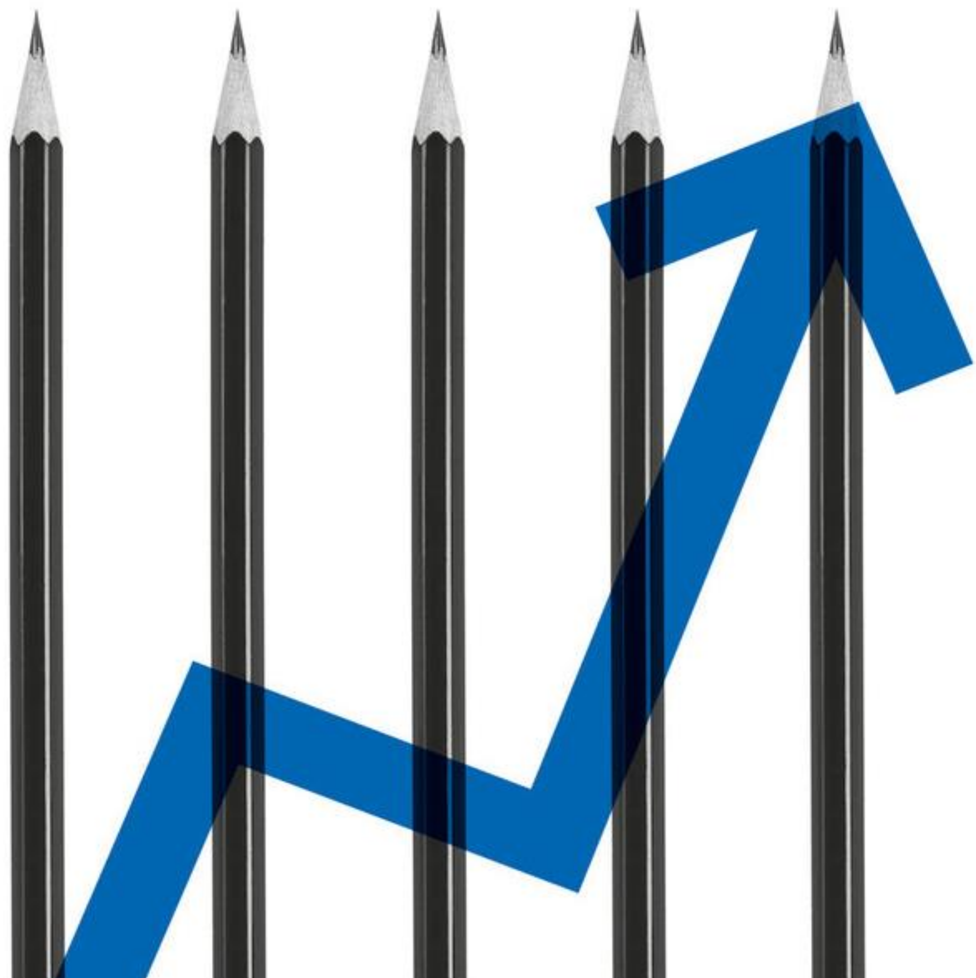
EVERSHEDS SUTHERLAND

Keeping you up to speed

Russia and Belarus sanctions update

5 December 2022



Contents

Introduction

Following the invasion of Ukraine by Russia, the UK, EU and US have all responded by announcing significant sanctions in respect of Russia and Belarus.

This briefing summarises the key developments and supplements our previous briefings on:

- **23 February 2022**
- **24 February 2022**
- **28 February 2022**
- **3 March 2022**
- **9 March 2022**
- **10 March 2022**
- **17 March 2022**
- **28 March 2022**
- **6 April 2022**
- **12 April 2022**
- **25 April 2022**
- **19 May 2022**
- **8 June 2022**
- **1 July 2022**
- **25 July 2022**
- **16 August 2022**
- **23 September 2022**
- **11 October 2022**
- **8 November 2022**

United Kingdom

Oil price cap

The oil price cap has been co-ordinated by the G7 in order to make EU, UK and US services (including (re)insurance) available to third country importers and exporters as long as the price paid for oil/petroleum consigned from or originating in Russia is at or below the price cap. The purpose of this is to deprive Russia of revenues from oil whilst still enabling Russian oil to flow to third countries that need it. It is unclear, however, whether such aims will be achieved.

