled by, or chartered to, US persons; and (ii) provide air ambulance and related medical services, including medical evacuation, to individuals in the Russian Federation.

GL 8F: Transactions Related to Energy⁸⁰

GL 8F authorizes through 12:01 a.m. EDT on May 16, 2023 transactions that are “related to energy” involving one or more of the Covered Entities (as described below), Alfa-Bank, Rosbank, **Bank Zenit PJSC**, **Bank Saint-Petersburg PJSC** (and any entity owned 50% or more by these entities) and the Central Bank of the Russian Federation. The “Covered Entities” are: (i) VEB; (ii) Otkritie; (iii) Sovcombank; (iv) Sberbank; (v) VTB; or (vi) any entity in which one or more of the entities listed in (i)-(v) own, directly or indirectly, individually or in the aggregate, a 50% or greater interest (“Covered Subsidiaries”).

The term “related to energy” means the extraction, production, refinement, liquefaction, gasification, regasification, conversion, enrichment, fabrication, transport, or purchase of petroleum, including crude oil, lease condensates, unfinished oils, natural gas liquids, petroleum products, natural gas, or other products capable of producing energy, such as coal, wood, or agricultural products used to manufacture biofuels, or uranium in any form, as well as the development, production, generation, transmission, or exchange of power, through any means, including nuclear, thermal and renewable energy sources.

Because GL 8F does not authorize a US financial institution to maintain or open a correspondent account or payable-through account for or on behalf of entities subject to

⁷⁷ US Department of the Treasury, Determination Pursuant to Section I(a)(ii) of E.O. 14071, *available* [here](#).

⁷⁸ FAQ 978.

⁷⁹ Effective May 5, 2022, GL 7A replaces and supersedes GL 7, issued February 24, 2022.

⁸⁰ Effective February 24, 2023, GL 8F replaces and supersedes GL 8E, issued December 15, 2022.

the prohibitions of Directive 2, OFAC clarified that for a US financial institution to engage in transactions authorized under GL 8F, all such funds transfers must be processed indirectly through a non-sanctioned, non-US financial institution.⁸¹

GL 8F does not: (i) authorize any transaction prohibited by Directive 1A under E.O. 14024 (the Russia-related Sovereign Debt Directive); or (ii) any debit to an account on the books of a US financial institution of the Central Bank of the Russian Federation.

GL 13D: Administrative Transactions Prohibited by Directive 4⁸²

GL 13D authorizes US persons or entities owned or controlled (directly or indirectly) by a US person through 12:01 a.m. EDT on June 6, 2023, to pay taxes, fees or import duties, and purchase or receive permits, licenses, registrations or certifications, to the extent such transactions are prohibited by Directive 4, *provided* such transactions are ordinarily incident and necessary to such persons' day-to-day operations in the Russian Federation.

GL 14: Clearing and Settlement Transactions Prohibited by Directive 4

GL 14 authorizes all transactions prohibited by Directive 4 involving the Directive 4 Entities, where the Directive 4 Entity's sole function in the transaction is to act as an operator of a clearing and settlement system, *provided* that: (i) there is no transfer of assets to or from any Directive 4 Entity, unless separately authorized; and (ii) no Directive 4 Entity is either a counterparty or a beneficiary to the transaction (unless separately authorized).

GL 15: Transactions Involving Certain Blocked Entities Owned by Alisher Burhanovich Usmanov

GL 15 authorizes all dealings with entities that are 50% or more directly or indirectly owned by Usmanov that are not on OFAC's SDN List. In other words, only those entities owned 50% or more directly or indirectly by Usmanov that are on OFAC's SDN List are subject to blocking sanctions.

GL 18: Transactions Related to US Dollar-Denominated Banknote Noncommercial, Personal Remittances Prohibited by E.O. 14068

GL 18 authorizes all transactions prohibited by E.O. 14068 that are ordinarily incident and necessary to the transfer of US dollar-denominated banknote noncommercial, personal remittances⁸³ from: (i) the United States or a US person, wherever located, to an individual located in the Russian Federation; or (ii) a US person who is an individual located in the Russian Federation. Noncommercial, personal remittances do not include

⁸¹ FAQ 978.

⁸² Effective February 24, 2023, GL 13D replaces and supersedes GL 13C, issued November 21, 2022.

⁸³ Noncommercial, personal remittances do not include charitable donations to or for the benefit of an entity or funds transfers for use in supporting or operating a business, including a family-owned business.

charitable donations to or for the benefit of an entity or funds transfers for use in supporting or operating a business, including a family-owned business.

Transferring institutions may rely on the originator of a funds transfer with regard to compliance with GL 18, *provided* that the transferring institution does not know or have reason to know that the funds transfer is not in compliance with GL 18.

GL 19: Transactions Related to Personal Maintenance of US Individuals Located in the Russian Federation Prohibited by E.O. 14068

GL 19 authorizes individuals who are US persons located in the Russian Federation to engage in all transactions prohibited by E.O. 14068 that are ordinarily incident and necessary to their personal maintenance within the Russian Federation, including payment of housing expenses, acquisition of goods or services for personal use, payment of taxes or fees and purchase or receipt of permits, licenses or public utility services.

GL 20: Third-Country Diplomatic and Consular Funds Transfers

GL 20 authorizes US persons to engage in all transactions ordinarily incident and necessary to the official business of third-country diplomatic or consular missions located in Russia that are prohibited by E.O. 14024 or section 1(a)(iv) of E.O. 14068.

GL 25C: Transactions Related to Telecommunications and Certain Internet-Based Communications⁸⁴

GL 25C authorizes all transactions ordinarily incident and necessary to the receipt or transmission of telecommunications involving the Russian Federation. In addition, the exportation or reexportation, sale, or supply (directly or indirectly) from the United States or by US persons (wherever located) to the Russian Federation of services, software, hardware, or technology incident to the exchange of communications over the internet (*e.g.*, instant messaging, videoconferencing, chat and email, social networking, sharing of photos, movies, and documents, web browsing, blogging, web hosting and domain name registration services) is authorized.

OFAC clarified that GL 25C does not authorize any transactions involving JSC Channel One Russia, JSC NTV Broadcasting Company, Television Station Russia-1, LLC Algoritm, New Eastern Outlook or Oriental Review, recently designated entities, unless separately authorized.

GL 27: Certain Transactions in Support of Nongovernmental Organizations' Activities

GL 27 authorizes all transactions ordinarily incident and necessary to certain activities⁸⁵ by nongovernmental organizations, *provided* that the only involvement of blocked

⁸⁴ Effective July 14, 2022, GL 25C replaces and supersedes GL25B, dated June 2, 2022.

persons is the processing of funds by financial institutions blocked pursuant to E.O. 14024.

GL 28B: Wind Down and Rejection of Certain Transactions Involving TKB and Afghanistan⁸⁶

GL 28B authorizes through 12:01 a.m. EDT March 18, 2023: (i) all transactions ordinarily incident and necessary to the wind down of transactions involving TKB or any entity in which TKB owns a 50% or greater interest (collectively, “TKB entities”), that are ultimately destined for or originating from Afghanistan, provided that any payment to any TKB entity is made into a blocked account; and (ii) US persons to reject (rather than block) all transactions ordinarily incident and necessary to the processing of funds ultimately destined for or originating from Afghanistan involving one or more TKB entities as an originating, intermediary or beneficiary financial institution.

The wind down and closure of correspondent accounts operated by US financial institutions on behalf of TKB entities are authorized under this general license, provided that any remaining funds or assets in the correspondent account to be paid to any TKB entity are placed in a blocked account.

GL 31: Transactions Related to Patents, Trademarks and Copyrights

GL 31 authorizes the following transactions in connection with a patent, trademark, copyright or other form of intellectual property protection (“IP protection”) in the United States or Russia: (i) the filing and prosecution of any application to obtain IP protection; (ii) the receipt of IP protection; (iii) the renewal or maintenance of IP protection; and (iv) the filing and prosecution of any opposition or infringement proceeding with respect to IP protection, or the entrance of a defense to any such proceeding.

⁸⁵ The authorized activities are those that: (i) support humanitarian projects to meet basic human needs in Ukraine or Russia, including drought and flood relief; food, nutrition, and medicine distribution; the provision of health services; assistance for vulnerable or displaced populations, including individuals with disabilities and the elderly; and environmental programs; (2) support democracy building in Ukraine or Russia, including activities to support rule of law, citizen participation, government accountability and transparency, human rights and fundamental freedoms, access to information and civil society development projects; (3) support education in Ukraine or Russia, including combating illiteracy, increasing access to education, international exchanges, and assisting education reform projects; (4) support non-commercial development projects directly benefiting the people of Ukraine or Russia, including those related to health, food security, and water and sanitation; and (5) support environmental and natural resource protection in Ukraine or Russia, including the preservation and protection of threatened or endangered species, responsible and transparent management of natural resources, and the remediation of pollution or other environmental damage.

⁸⁶ Effective January 17, 2023, GL 28B replaces and supersedes GL 28A, issued October 17, 2022.

GL 38A: Transactions Related to Pension Payments⁸⁷

GL 38A authorizes all transactions ordinarily incident and necessary to the processing of pension payments to: (i) US persons; or (ii) non-US persons not located in Russia that are prohibited by E.O. 14024, *provided* that the only involvement of blocked persons is the processing of funds by financial institutions blocked pursuant to E.O. 14024.

GL 40C: Transactions Related to Civil Aviation Safety⁸⁸

GL 40C authorizes all transactions ordinarily incident and necessary to the provision, exportation or reexportation of goods, technology or services to ensure the safety of civil aviation involving one or more of the blocked entities listed in the annex to GL 40C and that are prohibited by E.O. 14024.

However, the aircraft must be registered in a jurisdiction solely outside of the Russian Federation and the goods, technology or services that are provided, exported or reexported must be for use on aircraft operated solely for civil aviation purposes.

GL 42: Transactions with the Federal Security Service

GL 42 authorizes all transactions involving the FSB prohibited by E.O. 14024 that are ordinarily incident and necessary for: (1) requesting, receiving, utilizing, paying for or dealing in licenses, permits, certifications or notifications issued or registered by the FSB for the importation, distribution or use of information technology products in the Russian Federation, *provided* that (i) the exportation, reexportation or provision of any goods or technology that are subject to the EAR is licensed or otherwise authorized by the Department of Commerce, and (ii) the payment of any fees to the FSB for such licenses, permits, certifications or notifications does not exceed \$5,000 in any calendar year; (2) complying with law enforcement or administrative actions or investigations involving the FSB; and (3) complying with rules and regulations administered by the FSB.

GL 44: Export or Reexport of Certain Accounting Services to US Individuals in Russia

GL 44 authorizes all transactions ordinarily incident and necessary to the exportation, reexportation, sale, or supply (directly or indirectly) from the United States or by a US person (wherever located) of tax preparation or filing services to any individual who is a US person located in the Russian Federation.

GL 46: Transactions in Support of an Auction Process to Settle Certain Credit Derivative Transactions Prohibited by the New Investment Prohibition

GL 46 authorizes all transactions related to the establishment, administration, participation in and execution of an auction process as announced by the EMEA Credit

⁸⁷ Effective August 19, 2022, GL 38A replaces and supersedes GL38, issued June 2, 2022.

⁸⁸ Effective November 14, 2022, GL 40C replaces and supersedes GL40B, issued August 3, 2022.

Derivatives Determination Committee to settle credit derivative transactions with a reference entity of “the Russian Federation” and prohibited by the new investment prohibition in E.O. 14071.

The purchase or receipt of debt obligations of the Russian Federation by US persons is authorized for the period beginning two business days prior to the announced date of the auction and ending eight business days after the conclusion of the auction. All transactions ordinarily incident and necessary to facilitating, clearing and settling transactions authorized under this license are also authorized.

GL 50: Closing of Individual Accounts at Blocked Financial Institutions

GL 50 authorizes all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to (i) the closing of an account of an individual (wherever located) who is not a blocked person (“the account holder”), held at a financial institution blocked pursuant to E.O. 14024, and (ii) the unblocking and lump sum transfer of all remaining funds and other assets in the account to the account holder, including to an account of the account holder held at a non-blocked financial institution.

GL 52: Journalistic Activities and Establishment of News Bureaus

GL 52 authorizes US news reporting organizations or US individuals who are journalists, photojournalists, or broadcast or technical personnel to engage in a variety of transactions to the extent such transactions are ordinarily incident and necessary to journalistic activities or to establish or operate a news bureau. Any transactions involving Joint Stock Company Channel One Russia, Joint Stock Company NTV Broadcasting Company, Television Station Russia-1, LLC Algoritm, New Eastern Outlook or Oriental Review remain prohibited, unless separately authorized.

GL 53: Diplomatic Missions of the Russian Federation

GL 53 authorizes US persons to engage in all transactions ordinarily incident and necessary to the official business of diplomatic or consular missions of the Government of the Russian Federation (“Russian missions”) that would otherwise be prohibited by Directive 4, including the compensation of employees of Russian missions.

OFAC confirmed that the GL 53 authorization applies to transactions related to Russian missions located in or outside the United States and that non-US persons may engage in transactions authorized for US persons under GL 53 without risk of sanctions under E.O. 14024.⁸⁹

⁸⁹ FAQ 1096.

GL 54A: Certain Transactions Involving VEON Ltd. or VEON Holdings B.V.⁹⁰

GL 54A authorizes all transactions ordinarily incident and necessary to (i) the purchase or receipt of any debt or equity securities of VEON Ltd. or VEON Holdings B.V. that are prohibited by the new investment prohibition of E.O. 14071, *provided* that the debt or equity securities were issued prior to June 6, 2022, and (ii) facilitating, clearing and settling of such transactions.

GL 55: Certain Services Related to Sakhalin-2

GL 55 authorizes through 12:01 a.m. EDT, September 30, 2023, all transactions related to the maritime transport of crude oil originating from the Sakhalin-2 project, *provided* that the Sakhalin-2 crude oil is solely for importation into Japan.

GL 56A: Certain Services with Respect to the EU⁹¹

GL 56 authorizes all transactions related to the importation of Russian oil or Russian petroleum that would be prohibited by the price cap on Russian oil or Russian petroleum into the Republic of Bulgaria, the Republic of Croatia or landlocked EU Member States as described in Council Regulation (EU) 2022/879 of June 3, 2022.

GL 57A: Certain Services Related to Vessel Emergencies⁹²

GL 57A authorizes all transactions otherwise prohibited by the price cap on Russian oil or Russian petroleum that are ordinarily incident and necessary to addressing vessel emergencies related to the health or safety of the crew or environmental protection, including safe docking or anchoring, emergency repairs or salvage operations.

GL 57A does not authorize any transactions related to the sale of Russian oil or Russian petroleum.

GL 58: Wind Down and Rejection of Transactions Involving Rosbank

GL 58 authorizes through 12:01 a.m. EDT March 15, 2023, all transactions that are ordinarily incident and necessary to the wind down of transactions involving Rosbank, or any entity in which Rosbank owns (directly or indirectly) a 50% or greater interest (“Rosbank Entities”), *provided* that any payment to a blocked person must be made into a blocked account.

US persons are authorized to reject (rather than block) through 12:01 a.m. EDT March 15, 2023, all transactions that are ordinarily incident and necessary to the processing of funds involving Rosbank or Rosbank Entities as an originating, intermediary or beneficiary financial institution.

⁹⁰ Effective January 17, 2023, GL 54A replaced and superseded GL 54, issued November 18, 2022.

⁹¹ Effective February 3, 2023, GL 56A replaced and superseded GL 56, issued November 22, 2022.

⁹² Effective February 3, 2023, GL 57A replaced and superseded GL 57, issued November 22, 2022.

GL 59: Transactions Related to Debt or Equity of or Derivative Contracts Involving Rosbank

GL 59 authorizes through 12:01 a.m. EDT March 15, 2023 all transactions that are ordinarily incident and necessary to:

- the divestment or transfer, or the facilitation of the divestment or transfer, of debt or equity of Rosbank or Rosbank Entities to a non-US person;
- facilitating, clearing and settling trades of covered debt or equity that were placed prior to 4:00 p.m. EST December 15, 2022; or
- the wind down of derivative contracts entered into prior to 4:00 p.m. EST December 15, 2022, that (i) include Rosbank or Rosbank Entities as a counterparty or (ii) are linked to covered debt or equity, *provided* that any payments to a blocked person are made into a blocked account.

GL 60: Wind Down and Rejection of Transactions with Certain Blocked Financial Institutions

GL 60 authorizes through 12:01 a.m. EDT May 25, 2023 all transactions that are ordinarily incident and necessary to the wind down of transactions involving the following blocked entities: Bank Saint-Petersburg PJSC, Bank Zenit PJSC, JS Commercial Bank Primorye, PJSC Bank Uralsib, JSC Commercial Bank Lanta Bank, SDM-Bank PJSC, PJSC Stock Commercial Bank Metallurgical Investment Bank, PJSC Ural Bank for Reconstruction and Development, Credit Bank of Moscow PJSC or any entity in which one or more of the above entities owns, directly or indirectly, individually or in the aggregate, a 50% or greater interest. However, any payment to a blocked entity must be made into a blocked account.

US persons are authorized to reject (rather than block) through 12:01 a.m. EDT May 25, 2023 all transactions that are ordinarily incident and necessary to the processing of funds involving one or more of the blocked entities as an originating, intermediary or beneficiary financial institution.

GL 61: Transactions Related to Debt or Equity of, or Derivative Contracts Involving, Certain Blocked Financial Institutions

GL 61 authorizes through 12:01 a.m. EDT May 25, 2023 all transactions that are ordinarily incident and necessary to the divestment or transfer, or the facilitation of the divestment or transfer, of debt or equity of the following blocked entities to a non-US person: Bank Saint-Petersburg PJSC, Bank Zenit PJSC, PJSC Bank Uralsib, JSC Commercial Bank Lanta Bank, SDM-Bank PJSC, PJSC Stock Commercial Bank Metallurgical Investment Bank or any entity in which one or more of the above entities own, directly or indirectly, individually or in the aggregate, a 50% or greater interest.

GL 61 also authorizes through 12:01 a.m. EDT on May 25, 2023 all transactions ordinarily incident and necessary to facilitating, clearing and settling trades of covered debt or equity that were placed prior to 4:00 p.m. EST on February 24, 2023.

In addition, GL 61 authorizes through 12:01 a.m. on May 25, 2023 all transactions ordinarily incident and necessary to the wind down of derivative contracts entered into prior to 4:00 p.m. EST on February 24, 2023 that (i) include a blocked person as listed above as a counterparty or (ii) are linked to covered debt or equity as described above, *provided* that any payments made to a blocked person are made into a blocked account.

GL 61 does not authorize US persons to (i) sell or facilitate the sale of covered debt or equity to (directly or indirectly) any person whose property and interests in property are blocked or (ii) purchase or invest in, or facilitate the purchase of or investment in, directly or indirectly, covered debt or equity, other than such purchases or investments ordinarily incident and necessary to divestment or transfer of covered debt or equity as authorized by GL 61.

FAQs

OFAC provided further guidance on these sanctions by updating or issuing new Frequently Asked Questions. Below is a non-exhaustive list of these FAQs, many of which are addressed in the preceding discussion, as applicable.

- Provide an overview of actions related to Russia’s financial services sector pursuant to E.O. 10424 (FAQs 966, 974).
- Explain the wind down requirements for dealings with relevant banks and notes that not all newly sanctioned banks are covered by a wind-down period (*e.g.*, PSB or Novikombank) (FAQ 975).
- Address questions related to Directive 2 (FAQs 967, 968, 969, 970, 971, 972), including:
 - FAQ 967 provides guidance on the scope of Directive 2’s restrictions.
 - FAQ 969 explains that OFAC’s “50% Rule” applies to Directive 2 (*i.e.*, that all FFIs directly or indirectly owned 50% or more by a designated person are also subject to the same restrictions as the designated person).
 - FAQ 971 cautions that Directive 2’s restrictions apply to all currencies, not just US dollar transactions.

- FAQ 972 notes that non-US financial institutions are not within the scope of Directive 2's restrictions regarding Sberbank, but FAQ 970 further explains that non-US financial institutions may not use their own accounts to process US dollar or other transactions on behalf of Sberbank at a US financial institution.
- Address authorized transactions related to energy (FAQs 976, 977) and for official business of an international organization, humanitarian-related trade or the response to the COVID-19 pandemic (FAQ 979).
- Explain compliant payment flows for certain licensed transactions under GLs 6, 7 and 8F (FAQ 978).
- Address accounts held by US persons at a sanctioned FFI (FAQ 973).
- Note that non-US persons face the risk of being sanctioned themselves if US authorities determine that they have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of a Russian company blocked under the new sanctions (FAQ 980).
- Address debt and equity restrictions under Directive 3 and related GL 9C (FAQs 981, 982, 983, 984, 985, 986, 987, 988, 989).
- Provide that debits to blocked accounts are only permitted if expressly authorized (FAQ 990).
- Address questions related to Directive 4 (FAQs 998, 999, 1001, 1002, 1003, 1004, 1005), including:
 - FAQs 998 and 1002 clarify that direct and indirect transactions involving Directive 4 Entities are prohibited and warn US persons of nonroutine foreign exchange transactions that may indirectly involve Directive 4 Entities.
 - FAQ 999 explains what authorizations exist for Directive 4 Entities.
 - FAQ 1001 confirms that OFAC's "50% Rule" does not apply to Directive 4.
 - FAQ 1004 clarifies that US persons are not required to block transactions involving Directive 4 Entities.
 - FAQ 1005 confirms that Directive 4 does *not* prohibit trading in the secondary markets for debt or equity of Directive 4 Entities, *provided* that no Directive 4 Entity is a counterparty to such transaction.

