

The EU adopts its sixth package of sanctions against Russian and Belarus

On June 3, 2022, the European Union adopted its sixth package of sanctions against Russian and Belarus.¹

The sixth package contains the following measures:²

- 1. Oil import restrictions:** Embargo on the import of crude oil (except for crude oil delivered by pipeline) and refined oil products originating or exported from Russia and prohibition to provide related services. The Regulation provides for a phase-out period for one-off or near term deliveries of petroleum oil and natural gas condensate which will be permitted for six months after the entry into force of the Regulation, and for mineral fuels and oils which will be permitted for up to eight months after the entry into force. The prohibition does not apply to the purchase, transfer or import of seaborne crude oil and petroleum products if they are only being loaded, departing from or transiting Russia, provided that the origin and owner of goods are non-Russian.

By way of derogation, after the expiration of the phase-out period of six months, Bulgaria may authorize imports of seaborne crude oil from Russia under

¹ The six package encompasses the following legislative acts:

- Council Implementing Regulation (EU) 2022/876 of 3 June 2022 implementing Article 8a(1) of Regulation (EC) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. OJ L 153, 3.6.2022, p. 1–10.
- Council Regulation (EU) 2022/877 of 3 June 2022 amending Regulation (EC) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. OJ L 153, 3.6.2022, p. 11–14.
- Council Implementing Regulation (EU) 2022/878 of 3 June 2022 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. OJ L 153, 3.6.2022, p. 15–52.
- Council Regulation (EU) 2022/879 of 3 June 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, OJ L 153, 3.6.2022, p. 53–74.
- Council Regulation (EU) 2022/880 of 3 June 2022 amending Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, OJ L 153, 3.6.2022, p. 75–76.

² The measures are summarized by EU press release, Russia's war on Ukraine: EU adopts sixth package of sanctions against Russia, (Jun 3, 2022), available at: https://ec.europa.eu/commission/presscorner/detail/en/IP_22_2802.

contracts pre-dating June 4, 2022. After the expiration of the phase-out period of eight months from the entry into force of the Regulation, Croatia may authorize imports of vacuum gas oil of Russian origin if no alternative supply is available.

The EU restrictions do not prohibit gas imports.

- 2. Oil transport services:** EU operators will be prohibited from insuring and financing the transport through maritime routes of oil to third countries. The restrictions include ship-to-ship transfers. The prohibition does not apply to the performance until December 5, 2022 of contracts concluded before June 4, 2022.

3. Financial and business services measures:

- a. SWIFT: Russia's largest bank, Sberbank, as well as Credit Bank of Moscow and Russian Agricultural Bank have been removed from SWIFT as has one additional Belarussian bank (Belarusian Bank for Development and Reconstruction).
- b. Trusts: The restrictions on trusts are refined with a prohibition to register, provide a registered office, or management services to a trust having as beneficiary Russian nationals (unless also an EU national or permanent resident in the EU), legal persons established in Russia, persons owned for more than 50% or controlled by Russian persons.
- c. Provision of business services: The provision of accounting, auditing, statutory audit, bookkeeping, tax consulting services, business and management consulting, and public relation services to the Russian government is prohibited, as well as to legal persons, entities or bodies established in Russia.

The restrictions do not apply to the provision of services necessary for the termination by 5 of July 2022 of contracts concluded before 4 June 2022 and services strictly necessary for the exercise of the right of defense in judicial proceedings and the right to an effective legal remedy.

- 4. Broadcasting:** The broadcasting activities of another three Russian State outlets – Rossiya RTR/RTR Planeta, Rossiya 24/Russia 24, and TV Centre International – have been suspended. The Russian state-controlled broadcasters are prohibited from distributing content across the EU in whatever shape or form, including satellite, internet or via smartphone apps.

- 5. Export restrictions:** The package bans advanced technology items from export to Russia as well as chemicals that can be used to manufacture chemical weapons. The list of additional chemicals represents around €663 million of EU exports to Russia (based on 2021 data).³

The EU has also expanded the list of natural, legal persons or entities associated with Russia's military industrial complex in line with the U.S. actions. In the case of Belarus, the list of entities subject to restrictions has been significantly widened from 1 to 25.

- 6. Additional listings:** The EU has added a further 65 new individuals and 18 companies to its asset freezes. The persons listed are mainly high-ranking military officers and other individuals alleged to have been involved in the actions committed in Bucha, as well as family members of those already designated. The companies listed are involved in the military sector, and manufacturing of equipment and software. Among the listed entities is National Settlement Depository, the largest securities depository in Russia by market value of equity and debt securities held in custody and the only one which has access to the international financial system.

The EU is also adding to the list of sanctioned persons 12 individuals and eight entities from Belarus.

In addition to these measures, the sixth package requires Member States to establish **criminal penalties** for sanctions breaches under Regulation 833/2014, allowing for the possibility to confiscate the proceeds of such breaches.

In parallel with this, the Commission proposed on May 25, 2022, the measures to ensure the effective implementation of EU sanctions by way of supplementary criminal law measures.

- First, the Commission issued a Proposal for a Council Decision on extending the list of EU crimes under Article 83(1) TFEU to include the violation of EU sanctions.⁴ This proposal aims to harmonize the implementation, enforcement and penalties across the EU's member states. If adopted, this proposal will lead to a fundamental change in the legal basis of EU sanctions. Instead of a "patch

³ EU Commission, Questions and answers on the sixth package of sanctions against Russia (June 3, 2022), available at: https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_2823.

⁴ See Proposal for a Council Decision on extending the list of EU crimes to include the violation of Union restrictive measures (May 25, 2022), available at: https://ec.europa.eu/info/files/proposal-council-decision-extending-list-eu-crimes-include-violation-union-restrictive-measures_en.

work” of offences across the different Member States, the EU will have centrally-defined offences, ancillary offences such as attempt and aiding and abetting, defences, limitation periods, penalties and sentencing powers.⁵

Once the Council reaches an agreement and the European Parliament grants its consent to add the violation of EU sanctions, the Commission will propose a Directive under the ordinary legislative procedure, which would lay down in detail the definition of criminal offences and sanctions.

- Second, the Commission has put forward a proposal for a Directive on asset recovery and confiscation. The proposal expands the possibility to confiscate assets from a wider set of crimes, including the violation of EU sanctions and establishes Asset Management Offices in all EU Member States to ensure frozen property does not lose value.⁶ The proposals will greatly extend the information gathering and sharing across the member states, and the confiscation powers available in relation to frozen assets even in circumstances where there is no conviction, or where the wealth in question is unexplained.

⁵ Communication on a Directive harmonising criminal penalties for the violation of Union restrictive measures and annex (May 25, 2022), available at: https://ec.europa.eu/info/files/communication-directive-harmonising-criminal-penalties-violation-union-restrictive-measures-and-annex_en.

⁶ Proposal for a Directive of the European Parliament and the Council on asset recovery and confiscation COM/2022/245 final, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0245&qid=1653986198511>.

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