The oil price cap has been set at USD 60 per barrel for crude oil (HS code 2709).

Our previous briefing set out the restrictions at regulations 46Z3-46Z9 which were brought into effect in the UK which relate to the maritime transportation of Russian oil. The oil price cap provides an exemption to these restrictions.

On 4 December 2022, OFSI published a series of general licences, notification forms, breach forms and guidance relating to the oil price cap. These are summarised below.

The UK has brought the oil price cap exemption into effect by way of General Licence INT/2022/2469656 (the **"OPC General Licence"**). Both the UK maritime transportation restrictions and the General Licence currently apply to Russian oil but will be extended to Russian oil products from 5 February 2023.

The OPC General Licence sets out the parameters which those wishing to engage in services relating to the maritime transportation of oil must comply. This includes an attestation process which is designated to create different levels of requirements on different actors in the oil supply chain. All parties involved in the maritime supply chain, including ship owners and (re)insurers, will need to retain and share price information and/or attestations.

The attestation process is broken into 3 tiers:

- tier 1 providers – parties who know or can directly access the unit price of Russian oil being supplied or delivered, i.e. commodity brokers/traders and importers;
- tier 2 providers – parties that directly interact with parties who have information detailing the unit price and the most recent transaction undertaken (see definitions in the general licence) and who can

request such information from their customers in the ordinary course of business, i.e. financial institutions providing trade finance, customs brokers and ship agents; and

- tier 3 providers – parties with no direct access to price information, i.e. (re)insurers, insurance brokers, flagging registries, ship management and ship owners.

In addition to the requirements to obtain attestations, the OPC General Licence also imposes due diligence and reporting requirements on certain actors. It is important that any UK person engaging in activity relating to the maritime transportation of Russian oil carefully considers the OPC General Licence and understands the compliance obligations this imposes.

Wind down

In addition to the OPC General Licence, OFSI has also issued a wind down licence (General Licence INT/2022/2470256) (the "**OPC Wind Down Licence**") which authorises the provision of maritime transportation services as long as Russian oil was loaded onto a ship at a port of loading prior to 5:01am (GMT) 5 December 2022 and is offloaded at the port of destination prior to 5:01am (GMT) on 19 January 2023.

The OPC Wind Down Licence sets out the parameters which those wishing to engage in services relating to the maritime transportation of oil must comply. This includes an attestation process regarding the date of loading and unloading, as well as due diligence and reporting requirements.

Correspondent banking and payment processing

OFSI also issued General Licence INT/2022/2470056 (the "**Correspondent Banking Licence**") which authorises UK financial institutions to process, clear or send payments from any person in connection with activities which would otherwise be in breach of regulation 46Z9C as long as the financial institution is operating solely as an intermediary and does not have a direct relationship with the person providing services relating to the maritime transportation of Russian oil.

Exempt projects and countries

The final general licence issued by OFSI is General Licence INT/2022/2470156 which provides exemptions relating to certain exempt projects and countries (the "**Projects/Countries Licence**"). Essentially, the Projects/Countries Licence authorises a person to engage in activity relating to the maritime transportation of Russian oil where a Specified Activity is being undertaken. Specified Activities are listed in schedule 1 and 2 of the Projects/Countries Licence and include:

- the supply/delivery of Russian oil originating in or consigned from the Sakhalin-2 project from a place in Russia to a place in Japan (expiry 29 September 2023)'
- the purchase, import or transfer of Russian oil into Bulgaria (where contracts were concluded prior to 4 June 2022 – expiry 31 December 2023);
- the purchase, import or transfer of vacuum gas oil into Croatia (where no alternative supplies are available – expiry 31 December 2023); and
- the supply/delivery of Russian oil for a landlocked EU member state if the supply of crude oil by pipeline from Russia is interrupted for reasons outside the control of the member state.