- Explain that if GL 8C is not renewed, OFAC intends to issue a general license authorizing the orderly wind down of activities covered by GL 8C (FAQ 1012).⁹³
- Describe the scope of the prohibitions under E.O. 14066 and the activities that are authorized through 12:01 EDT April 22, 2022 for certain transactions prohibited by E.O. 14066 (FAQs 1010, 1013-1016, 1018-1020), including:
- Clarify that the wind down of contracts or other business-related activities by US persons to comply with the import ban imposed under E.O. 14066 and transactions to sell or re-direct shipments that were laden on or after March 8, 2022 and previously destined for the United States are authorized (FAQ 1010).
- Affirm that E.O. 14024 and other Russia-related sanctions extend to virtual currency and digital assets and that (i) US persons, including virtual currency exchanges, virtual wallet hosts and other service providers are prohibited from engaging in or facilitating prohibited transactions, and (ii) US financial institutions are prohibited from processing prohibited virtual currency transactions (FAQ 1021).
- Address questions related to E.O. 14068, including:
 - FAQ 1022 provides an overview of the new Russia-related prohibitions on certain imports, exports and new investment.
 - FAQ 1023 confirms that (i) GL 17A authorizes prohibited transactions related to certain Russian-origin imports pursuant to written agreements entered into prior to March 11, 2022 through March 25, 2022 (alcoholic beverages and non-industrial diamonds) and June 23, 2022 (fish, seafood and preparations thereof), but does not authorize entry into new contracts; and (ii) E.O. 14068 does not prohibit transactions such as the unwinding of contracts or other business-related activities by US persons to comply with the import ban or to sell or redirect shipments outside of the United States previously destined for the United States.
 - FAQ 1024 (i) confirms that E.O. 14068 does not prohibit US persons from engaging in transactions to sell or redirect shipments outside of the United States of prohibited imports previously destined for the United States and (ii) states that OFAC may issue specific licenses on a case-by-case basis to authorize shipments occurring after the expiry of GL 17A (March 25, 2022 (alcoholic beverages and non-industrial diamonds) and June 23, 2022 (fish, seafood and preparations thereof)).

⁹³ OFAC has not updated this FAQ since the issuance of GL 8D on November 10, 2022, which superseded GL 8C and extended the term of the license to May 15, 2023.

- FAQ 1025 confirms that GL 6A remains valid and authorizes, among other things, transactions ordinarily incident and necessary to the exportation or reexportation of agricultural commodities (including products such as fish, seafood or preparations thereof) to, from or transiting the Russian Federation, *provided* that such transactions are not for the importation of these Russian origin products into the United States, as prohibited by E.O. 14068.
- FAQ 1026 explains that non-US persons are not exposed to sanctions under E.O. 14068 for the import of prohibited Russian origin products to jurisdictions outside the United States, *provided* that such import does not involve a sanctioned person or otherwise prohibited transaction.
- FAQ 1027 clarifies that definitions of “fish, seafood and preparations thereof,” “alcoholic beverages” and “non-industrial diamonds” are derived from Harmonized Tariff Schedule of the United States articles.
- FAQ 1028 confirms that GL 18 authorizes certain transactions that are ordinarily incident and necessary to the transfer of US dollar-denominated banknotes for noncommercial, personal remittances from: (i) the United States or a US person, to an individual located in the Russian Federation; or (ii) a US person who is an individual located in the Russian Federation. GL 18 also authorizes methods of payment including withdrawals of US dollar-denominated banknotes via automated teller machines and the hand carrying of US dollar-denominated banknotes.
- Address the impact of E.O. 14024, the June 28, 2022 determination issued pursuant to E.O. 14068 and other Russia-related sanctions on gold-related transactions or persons participating in the gold market (FAQ 1029).
- Clarify that US persons, including US operators of credit card systems and US acquirers, are prohibited from processing transactions involving certain sanctioned foreign financial institutions. Non-US operators of credit card systems whose payment cards are issued by sanctioned foreign financial institutions may also be in violation of sanctions if they allow those cards to be used in the United States (FAQ 1030).
- Clarify that GL 25C explicitly excludes from the authorization any transactions involving JSC Channel One Russia, Television Station Russia-1, JSC NTV Broadcasting Company, New Eastern Outlook and Oriental Review (FAQ 1040).
- Confirm that transactions ordinarily incident and necessary to the exportation or reexportation of agricultural commodities to, from or transiting Russia that involve

Agropromyshlenniy Kompleks Voronezhskii OOO, Anninskii Elevator OOO and Azovskaya Zernovaya Kompaniya OOO⁹⁴ are authorized under GL 6B (FAQ 1039).

- Address questions relating to the May 8, 2022 actions targeting certain accounting, trust and corporate formation and management consulting services (FAQs 1033, 1034, 1035, 1036, 1037, 1038), including:
 - FAQ 1038 provides definitions, for the purposes of the May 8, 2022 determination made pursuant to E.O. 14024, of “accounting sector,” “trust and corporate formation services sector” and “management consulting sector.”
 - FAQ 1035 provides definitions, for the purposes of GL 35, of “credit rating services” and “auditing services.”
 - FAQ 1034 provides definitions, for the purposes of the May 8, 2022 determination made pursuant to E.O. 14071, of “accounting,” “trust and corporate formation” and “management consulting” services.
- Address questions related to the new investment prohibitions (FAQs 1049-1055), including:
 - FAQ 1049 defines “new investment” as the commitment of capital or other assets for the purpose of generating returns or appreciation, made on or after the effective date of the New Investment Prohibitions.
 - New investments includes: (i) the purchase or acquisition of real estate in Russia (other than for noncommercial, personal use); (ii) entry into an agreement requiring the commitment of capital or other assets for the establishment or expansion of projects or operations in Russia, including the formation of joint ventures or other corporate entities in Russia; (iii) entry into an agreement providing for the participation in royalties or ongoing profits in Russia; (iv) the lending of funds to persons located in Russia for commercial purposes, including when such funds are intended to be used to fund a new or expanded project or operation in Russia; (v) the purchase of an equity interest in an entity located in Russia; and (vi) the purchase or acquisition of rights to natural resources or exploitation thereof in Russia.
 - New investment also includes such commitments pursuant to the exercise of rights under an agreement entered into *before* the effective dates of the New

⁹⁴ These entities were designated for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, JSC Moscow Industrial Bank.

Investment Prohibitions, where such commitment is made on or after the effective dates of the New Investment Prohibitions.

- New investment does *not* include: (i) the maintenance of an investment made prior to the applicable effective dates of the New Investment Prohibitions; (ii) entry into, performance of, or financing of a contract, pursuant to ordinary commercial sales terms, to sell or purchase goods, services, or technology to or from an entity in Russia; and (iii) wind down or divestment of a pre-existing investment, such as a pre-existing investment in an entity, project, or operation, including any associated tangible property, located in Russia.
- FAQ 1055 clarifies that the New Investment Prohibitions do not prohibit US persons from lending funds to or purchasing a debt or equity interest in entities located outside of Russia, *provided* that: (i) such funds are not specifically intended for new projects or operations in Russia; and (ii) the entity located outside Russia derives **less than 50%** of its revenues from its investments in Russia. **For purposes of assessing the foregoing, US persons may reasonably rely upon the information available to them in the ordinary course of business, including publicly available information such as an entity's most recent quarterly or annual report. For purposes of determining the percentage of revenues derived from investments in Russia, revenues derived from the commercial sale of goods or services by an entity located outside of Russia to persons in Russia should not be included.**
- FAQ 1054 confirms that the New Investment Prohibitions prohibit US persons from purchasing new and existing debt and equity securities issued by an entity in Russia. However, the New Investment Prohibitions do not prohibit US persons from selling or divesting, or facilitating the sale or divestment of, debt or equity securities issued by an entity in Russia to a non-US person. US financial institutions may clear and settle, or otherwise serve as market intermediaries in, divestment transactions on the secondary market (including transactions between non-US persons).

OFAC clarified that US persons are not required to divest such securities and may continue to hold such previously acquired securities.

Furthermore, the purchase of shares in a US fund that contains debt or equity securities issued by entities in Russia generally would not be considered a prohibited "new investment," so long as the fund's holdings of debt or equity securities issued by entities in Russia represent less than a **50% share by value of the fund**. As a result, US persons may continue to invest in

the fund, and the fund may continue to operate. Generally, the fund may also divest itself of these prohibited holdings.

In addition, OFAC explained that the conversion of depositary receipts to underlying local shares of non-sanctioned Russian issuers would not be considered a prohibited new investment in Russia.

OFAC also clarified that the purpose of GL 45 is to authorize the close out of financial contracts entered into on or before June 6, 2022 that might not otherwise be considered a divestment of debt or equity securities issued by entities in the Russian Federation.

- FAQ 1053 clarified that transactions related to the divestment or the facilitation of divestment of a pre-existing investment, including a pre-existing investment in an entity, project, or operation in Russia, are not prohibited by the New Investment Prohibitions. In addition, the prohibition on a US person of approving, financing, facilitating or guaranteeing a transaction by a foreign person that would be prohibited if performed by a US person or within the United States does not prohibit US persons from facilitating the wind down or divestment of an existing investment in a project or operation in Russia.
- FAQ 1053 also clarified that the prohibition on approval, financing, facilitation or guarantee by a US person of a transaction by a foreign person that would be prohibited if conducted by a US person does not prohibit US persons from facilitating the wind down or divestment of an existing investment in Russia, *provided* that such facilitation is on behalf of the selling party only.
- FAQ 1052 notes that US persons may continue to fund their subsidiaries and affiliates with projects or operations located in Russia prior to the effective dates of the New Investment Prohibitions *provided* the use of funds by the subsidiary or affiliate are related to “maintenance” activities.
 - The expansion of pre-existing projects or operations beyond those in effect prior to the effective dates of the New Investment Prohibitions would not be maintenance activities and thus would be prohibited.
- FAQ 1051 confirmed that the New Investment Prohibitions do not prohibit the export or import of goods, services, or technology, or related sales or purchases, to or from Russia, *provided* that such transaction is made pursuant to ordinary commercial sales terms (*e.g.*, a payment of an invoice for goods made within the contracted time period, where such payment does not involve ongoing participation in royalties or ongoing profits).

- Clarify that for the purposes of section 1(a)(ii) of E.O. 14071, OFAC interprets “person located in the Russian Federation” to include persons in the Russian Federation, individuals ordinarily resident in the Russian Federation, and entities incorporated or organized under the laws of the Russian Federation or any jurisdiction within the Russian Federation (FAQ 1058).
- Address questions related E.O. 14071’s prohibition on certain accounting, trust and corporate formation and management consulting services (FAQs 1059-1068), including:
 - FAQ 1059 clarified that the prohibition does not extend to persons located outside of Russia that are owned or controlled by persons located in Russia, *provided* that the services are not an indirect export to a person located in Russia (*i.e.*, that the benefit of the services is not ultimately received by a person located in Russia).
 - FAQ 1060 notes that the prohibition on trust and corporate formation services does not, in and of itself, prohibit US persons from serving on the board of directors of a company located in Russia. However, US persons are prohibited from providing nominee officer or director services in which a US person is contracted to serve as a nominee officer, director, shareholder or signatory of a legal person on behalf of a person located in Russia.
 - FAQ 1061 clarified that US persons are not generally prohibited from working as employees of entities located in Russia and are only prohibited from providing the enumerated prohibited services to companies located in the Russian Federation in their capacity as employees.
 - FAQ 1062 confirmed that the prohibition does apply to services provided to a parent company in Russia by its US subsidiary.
 - FAQ 1063 clarified that the prohibition on trust and corporate formation applies to both new and existing trusts and companies, regardless of whether the services are performed as part of the formation of a new trust or company or as part of the administration or maintenance of an existing trust or company.
 - OFAC confirmed that executive search and vetting services are covered under the prohibition on “management consulting services” (FAQ 1064) and that “accounting services” include tax preparation and filing (FAQ 1068).
 - FAQ 1065 clarified that US persons are prohibited from serving as voting trustees on behalf of, or for shares of, persons located in Russia.

- OFAC also clarified that US persons are not prohibited from providing: (i) educational services (such as online university courses) on the subjects of accounting, management consulting or trust and corporate formation to persons located in Russia (FAQ 1066); or (ii) software related to accounting, management consulting or trust and corporate formation to persons located in Russia, *provided* that such associated services do not fall within the categories of management consulting, accounting or trust and corporate formation (FAQ 1067).
- Explain that the determination issued on June 28, 2022 pursuant to E.O. 14068 prohibits the importation into the United States of gold of Russian Federation origin, but excludes from such prohibition gold of Russian Federation origin that was located outside of the Russian Federation prior to June 28, 2022 (FAQ 1070).
- Clarify that GL 45 authorizes the purchase or facilitating the purchase by US persons of debt or equity securities issued by an entity in Russia, if that purchase is ordinarily incident and necessary to the wind down of a financial contract or agreement entered into, on or before June 6, 2022 (FAQ 1071).
- Explain that GL 46 authorizes transactions such as the submission and acceptance of bids and offers and physical settlement requests by auction participants and their customers, or the delivery and acceptance of the Russian Federation debt obligations and corresponding settlement amounts. OFAC also explained that although GL 46 authorizes US persons to purchase or receive Russian debt obligations for the period beginning two business days prior to the announced date of the auction and ending eight business days after the conclusion of the auction, the general license does not require the clearance and settlement of such transactions to be completed within eight business days after the conclusion of the auction (FAQ 1072).
- Confirm that PhosAgro PJSC, EuroChem Group AG and Sheremetyevo International Airport are not owned 50% or more by recently designated individuals and are therefore not blocked (FAQs 1073-1075).
- Explain that accounts held by US persons at any blocked Russian financial institutions (checking and savings accounts, credit cards, CDs, loans and mortgages) generally are themselves considered blocked property, unless exempt. US persons must stop utilizing such accounts and treat them as blocked. US persons are also required to file a blocking report with OFAC. Note that GL 50 authorizes all transactions ordinarily incident and necessary to close individual accounts held at a blocked financial institution (FAQ 1080).

- Confirm that individuals do not need to provide official documentation proving they have closed their account at a blocked Russian financial institution when utilizing GL 50 (FAQ 1081).
- Explain that although the NSPK (the operator of Russia’s MIR National Payment System, which clears and settles payments between consumers, merchants and banks for debit and credit card payments, primarily in Russia) is not a blocked entity, it may be used to process transactions involving other sanctioned persons and thus non-US financial institutions that enter into or expand agreements with NSPK risk supporting Russia’s efforts to evade US sanctions through the expanded use of the MIR National Payment System outside of Russia (FAQ 1082).
- Define the term “quantum computing services” as any of the following services when related to quantum computing, quantum computers, electronic assemblies thereof or cryogenic refrigeration systems related to quantum computing: infrastructure, web hosting or data processing services; custom computer programming services; computer systems integration design services; computer systems and data processing facilities management services; computing infrastructure, data processing services, web hosting services and related services; repairing computer, computer peripherals or communication equipment; other computer-related services; as well as services related to the exportation, reexportation, sale or supply, directly or indirectly, of quantum computing, quantum computers, electronic assemblies thereof or cryogenic refrigeration systems related to quantum computing to any person located in Russia (FAQ 1084).
- Define the term “quantum computing sector of the Russian Federation economy” as activities related to products and services in or involving Russia in research, development, manufacturing, assembling, maintenance, repair, sale or supply of quantum computing, quantum computers, electronic assemblies thereof or cryogenic refrigeration systems related to quantum computing (FAQ 1086).
- Address questions related to E.O. 14071’s prohibition on certain quantum computing services (FAQs 1059, 1061-1062), including:
 - FAQ 1059 clarified that the prohibition does not extend to persons located outside of Russia that are owned or controlled by persons located in Russia, *provided* that the services are not an indirect export to a person located in Russia (*i.e.*, that the benefit of the services is not ultimately received by a person located in Russia).
 - FAQ 1061 clarified that US persons are not generally prohibited from working as employees of entities located in Russia and are only prohibited from providing

quantum computing services to companies located in Russia in their capacity as employees.

- FAQ 1062 confirmed that the prohibition does apply to services provided to a parent company in Russia by its US subsidiary.
- Confirm that non-US persons are exposed to sanctions risk for activities that would constitute material assistance, sponsorship, financial, material or technological support for, or goods or services to or in support of (“material support”), sanctioned persons or sanctionable activity, particularly for providing material support for Russia’s illegal attempts to annex Ukrainian sovereign territory. However, OFAC again reiterated that sanctions will generally not be imposed on non-US persons engaging in activities that would be authorized for US persons (FAQ 1091).
- Explain that sanctions may be imposed against non-US persons that provide goods, services or other support for Russia’s military-industrial complex. OFAC reaffirmed its broad authority to block non-US persons for violating Russia-related and Ukraine-related sanctions, including the authority to block any person determined to:
 - operate in the defense and related materiel sector of the Russian Federation economy;
 - have materially assisted, sponsored or provided financial, material or technological support for, or goods or services to or in support of, sanctionable activities or persons blocked under the Russia-related sanctions; or
 - have knowingly engaged in significant transactions with companies identified on the list issued under Section 231 of Countering America’s Adversaries Through Sanctions Act of companies operating in the Russian defense and intelligence sectors (FAQ 1092).
- Explain that transactions covered by GL 58 related to wind down of transactions involving Rosbank include those ordinarily incident and necessary to exit operations, contracts or other agreements involving Rosbank or Rosbank Entities that were in effect prior to December 15, 2022, provided that such transactions do not involve a debit to a blocked account on the books of a US financial institution. Wind-down activities covered by GL 58 do not include the continued processing of funds transfers, securities trades or other transactions that involve Rosbank or Rosbank Entities that were part of ongoing business activities prior to the imposition of sanctions (FAQ 1103).

- Notify that, based on information available to OFAC as of December 15, 2022, Norilsk Nickel is not owned 50% or more by Vladimir Potanin and is therefore not blocked as a result of the designation of Vladimir Potanin (FAQ 1104).
- Confirm that US persons, including US financial institutions, may transfer securities issued by non-blocked Russian entities from a decedent's estate to the account of a relevant beneficiary or beneficiaries, including a successor entity (e.g., a family trust), *provided* such transfers (i) are part of the ordinary course administration of the decedent's estate, (ii) do not involve an exchange for value, and (iii) have no other sanctions nexus (including the involvement of blocked persons). Blocked securities in a decedent's estate must remain blocked unless a specific license is obtained from OFAC (FAQ 1113).
- Explain that the sector determination with respect to the metals and mining sector of the Russian economy exposes persons that OFAC may identify as operating or having operated in the sector to sanctions risk, but does not, as a matter of course, automatically impose sanctions on such persons (FAQ 1116).
- Explain that OFAC does not intend to target persons for operating in the metals and mining sector where the provision of goods or services is solely for the safety and care of personnel, protection of human life, prevention of accidents or injuries, maintenance or repair necessary to avoid environmental or other significant damage or activities related to environmental mitigation or remediation (FAQ 1117).
- Clarify that GL 13D does not authorize transactions that involve the payment of "exit tax," which the Russian government may require prior to the divestment of assets located in the Russian Federation. OFAC does not consider the "exit tax" to be ordinarily incident and necessary to day-to-day operations in the Russian Federation and therefore prohibits US persons from engaging in such a transaction with Directive 4 Entities. US persons whose divestment will involve an "exit tax" payment may require a license from OFAC (FAQ 1118).

Embargo of Breakaway Territories

On February 21, 2022, Russian President Vladimir Putin recognized the “independence and sovereignty” of the self-declared Donetsk People’s Republic (“DPR”) and Luhansk People’s Republic (“LPR”) and ordered Russian armed forces into separatist-controlled territories. President Biden responded by signing [E.O. 14065](#), imposing an embargo, apparently modeled on E.O. 13685’s embargo of Crimea, on the DPR and LPR regions of Ukraine (or such other regions of Ukraine as may be determined by the Secretary of Treasury).

E.O. 14065 effectively prohibits new US investment in and any US trade with the regions.⁹⁵ The order authorizes future sanctions against persons determined to have operated in the DPR or LPR regions and certain other individuals and entities associated with such persons.

OFAC clarified that E.O. 14065 does not block the entire Donetsk and Luhansk oblasts. In determining whether a location is within the regions subject to sanctions, one may reasonably rely on vetted information from reliable third parties (*e.g.*, postal codes and maps).⁹⁶

General Licenses

In connection with these new sanctions related to the breakaway territories, OFAC issued various general licenses:

[GL 18: Transactions Related to Agricultural and Medical Commodities and the COVID-19 Pandemic in the DPR and LPR Regions](#)

GL 18 authorizes transactions that are ordinarily incident and necessary to: (1) the exportation or reexportation of agricultural commodities, medicine, medical devices, replacement parts and components for medical devices or software updates for medical devices to the DPR and LPR regions or persons in other countries purchasing specifically for resale to these regions; or (2) the prevention, diagnosis or treatment of COVID-19 (including research or clinical studies relating to COVID-19) in the DPR and LPR regions.

[GL 19: Telecommunications and Mail Transactions in the DPR and LPR Regions](#)

GL 19 authorizes all transactions that are ordinarily incident and necessary to the receipt or transmission of telecommunications in the DPR and LPR regions. The

⁹⁵ E.O. 14065 prohibits the following activities DPR and LPR regions (the “Covered Regions”): (i) new investment in the Covered Regions by a US person, wherever located; (ii) the importation into the United States, directly or indirectly, of any goods, services, or technology from the Covered Regions; (iii) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States or by a US person, wherever located, of any goods, services, or technology to the Covered Regions; and (iv) any approval, financing, facilitation, or guarantee by a US person, wherever located, of a transaction by a foreign person that would be prohibited if performed by a US person, or within the United States.

⁹⁶ OFAC FAQ 1009.

license does not authorize the provision, sale or lease of telecommunications equipment or technology or capacity on telecommunications transmission facilities.

GL 20: Official Business of Certain International Organizations in the DPR and LPR Regions

GL 20 authorizes transactions by employees, grantees or contractors for the conduct of the official business of: (i) the United Nations (including its programs, funds, and other entities and bodies, as well as its specialized agencies and related organizations); (ii) Selected International Organizations (as defined above); and (iii) the Organization for Security and Co-operation in Europe.

