

EU continues sanctions concerning Russia

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Under recently adopted [EU legislation](#) sectoral-type sanctions concerning Russia will continue for another six months, and, under other also recently adopted [EU legislation](#), sanctions with specific regard to the Crimea will continue for another year.

The EU has had in place a raft of sanctions concerning Russia with regard to its annexation of the Crimea, and, the on-going situation in the Ukraine, first starting in March 2014 with travel bans and asset freezes against Russian and Ukrainian officials. Over time this raft of sanctions has been either extended in length as regards individuals and entities, or, broadened to include various sectors and activities.

The sectoral-type sanctions were adopted in July 2014 (then amended in September) focusing on Russia's financial, oil and defence industries and include the following restrictions and prohibitions:

- A restriction on financing certain Russian government controlled banks, oil and defence businesses;
- A restriction on exports from the EU to Russia of oil and gas-related goods and technologies, notably with regard to Arctic oil exploration and production along with services associated with this;
- A prohibition on the supply, sale and export of arms and military equipment to Russia for use in Russia, including dual-use equipment; and,
- A prohibition on technical and financial assistance related to the above activities.

These sanctions will be in place until 31 January 2016 - neither their content nor their scope has been altered. In terms of next steps, the duration of these sanctions is linked to the implementation of the Minsk ceasefire which is due by 31 December 2015. Accordingly, the EU will later assess the need for the withdrawal or extension of the sanctions according to the Minsk ceasefire process.

The sanctions concerning Russia's annexation of the Crimea and Sevastapol, which apply more across-the-board, were adopted in June 2014 and include the following prohibitions:

- A prohibition on imports into the EU of products from the Crimea and Sevastapol;
- A prohibition on investment in Crimea and Sevastopol;
- A prohibition on tourism services in Crimea and Sevastopol;
- A prohibition on the export of certain goods and technologies to Crimean companies or for use in Crimea in the transport, telecoms and energy sectors, and, related to the prospection, exploration and production of oil, gas and mineral resources; and,
- A prohibition on technical assistance, brokering, construction or engineering services related to infrastructure in the immediately above-mentioned sectors.

These sanctions will now be in place until 23 June 2016 - neither their content nor their scope has been altered. Unless Russia undertakes to undo its annexation it is hard to otherwise see anything but the sanctions remaining in place perpetually with repeated time extensions.

Russia has its own sanctions regime against the EU, the US and others, focusing on import bans on certain dairy products, meat, seafood, vegetables and fruit, which it is understood Russia has recently extended, until June 2016.

Other EU sanctions concerning Russia with regard to EU-wide asset freezes and travel bans imposed on 151 individuals and 37 entities are due to expire on 15 September 2015 - EU extension action on these particular sanctions is expected this August. Further, it is understood that both the EU and the US are considering not only extending the list of individuals and entities but also bringing in additional types of sanctions concerning Russia's fuel exports, Russian banks' access to international financial markets, and, Russian businesses' ability to do business outside Russia.

It is also worth noting that some Russian businesses are challenging the EU sanctions regime and have accordingly lodged cases with the European Court of Justice seeking judicial review of the EU's action, including Rosneft (see [here](#) for a summary of the latter's court application).

These latest time extensions act as a continued reminder for all those doing business with Russia to ensure continued compliance with the sanctions regime and update their risk policies, procedures and risk assessments, and undertake enhanced due diligence, especially as non-compliance may lead to financial penalties and in some cases may constitute criminal offences.

We have earlier reported on sanctions concerning Russia [here](#), [here](#) and [here](#).

[André Bywater](#) is a commercial lawyer with Cordery in London where he focuses on regulatory compliance, processes and investigations.

André Bywater, Cordery, Lexis House, 30 Farringdon Street, London EC4A 4HH

Office: +44 (0)207 075 1785

andre.bywater@corderycompliance.com