Guidance

On 14 November 2022 the UK issued guidance on the oil price cap and the UK restrictions regarding the maritime transportation of, and associated services for, Russian oil and oil products. The guidance was reissued on 4 December 2022 and can be found here (the "**UK Guidance**"). The UK Guidance sets out details around the attestation process, due diligence and reporting requirements and contains a number of important things to note, including (but not limited to):

- the oil price cap exception is not applicable to shipments of Russian oil to the UK – it only applies to shipments to third countries, although it does not override any rules those third countries may have about the importation of Russian oil;
- the prohibition will be enforced by OFSI and there will be a robust enforcement regime backed up by a criminal prosecution. Offences for breaches of regulations 46Z9B-46Z9D are on a strict liability basis. However, the guidance confirms that where a person can demonstrate they have fulfilled the requirements of the attestation process and complied with other requirements in the OPC General Licence, OFSI does not anticipate taking enforcement action;
- the oil price cap relates to the price of the oil or oil product only and not any ancillary costs such as transportation and legal fees. Such ancillary costs could be used to try and circumvent the oil price cap and UK persons should be aware of this and report where appropriate; and
- the cap applies from the receipt of cargo on a ship until it is delivered and passes through customs control in a third country or is substantially transformed into different goods. Where oil clears customs in a third country, it is no longer subject to the price cap, unless it is again transported via maritime transportation and is not substantially transformed.

General Licences

In addition to the oil price cap general licence discussed above, a number of other general licences have been issued or amended by OFSI since our previous briefing which are important to note:

General Trade Licence Russia Sanctions – Financial Services and Funds related to Fertilisers

On 9 November 2022, the General Trade Licence Russia Sanctions – Financial Services and Funds related to Fertilisers was issued. This General Licence permits the direct or indirect provision of financial services[1] to be provided and funds to be made available[2] to a person connected with Russia, in pursuance of or in connection with an arrangement whose object or effect is:

- the direct or indirect supply or delivery of specified fertiliser goods from Russia to a third country; or
- directly or indirectly making specified fertiliser goods available from Russia to a person in a third country.

The General Licence also details a number of exceptions, including (but not limited to):

- if the specified fertiliser goods are intended for any purpose other than agricultural use; and
- if the activity undertaken is prohibited by any provision of the Regulations other than those listed in footnotes 1 and 2;

It is important to note there are specific registration and record keeping requirements which must be complied with in order to use the licence.

This licence takes effect from 9 November 2022 and is indefinite in duration.

INT/2022/2339452

OFSI has amended General Licence INT/2022/2339452 which relates to Truphone. The amendments include:

---

1 which are otherwise prohibited by regulation 28(1)(b) or (c) or 46Z1(1)(b) or (c)

2 which are otherwise prohibited by regulation 28(2) or 46Z1(2)

- adding subsidiary companies of Truphone Limited, with the exception of Cellnetrix Technology LLC;
- expansion of numerous definitions, including (but not limited to);
    - Subsidiary Companies;
    - Services;
    - Incremental Orders;
- additional details on acts permitted by the licence; and
- extending the licence duration to 28 April 2023.

INT/2022/1919908

On 10 November 2022, OFSI renewed General Licence INT/2022/1919908, which allows a person (other than a designated person) "to make use of the retail banking services" of a designated credit or financial institution. There are conditions attached to the licence as described in our previous briefings.

The General Licence has been renewed until 10 November 2023.

INT/2022/2300292

On 17 November 2022, OFSI issued General Licence INT/2022/2300292 pursuant to all UK autonomous sanctions regulations (namely all regulations made pursuant to the Sanctions and Anti-Money Laundering Act 2018).

The General Licence permits UK designated persons (not including those designated by the UN) to make utility payments for gas and electricity in connection to any UK properties which are owned or rented by them. Such payments can be made from frozen accounts within the UK by bank transfer or direct debit. Energy companies (which are OFGEM registered) are authorised to receive such payments.

Any payments which are required to be made from the energy company to the designated person or entity must be made into a UK frozen bank account.

Banking institutions are permitted to process such payments in accordance with the above conditions.

This licence takes effect from 17 November 2022 and expires at 23:59 on 16 April 2023.

Guidance regarding Russian oil import ban

On 21 November 2022 the Department for Business, Energy & Industrial Strategy issued guidance relating to the ban of Russian oil and oil products that are intended for entry into the UK. These prohibitions will take effect from 5 December 2022.

The guidance provides a general overview of the prohibitions and requirements which have been into the UK Regulations recently. Our previous briefings linked here and here provide detailed summaries of the legislative updated linked to the restrictions on import of Russian origin oil and oil products.