GL 21: Noncommercial, Personal Remittances and Operation of Accounts

GL 21 authorizes all transactions that are ordinarily incident to the transfer of noncommercial, personal remittances to or from the DPR and LPR regions, or for or on behalf of an individual ordinarily resident in those regions.

Transactions that are ordinarily incident and necessary to maintaining, operating or closing an account of an individual ordinarily resident in those regions, other than an SDN, are authorized, *provided* that the transactions processed through the account: (i) are of a personal nature and are not for the benefit of an entity, including supporting or operating a business; and (ii) do not involve transfers directly or indirectly to the DPR or LPR regions or for the benefit of persons ordinarily resident in the DPR or LPR regions unless the transfers are noncommercial, personal remittances.

US depository institutions, US-registered brokers or dealers in securities and US-registered money transmitters are authorized to process noncommercial, personal remittances regardless of whether the originator or beneficiary is an individual who is a US person. The license is not limited to a specific method of payment.⁹⁷

GL 22: Exportation of Certain Services and Software Incident to Internet-Based Communications

GL 22 authorizes all transactions that are ordinarily incident and necessary to the exportation or reexportation, directly or indirectly, from the United States or by a US person, wherever located, to persons in the DPR and LPR regions of services incident to the exchange of personal communications over the internet or certain software that is necessary to enable such services.

However, this license does not authorize the exportation or reexportation, directly or indirectly, of services or software with knowledge or reason to know that such

⁹⁷ FAQ 1007.

services or software are intended for any person whose property and interests in property are blocked.⁹⁸

GL 23: Certain Transactions in Support of Nongovernmental Organizations' Activities

GL 23 authorizes transactions by nongovernmental organizations that are ordinarily incident and necessary to support certain activities in the DPR or LPR regions. Such activities include humanitarian, democracy-building and educational projects, non-commercial development and activities to support environmental and natural resource protection.

GL 24: Transactions Related to the Provision of Maritime Services

GL 24 authorizes transactions related to the provision or receipt of civil maritime services performed by individuals who are ordinarily resident in the DPR or LPR regions, *provided* that such services: (i) are performed outside of the DPR or LPR regions; and (ii) are not performed on behalf of any entity located in, or organized under, the laws of the DPR or LPR regions.

GL 25: Journalistic Activities and Establishment of News Bureaus in the DPR and LPR Regions

GL 25 authorizes US news reporting organizations or US individuals employed by a news reporting organization⁹⁹ (journalist, photojournalist, supporting broadcast or technical personnel) to engage in a variety of transactions in the DPR or LPR regions to the extent such transactions are ordinarily incident and necessary to journalistic activities.

⁹⁸ *Id.*

⁹⁹ “News reporting organization” means an entity whose primary purpose is the gathering and dissemination of news to the general public.

Belarus

Full Blocking Sanctions

Because of Belarus's support for and facilitation of the Russian military action in Ukraine, OFAC imposed full blocking sanctions on 24 Belarusian entities and individuals in the finance and defense sectors, including:

- Belarusian President Alyaksandr Lukashenka (previously sanctioned) and his wife, Halina Lukashenka (his sons, Dzmitry and Viktar Lukashenka were previously sanctioned)
- Belarusian Bank of Development and Reconstruction Belinvestbank JSC
- LLC Belinvest-Engineering
- CJSC Belbizneslizing
- Bank Dabrabyt JSC
- Minsk Wheeled Tractor Plant ("MZKT")
- Aliaksei Rymasheuski and Aliaksandr Vetsianevich (senior executives of MZKT)
- State Authority for Military Industry of the Republic of Belarus ("SAMI")
- Dmitry Pantus and Viachaslau Rassalai (the Chairman and a Deputy Chairman of SAMI, respectively)
- State Owned Foreign Trade Unitary Enterprise Belpetsvneshtekhnika
- OJSC KB Radar-Managing Company Holding Radar System
- JSC 558 Aircraft Repair Plant
- PJSC Integral
- Industrial-Commercial Private Unitary Enterprise Minotor-Service
- OOO Oboronnye Initsiativy
- OKB TSP Scientific Production LLC
- LLC Synesis ("Synesis")
- Aliaksandr Shatrou (owner and CEO of Synesis)

- Belarusian Minister of Defense Viktor Khrenin
- State Secretary of the Security Council of Belarus Aleksandr Volfovich
- OOO Sokhra (“Sokhra”)
- Aliaksandr Zaitsau (owner of Sokhra)
- Panoptes
- Belarusian Oil Trade House
- OJSC Svetlogorsk Khimvolokno

Additionally, all entities that are owned 50% or more (directly or indirectly) by any of these entities or individuals are subject to blocking, even if not identified by OFAC.

As with the blocking sanctions described above, all property and interests in property of the designated individuals and entities that are in the United States or in the possession or control of US persons are blocked and must be reported to OFAC. All transactions by US persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons are prohibited unless authorized by OFAC or otherwise exempt. These prohibitions include the making of any contribution or provision of funds, goods or services by, to or for the benefit of any blocked person and the receipt of any contribution or provision of funds, goods, or services from any such person.

General Licenses

In connection with these new sanctions on Belarus, OFAC issued general licenses authorizing certain transactions related to:

GL 6: Official Business of the US Government

GL 6 authorizes all transactions that are for the conduct of the official business of the United States Government by its employees, grantees or contractors.

GL 7: Official Business of the UN and Other Organizations

GL 7 authorizes all transactions by employees, grantees or contractors for the conduct of the official business of the United Nations (including its programs, funds, and other entities and bodies, as well as its specialized agencies and related organizations) and the Selected International Organizations (as defined above).

Export Controls

The BIS of the US Department of Commerce issued two final rules: (i) the “Implementation of Sanctions Against Russia Under the Export Administration Regulations (EAR)” (“Russia Rule”); and (ii) the “Imposition of Sanctions Against Belarus Under the EAR” (“Belarus Rule” and, together with the Russia Rule, the “Rules”). The Russia Rule became effective on February 24, 2022 and the Belarus Rule on March 2, 2022; both implemented new license requirements and licensing policies to further restrict access of Russia and Belarus to controlled US goods, software and technologies, particularly items that Russia and Belarus rely on for their defense, aerospace and maritime industries, including semiconductors, computers, telecommunications, information security equipment, lasers and sensors.¹⁰⁰

On September 15, 2022, BIS issued a rule imposing further export controls on industrial and commercial items that can support Russian and Belarusian military aggression against Ukraine. The new rule expands the scope of export controls by, among other things, adding Belarus to the industry sector sanctions that previously applied only to Russia and expanding “military end user” and “military-intelligence end user” controls to cover six critical entities currently producing items for the Russian and Belarusian military and industrial sectors. In addition, the rule imposes controls on quantum computing-related hardware, software and technology, complementing the prohibition on quantum computing services to Russia.¹⁰¹

On September 30, 2022, BIS issued guidance noting that the expanded US export controls may be applied to third-country companies and government entities outside of Russia or Belarus attempting to provide material support for Russia’s and Belarus’s military and industrial sectors, including to replenish (“backfill”) technologies and other prohibited items.¹⁰²

One year after the Russia Rule’s effective date, BIS issued a new rule revising the EAR to enhance the existing sanctions against Russia and Belarus by expanding the scope of the Russian and Belarusian industry sector restrictions (oil and gas production; commercial and industrial items; chemical and biological precursors) and the sanctions on luxury goods to better align them with the controls that have been implemented by US allies and partners imposing substantially similar controls on Russia and Belarus.¹⁰³

¹⁰⁰ 87 Fed. Reg. 12226 (Mar. 3, 2022). On March 2, 2022, BIS extended the export control policies put in place for Russia to Belarus (87 Fed. Reg. 13048 (Mar. 8, 2022)).

¹⁰¹ Press release of the US Department of Commerce dated September 15, 2022, available [here](#); 87 Fed. Reg. 57068 (Sept. 16, 2022).

¹⁰² FAQ issued by the US Department of Commerce dated September 30, 2022, available [here](#).

¹⁰³ 88 Fed. Reg. 12175 (Feb. 27, 2023).

New Licensing Requirements

On April 9, 2022, BIS expanded the licensing requirements on Russia and Belarus imposed by the Rules to all controlled items designated on the Commerce Control List being sent to Russia or Belarus, regardless of whether the sender is a US person.¹⁰⁴ On May 9, 2022, BIS expanded the scope of items subject to stringent licensing requirements to include a wide range of commercial and industrial operations (from wood producers to construction machinery) identified under specific Schedule B numbers or HTSUS codes.¹⁰⁵ In addition, any license application will be reviewed under a presumptive policy of denial. However, case-by-case applications will be considered related to safety of flight, maritime safety, civil nuclear safety, humanitarian needs, government space cooperation, civil telecommunications infrastructure, government-to-government activities and support for limited operations of partner country companies in Russia or Belarus. Additionally, certain license exceptions in the EAR are no longer available for controlled exports to Russia or Belarus.

On June 28, 2022, BIS and Treasury's Financial Crimes Enforcement Network ("FinCEN") jointly issued an alert to financial institutions advising them to be vigilant of efforts to evade BIS export controls. The alert includes transactional and behavioral red flags regarding export control evasions and a list of commodities at higher risk of export control evasion due to their potential diversion to and end use by Russia and Belarus to further military and defense capabilities.¹⁰⁶ The list is intended to assist in the risk-based screening of export-related financial transactions and includes the following commodities: (i) aircraft parts/equipment; (ii) antennas; (iii) breathing systems; (iv) cameras; (v) GPS system; (vi) inertial measurement units; (vii) integrated circuits; and (viii) oil field equipment.

"Military End Users" and "Military End Uses"

Restrictions on Russian "military end users" and "military end uses" now cover all items subject to the EAR with exceptions for items classified as ECCN 5A992.c or 5D992.c (e.g., certain "mass market" computers and similar electronics and "mass market" software), so long as they are not for Russian "government end users" or Russian state-owned enterprises.¹⁰⁷

On December 21, 2022, BIS imposed additional restrictions on Wagner Group, which has been subject to US sanctions and on the Entity List since 2017 for its involvement in Russia's 2014 invasion of Ukraine. This recent action designates the

¹⁰⁴ Press release of the US Department of Commerce dated April 9, 2022, available [here](#).

¹⁰⁵ 87 Fed. Reg. 28758 (May 11, 2022).

¹⁰⁶ Press release of the US Department of Commerce dated June 28, 2022, available [here](#).

¹⁰⁷ On June 2, 2022, BIS issued a final rule revising certain provisions of the EAR, including revising the controls for Russian and Belarussian military end uses and military end users by extending license requirements to include food and medicine designated as EAR99. License applications for such items will be subject to a case-by-case review policy. Press release of the US Department of Commerce dated June 2, 2022, available [here](#).

Wagner Group as a Russian military end user and restricts its access to certain foreign-produced items.¹⁰⁸

On January 31, 2023, BIS added seven Iranian entities involved in the manufacture of unmanned aerial vehicles (“UAVs”) to the Entity List as Russian military end users. Marking the one-year anniversary of Russia’s invasion of Ukraine, BIS added 86 entities supporting Russia’s defense sector and war effort to the Entity List on February 24, 2023, with 76 of those entities being concurrently designated as Russian/Belarusian military end users.

New Foreign Direct Product (“FDP”) Rules

The Rules add a new FDP Rule that is applicable to the entire countries of Russia and Belarus and another, broader new rule directed at Russian and Belarusian “military end users.” The aim of these rules is to limit these two countries’ access to certain items manufactured with US software or technology, even if manufactured by a non-US person outside the United States.

Violations and Temporary Denial Orders

On March 18, 2022, BIS identified commercial and private aircraft that have flown into Russia in apparent violation of the EAR and notified the public that providing any form of service to these aircraft requires authorization. The press release noted that absent such authorization, “any person anywhere including within Russia risks violating the EAR and would be subject to BIS enforcement actions which could include substantial jail time, fines, loss of export privileges, or other restrictions.”¹⁰⁹

On March 30, 2022, 73 new aircraft were added to and 12 were removed from the list of aircraft in potential violation of the EAR.¹¹⁰ On April 14, 2022, BIS identified 10 additional aircraft, including the first seven Belarusian owned/operated commercial aircraft.¹¹¹ On May 20, 2022, BIS again identified additional aircraft in likely violation of US export controls, including a 787 Dreamliner owned by Russian oligarch Roman Abramovich.¹¹² BIS issued an Administrative Charging Letter against Roman Abramovich on June 6, 2022 for violating US exports controls related to flights of his private jets¹¹³ and another against PJSC Lukoil on August 31, 2022 for flying a US-manufactured plane into Russia.¹¹⁴

BIS has continued to update the list of aircraft that have flown into Russia or Belarus in apparent violation of the EAR, including:

¹⁰⁸ Press release of the US Department of Commerce dated December 21, 2022, available [here](#).

¹⁰⁹ Press release of the US Department of Commerce dated March 18, 2022, available [here](#).

¹¹⁰ Press release of the US Department of Commerce dated March 30, 2022, available [here](#).

¹¹¹ Press release of the US Department of Commerce dated April 14, 2022, available [here](#).

¹¹² Press release of the US Department of Commerce dated May 20, 2022, available [here](#).

¹¹³ Press release of the US Department of Commerce dated June 6, 2022, available [here](#).

¹¹⁴ Press release of the US Department of Commerce dated August 31, 2022, available [here](#).

- On August 2, 2022, BIS added the first 25 foreign-produced aircraft that have violated the *de minimis* threshold for US components.¹¹⁵
- On September 19, 2022, BIS identified three Iranian-owned and -operated aircraft transporting cargo to Russia.¹¹⁶
- On September 26, 2022, a fourth Iranian-owned and -operated aircraft was identified by BIS for the same violation. Mahan Air, Qeshm Fars Air, Iran Air and Saha Airlines are the first Iranian airlines to be added to the list of foreign airlines for their apparent violation of US export controls on Russia.¹¹⁷

There are now a total of 184 aircraft identified on the list for apparent violations of US export controls.

BIS has continued to issue Temporary Denial Orders (“TDOs”) to various airlines for their ongoing export violations of Russia-related export controls, including to:

- three Russian Airlines (Aeroflot, Azur Air and UTair) on April 7, 2022,¹¹⁸
- Aviastar on April 21, 2022,¹¹⁹
- Rossiya Airlines on May 20, 2022,¹²⁰
- Belavia Belarusian Airlines on June 16, 2022,¹²¹
- Nordwind Airlines, Pobeda Airlines and S7 Airlines on June 24, 2022,¹²² and
- URAL Airlines JSC on October 13, 2022.¹²³

BIS has also issued TDOs to three persons (Boris Livshits, Svetlana Skvortsova and Aleksey Ippolitov) and two companies (Advanced Web Services and Strandway, LLC) for their involvement with Russian intelligence, including a number of export violations to procure highly sensitive technology (including advanced semiconductors) for Russian military, defense sector and research institutions.¹²⁴ On February 24, 2023, BIS issued a TDO to Russian company Radiotester OOO for the

¹¹⁵ Press release of the US Department of Commerce dated August 2, 2022, available [here](#).

¹¹⁶ Press release of the US Department of Commerce dated September 19, 2022, available [here](#).

¹¹⁷ Press release of the US Department of Commerce dated September 26, 2022, available [here](#).

¹¹⁸ Press release of the US Department of Commerce dated April 7, 2022, available [here](#).

¹¹⁹ Press release of the US Department of Commerce dated April 21, 2022, available [here](#).

¹²⁰ Press release of the US Department of Commerce dated May 20, 2022, available [here](#).

¹²¹ Press release of the US Department of Commerce dated June 16, 2022, available [here](#).

¹²² Press release of the US Department of Commerce dated June 24, 2022, available [here](#).

¹²³ Press release of the US Department of Commerce dated October 17, 2022, available [here](#).

¹²⁴ Press release of the US Department of Commerce dated December 13, 2022, available [here](#).

unauthorized export of controlled counterintelligence items to Russia and North Korea.¹²⁵

TDOs terminate the right of these entities to participate in transactions subject to the EAR, including exports and reexports from the United States. The TDOs are issued for 180 days and may be renewed.

Entity List

On April 1, 2022, BIS issued a final rule adding 120 entities to the Entity List: (i) 95 entities added as military end users under the destinations of Belarus (24 entities) and Russia (71 entities) for acquiring and attempting to acquire items subject to the EAR in support of Belarus's and Russia's militaries; and (ii) 25 entities added under the destination of Russia for acquiring and attempting to acquire items subject to the EAR in support of Russia's military modernization efforts.¹²⁶ On June 2, 2022, BIS added 71 additional parties located in Russia and Belarus to the Entity List.¹²⁷ On June 28, 2022, BIS added six new entities to the Entity List for their continued supply to Russian military end users and identified two Chinese parties that were previously on the Entity List as having continued to support Russia's military.¹²⁸ This rule applies a highly restrictive policy of denial for the review of license applications for exports, reexports and transfers (in-country) to the listed entities of all items subject to the EAR and prohibits the use of all license exceptions for such transactions.

On September 30, 2022, BIS added 57 new entities located in Russia and the Crimea region of Ukraine to the Entity List for acquiring or attempting to acquire US-origin items in support of Russia's continued military aggression towards Ukraine. Certain entities were added in connection to their activities within the recently designated quantum computing sector.¹²⁹

On December 8, 2022, BIS added 12 new entities located in Russia, Switzerland and Latvia to the Entity List for their significant contributions to or their involvement in the Russian military and/or the defense industrial base.¹³⁰ A few days later, on December 16, 2022, BIS added nine Russian entities that were previously on the

¹²⁵ Press release of the US Department of Commerce dated February 24, 2023, available [here](#).

¹²⁶ 87 Fed. Reg. 20295 (Apr. 7, 2022); Press release of the US Department of Commerce dated April 1, 2022, available [here](#).

¹²⁷ Press release of the US Department of Commerce dated June 2, 2022, available [here](#).

¹²⁸ Press release of the US Department of Commerce dated June 28, 2022, available [here](#).

¹²⁹ Press release of the US Department of Commerce dated September 30, 2022, available [here](#).

¹³⁰ Press release of the US Department of Commerce dated December 8, 2022, available [here](#).

Unverified List¹³¹ to the Entity List pursuant to such entities' sustained prevention of completing end-use checks.¹³²

On February 24, 2023, BIS added 86 entities (located primarily in Russia, but also in China, Canada, France, Luxembourg and the Netherlands) to the Entity List for a variety of reasons related to their activities in support of Russia's defense-industrial sector and war effort and for engaging in sanction evasion. Of these entities, 76 also were designated as Russian/Belarusian Military End Users.

Oil Refining Sector

On March 2, 2022, BIS issued two rules targeting Russia's oil refining sector.

The first rule builds on existing restrictions put in place on the Russian deepwater oil and gas exploration and extraction industries in 2014 by imposing a policy of denial on such items and applying similarly stringent restrictions on a wide variety of items necessary for refining oil. The purpose of this new rule is to limit Russia's ability to raise revenue from the sale of refined products, including gasoline that it can use to support its military efforts.¹³³

The second rule adds 91 new parties in 10 countries¹³⁴ to the Department of Commerce's Entity List based on their involvement in, contributions to, or other support of the Russian security services, military and defense sectors, and military and/or defense research and development efforts.¹³⁵

Luxury Products

On March 11, 2022, following E.O. 14068, BIS issued restrictions on the export, reexport and transfer of US-origin luxury goods to persons and organizations within Russia and Belarus. These restrictions also apply to certain Russian and Belarusian oligarchs and malign actors located worldwide who have been placed on the SDN List. The rule provides a list of US-origin luxury goods that are covered, including certain spirits, tobacco products, clothing items, jewelry, vehicles and antique goods.¹³⁶

On September 15, 2022, the rule issued by BIS imposing further restrictions on Russia and Belarus refined existing controls on Russia and Belarus to more closely

¹³¹ An entity is placed on the Unverified List when BIS cannot verify its bona fides. If BIS ultimately cannot verify the end user information, the entity is moved to the Entity List. There are certain restrictions for an entity on the Unverified List, but these are not as restrictive as those imposed on entities on the Entity List.

¹³² Press release of the US Department of Commerce dated December 16, 2022, available [here](#).

¹³³ 87 Fed. Reg. 12856 (Mar. 8, 2022).

¹³⁴ These entities are located in: Russia (81), United Kingdom (3), Estonia (3), Spain (2), Malta (2), Kazakhstan (1), Latvia (1), Belize (1), Singapore (1), and Slovakia.

¹³⁵ 87 Fed. Reg. 13048 (Mar. 8, 2022).

¹³⁶ 87 Fed. Reg. 14785 (Mar. 11, 2022).

align with requirements implemented by allies by adding additional dollar value exclusion thresholds for luxury goods.¹³⁷

As previewed above, on February 24, 2023, BIS issued a new rule revising the EAR, including expanding the sanctions on luxury goods to better align them with the controls that have been implemented by US allies and partners.¹³⁸ The rule adds 276 additional entries that will require a license for export or reexport to or transfers within Russia or Belarus and for designated Russian and Belarusian persons worldwide.

Iranian UAVs

In response to investigations indicating that pieces of Iranian UAVs were found on the battlefield in Ukraine, in some cases with US-branded “parts” and “components,” BIS issued a new rule on February 24, 2023 imposing new export control measures on Iran.¹³⁹

The new export control measures include:

- requiring licenses for a subset of generally low-technology (“EAR99”) items, including semiconductors that are destined for Iran, regardless of whether a US person is involved in the transaction;
- establishing a new list (Supplement No. 7 to part 746) identifying these EAR99 items by HTS-6 Code to allow BIS and other US government agencies to track and quantify these exports;
- creating a new “Iran FDP Rule” specific to Iran for items in certain categories of the Commerce Control List and EAR99 items identified in the new supplement; and
- revising the existing Russia/Belarus FDP rule to cover EAR99 items that have been found in UAVs containing parts and components branded as US or US-origin.

