

EU sanctions in response to Russia's invasion of Ukraine (update)

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To complement the package of sanctions against Russia which were adopted between February and July 2022 (please read [here](#)), on 21 July 2022, 6 October and 16 December 2022 respectively the EU adopted a seventh, eighth and ninth package of restrictive measures in financial matters ("sanctions") through a set of regulations amending Regulation (EU) 269/2014 and Regulation (EU) 833/2014.

Content of the new sanctions packages The seventh package subjects further individuals and entities to asset freezes. It also clarifies a number of provisions to enhance legal certainty for operators and enforcement by Member States, and further aligns EU sanctions with those of all G7 members. Importantly, the package reiterates the Commission's stance to protect food security around the globe, including by not targeting trade in agricultural products between third countries and Russia. In addition, the package introduces a new import ban on Russian gold, while strengthening export controls on advanced and dual-use technologies. It also strengthens reporting requirements to reinforce EU asset freezes and clarifies the exact scope of certain financial and economic sanctions.

Furthermore, in addition to a few ad hoc listings, the eighth package introduces new EU import bans worth €7 billion to reduce Russia's revenues, as well as export restrictions, which aim at depriving the Russian military and industry of key components (e.g. technologies) and the Russian economy of European services and expertise. The sanctions also aim to deprive the Russian army and its suppliers of other specific goods and equipment needed for the war. It also lays the groundwork for the legal framework necessary to implement the G7's proposed oil price cap.

It also introduces a new listing criterion, allowing the sanctioning of persons who facilitate the circumvention of sanctions. In addition, it extends the scope of business-relevant services that can no longer be provided to the Russian government or to legal persons established in Russia. Those services now include consultancy, legal advisory, engineering and architecture services. The provision of some of these services may fall outside the scope of the prohibition in certain specific circumstances, such as the exercise of the right of defence in judicial proceedings. Finally, certain limited exceptions are added, such as for allowing the termination of contracts or operations involving the sanctioned Russian central securities depository (NSD) under certain conditions.

The ninth package of sanctions provides for additional listings and export bans as well as bans on transactions with certain banks, bans on additional Russian media outlets, cutting Russia's access to drones as well as for additional economic measures against the Russian energy and mining sectors.

Extension of duration of EU sanctions On 14 September 2022, the Council decided to extend the duration of the sanctions against listed individuals and entities under Regulation (EU) 269/2014 for a further period of six months, **until 15 March 2023**. This covers travel restrictions for natural persons, freezing of assets, and a prohibition on making funds or other economic resources available to listed individuals and entities. The economic sanctions against Russia under Regulation (EU) 833/2014 are applicable **until 31 January 2023**.

Breaches of sanctions to become EU crimes Due to a lack of harmonisation among EU Member States of what constitutes a breach of sanctions and applicable penalties, on 28 November 2022 the Council of the European Union decided that the breach of EU sanctions will be on the list of EU crimes as set out in Article 83(1) of the Treaty on the Functioning of the European Union (please read here). On this basis, the European Commission has communicated about a proposed directive setting out minimum rules on the definition of, and penalties applicable to, the crime of breaching EU sanctions.

Guidance For further information on international and EU sanctions, including a list of all applicable EU regulations and affiliated texts and their interpretation, reference can be made to the dedicated webpages of the Luxembourg Ministry of Finance (which includes useful best practice guides and forms), the CSSF and the European Commission (which includes a comprehensive Q&A).

For an insight on the evolution of the international sanctions enforcement framework at national level, please read our article on this topic

For any further information please contact us or visit our website at **www.elvingerhoss.lu**.

The information contained herein is not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific legal advice concerning particular situations.

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