Asset freezes

On 30 November 2022, OFSI announced asset freezes with respect to 22 individuals including (but not limited to) various Russian officials, including Governors and Military Commissars. Accordingly, all funds and economic resources belonging to, owned, held or controlled by such persons are frozen (meaning it is prohibited for UK persons to deal with (among other things), directly or indirectly, such funds or economic resources and it is also prohibited for UK persons to make funds or economic resources available, directly or indirectly, to or for the benefit of the Sanctioned Persons. Under UK law, such restrictions also apply to entities which are owned more than 50%, or controlled by, by designated persons.

Updates to guidance on Russia & Belarus transport sanctions

On 23 November 2022, the UK Department for Transport amended its transport sanctions guidance to:

- add guidance on Belarus ship sanctions and expand the guidance on Belarus aircraft sanctions. The guidance sets out the definition of Belarusian ships and Belarusian aircrafts in the context of the prohibitions on such ships and aircrafts from entering ports / overflying or landing in the UK; and
- update guidance on Russia ship and aircraft sanctions, to which similar restrictions apply, with the additional powers to issue directions in relation to the movement of cruise ships in order to prevent them from entering ports in Crimea or Donetsk and Luhansk oblasts.

European Union

Oil price cap

On 3 December 2022, the EU published Council Regulation (EU) 2022/2367 which amends article 3n in Council Regulation 2014/833. Whilst article 3n was initially related to prohibitions on the transportation to third countries of Russian oil and petroleum products, it has now been extended to cover the "trading, brokering or transport, including through ship-to-ship transfers" to third countries of such products.

A wind down period up until 19 January 2023 has also been added at article 3n(6)(d) which relates to crude oil originating in Russia or exported from Russia which is loaded onto a vessel at a port of loading prior to 5 December 2022 as long as such oil is unloaded at the final port of destination prior to 19 January 2023. A 90 day wind down period will apply for any subsequent amendments to the price cap.

Commission Implementing Regulation (EU) 2022/2368 imposes the price cap of USD 60 per barrel for crude oil.

Asset freezes

On 14 November 2022, Council Implementing Regulation (EU) 2022/2229, amending Council Regulation 269/2014, imposed an asset freeze on the following entities and individuals for their alleged involvement in the development and delivery of Unmanned Aerial Vehicles to Russia:

- Hossein Salami – major general and Commander of the Islamic Revolutionary Guard Corps;
- Amir Ali Hajizadeh – brigadier-general and Commander of the Islamic Revolutionary Guard Corps;
- Islamic Revolutionary Guard Corps - Aerospace Force – company is responsible for the development of Iran's Unmanned Aerial Vehicles; and
- Qods Aviation Industries - Iranian company that designs and manufactures Unmanned Aerial Vehicles.

Updated Russia sanctions FAQ's

The EU Commission has recently made a number of updates to its Russia sanctions FAQs. This includes updates to the FAQs relating to:

- asset freezes;
- state owned enterprises; and
- oil imports.

The EU also issued FAQs relating to the oil price cap which can be found here.

United States

Oil price cap

The Office of Foreign Assets Control ("OFAC") of the US Treasury Department has issued its eagerly awaited guidance on the mechanisms of its "maritime services" policy and "price cap exception" for the global transport of seaborne Russian oil (collectively, the "Price Cap Policy"). This update describes the contours of that Policy and is a follow up to our alert of September 12, 2022 regarding OFAC's preliminary guidance on the Policy.

The Price Cap Policy guidance implements the US Treasury Department's ("Treasury") determination that the United States is to ban certain "Covered Services" related to the maritime transport of Russian oil, except in transactions that adhere to the price cap exception. Treasury made the determination pursuant to Executive Order 14071, which generally prohibits US persons from making new investment in, and providing certain services to, Russia. The ban on Covered Services will apply to loadings of Russian oil on or after December 5 and/or unloaded at the port of discharge after January 19, 2023.

Scope of Banned Covered Services

Covered Services relate to the seaborne transportation of Russian oil that is produced in Russia (i.e. Russian-origin oil), and which has not been substantially transformed outside of Russia.[3] For example, the ban will not apply to the seaborne transportation of diesel that is refined outside of Russia.