¹³⁷ Press release of the US Department of Commerce dated September 15, 2022, available [here](#); 87 Fed. Reg. 57068 (Sept. 16, 2022).

¹³⁸ 88 Fed. Reg. 12175 (Feb. 27, 2023).

¹³⁹ 88 Fed. Reg. 12150 (Feb. 27, 2023).

Related Enforcement and International Coordination Efforts

In a speech given on February 21, 2023, Treasury Deputy Secretary Wally Adeyemo shared that the future strategy of the United States is to focus on countering sanctions evasion and renewing efforts to “rigorously enforce sanctions and export controls” already in place.¹⁴⁰

Mr. Adeyemo outlined the three elements of Treasury’s approach to countering sanctions evasion as follows:

- Work closely with and improve information sharing and coordination among allies and partners (especially the G7 and the EU);
- Identify and close down the specific channels through which Russia attempts to equip and fund its military (e.g., deny Russia access to dual-use goods being used for the war and cut off repurposed Russian manufacturing facilities from being used to produce inputs needed to fill Russia’s military production gaps); and
- Put pressure on the companies and jurisdictions that are allowing or facilitating evasion, including by engaging with companies and banks in these jurisdictions to tell them directly that if they do not enforce sanctions and export controls, they will be cut off from access to US markets and financial systems. Mr. Adeyemo cited specific concerns about United Arab Emirates, Iran, Turkey and countries near Russia.¹⁴¹

On February 24, 2023, OFAC sanctioned over 30 entities and individuals for their roles in sanctions evasion efforts, bringing the total persons designated since the beginning of the war for sanction evasion to over 200. In addition, the G7 countries have agreed to establish an Enforcement Coordination Mechanism, to be chaired initially by the United States, to counter sanctions evasion.¹⁴²

On the one-year anniversary of the war, the Financial Action Task Force (“FATF”), the intergovernmental policymaking body formed to combat money laundering and terrorist financing, suspended the Russian Federation from its membership. This marks the first time that a member nation has been suspended in FATF’s history. In remarks regarding FATF’s action, Treasury specifically called out Russia’s acts threatening the global financial system, including its dealings with Iran and North Korea, its efforts to evade sanctions and export controls and its harboring of

¹⁴⁰ US Department of the Treasury, *Remarks by Deputy Secretary of the Treasury Wally Adeyemo on International Sanctions Against Russia* (Feb. 21, 2023), available [here](#).

¹⁴¹ See Psaledakis and Shalal, *US to directly warn companies against evading Russia sanctions*, Reuters (Feb. 17, 2023), available [here](#).

¹⁴² White House, Fact Sheet, *On One Year Anniversary of Russia’s Invasion of Ukraine, Biden Administration Announces Actions to Support Ukraine and Hold Russia Accountable* (Feb. 24, 2023), available [here](#).

cybercriminals and the Russian paramilitary organization Wagner Group, in addition to Russia's continued aggression in Ukraine.

On March 2, 2023, the US Department of Commerce, Treasury and the US Department of Justice issued a joint compliance note highlighting their concern regarding the use of third-party intermediaries to evade Russia-related sanctions and export controls. The note emphasized the importance of maintaining effective, risk-based compliance programs to minimize the risk of sanctions evasion. Among other signs, financial institutions should be vigilant regarding the use of shell companies to conduct international wire transfers or otherwise to obscure ownership, source of funds or countries involved.¹⁴³

¹⁴³ US Department of Commerce, US Department of the Treasury and US Department of Justice, *Tri-Seal Compliance Note: Cracking Down on Third-Party Intermediaries Used to Evade Russia-Related Sanctions and Export Controls* (Mar. 2, 2023), available [here](#).

EU SANCTIONS

Since February 23, 2022, the EU has introduced multiple tranches of sanctions in response to events in Ukraine, which will have a profound and wide-ranging impact on trade between Russia and the EU. These sanctions can be broadly categorized as follows:

- **Financial sanctions** – including expanded capital market restrictions, restrictions preventing Russian persons from accessing certain financial services within the EU, restrictions cutting off certain banks from SWIFT and restrictions on physically taking euros into Russia.
- **Asset freezes and travel bans** – targeting prominent Russian businessmen, Russian banks and Russian state-owned institutions. The asset freeze regime has also targeted individuals in Belarus considered to be assisting Russia in its military actions in Ukraine.
- **Trade restrictions** – for aircraft, oil refinery-related products and technology products (broadly covering advanced technology, including for micro-processors and other advanced systems), more comprehensive restrictions on dual-use goods and gold.
- **Investment restrictions** – including restrictions on public (*i.e.*, EU government) financing for trade or investment in Russia, and a restriction on investing, participating or contributing to projects that are co-financed by the Russian Direct Investment Fund.
- **Media restrictions** – prohibiting the broadcast of or contribution to the broadcast of a number of key Russian stations.
- **Transport restrictions** – Russian air carriers are cut off from operating with the EU.
- **Accounting and public relation restrictions** – prohibiting providing these services.

Financial Sanctions

The most significant new restrictions imposed by the EU consist of measures targeting Russian entities' and individuals' access to EU financial services.¹⁴⁴ These include the expansion of the previously existing EU capital market restrictions and

¹⁴⁴ Council Regulation (EU) 2022/328 of February 25, 2022 amending Council Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine, [available here](#).

the introduction of a range of novel restrictions that work to cut Russia off from the European financial markets, and business with Europe more generally. On March 18, the EU clarified that EU nationals working for a non-EU subsidiary of an EU company are personally bound by the sanctions and can therefore be held personally liable for participating in transactions which breach EU sanctions. Furthermore, decisions taken by foreign subsidiaries that need to be cleared by their EU parent companies may also fall within the scope of EU sanctions.

Expansion of Capital Market Restrictions

EU capital market restrictions have been in force since 2014, when they were first imposed on a number of Russian banks, military manufacturers and oil and gas companies (e.g., Sberbank, VTB, VEB, GazpromNeft and Transneft). Very broadly, these restrictions prevent persons subject to EU jurisdiction from dealing with transferable securities (including crypto assets), money market instruments issued by and offering new loans or credit to targeted entities.

The EU's expansion of these restrictions applies in three main ways:

- The EU added a number of targets to its capital market restriction list, with restrictions applying to transferable securities and money market instruments issued after April 12, 2022. These now additionally target:
 - Banks deemed to be supporting the Russian government (Alfa Bank, Otkritie, Bank Rossiya and Promsvyazbank);
 - State owned manufacturers (Almaz-Antey, Kamaz, Novorossiysk Commercial Sea Port, Rostec, Russian Railways, JSC PO Sevmash, Sovcomflot and United Shipbuilding Corporation; and
 - The Russian Government and the Central Bank of the Russian Federation.
- The EU tightened the restrictions on entities previously targeted by EU capital market restrictions (e.g., by removing the minimum maturity period for affected transferable securities, money market instruments and loans).
- The EU also restricted the listing and provision of services of shares of a legal person, entity or body established in Russia and with over 50 % public ownership on EU trading venues from April 12, 2022.

Restrictions Targeting Russian Persons

The EU has implemented unprecedented restrictions targeting all Russian nationals and residents, and Russian companies, entities and bodies ("Russian Persons").

- There is a prohibition on the acceptance of deposits exceeding EUR 100,000 from Russian Persons, except for: (i) nationals of a Member State, the EEA or

Switzerland, or natural persons having a temporary or permanent residence permit in a Member State, the EEA or Switzerland; and (ii) deposits which are necessary for non-prohibited cross-border trade in goods and services between the EU and Russia. On June 3, 2022, the EU amended this restriction to allow deposits intended exclusively for the payment of fees or service charges for the routine holding or maintenance of frozen funds or economic resources.

- The holding of accounts of or provision of services for Russian Persons by the EU Central Securities Depositories is prohibited in relation to any transferable securities issued after April 12, 2022.
- The prohibition on selling Euro-denominated securities or units in collective investment undertakings providing exposure to such investments issued after April 12, 2022 to Russian Persons. On April 8, 2022, this prohibition was extended to securities or units in collective investment undertakings providing exposure to such investments denominated in all official currencies of the EU member states.
- From February 28, 2022, diplomats, other Russian officials and business people are no longer able to benefit from visa facilitation provisions.¹⁴⁵

As part of these changes, the EU has also expanded the anti-circumvention provisions to prevent non-Russian Persons acting as a substitute for a Russian Person for this purpose.

On October 6, 2022, the EU adopted an additional package of sanctions in response to Russia's annexation of the Donetsk, Luhansk, Zaporizhzhia and Kherson regions, that includes further sanctions on people and entities involved in the organization of the recent "referenda" and defense sector representatives, including high-ranking and military officials, companies supporting the Russian armed forces and individuals spreading disinformation about the war. The EU also expanded the listing criteria for specific designations to include those who facilitate circumvention of sanctions.

Euro Cash Restrictions

The sale, supply, transfer or export of Euro-denominated banknotes to Russian persons, including the government and the Central Bank of the Russian Federation, or for use in Russia, is prohibited. A small number of exemptions are included, such as for diplomatic services.

On April 8, 2022, this prohibition was extended to apply to all banknotes denominated in all official currencies of EU member states.

¹⁴⁵ Council Decision (EU) 2022/333 of February 25, 2022 on the partial suspension of the application of the Agreement between the European Community and the Russian Federation on the facilitation of the issuance of visas to the citizens of the European Union and the Russian Federation, available [here](#).

On June 3, 2022, this prohibition was amended to exempt nationals and residents of the EEA or Switzerland from the ban on sale of transferable securities denominated in an EU currency.

On October 6, 2022, the EU also banned the provision of crypto-asset wallet, account or custody services to Russians, regardless of the total value of those crypto-assets.

SWIFT Restrictions¹⁴⁶

On March 2, the EU cut off the following seven Russian banks from the international SWIFT messaging system:

- Otkritie
- Novikombank
- PSB
- Bank Rossiya
- Sovcombank
- VEB
- VTB

On June 3, 2022, the EU cut off a further three banks from SWIFT with effect from June 14, 2022:

- Sberbank
- Credit Bank of Moscow
- Joint Stock Company Russian Agricultural Bank, JSC Rosselkhozbank

Restrictions on Dealing with the Central Bank of Russia for Currency Services

The EU has imposed a ban on transactions that relate to the management of reserves and assets of the Russian Central Bank, including transactions with any legal person, entity or body acting on its behalf such as the Russian National Wealth Fund.¹⁴⁷

Restrictions on Credit Rating Services

On March 15, 2022, the EU prohibited the provision of credit ratings and access to any subscription services related to credit rating activities to Russian nationals, residents and entities.

¹⁴⁶ See Commission Swift FAQs, available [here](#).

¹⁴⁷ Council Decision (CFSP) 2022/335 of February 28, 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine, available [here](#).

Asset Freezes and Travel Bans

The EU has imposed a number of asset freezes and travel bans, targeting prominent Russian businessmen, Russian banks, Russian state owned institutes, and Russian political figures. The asset freezes have also targeted individuals in Belarus considered to be assisting in Russia's actions in Ukraine.

In total, asset freezes and travel bans have been imposed on over 1,300 individuals and 110 entities since February 21, 2022. **As of December 16, 2022, EU Member States reported EUR 18.9 billion of frozen assets located in their jurisdictions.** The most prominent individuals and entities sanctioned by the EU include:¹⁴⁸

Financial institutions	State-owned enterprises	Prominent business figures	Political figures
VEB	SOGAZ	Alisher Usmanov	Vladimir Putin
Bank Rossiya	United Shipbuilding Corporation	German Khan	Sergei Lavrov
PSB	United Aircraft Corporation	Igor Sechin	All members of the State Duma
Otkritie		Roman Abramovich	
Sovcombank		Andrei Kostin	Deputy Ministers
Novikombank	Sovcomflot	Mikhail Fridman	146 members of the Russian Federation Council
VTB Bank		Gennadiy Timchenko	
National Settlement Depository (NSD)		Dmitry Mazepin	Members of the Russian National Security Council
Sberbank		Andrey Melnichenko	
Credit Bank of Moscow		Oleg Deripaska	Senior military leaders
Dalnevostochniy Bank		Petr Aven	
Alfa-Bank		Herman Gref	
Tinkoff Bank		Said Kerimov	
National Wealth Fund of the Russian Federation		Alexander Shulgin	
Russian National Reinsurance Company		Alexey Mordashov	
		Victor Rashnikov	
		Alexei Kuzmichev	
		Andrei Skoch	
		Viatcheslav Kantor	
		Pyotr Aven	
		Igor Kesaev	

¹⁴⁸ For further information, see our Russian Billionaires Table at [Annex A](#).

On April 13, 2022, the EU amended its asset freeze regime. Asset freezes do not apply to funds or economic resources made available by organizations and agencies that are pillar-assessed by the Union and with which the Union has signed a financial framework partnership agreement for humanitarian purposes, *provided* that the provision of such funds or economic resources is necessary for exclusively humanitarian purposes in Ukraine. Furthermore, the relevant government bodies of member states can now grant specific or general authorizations to release or make available funds or economic resources that are necessary for exclusively humanitarian purposes in Ukraine. An authorization will automatically be granted if a relevant government body does not respond to a request for such an authorization within five days of receipt by giving a negative decision, making a request for information or making a notification for additional time.

On July 21, 2022, the EU imposed an obligation for EU asset frozen persons to report their assets located in any member state to the competent authority of that member state within six weeks of the asset freeze being imposed. Where an asset freeze has already been imposed, the asset frozen person must report their assets before September 1, 2022. Failure to do so will be considered a circumvention of EU sanctions (which may, in turn, mean that the assets are confiscated if later identified by EU authorities).

Furthermore, persons and entities must now report information they hold about asset frozen persons or entities, such as account information and amount of frozen assets, to the member state in which they are located or resident.

On September 15, 2022, the EU renewed its Russia targeted sanctions regime for 6 months until March 15, 2023.

On November 30, 2022, the Commission presented different options to put frozen Russian assets towards compensation for Ukraine.¹⁴⁹ In light of the €19 billion of assets belonging to Russian oligarchs frozen by EU Member States and around €300 billion of Russian Central Bank reserves blocked in the EU and other G7 partners, the main proposal in the short term is to create a new structure to manage these frozen and immobilized public Russian assets, invest them and use the proceeds to rebuild Ukraine. In the long term, it is proposed that the focus shift towards returning Central Bank assets once sanctions are lifted and offsetting any returns against war reparations.

On December 16, 2022, the EU introduced a new derogation to combat food insecurity. This allows Member States to unfreeze the assets of and to make funds and economic resources available to individuals playing a significant role in the international trade of agricultural and food products, including fertilizers and wheat.

¹⁴⁹ See Press Release of the European Commission “Ukraine: Commission presents options to make sure that Russia pays for its crimes” (Nov. 30, 2022), available [here](#).

On February 23, 2023, the EU listed a further 87 people and 34 entities, including:

- key decision-makers at the political and institutional level, such as members of the Federation Council of the Russian Federation, deputy ministers and government officials;
- those operating in the Russian military and defense sector, such as Wagner Group members and weapons manufacturers for the Russian Armed Forces;
- those allegedly responsible for the deportation and forced adoption of Ukrainian children;
- proxy authorities in the Russian annexed regions of Luhansk, Donetsk, Kherson and Zaporizhzhia;
- those allegedly spreading disinformation and propaganda, such as writers, presenters and executives in major TV channels and media groups;
- Iranian nationals and entities allegedly involved in the supply of drones to Russia for use against Ukraine; and
- economic actors providing substantial financial support to the Russian government, such as Alfa-Bank, Rosbank, Tinkoff Bank, the National Wealth Fund and the Russian National Reinsurance Company.¹⁵⁰

Russian nationals have also been prohibited from holding any positions in the governing bodies of EU critical infrastructures and entities.

The “Any Transaction” Prohibition on State-Owned Entities

All transactions with certain state-owned entities are now prohibited, unless they are strictly necessary for the purchase, import or transport of fossil fuels and certain metals and minerals. On April 8, 2022, this exemption was amended to apply to natural gas and oil, including refined petroleum products. This includes transactions with legal persons, entities or bodies established outside the EU that are 50% or more owned by these state-owned entities. The relevant state-owned entities are:

- OPK Oboronprom
- United Aircraft Corporation
- Uralvagonzavod
- Almaz-Antey
- Kamaz
- Rostec (Russian Technologies State

¹⁵⁰ See Press Release from the Council of the EU “10th package of sanctions on Russia’s war of aggression against Ukraine: the EU includes additional 87 individuals and 34 entities to the EU’s sanctions list” (Feb. 25, 2023), available [here](#).

- Rosneft Corporation)
- Transneft
- Gazprom Neft
- JSC PO Sevmash
- Sovcomflot
- United Shipbuilding Corporation

These restrictions form a novel form of EU sanctions which go beyond a typical EU asset freeze, and in some ways are closer to the US blocking sanctions concept.

On October 6, 2022, the EU introduced a ban on its nationals holding any posts at the governing bodies of certain Russian state-owned or controlled entities. It also banned all transactions with the Russian Maritime Shipping Register, a 100% state-owned entity involved in the classification and inspection of Russian and non-Russian ships and crafts.

On December 16, 2022, the EU adopted a 9th package of Russia sanctions, which includes the prohibition for an EU national to hold any posts on the governing bodies of all Russian State-owned or controlled legal persons, entities or bodies. As part of the same package, the Russian Regional Development Bank was added to the “any transaction” prohibition list.¹⁵¹

Trade Sanctions

Russia

A number of sanctions restricting Russian access to trade have been implemented. These can be broadly categorized into nine groups of restrictions:

- Oil refinery-related products and the energy sector
- An expansion of the restrictions on dual-use goods and technology
- Advanced technology
- Aircraft
- State-owned entities
- Import of iron and steel products
- Luxury products

¹⁵¹ See the Official Journal of the European Union (Dec. 16, 2022), *available [here](#)*.

- Goods that generate significant revenues for Russia or contribute to the enhancement of Russian industrial capacities
- Trusts-related services
- Gold

Oil Refinery-Related Products and the Energy Sector

The EU has imposed a prohibition on the sale, supply, transfer or export to Russia of certain goods and technology for use in oil refining, including the provision of technical services, brokering services, financing or financial assistance in relation to the above. In addition, restrictions on the provision of services related to the above have been enacted. A wind-down period is in effect until May 27, 2022 for contracts concluded before February 26, 2022. It is expected that this restriction will largely impact the energy sector. On April 8, 2022, the EU extended this prohibition to also apply to goods and technology suited for the liquefaction of natural gas.

On March 15, 2022, the EU significantly strengthened restrictions on the provision of certain goods and technology that are suited to certain categories of exploration and production projects to any person or entity in Russia or for use in Russia, in both cases including its Exclusive Economic Zone and Continental Shelf. Since August 1, 2014, the EU has required exporters to have licenses before exporting these goods and technologies to Russian entities. The new requirements make it a prohibition to sell, supply, transfer and export these goods and technology except for narrow exemptions. This includes a ban on providing related services; the provision, manufacture, maintenance and use of these goods and technology; and the provision of related financing or financial assistance. This ban does not apply where the sale, supply, transfer or export is necessary for the transport of fossil fuels, in particular coal, oil and natural gas, from or through Russia into the EU. There is a wind-down period in effect until September 17, 2022 for contracts concluded before March 16, 2022. On April 8, 2022, this prohibition was amended to apply to “natural gas and oil, including refined petroleum products” rather than fossil fuels more broadly.

On April 8, 2022, the EU imposed a prohibition on the purchase, import or transfer, directly or indirectly, of coal and certain other solid fossil fuels into the EU if they originate in Russia or are exported from Russia. There is a wind-down period in effect until August 10, 2022 for contracts concluded before April 9, 2022.

Oil Price Cap

On June 3, 2022, the EU imposed a prohibition on the import or transfer, directly or indirectly, of crude oil or petroleum products if they originate in Russia or are exported from Russia. This includes a prohibition on an EU member state selling crude oil delivered by pipeline from Russia to member states or third parties. Importantly, EU Commission guidance has clarified that this general prohibition

only applies when the relevant crude oil or petroleum is being imported into, or is destined for, the EU.

The ban applies from December 5, 2022 for one-off transactions for near-term delivery, concluded and executed before that date, or to the execution of contracts for the purchase, import or transfer of crude oil-related goods concluded before June 4, 2022, providing the relevant national competent authority has been notified. The ban applies from February 5, 2023 for similar transactions for non-crude petroleum oils-related products on the same terms.

The ban does not apply to seaborne crude oil and petroleum products, *provided* that they originate from outside Russia, are not owned by a Russian person and are only loaded in or transported through Russia. Further, the ban does not apply to crude oil which is delivered by pipeline from Russia to member states.

The ban contains provisions to allow seaborne crude oil from Russia to be imported if the supply of crude oil by pipeline from Russia to a landlocked member state is interrupted for reasons outside the control of that state, until the supply is resumed or crude oil delivered by pipeline is sanctioned. The oil exploration ban, ban on energy sector investments, ban on port access, ban on road transport and the public concession contract ban were also all amended to specify that they do not apply to crude oil or petroleum products already prohibited by this new ban.

On August 3, 2022, the EU issued an additional Notice confirming that the ban covers Russian oil mixed with oil of another origin, unless the exact share of the product which does not originate in Russia can be clearly demonstrated – in which case that exact portion can be allowed into the Union.¹⁵²

On October 6, 2022, the EU further adopted the following:

- A prohibition on maritime transport and technical assistance, brokering services or financial assistance to third countries of Russian crude oil (as of December 5, 2022) or Russian petroleum products (as of February 5, 2023) (the “EU Third Country Shipment Restriction”); and
- An introduction of a “price cap derogation” allowing the provision of Russian crude oil or petroleum products otherwise restricted under the EU Third Country Shipment Restriction if these are purchased at or below the G7 pre-established price cap.

