

CMS România | EU issues new measures against Russia

In the context of the continuing conflict in Ukraine, on 16 December the EU Council adopted a new package of sanctions covering bans and restrictions on certain activities, and sanctions against certain natural and legal persons. This ninth package of measures against Russia is mainly aimed at amending and supplementing: EU Regulation 269/2014; EU Regulation 833/2014; Council Decision 2014/145/CFSP; and Council Decision 2014/512/CFSP.

The newly adopted measures concern the following key issues:

Financial and banking sector

Two Russian banks have been added to the list of entities whose funds and economic resources have been frozen. These banks include the Credit Bank of Moscow, the largest non-state-owned public bank in Russia and the sixth largest financial institution in Russia by size, and JSC Dalnevostochniy Bank (JSC Far Eastern Bank), which is one of the largest banks in Russia's Far East. At the same time, the Council added the Russian Regional Development Bank to the list of entities owned or controlled by the Russian state to which a total ban on transactions apply.

Also, as of 29 January 2023, it is prohibited to trade in the transferable securities of any legal person, entity or body that is established in Russia and has over 50% public ownership.

Holding of senior management positions

As of 16 January 2023, under certain conditions, EU nationals will be banned from holding any position in the governing bodies of any legal person, entity or body established in Russia which is, inter alia, over 50% owned or publicly controlled by the Russian state. However, under certain conditions, the competent authorities may provide exceptions to this rule regarding holding posts in the above-mentioned governing bodies.

Consultancy services

EU individuals and entities are now banned from providing market research and public-opinion polling services, technical testing and analysis services and advertising services for the Russian government or legal persons, entities or bodies established in Russia. This ban extends the existing ban on providing services to Russia in areas, such as accounting, auditing, and tax consultancy.

Media content

It is prohibited to broadcast or allow, facilitate or otherwise contribute to the broadcast of any content belonging to NTV/NTV Mir, Rossiya 1, REN TV and Pervyi Kanal in addition to the Russian broadcasters already specified in the previous bans.

Export regime

One hundred and sixty-eight new entities and bodies have been added to the list of those covered by the prohibitions on direct or indirect sale, supply, transfer or export of dual-use items and certain technologies, which could contribute to the technological enhancement of the Russian defence and security sector. Russian-controlled entities based in Crimea or Sevastopol are also included in this list.

The list of restricted items which could contribute to the military and technological enhancement of Russia or to the development of its defence and security sector has been extended with the addition of drone engines, other chemical and biological equipment and certain electronic components. In addition, under certain conditions, the prohibition of export of goods and technology suitable for use in the aviation and space industry has been extended to include aircraft engines and parts for them. Both this ban and the ban on landing, takeoff or overflying the EU territory apply both to Russian manned and unmanned aircraft (i.e. drones).

Mining sector

New investments in the Russian mining sector have been prohibited, which include acquisition of new shareholdings, providing loan-credit or participation in other forms of financing, establishment of new companies, and providing investment services in connection with the above activities. The only exception to this is mining and quarrying activities involving certain critical raw materials.

Regarding the obligations of a natural or legal person in relation to its obligations under the international sanctions regime, a specific analysis is advisable.

For more information on EU and international sanctions against Russia, contact your CMS client partner or local CMS experts: **Horia Draghici** and **Florentin Giurgea**.