Covered Services include:

- Trading/commodities brokering;
- Financing;
- Shipping;
- Insurance, including reinsurance and protection and indemnity;
- Flagging; and

[3] Crude oil that contains an unpumpable, de minimis amount of Russian oil left over in a container or tank (e.g., a "tank heel") will not be considered Russian oil under the Price Cap Policy. Crude oil that transits through a Russian pipeline but is loaded outside of Russia and is certified as non-Russian oil will also not be considered Russian oil.

- Customs brokering

Any Covered Services provided from the United States or by a US person[4] will be subject to the Price Cap Policy. However, there are a few notable exceptions:

- US dollar clearing of Russian-origin seaborne oil transactions does not fall under the Covered Service of "financing." If a purchaser of Russian-origin oil does not hold a US account, it can remit a US dollar denominated payment from a third-country bank for such Russian oil. Financial services related to foreign exchange transactions and the clearing of commodities futures contracts are also outside the scope of "financing."

- OFAC issued General License 55 to authorize Covered Services related to Russian-origin oil originating from the Sakhalin-2 project for the sole purpose of importation into Japan.

- OFAC issued General License 56 to authorize Covered Services related to the importation of Russian-origin oil into Bulgaria, Croatia, and certain landlocked EU member states.

Compliance with the Price Cap Policy

The Price Cap Policy will be triggered when maritime transport of Russian oil embarks (e.g., when Russian oil is sold by a Russian entity for maritime transport), and will apply to the Russian-origin oil until its first landed sale (e.g., through customs clearance) in a jurisdiction other than Russia. The policy will *not* apply to subsequent sales of the oil unless it is taken back out to sea, and becomes seaborne again without having been substantially transformed. The Price Cap Policy will apply to the price paid for the Russian-origin oil itself, independent of other charges.

In particular, the price cap will *not* cover the costs of certain services (e.g. shipping, freight, customs, and insurance), which must be invoiced separately at commercially reasonable rates—so as to prevent a mechanism for selling and purchasing Russian oil above the price cap. OFAC will view the "commercially unreasonable" billing of such services as a potential indicator of price cap evasion. OFAC's guidance confirms that Covered Service providers must reject taking part in an evasive transaction, and must report these transactions to OFAC.

[4] "United States person" means any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States. Executive Order 14071, Section 4(c).

The Price Cap Policy contains a "safe harbor" provision to shield Covered Service providers from liability for inadvertent dealings in Russian oil purchased above the price cap. A US person Covered Service provider may avail itself of the safe harbor if it meets the following conditions:

- Demonstrate "good faith" compliance and reasonable reliance on required documentation (e.g. certificate of origin) and attestations, which demonstrate that the Russian oil was purchased at or below the price cap;
- Retain relevant records and documentation for five years; and
- Continue performance of customary compliance and due diligence practices, in addition to the new documentation and attestation requirements.

OFAC confirmed that it will target its price cap enforcement efforts at those who provide false pricing information or attestations rather than those who *rely* on false attestations.

Final Takeaways

The United States, G7, European Union, and other participating countries have—as of the date of this alert—not provided the actual price cap amount. As a result, it remains practically impossible for parties engaged in the authorized trade in Russian oil to negotiate new trades at this point.

Note, Treasury's determination and OFAC's guidance only concern Covered Services in relation to Russian crude oil. The Price Cap Policy relating to Russian petroleum products will come into effect on February 5, 2023, and we anticipate additional OFAC guidance in advance of that date.

Other Recent Russia Related Actions Taken By OFAC

Throughout November 2022 OFAC has amended the SDN List to now include designations relating to Russia's military supply chain and has imposed blocking restrictions against Iranian actors involved in the production and supply of unmanned aerial vehicles to Russia

OFAC has also issued several new or updated general licenses:

- On November 10, OFAC issued General License 8D continuing to authorize energy-related transactions with certain Russian banks designated under Executive Order 14024 until May 15, 2023.
- On November 10, OFAC issued General License 53 authorizing transactions ordinarily incident and necessary to the official business of Russian diplomatic missions within and outside the United States.