On December 3, 2022, the European Council agreed to set a price cap for crude oil, petroleum oils and oils obtained from bituminous minerals that originate in or are

¹⁵² Notice to operators, Imports of Russian crude oil or petroleum products into the Union (2022/C 296/05) – available [here](#). See also Commission Oil Price Cap FAQs, available [here](#).

exported from Russia at USD\$60 per barrel.¹⁵³ The price cap came into force on December 5, 2022. As described above, crude oil or petroleum products that originate in or are exported from Russia and are purchased at or below the agreed price cap are exempted from prohibitions in place. The price cap is subject to a transition period of 45 days for vessels carrying crude oil originating in Russia, purchased and loaded onto the vessel prior to December 5, 2022 and unloaded at the final port of destination prior to January 19, 2023. The functioning of the price cap mechanism will be reviewed every two months to respond to developments in the market, and the price cap will be set at least 5% below the average market price for Russian oil and petroleum products, calculated on the basis of data provided by the International Energy Agency.

The Council also introduced an emergency clause allowing the transport of oil beyond the price cap or the provision of technical assistance, brokering services or financing or financial assistance related to the transport, when these are necessary for the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment, or as a response to natural disasters.

Dual-Use Goods

The sale, supply, transfer or export to Russia of dual-use goods and technology, including the provision of related technical services, brokering services, financing or financial assistance is now prohibited (with some exemptions).

On December 16, 2022, the EU adopted a 9th package of Russia sanctions, which includes new export controls and restrictions on dual-use goods and technology that can contribute to the technological advancement of Russia's defense and security sector.

Advanced Technology and Maritime Technology

In addition, the sale, supply, transfer or export to Russia of goods and technology that might contribute to Russia's military and technological enhancement, or the development of the defense and security sector (including semiconductors), including the provision of related technical services, brokering services, financing or financial assistance is also prohibited (with some exemptions).

There is also a ban on the sale and supply of maritime navigation goods and technology whether or not originating in the EU to any natural or legal person in Russia, for use in Russia, or for use on Russian-flagged vessels subject to a humanitarian exemption. This ban also applies to the provision of technical

¹⁵³ See Council Decision 2022/2369; Council Regulation 2022/2367; Commission Implementing Regulation 2022/2368; Press Release of the Council of the EU "Russian oil: EU agrees on level of price cap" (Dec. 3, 2022), available [here](#); and Q&As of the European Commission "G7 agrees oil price cap to reduce Russia's revenues, while keeping global energy markets stable" (Dec. 3, 2022), available [here](#).

assistance, brokering services, provision, manufacture, maintenance of these goods, as well as the financing the sale and supply of these goods or related services.

On October 6, 2022, the EU imposed additional export restrictions on items contributing to Russia's military, industrial and technological enhancement or defense and security sector development. This includes coal and cooking coal, electronic components found in Russian weapons, and chemicals and goods that can be used for capital punishment, torture or other inhumane treatment.

The sale, supply, transfer or export of civilian firearms and their components and ammunition, military vehicles and equipment, paramilitary equipment and spare parts are also prohibited.

On February 24, 2023, the EU imposed further bans on:

- critical technology and industrial goods, including electronics, specialized vehicles, machine parts and spare parts for trucks and jet engines, as well as goods for the construction sector which can be directed to Russia's military, such as antennas or cranes;
- items that could contribute to the technological enhancement of Russia's defense and security sector, including electronic components used in Russian weapons systems retrieved on the battlefield, such as drones, missiles and helicopters, as well as specific rare earth materials, electronic integrated circuits and thermal cameras; and
- transit through Russia of EU-exported dual use goods and technology, to avoid circumvention.¹⁵⁴

Aircraft

There are three restrictive measures currently in place in relation to aircraft and the aviation sector.

- Prohibition on the sale, supply, transfer or export of goods and technology suited for use in the aviation and space industry, including the sale of all aircrafts, spare parts and equipment to Russian airlines.
- Prohibition on the provision of related technical and financial assistance, including the overhaul, repair, inspection, replacement, modification or defect rectification of an aircraft or component, with the exception of pre-flight inspection.

¹⁵⁴ See Press Release from the Council of the EU: "One year of Russia's full-scale invasion and war of aggression against Ukraine, EU adopts its 10th package of economic and individual sanctions" (Feb. 25, 2023), available [here](#).

- Prohibition on the provision of insurance and reinsurance, and maintenance services, related to those goods and technology.

Note that for the above, a wind-down period is in effect until March 28, 2022 for execution of contracts concluded before February 26, 2022.

On October 6, 2022, the EU further restricted the sale, supply, transfer or export of goods used in the aviation sector.

On December 16, 2022, the EU adopted a 9th package of Russia sanctions, which includes:

- an export ban on aviation and space industry goods and technology, including aircraft engines and their parts; and
- a ban on the direct exports of drone engines to Russia and any third country that can supply drones to Russia.

Import of Iron and Steel Products

On March 15, 2022, the EU prohibited the import and transport of iron and steel products that originate in Russia or have been exported from Russia, as well as the purchase of iron and steel products that are located or originate in Russia. This includes a ban on providing related technical assistance, brokering services, financing or financial assistance (including financial derivatives), insurance and reinsurance.

A wind-down period is in effect until June 17, 2022 for execution of contracts concluded before March 16, 2022.

Further, on October 6, 2022, the EU imposed import restrictions on finished and semi-finished steel products that either originate in Russia or are exported from Russia, in addition to machinery and appliances, wood pulp and paper, cigarettes, plastics, vehicles, textiles, footwear, leather, ceramics, certain chemical products, cosmetics and jewelry industry elements such as stones and precious metals.

Luxury Products

The sale, supply, transport or export of luxury products of a value greater than EUR 300 to any person or entity in Russia or for use in Russia is now prohibited, subject to certain diplomatic and consular exemptions.

Regional Trade Restrictions on Donetsk and Luhansk

The EU has imposed trade restrictions on the DPR and LPR regions of Ukraine. These restrictions broadly mirror the wide-ranging trade sanctions that affect the Crimea and Sevastopol region of Ukraine and consist of:

- import bans on goods from these territories, including a prohibition on ancillary services such as insurance for such imports;
- investment restrictions relating to this region;
- restrictions on the provision of certain listed transport, telecommunications, energy and oil and gas related goods, and any associated technical or financial services;
- a ban on certain services for the construction and engineering services industries in the region; and
- a prohibition on providing service directly related to tourism in this region.

On October 6, 2022, the EU extended the geographical scope of these restrictions to cover Zaporizhzhia and Kherson.

Goods That Generate Significant Revenues for Russia or Contribute to the Enhancement of Russian Industrial Capacities

On April 8, 2022, the EU banned the purchase, import and transfer, directly or indirectly, of goods that generate significant revenues for Russia and originate in Russia or are exported from Russia. A wind-down period is in effect until July 10, 2022 for contracts concluded before April 9, 2022 and ancillary contracts necessary for their execution.

On April 8, 2022, the EU separately banned the sale, supply, transfer or export, directly or indirectly, of goods that could contribute in particular to the enhancement of Russian industrial capacities (such as hydrogen, sulphates, nitrites, paints, film, etc.) to any person or entity in Russia or for use in Russia. A wind-down period is in effect until July 10, 2022 for contracts concluded before April 9, 2022 and ancillary contracts necessary for their execution.

On February 24, 2023, further goods in this category were placed under an import ban, including asphalt and synthetic rubber.

Trusts-Related Services

On April 8, 2022, the EU prohibited the registering, providing a registered office, business or administrative address and providing management services to a trust or similar legal arrangement: where the trustor or beneficiary is a Russian national, resident or entity or is more than 50% owned by a Russian national, resident or entity; or where the entity or person is acting under the control or at the direction of a Russian national, resident or entity. From May 10, 2022, this prohibition will include a prohibition to act as, or arrange for another person to act as, a trustee, nominee shareholder, director, secretary or a similar position, for a trust or similar legal arrangement.

A wind-down period is in effect until May 10, 2022 for contracts concluded before April 9, 2022.

On June 3, 2022, the EU amended the relevant period for the trusts-related services prohibition, prohibiting from July 5, 2022 to act or arrange for another person to act as a trust nominee, shareholder, director or secretary for a trust or similar legal arrangement unless the operations are strictly necessary for the termination by July 5, 2022 of contracts concluded before April 9, 2022. National competent authorities may authorize a person to act as a trustee nominee, shareholder, director or secretary for a trust or similar legal arrangement beyond July 5, 2022 for strictly necessary operations to terminate contracts, *provided* that the operations were initiated before May 11, 2022, or for other reasons, *provided* that the service provide does not accept or make available any funds or economic resources, or otherwise provide benefits from assets placed in a trust, to those the ban applies to. If member states grant such an authorization they must notify the EU Commission of it.

Gold

On July 21, 2022, the EU imposed a ban on imports of gold if it originates in Russia and it has been exported from Russia into the EU or to any third country after July 22, 2022. This includes a prohibition on importing certain gold products processed in third countries if the gold used was exported from Russia after July 22, 2022. There are exemptions for gold necessary for official diplomatic missions or personal use.

Transport Restrictions

On February 28, 2022, the EU imposed a ban on Russian air carriers and non-Russian aircrafts owned, chartered or otherwise controlled by any Russian entity or individual from landing, taking off or flying over EU territory.¹⁵⁵

On April 8, 2022, the EU imposed a ban on Russian vessels accessing EU ports after April 16, 2022, subject to certain exemptions. This includes a ban on vessels that changed their flag or registration from Russia to another nation after February 24, 2022. On July 21, 2022, this prohibition was extended to also apply to locks.

On April 8, 2022, the EU also banned road transport undertakings established in Russia transporting goods by road within the EU, except for mail transport, transport between Kaliningrad and Russia and certain other exemptions. This ban applies from April 16, 2022 to the transport of goods that started before April 9, 2022, so long as the transport undertaking was already in the EU on April 9 and needs to transit through the EU to return to Russia.

¹⁵⁵ Council Regulation (EU) 2022/334 of February 28, 2022 amending Council Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine, [available here](#).

On June 3, 2022, the EU banned the direct or indirect provision of technical assistance, brokering services or financing or financial assistance related to the transport (including through ship-to-ship transfers) to third countries of crude oil or petroleum products which originate in Russia or which have been exported from Russia. This ban applies from December 5, 2022 for contracts concluded before June 4, 2022. The prohibition does not apply to the transport of crude oil or petroleum products which originate from a third country and are only being loaded in, departing from or transiting through Russia, *provided* that both the origin and the owner of those goods are non-Russian.

Media Restrictions

On March 2, 2022, the EU added additional restrictions related to broadcasting. Specifically, it is prohibited for operators to broadcast or to enable, facilitate or otherwise contribute to broadcast, any content by the listed legal persons, entities or bodies, including through transmission or distribution by any means such as cable, satellite, IP-TV, internet service providers, internet video-sharing platforms or applications, whether new or pre-installed. In addition, any broadcasting license or authorization, transmission and distribution arrangement with the following entities must be suspended:

- RT- Russia Today English
- RT - Russia Today France
- RT- Russia Today UK
- RT - Russia Today Spanish
- RT - Russia Today Germany
- Sputnik

On June 3, 2022, the restrictions on broadcasting were expanded to include a prohibition on advertising products or services in any content produced or broadcast by the media outlets listed above.

On December 16, 2022, the EU adopted a 9th package of Russia sanctions, which includes the suspension of broadcasting licenses of 4 Russian media outlets: NTV/NTV Mir, Rossiya 1, REN TV and Pervyi Kanal. **As of February 1, 2023, these media outlets are officially sanctioned.**

On February 24, 2023, the EU suspended broadcasting licenses for media outlets RT Arabic and Sputnik Arabic.

Investment Restrictions

A number of sanctions relating to investments have also been imposed, as follows:

- It is prohibited to invest, participate or otherwise contribute to projects co-financed by the Russian Direct Investment Fund (an unexpected restriction).

- An authority may authorize, under certain conditions, an investment participation in or contribution to projects co-financed by the RDIF if it determines that it is due under contracts concluded before March 2, 2022.
- It is prohibited to provide public (i.e., EU governmental) financing or financial assistance for investment in or trade with Russia, with some limited exemptions (for example, for EU subsidiaries of Russian entities, or for agricultural trade).
- It is prohibited to invest in entities operating in the energy sector in Russia.
- An authority may authorize, under certain conditions, such an investment participation where it is deemed necessary for ensuring critical energy supply within the EU or transporting fossil fuels from or through Russia into the EU.
- It is prohibited to award or continue the execution of public contracts within the scope of the public procurement directive to or with a Russian person or entity; an entity more than 50% owned by a Russian person or entity; or to a person or entity acting on the behalf or at the direction of a Russian person or entity. An authority may authorize such an investment or participation for contracts related to nuclear power, space programs, strictly necessary goods and services, diplomacy, natural gas and oil and certain other metals and minerals. Contracts relating to coal and other solid fossil fuels can be authorized until August 10, 2022. For all other contracts, this ban applies from October 10, 2022 for contracts concluded before April 9, 2022.

It is prohibited to provide direct or indirect support (including financing) under an EU, European Atomic Energy Community (“Euratom”) or member state national program to any Russian entity that is over 50% publicly owned or controlled, subject to certain exemptions.

On December 16, 2022, the EU adopted a 9th package of Russia sanctions, which includes a prohibition of new investments in the Russian mining sector, with the exception of mining and quarrying activities involving certain critical raw materials.

Services Restrictions

On June 3, 2022, the EU imposed a prohibition on directly or indirectly providing accounting, auditing, book-keeping or tax consulting services, or business and management consulting or public relations services to the Government of Russia or to legal persons, entities or bodies established in Russia. The ban does not apply to the provision of services which are (i) strictly necessary for the exercise of the right of defense in judicial proceedings and the right to an effective legal remedy, or (ii) intended for the exclusive use of legal persons, entities or bodies established in Russia that are owned by, or solely or jointly controlled by, an EU person or EU entity. National competent authorities may make exceptions where these services

are necessary for humanitarian purposes or for civil society activities that directly promote democracy, human rights or the rule of law in Russia.

On October 6, 2022, the EU also extended its services restrictions to ban the provision of architectural and engineering services, IT consultancy services and legal advisory services to the Government of Russia or legal persons in Russia.

On December 16, 2022, the EU adopted a 9th package of Russia sanctions, which includes a ban on the provision of EU advertising, market research and public opinion polling services, as well as product testing and technical inspection services to Russia.

Extension of Belarusian Sanctions

The EU has also imposed further sanctions on Belarus in connection with Belarus' apparent collaboration with Russia in relation to Russia's actions in Ukraine:

- 34 Belarusian individuals (related to the Belarus government, propaganda and military) have been added to the asset freeze list.
- Further restrictions related to the trade of goods used for the production or manufacturing of tobacco products, mineral fuels, bituminous substances and gaseous hydrocarbon products, potassium chloride products, wood products, cement products, iron and steel products and rubber products have been introduced.
- Restrictions on the export of dual-use goods and technology and on the provision of related services, as well as restrictions on exports of certain goods and technology that might contribute to Belarus's military, technological, defense and security development, together with restrictions on the provision of related services, have also been introduced.
- Restrictions on transactions related to the management of reserves as well as of assets of the Central Bank of Belarus, including transactions with legal persons or entities acting on behalf of or at the direction of the Central Bank
- Restrictions on the listing and provision of services on EU trading venues for the transferable securities of any legal person, entity or body established in Belarus and with over 50% public ownership. This ban applies from April 12, 2022.
- Restrictions on the provision of public financing or financial assistance for trade with, or investment in, Belarus, unless:
 - It is a result of a binding financing commitment established prior to March 10, 2022;

- It is of a value not exceeding €10,000,000 and benefiting SMEs established in the EU; or
- It is for trade in food, and for agricultural, medical or humanitarian purposes.
- Restrictions on accepting deposits over €100,000 from Belarusian nationals or residents, or legal persons or entities established in Belarus. This ban does not apply to:
 - EU, EEA or Swiss nationals, or to any person with a temporary or permanent residence permit in the EU, EEA or Switzerland;
 - Deposits which are necessary for non-prohibited cross-border trade between the EU and Belarus;
 - Deposits that have been authorized by the competent authorities where it is:
 - Necessary to satisfy basic needs of dependent family members, e.g., payments for food, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
 - Intended exclusively for the payment of reasonable professional fees or the reimbursement of incurred expenses associated with the provision of legal services;
 - Necessary for extraordinary expenses, provided that notice requirements have been met;
 - Necessary for official purposes of a diplomatic mission or consular post or international organization;
 - Necessary for humanitarian purposes, such as delivering or facilitating the delivery of assistance, including medical supplies, food, or the transfer of humanitarian workers and related assistance or for evacuations; or
 - Necessary for civil society activities that directly promote democracy, human rights or the rule of law in Belarus.
- Restrictions on EU central securities depositories to provide certain core and ancillary services for transferable securities issued after April 12, 2022 to Belarusian nationals or residents, or any legal person or entity established in Belarus. This ban does not apply to EU nationals or any person with a temporary or permanent residence permit in the EU.

- A requirement for credit institutions to supply national competent authorities or the Commission with a list of deposits exceeding €100,000 held by a Belarusian national or resident, or a legal person or entity established in Belarus. Updates to this list must be provided every 12 months.
- A requirement for credit institutions to supply national competent authorities or the Commission with a list of deposits exceeding €100,000 held by a Belarusian national or resident who has acquired EU citizenship or residence rights through an investor citizenship scheme or an investor residence scheme.
- Restrictions on the sale, supply, transfer or export of Euro-denominated banknotes to Belarus or to any natural or legal person, entity or body in Belarus, including the Government and the Central Bank of Belarus, or for use in Belarus. On April 8, 2022, this restriction was extended to apply to banknotes denominated in any official currencies of the EU member states. This ban does not apply where such a sale, supply, transfer or export of Euro-denominated banknotes is necessary for:
 - personal use of individuals travelling to Belarus or members of their immediate families travelling with them; or
 - the official purposes of diplomatic missions, consular posts or international organizations in Belarus enjoying immunities in accordance with international law.
- Restrictions on the provision of specialized financial messaging services used to exchange financial data (SWIFT) to Belagroprombank, Bank Dabrabyt, and Development Bank of the Republic of Belarus or to entities established in Belarus whose proprietary rights are more than 50% owned by these entities. This ban applies from March 20, 2022. On June 3, 2022, the EU imposed SWIFT restrictions on Belinvestbank (Belarusian Bank for Development and Reconstruction) to apply from June 14, 2022.
- Prohibition on road transport undertakings established in Belarus transporting goods by road within the EU, except for mail transport, and certain other exemptions. This prohibition applies from April 16, 2022 to the transport of goods that started before April 9, 2022, so long as the transport undertaking was already in the EU on April 9, 2022 and needs to transit through the EU to return to Russia.

On January 10, 2023, the EU announced that it would impose further sanctions on Belarus and Iran in response to their military support of Russia.¹⁵⁶ On January 30,

¹⁵⁶ See “Statement by President von der Leyen at the joint press conference with NATO Secretary-General Stoltenberg and President Michel following the signature of the Joint Declaration on EU-NATO Cooperation” (Jan. 10, 2023), available [here](#).

2023, the EU followed through with sanctions against Iran Aircraft Manufacturing Industries Corporation for its alleged involvement in the development and delivery of Unmanned Aerial Vehicles to Russia. This provides an interesting illustration of how the EU is willing to start targeting non-Russian entities under the same regime where the entities are involved with supporting Russian military activities.

EU Guidance

The Commission has published responses to frequently asked questions, clarifying its view on matters relating to:

- Asset freezes and the prohibition to provide funds or economic resources;
- Circumvention of restrictions and due diligence;
- Euro-denominated banknotes;
- Euro-denominated securities;
- Intellectual property rights (as they relate to sanctions);
- Aviation;
- Customs-related matters;
- Insurance and reinsurance-related sanctions;
- Luxury goods;
- Russian state-owned media; and
- Donetsk and Luhansk related matters.

The EU Capital Market Restrictions

The EU Commission has continued publishing and updating its sanctions guidance in the form of answers to frequently asked questions. These FAQs have now been consolidated into one document, of which the latest version is accessible [here](#).

Enforcement

On June 3, 2022, the enforcement provision of the Russia and Belarus sanctions were strengthened to require member states to impose criminal penalties where appropriate and provide measures for confiscation of the proceeds of a sanctions infringement.

Notably, on May 25, 2022, the European Commission proposed a Council Decision which would add the violation of EU sanctions to the areas of crime laid out in Article 83(1) of the Treaty on the Functioning of the European Union (“TFEU”). This would allow the EU to set out rules concerning the definition of a criminal breach of sanctions and the minimum penalties imposed for such a breach. The European Commission has also issued a Communication to the Parliament and Council setting out the main elements that a future Directive on criminal penalties for sanctions breaches could contain.¹⁵⁷ The Council is expected to formally adopt the Decision in October 2022 and this will be the first time that the list of EU crimes is extended.

On November 28, 2022, the EU Council unanimously adopted a decision to add the violation of restrictive measures to the list of EU crimes included in the TFEU.¹⁵⁸ Following on from this, on December 2, 2022, the European Commission proposed a Directive¹⁵⁹ on the criminalization of sanctions violations. As drafted, the Directive:

- defines the criminal offenses related to the violation of EU sanctions;
- standardizes the penalties for those found guilty of a defined criminal offense;
- safeguards lawyers through professional secrecy by removing any obligation to report information obtained in connection with judicial, administrative or arbitral proceedings; and
- designates concealed funds or economic resources obtained through circumvention as proceeds of crime.

The proposed Directive will now undergo a review by the European Parliament and Council per the ordinary co-legislative procedure.