- On November 14, OFAC issued General License 40C authorizing transactions ordinarily incident and necessary to the provision, exportation, or reexportation of goods, technology or services to ensure the safety of civil aviation involving the blocked entities listed in the Annex. The aircraft must be registered in a jurisdiction outside of Russia and the aircraft must be operated solely for civil aviation purposes.
- On November 18, OFAC issued General License 54 authorizing debt and equity transactions involving VEON Ltd. securities issued prior to June 6, 2022, otherwise prohibited by the new Russia investment ban pursuant to Executive Order 14071. VEON Ltd. is a Dutch telecom with securities listed on NASDAQ and Euronext. It operates in Russia and its largest shareholder is majority owned by Russian persons sanctioned in the EU and UK.
- On November 21, OFAC issued General License 13C authorizing payment of certain administrative transactions (i.e., taxes, fees, or import duties, and purchase or receive permits, licenses, registrations, or certifications) to the extent such payments are prohibited by Directive 4 under EO 14024, provided the payments are ordinarily incident and necessary to day-to-day operations of US persons in Russia. The general license expires on March 7, 2023.

Switzerland

Continued implementation of EU sanctions

Since the last update, work on the Swiss ordinance continued that included a comprehensive implementation of the eighth sanctions package of the EU enacted on 23 November 2022.

The main changes are summarized below:

TRADE-RELATED RESTRICTIONS

1. Full arms embargo

Under the newly-added Article 2a of the Swiss ordinance, the former regime of banned imports and/or exports in respect of specially designated military goods is replaced with a full embargo.

In particular, it is now prohibited to sell, supply, transit or export military goods of any kind, including firearms and ammunition, military vehicles and equipment, paramilitary equipment, as well as accessories and spare parts to Russia, as well as to Ukraine or for use in these countries.

Similarly, it is prohibited to purchase, acquire, import or transit any such goods originating or exported from Russia.

There are also prohibitions on the provision of all related services, including technical assistance, financing or financial assistance, brokering services related to such goods.

2. Crude oil and petroleum products

Under the amended Article 12b(1), it is now prohibited to transport (including through ship-to-ship transfers) to third countries (i.e. outside Switzerland and the EEA), crude oil (as of 5 December 2022) or petroleum products (as of 5 February 2023) as listed in Annex 24, which originate in Russia or which have been exported from Russia.

However, the new prohibition, as well as the existing prohibition on the provision of technical assistance, brokering services or financing or financial assistance, related to the transport to third countries of Russian crude oil or petroleum products, do not apply:

- as of 5 December 2022, to Russian crude oil, and as of 5 February 2023, to Russian petroleum products, provided that the purchase price of such products does not exceed the oil price cap;
- to crude oil or petroleum products as listed in Annex 24 where those goods originate in a third country and are only transiting through Russia, provided that the owner of those goods is non-Russian; and
- to the products mentioned in Annex 29 to the third countries mentioned therein, for the duration specified in that Annex (currently, transport by vessel to Japan of crude oil falling under CN 2709 00 commingled with condensate, originating in the Sakhalin-2 Project for the period between 5 December 2022 and 5 June 2023, as well as technical assistance, brokering services, financing or financial assistance related to such transport).

3. Additional exemptions / carve-outs

Aviation and space industry

SECO may now issue a licence with regard to the exports of specific goods suited for use in aviation or the space industry, as well as the provision of related services (e.g. financing), if this is necessary for the production of titanium goods required in the aeronautic industry and provided that no alternative supply is available.

Goods contributing to the enhancement of Russian industrial capacities

A carve-out (subject to the authorization of competent authorities) was added with a view to (i) the operation, maintenance and safety of civil nuclear capabilities, (ii) the construction and commissioning required for the completion of civil nuclear facilities, (iii) the production of medical radioisotopes and similar medical applications, (iv) the environmental radiation monitoring, as well as (v) the civil nuclear cooperation.

Iron and steel products

The imports of iron and steel products covered by the import volume quotas of the EU are now excluded from the scope of applicable restrictions.

In addition, a similar carve-out as for the goods contributing to the enhancement of Russian industrial capacities was added as well (see previous paragraph).

Goods generating significant revenues (*fertilisers*)

Certain products (potassium chloride, mineral or chemical fertilisers containing the three fertilising elements nitrogen, phosphorus and potassium, mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium or other fertilising containing photassium chloride) and related services have been carved out from the general import ban and require now an authorization of the SECO, to be granted if the Swiss import volume quotas for such products are observed.

Additionally, these products will be out of scope of the sanctions regime if they are not imported into Switzerland or the EU or, if otherwise, are covered by the EU import volume quotas.

Again, the civil nuclear capabilities-related carve-out applies (see Goods contributing to the enhancement of Russian industrial capacities).

FINANCE AND SERVICES-RELATED RESTRICTIONS

1. Full prohibition on accepting crypto-assets

Article 20(2) of the Swiss ordinance, which currently provides for a deposit restriction has been amended to allow for a complete ban (irrespective of deposit value) on the provision of crypto-asset wallet, account or custody services to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia.

Article 28e of the ordinance has been amended to extend the prohibition on the provision of services to the Russian government or any entity established in Russia, to the following:

- architectural and engineering services;
- legal advisory services; and

- IT consultancy services.

These services restrictions do not apply to the provision of services which are:

- strictly necessary for the termination by 4 February 2023 of contracts concluded before 24 November 2022;
- strictly necessary for the exercise of the right of defence in judicial proceedings and the right to an effective remedy;
- strictly necessary for ensuring access to judicial, administrative or arbitral proceedings in Switzerland, EEA Member State or the UK, or the recognition or enforcement of a judgment or arbitration rendered in Switzerland, EEA Member State or the UK;
- necessary for public health emergencies, the prevention or mitigation of an event likely to seriously and significantly impact human health and safety or the environment, or as a response to natural disasters; and
- necessary for software updates for non-military use and for a non-military end user (subject to conditions).

In addition, the restrictions on these new services (as well as the pre-existing service restrictions) do not apply to the provision of services for the exclusive use of legal persons/entities established in Russia which are owned by, or controlled (solely or jointly), by a legal person/entity incorporated or constituted under the law of Switzerland, EEA Member State country or the UK.

2. Extension of the exemption regime to UK nationals and residents

Any natural persons that are (also) UK nationals or hold a permanent or resident permit in the UK are now exempted from the sanctions measures applying indiscriminately to Russian natural persons, such as the restriction on deposits or the prohibition on accepting crypto-assets, providing services of central depositories or trust-related services, sale of securities, etc.

3. Asset freezes

Finally, the amended Swiss ordinance also provides for a number of new derogation grounds as regards the asset freezes, including (but not limited to):

- derogation whereby SECO may authorise the release of frozen funds/economic resources belonging to (or the making available of funds/economic resources to) PJSC Kamaz where necessary for the completion of transactions which are strictly necessary for the wind-down of a joint venture or similar arrangement concluded before 16 March 2022 involving an entity listed in Annex 15. Such wind-down activity must be completed by 31 December 2022; and
- derogation whereby SECO may authorise the release of frozen funds/economic resources belonging to (or the making available of funds/economic resources to) the National Settlement Depository where necessary for the termination by 7 January 2023 of operations, contracts or other agreements concluded with, or otherwise involving, the National Settlement Depository before 3 June 2022.

SECO FAQ

On 23 November 2022, SECO updated its FAQ which now covers additional topics in addition to the existing guidance on the prohibition to accept new deposits and crypto assets (article 20 and 21), the prohibition of sale of transferable securities (article 23) and the prohibition on trusts (article 28d). In particular, this guidance now covers the restrictions related to the commerce of coal (article 12), iron and steel products (article 14a), goods generating significant revenues (article 14c), as well as the asset freezes (article 15) and the prohibitions relating to entities operating in the Russian energy sector (article 28b).

Amongst others, the SECO confirms that assets owned, held or controlled by the National Settlement Depository ("**NSD**") (i.e. a designated entity subject to the asset freeze) must be blocked. At the same time, it is noted that assets that are merely under NSD's custody ("*conservées*") are not subject to the asset freeze, adding however that the NSD is also subject to the prohibition on making assets available under Article 15(2). Therefore, all activities which directly or indirectly involve the payment of fees to the NSD or the making available of other funds or economic resources to NSD or for the benefit thereof are prohibited.