On February 24, 2023, the EU introduced new enforcement and anti-circumvention measures including:

- more detailed reporting obligations on funds and economic resources belonging to listed individuals and entities which have been frozen or were subject to any move shortly before the listing;

¹⁵⁷ See Communication from the Commission to the European Parliament and the Council towards a Directive on criminal penalties for the violation on Union restrictive measures (May 25, 2022), available [here](#).

¹⁵⁸ See Press Release from the Council of the EU “Sanctions: Council adds the violation of restrictive measures to the list of EU crimes” (Nov. 28, 2022), available [here](#).

¹⁵⁹ See Proposal for a Directive on the definition of criminal offences and penalties for the violation of Union restrictive measures (Dec. 2, 2022), available [here](#); Press Release from the European Commission “Ukraine: Commission proposes to criminalise the violation of EU sanctions” (Dec. 2, 2022), available [here](#); and Q&As from the European Commission “Commission proposes to criminalise evasion of EU sanctions” (Dec. 2, 2022), available [here](#).

- reporting obligations to the Member States and to the Commission on immobilized reserves and assets of the Central Bank of Russia; and
- an obligation for aircraft operators to notify non-scheduled flights to their national competent authorities.

Future Plans

On February 2, 2023, the EU announced it was preparing to introduce the organization of a Sanctions Coordinators Forum for international partners and Member States to strengthen enforcement efforts.¹⁶⁰ The first Forum was convened on February 23, 2023 with all EU Member States and the U.S, the UK, Japan, Canada, Australia, New Zealand, Norway, Switzerland and Ukraine in attendance. This first meeting focused on:

- facilitating international cooperation to ensure that sanctions are implemented fully and effectively;
- how to further enhance the close partnership with the Government of Ukraine;
- data needed to measure the impact of measures and how this is approached across different jurisdictions; and
- analysis of circumvention patterns and routes and potential solutions.¹⁶¹

Agendas and objectives for further meetings have yet to be announced.

¹⁶⁰ See Statement by President von der Leyen on the 10th package of sanctions against Russia (Feb. 15, 2023), available [here](#).

¹⁶¹ See Statement from the Directorate-General for Financial Stability, Financial Services and Capital Markets Union “EU Sanctions Envoy David O’Sullivan on the first Sanctions Coordinators Forum” (Feb. 23, 2023), available [here](#).

UK SANCTIONS

The UK has introduced a number of Russian sanctions that broadly fall into the following categories. While these restrictions are, in some ways, similar to the EU restrictions, there are a number of significant differences.

- **Financial restrictions** – including expanded capital market restrictions to all Russian persons, limits on dealing with or providing exchange-related services to the Russian government and restrictions on dealing with Russian sovereign debt. The UK has also imposed correspondent banking restrictions, restrictions on transactions with the Central Bank of the Russian Federation and the Russian Government and a number of general licenses.
- **Investment and capital market restrictions** – including a prohibition on directly acquiring any ownership or control in an entity connected with Russia.
- **Asset freezes** – an expansion of the previous asset freeze list to include a number of prominent Russian businessmen, Russian politicians and Russian banks.
- **Trade and services restrictions** – for aircraft, technology products (broadly covering advanced technology, including for micro-processors and other advanced systems), more comprehensive restrictions on dual-use goods, as well as coal, oil and gold, goods that can generate significant revenue for Russia, and accounting, business management and PR services.¹⁶²
- **Transport restrictions** – including aviation restrictions and restrictions on Russian vessels entering UK ports.¹⁶³
- **Internet services restrictions** – including new obligations for social media, internet access and application store providers.

Financial Restrictions

On March 1, 2022, the UK published amendments to its financial sanctions, which include:

- restrictions on correspondent banking relationships on all designated persons, a credit or financial institution that is owned or controlled directly or indirectly by a designated person, asset frozen individuals and Sberbank; and
- restrictions prohibiting provision of financial services for the purpose of foreign exchange reserve and asset management to the Central Bank of the Russian

¹⁶² For further information on trade sanctions, see the Government's guidance, available [here](#), [here](#) and [here](#).

¹⁶³ For further information on transport restrictions, see the Department for Transport's guidance, available [here](#).

Federation, the National Wealth Fund of the Russian Federation and the Ministry of Finance of the Russian Federation.

On June 23, 2022, the UK prohibited exporting banknotes denominated in sterling or any official currencies of the EU member states to or for use in Russia.

On September 30, 2022, in response to the Russian annexation of Donetsk, Luhansk, Kherson and Zaporizhzhia, the UK announced the suspension of the process by which actions taken to manage the orderly failure of Russian banks are recognized under the laws of the UK, in cases where the bank is a sanctioned entity.

On December 15, 2022, new Regulations were introduced to:

- amend existing restrictions on dealing with securities, money market instruments, loans and credit arrangements to a person connected with Russia.
- suspend the Bank of England's legislative duty to make a decision in respect of a notification of third-country resolution action in respect of a designated person or entities owned or controlled by a designated person.¹⁶⁴

Investment Restrictions and Capital Market Restrictions

The sanctions regime expands the UK capital market restrictions to all “*persons connected with Russia*,” but only in relation to shares and transferable securities issued on or after March 1, 2022. Secondary trading of Russian transferable securities and money market instruments issued before this date is thus still permitted.

The restrictions also cover the provision of new loans to Russian connected persons after March 1, 2022 (other than individuals).

“*Persons connected with Russia*” means persons ordinarily resident in Russia, persons who are physically located in Russia and Russian entities. These capital market restrictions also apply to entities more than 50% owned by a person connected to Russia, though there is a general exemption for persons who were not, as of March 1, 2022, domiciled in Russia or owned by entities or persons based outside of Russia. In practice, this means that any entities owned by an individual in Russia will also be subject to these UK capital market restrictions.

The exemption for UK-incorporated subsidiaries of entities targeted by the original UK capital market restrictions (e.g., Sberbank and VTB) has been removed. The UK has also removed the “non-restricted trade” exemption for loans made to any persons subject to UK capital market restrictions.

¹⁶⁴ See Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022, available [here](#).

On July 19, 2022, the UK imposed a prohibition on all new UK outward investment into Russia. This prohibition was first announced by Foreign Secretary Liz Truss on April 6, 2022.

The restriction on Russian investments prohibits the following activities:

- Directly acquiring any ownership interest in land located in Russia.
- Indirectly acquiring any ownership interest in land located in Russia for the purpose of making funds or economic resources available directly or indirectly to a person connected with Russia.
- Directly acquiring any ownership or control in an entity connected with Russia. An entity connected with Russia means one which is established or constituted under the laws of, or domiciled in, Russia.
- Indirectly acquiring any ownership or control in an entity connected with Russia for the purpose of making funds or economic resources available directly or indirectly to a person connected with Russia, or for the benefit of a person connected with Russia.
- Directly or indirectly acquiring any ownership or control in a non-Russian entity with a place of business in Russia for the purpose of making funds or economic resources available directly or indirectly to a person connected with Russia, or for the benefit of a person connected with Russia.
- Directly or indirectly establishing any joint venture with a person connected with Russia.
- Opening a representative office or establishing a branch or subsidiary in Russia.
- Providing investment services related to any of the above activities.

There are three key exemptions to the Russian investment prohibition. These are:

- A grandfathering provision allowing contractual obligations to be concluded if those obligations arose before July 19, 2022. This exemption includes a reporting obligation to notify HM Treasury no later than five working days before the activity is carried out.
- Secondary trading of transferable securities issued by Russian companies is permitted where the relevant shares are already listed on a recognized regulated market.

- The third exemption applies to most non-Russian entities as long as they issue freely tradeable shares. This means that the Russian investment prohibition applies to most non-Russian entities with places of business in Russia.

On October 28, 2022, the Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 were introduced with provisions entering into force on October 29, 2022. This amendment expanded the loan restrictions in the UK capital market restrictions to cover a broader range of non-Russian entities ultimately owned by persons connected with Russia.

Asset Freezes

The UK has imposed asset freezes on various entities and individuals under the newly expanded asset freeze designation criteria, which were introduced on February 10, 2022, as discussed in our [previous Client Update](#). On March 30, 2022, these criteria were expanded to allow designations on the basis of descriptions, rather than just by name.

Asset freezes and travel bans have been imposed on over 1,200 individuals and over 120 entities since February 22, 2022. On March 22, 2022, OFSI clarified that it will not aggregate different designated persons' holdings in a company when assessing ownership or control, unless the holdings are subject to a joint arrangement between the designated parties or one party controls the rights of the other. Please note that asset freezes can extend to entities owned or controlled by a sanctioned individual. The most prominent individuals and entities sanctioned by the UK include:¹⁶⁵

¹⁶⁵ For further information, see our Russian Billionaires Table at Annex A.

Banks	State-owned Enterprises	Prominent Business Figures	Political Figures
Alfa-Bank JSC	Rostec	Alisher Usmanov	Vladimir Putin
Gazprombank	United Aircraft Corporation	German Khan	Sergei Lavrov
VTB Bank	Tactical Missiles Corporation JSC	Igor Sechin	400 members of the State Duma
VEB	UralVagonZavod	Roman Abramovich	Members of the Russian Federation Council
Otkritie	United Shipbuilding Corporation	Andrei Kostin	Senior military leaders
Sovcombank	SOGAZ	Mikhail Fridman	Members of the Russian Security Council
Sberbank ¹⁶⁶		Gennadiy Timchenko	Elvira Nabiullina
St. Petersburg Bank		Herman Gref	
Uralsib Bank		Dmitry Mazepin	
Zenit Bank		Andrey Melnichenko	
MTS Bank		Petr Aven	
		Leonid Mikhelson	
		Vladimir Potanin	

On September 26, 2022, the UK added a further 89 people and 3 entities to its Russia sanctions list in response to the “sham referendums” that have taken place in four non-government-controlled regions of Ukraine.

On September 30, 2022, in response to the Russian annexation of Donetsk, Luhansk, Kherson and Zaporizhzhia, the UK announced the designation of Elvira Nabiullina, the Governor of the Central Bank of the Russian Federation.

On November 30, 2022, Russian officials who have promoted and enforced the conscription and mobilization of citizens and criminal mercenaries to fight in Russia’s war in Ukraine were added to the list.¹⁶⁷ On December 13, 2022, senior Russian commanders and a few Iranian officials and entities alleged to be involved in the production or supply of drones to the Russian government were added to the list.¹⁶⁸

On February 8, 2023, more entities providing military equipment such as drones for Russia’s invasion of Ukraine, as well as individuals connected to financial networks

¹⁶⁶ On April 6, a full asset freeze was imposed on Sberbank.

¹⁶⁷ See Press Release from The Foreign, Commonwealth & Development Office and The Rt Hon James Cleverly MP “UK sanctions Russian officials behind conscription, mobilisation and criminal mercenaries” (Nov. 30, 2022), available [here](#).

¹⁶⁸ See Financial Sanctions Notice from OFSI (Dec. 13, 2022), available [here](#).

that help maintain wealth and power amongst Kremlin elites were added to the list.¹⁶⁹

On February 24, 2023, a further 80 people and 12 entities were designated, including executives linked to state-owned nuclear power company Rosatom; defense companies Rostec and Almaz-Antey Corporation; Gazprom; and Aeroflot.¹⁷⁰

Trade Sanctions

The new regime expands restricted goods and technology to include critical industry goods, critical industry technology, dual-use goods, military goods and military technology. These include electronics, micro-processors, microcircuits and similar products. On April 19, 2022, the definition of restricted goods was extended to also encompass quantum computing, advanced materials goods technology.

Aircraft are now covered by UK trade sanctions, including providing associated technical assistance, financial services and broking services. However, there is an exemption for aircraft flying out of the UK on regular scheduled services, which appears to be intended for future use for civilian passenger aircraft to be able to fly out of the UK to Russia and not be restricted as an export. The UK has also restricted Russian aircraft from entering UK airspace. On March 30, 2022, the UK also prohibited providing technical assistance relating to aircraft and ships to a designated person, subject to certain safety exemptions. On June 23, 2022, the UK prohibited the export of jet fuel and fuel additives to, or for use in, Russia. The UK also prohibited the export of maritime goods and technology for the placing on board of Russian-flagged vessels.

As compared to EU sanctions, the UK trade sanctions mostly mirror the EU's trade restrictions on dual-use goods and technology industry goods, such as manufacturing equipment for microprocessors and aircraft advance technology. However, these restrictions do not include the broad EU-equivalent of ancillary overhaul inspection or parts replacement, which were sanctioned by the EU on February 25, 2022. On June 23, 2022, the UK prohibited the export of certain restricted military goods and technology to or for use in non-government controlled Ukrainian territory with a few exceptions, including for non-military use for a non-military end user and humanitarian assistance; this includes making these goods available to a person connected with or for use in non-government controlled Ukrainian territory.

¹⁶⁹ See Press Release from The Foreign, Commonwealth & Development Office and The Rt Hon James Cleverly MP "New sanctions target Putin's war machine and financial networks as UK accelerates economic pressure on Russia" (Feb. 8, 2023), available [here](#).

¹⁷⁰ See Press Release from The Foreign, Commonwealth & Development Office, Department for Business and Trade, The Rt Hon Kemi Badenoch MP, and The Rt Hon James Cleverly MP, "New sanctions ban every item Russia is using on the battlefield" (Feb. 24, 2023), available [here](#); Financial Sanctions Notice from OFSI (Feb. 24, 2023), available [here](#).

These restrictions originally did not include restrictions on oil refinery equipment, which the EU sanctioned on February 25, 2022. However, on April 19, 2022, the prohibition on restricted goods was extended to include a prohibition on the export of oil refining goods, software and technology.

On March 30, 2022, existing trade embargos on Crimea were expanded to also apply to Donetsk and Luhansk, subject to an exemption for the performance of contractual obligations which arose before February 23, 2022, where the UK government has been notified of such performance.

On April 21, 2022, the UK prohibited the import of iron and steel products that originate or are consigned from Russia. This includes a prohibition on directly or indirectly supplying or delivering iron and steel products from a place in Russia to a third country. On June 23, 2022, the UK prohibited the provision of technical assistance, financial services and funds in relation to iron and steel products.

The UK has also prohibited export of luxury goods to Russia or for use in Russia. This includes a prohibition on supplying luxury goods from a third country to Russia and making luxury goods available to a person connected with Russia.

On June 23, 2022, the UK prohibited the import of revenue generating goods which originate in, or are consigned from, or located in, Russia. The supply and delivery of revenue generating goods from Russia into the UK is also prohibited. The ban also prohibits the provision of technical assistance, financial services and funds, and brokering services relating to revenue generating goods. This prohibition broadly aligns with the equivalent EU restrictions already in place.

On July 20, 2022, the UK imposed additional duties of 35 percentage points on a range of goods including platinum, palladium, nickel, silicon, antibiotics and more.

On July 21, 2022, the UK prohibited the export of “G7 dependency and further goods” to or for use in Russia, in addition to prohibiting the supply or delivery of such items from a third country to a place in Russia. These goods include a wide range of items and are listed in Schedule 3E of the Russia (Sanctions) (EU Exit) Regulations 2019. The prohibition also applies to the provision of related technical assistance, financial services, funds and brokering services related to these goods.

Also on July 21, 2022, the UK prohibited the import of Russian oil and oil products after December 31, 2022 (as first announced on March 8, 2022), and the import of Russian coal or coal products after August 10, 2022. Both prohibitions include a prohibition on acquiring these goods, directly or indirectly, where they originate in or are located in Russia with the intention of having the goods enter the UK. The prohibition also applies to the provision of related technical assistance, financial services, funds and brokering services related to these goods.

The UK also prohibited the import of gold where that gold has been exported from Russia. It is also prohibited to acquire gold, directly or indirectly, where it originates in or is located in Russia with the intention of having it enter the UK. The prohibition also applies to the provision of related technical assistance, financial services, funds and brokering services related to these goods.

On September 30, 2022, in response to the Russian annexation of Donetsk, Luhansk, Kherson and Zaporizhzhia, the UK announced export bans on nearly 700 goods crucial to Russia's manufacturing sector further sanctions.

On October 28, 2022, the Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 were introduced with all but the provisions relating to a ban on the import of liquified natural gas (LNG) entering into force on October 29, 2022. This amendment:

- extends the gold import restrictions to cover gold jewelry;
- updates and extends the list of export restricted goods; and
- imposes new restrictions on importing Russian LNG and exporting LNG to Russia (in force on January 1, 2023).

On December 15, 2022, new Regulations providing for further trade sanctions were laid before introduced to:

- add critical industry goods and technology, including camouflage and oil production and mining equipment, to the export ban list; and
- add five chemicals to the defense and security goods and technology subject to the export ban list.

On February 24, 2023, the UK also announced that it intends to introduce export restrictions covering "every item that Russia has been found using on the battlefield in Ukraine". Although the full list of items that will be banned has not yet been published, examples are likely to include aircraft parts, radio equipment and electronic components that can be used by the Russian military industrial complex, including for the production of UAVs. Based on recent practice, it may be a few months before these additional restrictions are implemented as a matter of UK law.

Services Restrictions

On July 18, 2022, the UK prohibited the provision of accounting services, business and management consulting services, or public relations services to a person connected with Russia.

On September 30, 2022, the UK extended the services restrictions to ban the provision of IT consultancy, architectural services, engineering service, advertising services, auditing services and transactional legal advisory services.¹⁷¹

On December 15, 2022, the new Regulations providing for further services restrictions were introduced. They cover direct and indirect provision of auditing; advertising; architectural; engineering; and information technology consultancy and design services to a person connected with Russia.¹⁷² This services ban applies starting from March 15, 2023 for contracts concluded before December 16, 2022, but any action before March 15 requires a notification to the Secretary of State. The ban will also not apply to internet access services or services that are incidental to the exchange of communications over the Internet.

Unlike the EU restrictions that extend only to Russian entities, the UK services ban applies to the provision of services to persons connected with Russia,¹⁷³ which can cover individuals receiving the benefit of the prohibited services. UK services ban also does not provide an exemption for Russian entities owned or controlled by UK persons or entities.

So far, a ban on legal services has not come into effect but is expected “in the coming months.”

Trust Related Services

On December 15, 2022, new Regulations were introduced to prohibit the provision of ongoing or new trust services to or for the benefit of a designated person or a person connected with Russia. The trust services ban exempts provision of trust services to or for the benefit of a person connected with Russia pursuant to an ongoing arrangement under which the services were provided immediately before December 16, 2022.

The trust services restrictions extends not only to beneficiaries of trusts, but also to potential beneficiaries under trust documents and persons who are not beneficiaries on paper, but are reasonably expected to obtain or be able to obtain a significant financial benefit from such trust or similar arrangement.

Oil Price Cap

The Russia (Sanctions) (EU Exit) (Amendment) (No. 16) Regulations 2022 came into force on December 5, 2022. The new regulations:

- advanced the implementation date for import bans on Russian oil and oil products from December 31, 2022 to December 5, 2022;

¹⁷¹ For further information, see the Solicitors Regulation Authority guidance, available [here](#).

¹⁷² See Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022, available [here](#).

¹⁷³ For further information, see the Export Control Joint Unit's guidance, available [here](#).

- with regard to oil and oil products falling within commodity code 2709 and 2710 that originate in or are consigned from Russia:
 - prohibit their supply or delivery by ship (from February 5, 2023);
 - prohibit the provision of financial services to facilitate their supply or delivery; and
 - provide for exceptions where their origination is from a country that is not Russia, there is no ownership by a person connected with Russia and only loading in, departing from or transiting through Russia is concerned, or otherwise where justified as an emergency.
- confer the Office of Financial Sanctions Implementation (“OFSI”) with the power to impose civil monetary penalties on a person who fails to comply.

From December 5, 2022:

- the import of Russian oil and Russian oil products into the UK is banned; and
- the maritime transportation of Russian oil from Russia to a third country or between third countries, and the provision of financial services or other ancillary services relating to such transportation is banned (similarly for refined oil products from February 5, 2023) (the “UK Third Country Shipment Restriction”).

The UK Third Country Shipment Restriction is subject to an OFSI General License, which allows otherwise prohibited activities if the Russian oil is under the relevant agreed price cap (subject to the party relying on the license complying with the relevant administrative steps required by this license). Please note that use of the UK oil price cap exemption is more administratively burdensome than the equivalent EU mechanism, as described further below.

These new restrictions were accompanied by new guidance, first published on November 14, 2022. This guidance provides detailed coverage of the purpose, scope, implementation and enforcement of the ban in addition to related exceptions, licensing, attestation and reporting.¹⁷⁴ Updated guidance on refined products was published on February 2, 2023.¹⁷⁵

As a result of these new restrictions, except where the price cap license applies, persons in the UK and UK persons globally are prevented from:

¹⁷⁴ For more information on the UK Oil Price Cap, see the Treasury’s guidance, available [here](#); OFSI’s blog post, available [here](#); the Department for Business, Energy & Industrial Strategy’s guidance, available [here](#).

¹⁷⁵ See OFSI’s blog post, available [here](#).

- supplying or delivering oil or oil products from Russia to or via a third countries by ship; and
- providing financial services, funds and brokering services to anyone globally who is supplying or delivering the same by ship.

Note that “ship” includes every description of vessel used in navigation, and that the prohibitions cover:

- transfers of goods between ships; and
- persons who own, control, charter or operate a ship.

The price cap regime establishes different price attestation requirements for three “tiers” of actors in the oil supply chain depending on whether they routinely know the price paid in their ordinary course of business and how often they transact.¹⁷⁶ This is further explained in the accompanying guidance.¹⁷⁷

- **Tier 1 actors**, such as oil traders and brokers, are those who regularly have direct access to price information and are required to hold and share the price with or provide attestation to Tier 2 or Tier 3 counterparties of compliance with the cap.
- **Tier 2 actors**, such as charters or trade financiers, are those who directly interact with Tier 1 parties but do not have direct access to price information themselves and are required to request price information or an attestation from Tier 1 counterparties and conduct appropriate due diligence.
- **Tier 3 actors**, such as insurers and ship owners, are those with no access to price information and are required to seek and receive attestation from relevant Tier 1 or Tier 2 counterparties of their compliance with the cap and conduct appropriate due diligence. This will likely have a significant impact as the UK is remains one of the leading sources of insurance for global transportation of oil and financial services involving oil products.