Additionally, the SECO confirms that foundations within the meaning of Swiss civil code or equivalent foreign statutory provisions are considered as legal arrangement similar to trusts, in line with the similar guidance issued earlier in the European Union.

Contacts

Should you require any further information in respect of any or all of the new sanctions, including a review of relevant contractual provisions, please contact:

United Kingdom

James Lindop
Head of Competition, EU & International Trade

T: +44 20 7919 4718
M: +44 781 015 1278
jameslindop@
eversheds-sutherland.com

Zia Ullah
Co-Global Head of Corporate Crime and Investigations

T: +44 207 919 4500
M: +44 782 694 4979
ziaullah@
eversheds-sutherland.com

Simon Gamlin

T: + 44 20 7919 4689
M: + 44 776 289 6040
simongamlin@
eversheds-sutherland.com

Lizzy Coleman

T: +44 20 7919 4780
M: +44 776 764 7184
elizabethcoleman@
eversheds-sutherland.com

James Cottrell

T: +44 20 7919 4864
M: +44 744 284 0581
jamescottrell@
eversheds-sutherland.com

Victoria Turner

T: +44 161 831 8718
M: +44 786 715 5047
victoriaturner@
eversheds-sutherland.com

Monika Zejden - Erdmann

T: +44 20 7919 4910
M: +44 779 907 2075
monikazejden-erdmann@
eversheds-sutherland.com

Robyn Brown

T: +44 161 831 8704
M: +44 782 550 3652
robynbrown@
eversheds-sutherland.com

Jack Wray

T: +44 20 7919 1807
M:+ 44 778 836 0849
jackwray@
eversheds-sutherland.com

European Union

Anu Mattila
Finland

T: +358 10 6841 300
anu.mattila@
eversheds.fi

Pamela O'Neill
Ireland

T: +35 3 16 64 42 41

pamelaoneill@
eversheds-sutherland.ie

Ciaran Walker
Ireland

T: +35 3 16 64 49 86
ciaranwalker@
eversheds-sutherland.ie

Alexander Stolitzka
Austria

T: + 43 1 51620 150
alexander.stolitzka@
eversheds-sutherland.at

Michael Röhsner
Austria

T: + 43 1 51620 160
michael.roehsner@
eversheds-sutherland.at

Kathrin Gack
Germany

T: +49 8 95 45 65 34 0
kathringack@
eversheds-sutherland.com

Tatjana Tscherevko
Germany

T: +49 15170310939
tatjanatscherevko@
eversheds-sutherland.com

Sarah Monnerville Smith
France

T: +33 1 55 73 40 34
sarahmonnervillesmith@eversheds-
sutherland.com

US

Ginger Faulk

T: +1.202.383.0981
gingerfaulk@
eversheds-sutherland.com

Mark Herlach

T: +1 202.383.0172
markherlach@
eversheds-sutherland.com

Sarah Paul

T: +1.212.301.6587
sarahpaul@
eversheds-sutherland.com

Jeffrey Bialos

T: +1 202.445.1112
jeffbialos@
eversheds-sutherland.us

Michael Petrov

T: +1.404.853.8167
michaelpetrov@
eversheds-sutherland.com

Nicholas Hillman

T: +1 202. 383. 0127
nicholashillman@
eversheds-sutherland.us

Lamine Hardaway

T: +1.301.787.7924
laminehardaway@
eversheds-sutherland.com

Switzerland

Patrick Eberhardt

T: + 41 22 818 45 00
M: + 41 78 932 02 89
patrick.eberhardt@
eversheds-sutherland.ch

Michael Lepper

T: + 41 22 818 45 00
M: + 41 78 625 02 79
michael.lepper@
eversheds-sutherland.ch

Tigran Serobyan

T: + 41 22 818 45 00
M: +41767414687
tigran.serobyan@
eversheds-sutherland.ch

Asia

Jocelyn Chow

T: +852 2186 4933
M: +852 6391 0269
jocelynchow@
eversheds-sutherland.com

Middle East

Clint Dempsey

T: +971 4 389 7018
M: +971 55 414 9734
clintdempsey@
eversheds-sutherland.com

Rebecca Copley

T: +971 4 389 7044
M: +971 52 742 0913
rebeccacopley@
eversheds-sutherland.com

eversheds-sutherland.com