The price cap regime also creates reporting and record keeping requirements.¹⁷⁸ Tier 1 entities are required to report to OFSI each time they undertake an activity purporting to be permitted, including where several activities or occurrence of activities are covered under a single contract. Notification must occur within 40 days of each transaction. Where 10 or more reports are required from the same entity within a 30-day period, the entity may combine these into one consolidated report.

¹⁷⁶ See GL INT/2022/2469656, available [here](#).

¹⁷⁷ For more information on the UK Oil Price Cap, see the Treasury’s guidance, available [here](#).

¹⁷⁸ See OFSI’s list of reporting forms, available [here](#).

Tier 2 or Tier 3 entities seeking attestation directly from a Tier 1 entity are required to ask and receive confirmation that the Tier 1 entity has reported to OFSI. This must occur quarterly for Tier 2 entities and periodically for Tier 3 entities. Where confirmation is not received, the Tier 2 or Tier 3 entity is required to inform OFSI of this and withdraw its services as soon as reasonably practicable. Where the Tier 2 or Tier 3 entity requests this confirmation but finds that the Tier 1 entity is not a UK person and therefore not required to report, the Tier 2 or Tier 3 entity does not need to receive confirmation although it does need to inform OFSI of this situation. This should occur quarterly for Tier 2 entities and at the same time as an annual insurance policy review or any other periodic review of service agreements with a Tier 1 entity for Tier 3 entities.

All entities involved must keep accurate, complete and English-readable electronic or paper records of their activities undertaken under the relevant license.

There is a wind-down period in place for oil already loaded on ships before December 5 via a General License.¹⁷⁹ This authorizes contracts to ship Russian oil traded at a price above the cap loaded before 05h01 GMT on December 5, 2022, and delivered and clear of customs in a third country before 05h01 GMT on January 19, 2023.

Further General Licenses have been issued to:

- permit correspondent banking and payment processing transactions indefinitely;¹⁸⁰
- exempt the supply or delivery of Russian oil originating in or consigned from the Sakhalin-2 Project from a place in Russia to a place in Japan by ship until September 29, 2023;
- exempt the execution of contracts concluded before June 4, 2022 for the purchase, import or transfer of Russian oil into Bulgaria until December 31, 2024;
- exempt the purchase, import or transfer of vacuum gas oil consigned from or originating in Russia into Croatia where no alternative supplies are available until December 31, 2023; and
- exempt the supply or delivery by ship of crude oil originating in or consigned from Russia for a landlocked European Member State if the supply of crude oil by pipeline from Russia is interrupted for reasons outside the control of that Member State.¹⁸¹

¹⁷⁹ See GL INT/2022/2470256, available [here](#).

¹⁸⁰ See GL INT/2022/2470056, available [here](#).

¹⁸¹ See GL INT/2022/2470156, available [here](#).

General Licenses for Financial Sanctions

Since implementing its autonomous sanctions regime, the UK has been able to issue US-style general licenses for conduct that would otherwise be prohibited by sanctions (this differs from EU sanctions, which usually require a person to apply for an individual license). The following licenses related to financial sanctions have been issued and remain unexpired:

- A license relating to asset recovery by “Non-Crown Relevant Organisations”; it is of indefinite duration.
- A license allowing winding down, payments for basic needs and payments related to insolvency proceedings involving Amsterdam Trade Bank N.V, a majority owned subsidiary of Alfa-Bank JSC, until May 12, 2023.
- A license allowing UK persons to make payments to PJSC Aeroflot, JSC Rossiya Airlines, JSC Ural Airlines, Russian Railways and their subsidiaries for the purchase of flight or train tickets originating in or within Russia until May 23, 2023.
- A license allowing Interim Managers and trustees to act as receivers and managers in respect of the property and affairs of a charity until May 30, 2023.
- A license allowing non-asset frozen persons to continue business operations involving civil telecommunications services (other than ZAO TransTeleCom Company), until May 30, 2024.
- A license allowing non-asset frozen persons to continue business operations involving the provision of news media services, until May 30, 2024.
- A license allowing non-asset frozen persons to use the retail banking services of asset frozen banks *provided* that the payments made or received are intended for personal use and that the total value of payments made does not exceed £50,000, until **November 10, 2023**.
- A license of an indefinite duration allowing certain humanitarian organizations to provide humanitarian assistance to Ukraine and its non-government controlled areas.
- A license of indefinite duration allowing asset frozen individuals or entities to make payments to UK insurers for insurance premiums and broker commissions relating to the provision of building and engineering insurance cover provided to UK properties, and to receive payment following successful claims against their insurance policies.

- A license authorizing payments until August 14, 2023 to Credit Bank of Moscow, Gazprombank, Sberbank or Rosbank PJSC, or a subsidiary of any of these, for the purpose of making energy available for use in Mongolia.
- A license allowing Crown servants, contractors and their family members to carry out activities in their personal capacity which would otherwise be prohibited.
- A license allowing banks to take payment of bank fees from frozen accounts.
- A license indefinitely authorizing the payment of funds to the London Court of International Arbitration to cover arbitration costs.
- A license authorizing the granting of category 5 loans and other financing arrangements to Gazprom Germania GmbH until October 29, 2023.
- A license authorizing the payment of legal fees to law firms and counsel until April 28, 2023, subject to certain caps.
- A license authorizing Truphone Limited – and its subsidiary companies with the exception of Cellnetrix Technology LLC – to continue to provide telecommunication services, as well as make and receive payments related to such services, until April 28, 2023.
- A license authorizing a non-designated person to make use of the retail banking services of a designated credit or financial institution provided that payments made or received are intended for personal use provided that the total value of payments does not exceed £50,000, until November 10, 2023.
- A license authorizing designated persons to make utility payments for gas and electricity supplies to owned or rented UK properties from a frozen UK bank account, until **October 16, 2023**.

The issuance of general licenses by OFSI licensing a broad class of activity under the Regulations has also led to specific license applications being withdrawn. Overall, in 2021, OFSI received 11 specific license applications to allow an activity or transaction that would otherwise be prohibited by the Russia Regulations. In the same period, OFSI approved 9 new or amended licenses under the Russia Regulations. In 2022, OFSI received 1031 specific license applications and as of December 6, 2022, records show that OFSI issued 82 new or amended specific licenses under the Russia Regulations.¹⁸²

¹⁸² See Question for Treasury of the UK Parliament “Sanctions: Russia” (Dec. 6, 2022), available [here](#).

Transport Restrictions

The UK now prohibits Russian ships from entering or accessing UK ports. This prohibition applies to ships that are owned, controlled or chartered or operated by a designated person or a person connected with Russia, a ship flying the Russian flag, a ship registered in Russia or a specified ship.

The UK has also imposed a ban on Russian airlines accessing UK airspace and landing at UK airports. This ban also extends to providing insurance and reinsurance services relating to aviation, space goods or space technology to a person connected with Russia or for use in Russia. **This equally applies to any aircraft owned, operated or chartered by a Russian person.**

Furthermore, the UK has imposed a ban on the registration of aircrafts and potential termination of registration of aircrafts owned, operated or chartered by a sanctioned person.

A general license is in place to allow UK nationals or entities to purchase tickets from South Caucasus Railway CJSC for passenger rail journeys between Armenia and Georgia and within these countries. It expires on May 23, 2024.

Internet Services Restrictions

On April 29, 2022, the UK imposed new obligations on social media providers, internet access service providers and application store providers. Social media providers must take reasonable steps to ensure that content on their platform that has been posted or shared by a designated person is not 'encountered' by a UK user. A person who provides an internet access service must take reasonable steps to prevent a UK user from accessing, by means of that service, an internet service provided by a designated person. Application store providers must now take reasonable steps to prevent UK users from downloading or otherwise accessing an internet service provided by a designated person.

Furthermore, new powers have been granted to OFCOM to monitor compliance with the two restrictions above and to impose fines; it is an offense for someone to refuse to comply with an OFCOM request related to this monitoring, or to otherwise obstruct or provide false information.

On June 23, 2022, the UK prohibited providing interception and monitoring services to, or for the benefit of, the Russian government.

The Economic Crime (Transparency and Enforcement) Act 2022

The Economic Crime (Transparency and Enforcement) Act 2022 received royal assent and thus came into force on March 15, 2022.¹⁸³ The Act grants the UK government the power to implement asset freezes or travel bans on an urgent basis to mirror US, EU, Australian and Canadian sanctions, or to mirror the sanctions of any other country as specified by the UK government. Furthermore, the Act grants OFSI the power to impose civil monetary penalties on a strict liability basis for sanctions avoidance; please note, however, that this provision is not yet in force.

On June 8, 2022, OFSI announced that its new strict liability enforcement standard and updated accompanying guidance would take effect on June 15, 2022. On June 9, 2022, the corresponding legislation was enacted, confirming that the new strict liability enforcement standard would come into force, and clarifying that it would not apply to breaches of sanctions that occurred before June 15, 2022.¹⁸⁴

Expansion of Belarus Sanctions Regime

On July 5, 2022, the UK extended its Belarus sanctions regime to mirror that imposed on Russia, and include the following sanctions:

- Designation by description.
- Financial restrictions, including: dealing with transferable securities or money-market instruments; loans and credit arrangements; and foreign exchange reserve and asset management.
- Trade sanctions, including: exports of critical-industry goods, dual-use goods, interception and monitoring goods, internal repression goods, luxury goods, military goods, oil refining goods, quantum computing and advanced materials goods, and tobacco industry goods; and imports of arms and related materiel, iron and steel products, mineral products, and potash.
- Restrictions related to aircrafts and ships, including a prohibition on Belarussian aircraft overflying or landing in the UK and a prohibition on Belarussian ships entering UK ports.

Future Plans

Notably, while the majority of the sanctions announced by Foreign Secretary Liz Truss on February 28, 2022 have now been implemented, two still remain outstanding:

¹⁸³ See our update: UK Economic Crime Act Strengthens Anti-Money Laundering and Sanctions Framework available [here](#).

¹⁸⁴ See our update: OFSI Publishes Updated Enforcement and Penalty Guidance available [here](#).

- Full asset freeze on all Russian banks; and
- Limits on Russian deposits in UK banks.¹⁸⁵

On April 19, 2022, the UK government announced plans to introduce certain capital market restrictions, including the revocation of the Moscow Stock Exchange's recognized status.

Further information regarding these sanctions has not yet been published.

Notably, the published UK financial sanctions do not include deposit restrictions relating to Russian persons in the UK or the EU-style restrictions on Russian persons buying GBR denominated shares. It is not clear if the UK government plans to publish these at a later date, or if it is of the view that it will need more significant amendments to its sanctions-related legislation in order to impose such restrictions.

Note that as of November 10, 2022, all amendments to the Russia sanctions regime as described above have been given effect in all British Overseas Territories except Bermuda and Gibraltar.¹⁸⁶

* * *

We are closely monitoring the situation and expect to continue to provide updates of any relevant developments. Please do not hesitate to contact us with any questions.

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¹⁸⁵ Liz Truss Oral Statement to Parliament "UK Support for Ukraine following Russia's invasion" (Feb. 28, 2022), available [here](#).

¹⁸⁶ See Explanatory Note to The Russia (Sanctions) (Overseas Territories) (Amendment) (No. 3) Order 2022, available [here](#).

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ANNEX A

RUSSIAN BILLIONAIRES – US, EU AND UK SANCTIONS

This table has been prepared by reference to the Forbes World’s Billionaires List, available [here](#).

No.	Name	Industry	Wealth (USD)	US SDN List	EU Asset Freezes	UK Asset Freezes
1.	Vladimir Lisin	Steel, transport	\$18.4 bn	NO	NO	NO
2.	Vladimir Potanin	Metals	\$17.3 bn	YES	NO	YES
3.	Leonid Mikhelson	Gas, chemicals	\$14 bn	NO	NO	YES
4.	Alexey Mordashov	Steel, investments	\$13.2 bn	YES	YES	YES
5.	Mikhail Fridman	Oil, banking, telecom	\$11.8 bn	NO	YES	YES
6.	Alisher Usmanov	Steel, telecom, investments	\$11.5 bn	YES	YES	YES
7.	Gennady Timchenko	Oil, gas	\$11.3 bn	YES	YES	YES
8.	Andrey Melnichenko	Coal, fertilizers	\$11.1 bn	YES	YES	YES
9.	Vagit Alekperov	Oil	\$10.5 bn	NO	NO	YES
10.	Mikhail Prokhorov	Investments	\$10.3 bn	NO	NO	NO
11.	German Khan	Oil, banking, telecom	\$7.8 bn	NO	YES	YES
12.	Roman Abramovich	Steel, investments	\$6.9 bn	NO	YES	YES
13.	Viktor Rashnikov	Steel	\$6.6 bn	YES	YES	YES
14.	Dmitry Rybolovlev	Fertilizers	\$6.6 bn	NO	NO	NO
15.	Alexei Kuzmichev	Oil, banking, telecom	\$6 bn	NO	YES	YES
16.	Alexander Abramov	Steel, mining	\$5.5 bn	NO	NO	YES
17.	Viktor Vekselberg	Metals, energy	\$5.5 bn	YES	NO	YES
18.	Leonid Fedun	Oil	\$5 bn	NO	NO	NO
19.	Andrei Guriev & family	Fertilizers	\$4.8 bn	YES	NO ¹⁸⁷	YES
20.	Andrei Skoch	Steel	\$4.7 bn	YES	YES	YES
21.	Viatcheslav Kantor	Fertilizers, real estate	\$4.6 bn	NO	YES	YES
22.	Suleiman Kerimov & family	Gold	\$4.4 bn	YES	YES	YES
23.	Pyotr Aven	Oil, banking, telecom	\$4.3 bn	NO	YES	YES
24.	Iskander Makhmudov	Mining, metals, machinery	\$3.6 bn	NO	NO	YES
25.	Sergei Galitsky	Retail	\$3.2 bn	NO	NO	NO

¹⁸⁷ Only Andrei A. Guriev (DOB: March 7, 1982), the son of Andrei G. Guriev, is designated.

No.	Name	Industry	Wealth (USD)	US SDN List	EU Asset Freezes	UK Asset Freezes
26.	Sergei Popov	Banking	\$3.1 bn	NO	NO	NO
27.	Igor Kesaev	Tobacco distribution, retail	\$2.6 bn	NO	YES	YES
28.	Alexander Frolov	Mining, steel	\$2.3 bn	NO	NO	YES
29.	Alexander Svetakov	Real estate	\$2.2 bn	NO	NO	NO
30.	Tatyana Bakalchuk	Ecommerce	\$2.1 bn	NO	NO	NO
31.	Igor Makarov	Investments	\$2.1 bn	NO	NO	YES
32.	Alexander Mamut	Investments	\$2.1 bn	NO	NO	NO
33.	Egor Kulkov	Pharmaceuticals	\$2 bn	NO	NO	NO
34.	Alexander Skorobogatko	Real estate, airport	\$2 bn	NO	NO	NO
35.	Andrei Kozitsyn	Metals	\$1.9 bn	NO	YES	NO
36.	Alexander Nesis	Metals, banking, fertilizers	\$1.9 bn	NO	NO	NO
37.	Alexander Ponomarenko	Real estate, airport	\$1.9 bn	YES	YES	YES
38.	Igor Altushkin	Metals	\$1.8 bn	NO	NO	NO
39.	Farkhad Akhmedov	Investments	\$1.7 bn	NO	YES	YES
40.	Oleg Deripaska	Aluminum, utilities	\$1.7 bn	YES	YES	YES
41.	Dmitry Kamenshchik	Airport	\$1.7 bn	NO	NO	NO
42.	Arkady Rotenberg	Construction, pipes, banking	\$1.7 bn	YES	YES	YES
43.	Vladimir Yevtushenkov	Telecom, investments	\$1.7 bn	NO	NO	YES
44.	Vasily Anisimov	Real estate	\$1.6 bn	NO	NO	NO
45.	Sergei Gordeev	Real estate	\$1.6 bn	NO	NO	NO
46.	Ivan Savvidis	Agribusiness	\$1.6 bn	NO	NO	NO
47.	Nikolai Buinov	Oil, gas	\$1.5 bn	NO	NO	NO
48.	Pyotr Kondrashev	Investments	\$1.5 bn	NO	NO	NO
49.	Yuri Shefler	Alcohol	\$1.5 bn	NO	NO	NO
50.	Mikhail Shelkov	Titanium	\$1.5 bn	NO	NO	NO
51.	Elena Baturina	Investments, real estate	\$1.4 bn	NO	NO	NO
52.	Viktor Kharitonin	Pharmaceuticals	\$1.4 bn	NO	NO	NO
53.	Anatoly Lomakin	Investments	\$1.4 bn	NO	NO	NO
54.	Vadim Moshkovich	Agriculture, land	\$1.4 bn	NO	YES	YES

No.	Name	Industry	Wealth (USD)	US SDN List	EU Asset Freezes	UK Asset Freezes
55.	Alexey Repik	Pharmaceuticals	\$1.4 bn	NO	NO	YES ¹⁸⁸
56.	Denis Sverdlov	Electric vehicles	\$1.4 bn	NO	NO	NO
57.	Gavril Yushvaev	Precious metals, real estate	\$1.4 bn	NO	NO	NO
58.	Oleg Boyko	Diversified	\$1.3 bn	NO	NO	NO
59.	Mikhail Gutseriev & brother	Oil, real estate	\$1.3 bn	NO	YES ¹⁸⁹	YES
60.	Zarakh Iliev	Real estate	\$1.3 bn	NO	NO	YES
61.	Yuri Kovalchuk	Banking, insurance, media	\$1.3 bn	YES	YES	YES
62.	God Nisanov	Real estate	\$1.3 bn	YES	NO	YES
63.	Albert Shigaboutdinov	Refinery, chemicals	\$1.3 bn	NO	NO	YES
64.	Rustem Sulteev	Refinery, chemicals	\$1.3 bn	NO	NO	NO
65.	Andrei Bokarev	Metals, mining	\$1.2 bn	NO	NO	YES
66.	Gleb Fetisov	Investments	\$1.2 bn	NO	NO	NO
67.	Andrei Kosogov	Banking	\$1.2 bn	NO	NO	NO
68.	Megdet Rahimkulov & family	Investments	\$1.2 bn	NO	NO	NO
69.	Andrei Rappoport	Investments	\$1.2 bn	NO	NO	NO
70.	Airat Shaimiev	Refinery, chemicals	\$1.2 bn	NO	NO	YES
71.	Radik Shaimiev	Refinery, chemicals	\$1.2 bn	NO	NO	NO
72.	Samvel Karapetyan	Real estate	\$1.1 bn	NO	NO	NO
73.	Sergei Kolesnikov	Building materials	\$1.1 bn	NO	NO	NO
74.	Andrei Komarov	Investments	\$1.1 bn	NO	NO	NO
75.	Igor Rybakov	Building materials	\$1.1 bn	NO	NO	NO
76.	Igor Yusufov	Oil & gas	\$1.1 bn	NO	NO	NO
77.	Eugene Kaspersky	Software	\$1 bn	NO	NO	NO
78.	Boris Rotenberg	Construction, pipes, chemicals	\$1 bn	YES	YES	YES
	TOTAL:			16	23	38

¹⁸⁸ Designated as "Alexander Repik."

¹⁸⁹ Only Mikhail Gutseriev is designated.

ANNEX B

FINANCIAL INSTITUTIONS – BLOCKING SANCTIONS OR ASSET FREEZES

Entity	US Regime	EU Regime	UK Regime
Alfa-Bank	YES	YES	YES
Avangard	YES	YES	YES
Black Sea Bank for Development and Reconstruction	YES	NO	YES
Central Bank of Russia	NO	NO	NO
Credit Bank of Moscow	YES	YES	YES
Far Eastern Bank	YES	YES	NO
Garantex Europe OU	YES	NO	YES
Gazprombank	NO	NO	YES
Genbank	YES	NO	YES
International Settlements Bank	YES	NO	YES
Industrial Savings Bank	YES	NO	YES
Lanta-Bank Commercial Bank	YES	NO	NO
Marshal Global	NO	NO	YES
Metallurgical Investment Bank Commercial Bank	YES	NO	NO
Moscow Industrial Bank	YES	NO	NO
MTS Bank	YES	NO	YES
National Settlement Depository	NO	YES	NO
Novikombank	YES	NO	NO
Novosibirsk Social Commercial Bank Levoberezhny	YES	NO	NO
Otkritie Financial Corporation Bank	YES	YES	YES
Promsvyazbank	YES	YES	YES
Primorye Commercial Bank	YES	NO	NO
Rosbank	YES	YES	NO
Rossiya Bank	YES	YES	YES
Russian Agricultural Bank (Rosselkhozbank)	NO	NO	YES
Russian Direct Investment Fund	YES	YES	YES
Russian National Commercial Bank	YES	YES	YES
Sberbank	YES	YES	YES
SDM Bank	YES	NO	NO
SMP Bank	YES	NO	YES

Entity	US Regime	EU Regime	UK Regime
Sovcombank (Buycombank)	YES	YES	YES
Saint Petersburg Bank	YES	NO	YES
Tinkoff Bank	NO	YES	NO
TransKapitalBank	YES	NO	NO
Ural Bank for Reconstruction and Development	YES	NO	YES
Uralsib Bank	YES	NO	YES
Vnesheconombank (VEB)	YES	YES	YES
VTB Bank	YES	YES	YES
Zenit Bank	YES	NO	YES
TOTAL:	33	16	26

ANNEX C

EXPIRED US GENERAL LICENSES

GL 3: Wind Down of Transactions Involving VEB

GL 3, which has now expired, had authorized through 12:01 a.m. EDT on March 24, 2022 all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the wind down of transactions involving VEB and its subsidiaries.

GL 4: Wind Down of Transactions Involving Nord Stream 2 AG

GL 4, which has now expired, had authorized through 12:01 a.m. EST on March 2, 2022 all transactions prohibited by E.O. 14039 that are ordinarily incident and necessary to the wind down of transactions involving Nord Stream 2 AG and its subsidiaries.

GL 9C: Dealings in Certain Debt or Equity¹⁹⁰

GL 9C had authorized through 12:01 a.m. EDT on May 25, 2022 transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to: (a) dealings in debt or equity of any of the Covered Entities that were issued prior to February 24, 2022 (the “Tranche 1 Debt or Equity”), *provided* that any divestment or transfer of, or facilitation of divestment or transfer of, the Tranche 1 Debt or Equity must be to a non-US person; or (b) facilitating, clearing and settling trades of Tranche 1 Debt or Equity that were placed prior to 4:00 p.m. EST, February 24, 2022.

GL 9C also had authorized through 12:01 a.m. EDT on June 30, 2022 transactions that are ordinarily incident and necessary to: (a) dealings in debt or equity of Alfa-Bank (or any entity in which Alfa-Bank owns, directly or indirectly, a 50% or greater interest, hereinafter referred to as “Alfa-Bank Entities”) issued prior to April 6, 2022 (the “Alfa-Bank Debt or Equity”), *provided* that any divestment or transfer of, or facilitation of divestment or transfer of, the Alfa-Bank Debt or Equity must be to a non-US person; or (b) facilitating, clearing and settling trades of Alfa-Bank Debt or Equity that were placed prior to 4:00 p.m. EDT on April 6, 2022.

GL 9C had also authorized through 12:01 a.m. EDT on July 1, 2022 transactions that are ordinarily incident and necessary to: (a) dealings in debt or equity of Alrosa (or any entity in which Alrosa owns, directly or indirectly, a 50% or greater interest, hereinafter referred to as “Alrosa Entities”) issued prior to April 7, 2022 (the “Alrosa Debt or Equity”), *provided* that any divestment or transfer of, or facilitation of divestment or transfer of, the Alrosa Debt or Equity must be to a non-US person; or (b) facilitating, clearing and settling trades of Alrosa Debt or Equity that were placed prior to 4:00 p.m. EDT on April 7, 2022.

To the extent ordinarily incident and necessary to effect the transactions described in clauses (b) above, GL 9C had authorized debits to accounts on the books of a US financial institution of the blocked persons.

¹⁹⁰ Effective April 7, 2022, GL 9C replaced and superseded GL 9B, issued April 6, 2022.

As part of a divestment transaction to a non-US person, US persons were authorized during the term of GL 9C to engage in purchases of or investments in debt or equity covered by GL 9C, or to facilitate such purchases or investments, if ordinarily incident and necessary to the divestment or transfer as described in clauses (a) above (e.g., to buy to cover a short position in such holdings).¹⁹¹

GL 9C did *not* authorize US persons to sell, or to facilitate the sale of Tranche 1 Debt or Equity, Alfa-Bank Debt or Equity or Alrosa Debt or Equity, directly or indirectly, to any person whose property and interests in property are blocked.

The license had authorized through 12:01 a.m. EDT on May 25, 2022 transactions prohibited by Directive 4 that are ordinarily incident and necessary to the receipt of interest, dividend or maturity payments in connection with debt or equity of the Directive 4 Entities issued before March 1, 2022. Now that this authorization has expired, US persons require a specific license to continue to receive such payments.¹⁹²

GL 10C: Transactions Related to Derivative Contracts¹⁹³

GL 10C, which has now expired, had authorized through 12:01 a.m. EDT on May 25, 2022 transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the wind down of derivative contracts entered into prior to 4:00 p.m. EST February 24, 2022 that: (i) include one of the Covered Entities as a counterparty; or (ii) are linked to the debt or equity of a Covered Entity; *provided* that any payments to a blocked person are made into a blocked account.

GL 10C had also authorized through 12:01 a.m. EDT on May 25, 2022 transactions prohibited by Directive 4 that are ordinarily incident and necessary to the wind down of derivative contracts, repurchase agreements or reverse repurchase agreements entered into prior to 12:01 a.m. EST March 1, 2022 that include a Directive 4 Entity as a counterparty.

GL 10C also authorized through 12:01 a.m. EDT on June 30, 2022 transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the wind down of derivative contracts entered into prior to 4:00 p.m. EDT on April 6, 2022 that: (i) include Alfa-Bank Entities as a counterparty; or (ii) are linked to the debt or equity of Alfa-Bank Entities; *provided* that any payments to a blocked person are made into a blocked account.

The license had also authorized through 12:01 a.m. EDT on July 1, 2022 transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the wind down of derivative contracts entered into prior to 4:00 p.m. EDT on April 7, 2022 that: (i) include Alrosa Entities as a counterparty; or (ii) are linked to the debt or equity of Alrosa Entities; *provided* that any payments to a blocked person are made into a blocked account.

To the extent ordinarily incident and necessary to effect the transactions authorized by this GL, debits to accounts on the books of a US financial institution of the blocked entities were authorized.

¹⁹¹ *Id.*

¹⁹² FAQ 981.

¹⁹³ Effective April 7, 2022, GL 10C replaced and superseded GL 10B, issued April 6, 2022.

GL 11: Wind Down of Transactions Involving Otkritie, Sovcombank, VTB or their Covered Subsidiaries

GL 11, which has now expired, had authorized through 12:01 a.m. EDT March 26, 2022 otherwise prohibited transactions by E.O. 14024 that are ordinarily incident and necessary to the wind down of transactions involving Otkritie, Sovcombank, VTB or their Covered Subsidiaries. Under the GL, US persons were able to engage in activities that were ordinarily incident and necessary to exit operations, contracts or other agreements that were in effect prior to the effective date of the blocking sanctions imposed on these Russian financial institutions, *provided* that such transactions did not involve a debit to a blocked account on the books of a US financial institution.¹⁹⁴ For example, a US financial institution may have taken steps necessary to collect on outstanding loans made to a blocked person, including exercising rights to any related collateral, *provided* the transaction did not involve a debit to a blocked account on the books of a US financial institution (unless separately authorized).¹⁹⁵

A US financial institution could have taken steps necessary to pay outstanding loans, *provided* that a payment for the benefit of a blocked person must be transferred into a blocked account. Similarly, a US financial institution may have taken steps necessary to close a correspondent account maintained for a blocked person. However, funds in the correspondent account may not be returned to the blocked person, and must remain blocked, absent separate authorization from OFAC.¹⁹⁶

GL 11 had authorized only those new or continued business activities that are ordinarily incident and necessary to wind down activities. Wind-down activities did not include the continued processing of funds transfers, securities trades or other transactions involving a blocked person that were part of ongoing business activities prior to the imposition of sanctions, unless separately authorized (*see, e.g.*, GLs 9C and 10C).¹⁹⁷

GL 12: Rejection of Transactions Involving Certain Blocked Persons

GL 12, which has now expired, had authorized US persons through 12:01 a.m. EDT March 26, 2022 to reject (rather than block) prohibited transactions involving Otkritie, Sovcombank, VTB or their Covered Subsidiaries. For example, a US financial institution could have rejected, rather than blocked, an attempted unauthorized funds transfer until the expiration of GL 12.¹⁹⁸

Notably, GL 12 did not authorize US persons to reject prohibited transactions involving VEB, which became subject to full blocking sanctions on February 22, 2022.

GL 17: Wind-Down Activities in the DPR and LPR Regions

GL 17, which has now expired, had authorized through 12:01 a.m. EDT March 23, 2022 all transactions that are ordinarily incident and necessary to the wind down of transactions involving the DPR or LPR regions, including the divestiture or transfer to a non-US person of a US person's share of ownership in any pre-February 21, 2022 investment located in the DPR or LPR regions and the winding down of operations, contracts or other agreements in effect prior to February 21, 2022 involving the exportation,

¹⁹⁴ FAQ 975, 990.

¹⁹⁵ FAQ 975.

¹⁹⁶ *Id.*

¹⁹⁷ *Id.*

¹⁹⁸ FAQ 975.

reexportation, sale or supply of goods, services or technology to, or importation of any goods, services or technology from, the DPR or LPR regions.

[GL 16: Transactions Related to Certain Imports Prohibited by E.O. 14066](#)

As described above, GL 16, which has now expired, had authorized through 12:01 a.m. EDT April 22, 2022 all transactions prohibited by E.O. 14066 that were ordinarily incident and necessary to the importation into the United States of crude oil; petroleum; petroleum fuels, oils and products of their distillation; liquefied natural gas; coal; and coal products of Russian Federation origin pursuant to written agreements entered into prior to March 8, 2022.

[GL 17A: Transactions Related to Certain Imports Prohibited by E.O. 14068](#)¹⁹⁹

GL 17A, which has now expired, had authorized through 12:01 a.m. EDT June 23, 2022 all transactions prohibited by E.O. 14068 that are ordinarily incident and necessary to the importation into the United States of fish, seafood and preparations thereof of Russian origin pursuant to written agreements entered into prior to March 11, 2022.

In addition, GL 17A had authorized through 12:01 a.m. EDT March 25, 2022 all transactions prohibited by E.O. 14068 that were ordinarily incident and necessary to the importation into the United States of alcoholic beverages or non-industrial diamonds of Russian origin pursuant to written agreements entered into prior to March 11, 2022.

[GL 21A: Wind Down of Sberbank CIB USA, Inc. and Alrosa USA, Inc.](#)²⁰⁰

GL 21A, which has now expired, had authorized US persons to engage through 12:01 a.m. on EDT June 7, 2022 in all transactions ordinarily incident and necessary to the wind down of Sberbank CIB USA, Inc. or Alrosa USA, Inc. (or any entity in which these entities own, directly or indirectly, a 50% or greater interest), including the processing and payment of salaries, severance, and expenses; payments to vendors and landlords; and closing of accounts.

[GL 22: Wind Down of Transactions Involving Sberbank](#)

GL 22, which has now expired, had authorized through 12:01 a.m. EDT on April 13, 2022 all transactions ordinarily incident and necessary to the wind down of transactions involving Sberbank or any entity in which Sberbank owns, directly or indirectly, a 50% or greater interest.

[GL 23: Wind Down of Transactions Involving Alfa-Bank](#)

GL 23, which has now expired, had authorized through 12:01 a.m. EDT on May 6, 2022 all transactions ordinarily incident and necessary to the wind down of transactions involving Alfa-Bank or any entity in which Alfa-Bank owns, directly or indirectly, a 50% or greater interest.

[GL 24: Wind Down of Transactions Involving Alrosa](#)

GL 24, which has now expired, had authorized through 12:01 a.m. EDT on May 7, 2022 all transactions ordinarily incident and necessary to the wind down of transactions involving Alrosa or any entity in which Alrosa owns, directly or indirectly, a 50% or greater interest.

¹⁹⁹ Effective March 24, 2022, GL 17A replaced and superseded GL 17, issued March 11, 2022.

²⁰⁰ Effective April 7, 2022, GL 21A replaced and superseded GL 21, issued April 6, 2022.

GL 26A: Wind Down of Transactions Involving JSC SB Sberbank Kazakhstan, Sberbank Europe AG or Sberbank (Switzerland) AG²⁰¹

GL 26A, which has now expired, had authorized through 12:01 a.m. EDT July 12, 2022 all transactions ordinarily incident and necessary to the wind down of transactions involving JSC SB Sberbank Kazakhstan, Sberbank Europe AG or Sberbank (Switzerland) AG or any entity in which these blocked entities own, directly or indirectly, a 50% or greater interest.

GL 29: Wind Down of Transactions Involving TKB

GL 29, which has now expired, had authorized through 12:01 a.m. EDT May 20, 2022 all transactions ordinarily incident and necessary to the wind down of transactions involving TKB (or any entity in which TKB owns a 50% or greater interest).

GL 30A: Transactions Involving SEFE Securing Energy for Europe GmbH (Gazprom Germania GmbH)²⁰²

GL 30A, which has now expired, had authorized through 12:01 a.m. EST December 16, 2022, all transactions involving SEFE Securing Energy for Europe GmbH (formerly known as Gazprom Germania GmbH), or any entity in which SEFE Securing Energy for Europe GmbH owns, directly or indirectly, a 50% or greater interest, that were prohibited by Directive 3 under E.O. 14024.

GL 32: Wind Down of Transactions Involving Amsterdam Trade Bank NV

GL 32, which has now expired, had authorized through 12:01 a.m. EDT July 12, 2022 all transactions ordinarily incident and necessary to the wind down of transactions involving Amsterdam Trade Bank NV, or any entity in which Amsterdam Trade Bank NV owns a 50% or greater interest.

GL 33: Wind Down of Operations or Existing Contracts Involving Certain Blocked Entities

GL 33, which has now expired, had authorized through 12:01 a.m. EDT June 7, 2022 all transactions ordinarily incident and necessary to the wind down of operations, contracts or other agreements that were in effect prior to May 8, 2022 involving JSC Channel One Russia, JSC NTV Broadcasting Company, Television Station Russia-1 or any entity in which one or more of the above entities owns (directly or indirectly) a 50% or greater interest.

However, any payment to a blocked person must have been made into a blocked account located in the United States.

GL 34: Wind Down of Accounting, Trust and Corporate Formation and Management Consulting Services

GL 34, which has now expired, had authorized through 12:01 a.m. EDT July 7, 2022 all transactions ordinarily incident and necessary to the wind down of the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a US person of accounting, trust and corporate formation or management consulting services to any person located in Russia that are prohibited by E.O. 14071.

²⁰¹ Effective May 5, 2022, GL 26A replaced and superseded GL 26, issued April 12, 2022.

²⁰² Effective July 14, 2022, GL 30A replaced and superseded GL30, issued May 2, 2022.

GL 35: Transactions Involving Credit Rating and Auditing Services

GL 35, which has now expired, had authorized through 12:01 a.m. EDT August 20, 2022 all transactions ordinarily incident and necessary to the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a US person of credit rating²⁰³ or auditing services²⁰⁴ to any person located in Russia that are prohibited by E.O. 14071.

GL 36: Wind Down of Transactions Involving Severstal

GL 36, which has now expired, had authorized through 12:01 a.m. EDT August 31, 2022, transactions ordinarily incident and necessary to the wind down of transactions involving PJSC Severstal (“Severstal”) or any entity in which it owns, directly or indirectly, a 50% or greater interest, *provided* that any payment to Severstal or any other blocked person was made into a blocked account.

GL 37: Wind Down of Transactions Involving Nord Gold

GL 37, which has now expired, had authorized through 12:01 a.m. EDT July 1, 2022, transactions ordinarily incident and necessary to the wind down of transactions involving Nord Gold PLC (“Nord Gold”) or any entity in which it owns, directly or indirectly, a 50% or greater interest, *provided* that any payment to Nord Gold or any other blocked person was made into a blocked account.

GL 39: Wind Down of Transactions Involving Rostec

GL 39, which has now expired, had authorized through 12:01 a.m. EDT August 11, 2022, all transactions ordinarily incident and necessary to the wind down of any transactions involving Rostec, or any entity blocked not earlier than June 28, 2022 in which Rostec owns (directly or indirectly) a 50% or greater interest, that are prohibited by E.O. 14024.

However, any payment to a blocked person must have been made into a blocked account.

GL 41: Transactions Related to Agricultural Equipment

GL 41, which has now expired, had authorized through 12:01 a.m. EST December 22, 2022, all transactions ordinarily incident and necessary to the manufacture, sale and maintenance of agricultural equipment, components and spare parts produced by Nefaz Publicly Traded Company (“Nefaz”) or PJSC Tutaev Motor Plant (“Tutaev”), or any entity in which Nefaz or Tutaev owns (directly or indirectly, individually or in the aggregate) a 50% or greater interest that were prohibited by the Russian Harmful Foreign Activities Sanctions Regulations.

Any payment to a blocked person had to be made into a blocked account.

GL 43A: Divestment or Transfer of Debt or Equity of, and Wind Down of Derivative Contracts Involving, Severstal or Nord Gold²⁰⁵

GL 43, which has now expired, had authorized through 12:01 a.m. EDT August 31, 2022, all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the divestment or transfer, or

²⁰³ The term “credit rating services” means services related to assessments of a borrower’s ability to meet financial commitments, including analysis of general creditworthiness or with respect to a specific debt or financial obligation. FAQ 1035.

²⁰⁴ The term “auditing services” means examination or inspection of business records by an auditor, including checking and verifying accounts, statements, or other representation of the financial position or regulatory compliance of the auditee. *Id.*

²⁰⁵ Effective August 2, 2022, GL 43A replaced and superseded GL43, issued June 2, 2022.

facilitation of the divestment or transfer, of debt or equity of Severstal or Nord Gold, or any entity in which Severstal or Nord Gold owns (directly or indirectly, individually or in the aggregate) a 50% or greater interest, purchased prior to June 2, 2022. However, any divestment or transfer, or facilitation of divestment or transfer, of covered debt or equity must have been made to a non-US person.

GL 43A also had authorized through 12:01 a.m. EDT August 31, 2022, all transactions prohibited by E.O. 1024 that were ordinarily incident and necessary to the wind down of derivative contracts entered into prior to June 2, 2022 that (i) include Severstal or Nord Gold, or any entity in which Severstal or Nord Gold owns (directly or indirectly, individually or in the aggregate) a 50% or greater interest as a counterparty or (ii) were linked to covered debt or equity as defined above. Any payments to a blocked person were required to be made into a blocked account.

US financial institutions were also authorized to unblock covered debt or equity that was blocked on or after June 2, 2022 but before June 28, 2022, *provided* that the unblocked covered debt or equity was solely used to effect transactions authorized by GL43A. US financial institutions unblocking property must file an unblocking report.

GL 45: Transactions Related to the Wind Down of Certain Financial Contracts Prohibited by the New Investment Prohibition

GL 45, which has now expired, had authorized through 12:01 a.m. EDT October 20, 2022, all transactions prohibited by the new investment prohibition in E.O. 14071 that are ordinarily incident and necessary to the wind down of financial contracts or other agreements that were entered into on or before June 6, 2022 and involve, or are linked to, debt or equity issued by an entity in the Russian Federation.

The transactions authorized by this general license included: (1) the purchase by US persons of debt or equity issued by an entity in the Russian Federation, where that purchase is ordinarily incident and necessary to the wind down of covered contracts; and (2) the facilitating, clearing and settling of a purchase by US persons of debt or equity issued by an entity in the Russian Federation, where that purchase is ordinarily incident and necessary to the wind down of covered contracts.

GL 47A: Wind Down of Transactions Involving Certain Entities Blocked on August 2²⁰⁶

GL 47A, which has now expired, had authorized through 12:01 a.m. EDT on September 1, 2022 all transactions ordinarily incident and necessary to the wind down of any transaction involving one or more of the following blocked persons: Skolkovo Foundation; Skolkovo Institute of Technology; Technopark Skolkovo Limited Liability Company; Federal State Institution of Higher Vocational Education Moscow Institute of Physics and Technology; Publichnoe Aktsionernoe Obschestvo Magnitogorskiy Metallurgicheskiy Kombinat (“Magnitogorskiy”); Joint Stock Company State Transportation Leasing Company (“State Transportation Leasing”); or any entity in which one or more of the above persons owns (directly or indirectly, individually or in the aggregate) a 50% or greater interest. However, any payment to a blocked person was required to be made into a blocked account.

²⁰⁶ Effective August 3, 2022, GL 47A replaced and superseded GL47, issued August 2, 2022.

GL 48A: Divestment or Transfer of Debt or Equity of, and Wind Down of Derivative Contracts Involving, Magnitogorskiy or State Transportation Leasing²⁰⁷

GL 48A, which has expired, had authorized through 12:01 a.m. EDT October 3, 2022 all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the divestment or transfer, or facilitation of the divestment or transfer, to a non-US person of debt or equity purchased prior to August 2, 2022 of Magnitogorskiy, State Transportation Leasing or any entity in which Magnitogorskiy or State Transportation Leasing entities own (directly or indirectly, individually or in the aggregate) a 50% or greater interest.

All transactions that are ordinarily incident and necessary to facilitating, clearing and settling trades of the covered debt or equity described above were authorized through 12:01 a.m. EDT October 31, 2022, *provided* that such trades were placed prior to 4:00 p.m. EDT August 2, 2022.

All transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the wind down of derivative contracts entered into prior to August 2, 2022, that (i) include Magnitogorskiy, State Transportation Leasing or any entity in which Magnitogorskiy or State Transportation Leasing entities own a 50% or greater interest as a counterparty or (ii) are linked to the covered debt or equity described above were authorized through 12:01 a.m. EDT October 3, 2022, *provided* that any payments to a blocked person were made into a blocked account.

GL 49: Wind Down of Transactions Involving MMK Metalurji Sanayi Ticaret Ve Liman Isletmeciligi Anonim Sirketi

GL 49, which has expired, had authorized through 12:01 a.m. EST January 31, 2023 all transactions ordinarily incident and necessary to the wind down of any transaction involving MMK Metalurji Sanayi Ticaret Ve Liman Isletmeciligi Anonim Sirketi (“MMK Metalurji”) or any entity in which MMK Metalurji owns (directly or indirectly) a 50% or greater interest, *provided* that any payment to a blocked person was made into a blocked account.

GL 51: Wind Down of Transactions Involving Aquarius

GL 51, which has expired, had authorized through 12:01 a.m. EDT October 15, 2022 all transactions ordinarily incident and necessary to the wind down of any transaction involving Limited Liability Company Group of Companies Akvarius (“Akvarius”) or any entity in which Akvarius owns (directly or indirectly) a 50% or greater interest, *provided* that any payment to a blocked person must be made into a blocked account.

²⁰⁷ Effective August 3, 2022, GL 48A replaced and superseded GL48, issued August 2, 2022.