

GENERAL QUESTIONS

RELATED PROVISION: COUNCIL REGULATION 833/2014; COUNCIL REGULATION
269/2014

FREQUENTLY ASKED QUESTIONS – AS OF 26 JULY 2022

1. Will the Commission prepare further guidance?

Last update: 15 June 2022

In reaction to the invasion of Ukraine by Russia, the EU has agreed on a wide range of restrictive measures against Russian individuals and entities in order to cripple Russia's ability to finance the war and to impose painful costs on Russia's political elite responsible or otherwise instrumental for the realisation of this unprovoked military attack on its neighbouring nation. Beyond individual asset freezes, travel bans and visa restrictions, these restrictive measures comprise far-reaching trade restrictions in a number of economic sectors, as well as restrictions for activities in the financial sector.

In order to facilitate economic operators' compliance with the restrictive measures, the Commission keeps updating its FAQs and other developed tools such as the [EU sanctions map](#).

2. Is the [Commission Guidance note on the implementation of certain provisions of Council Regulation \(EU\) No 833/2014](#) still applicable?

Last update: 8 April 2022

Yes it is.

3. Does the European Commission provides for a consolidated text with all sanctioned individuals and entities, as well as with all the TARIC codes of the targeted goods?

Last update: 15 June 2022

As regards the list of all individuals and legal persons subject to an asset freeze, please note that the Commission manages a Consolidated List of all designations, which is up to date and available on the [EU Sanctions map](#).

As regards the TARIC codes, the [TARIC database](#) is regularly updated in order to include all targeted goods.

4. Can EU nationals be sanctioned?

Last update: 8 April 2022

Sanctions adopted pursuant to Article 215 TFEU are to pursue the objectives of the Common Foreign and Security Policy. In line with these objectives, it is for the Council to decide on the scope of sanctions, including on which persons - irrespective their nationality – are subject to these measures.

5. What are the benefits of the sanctions for European citizens?

Last update: 8 April 2022

Since the beginning of Putin's aggression against Ukraine, many European citizens have shared their concerns about peace in Europe, shown solidarity with Ukrainian refugees and supported the need for Ukraine to receive political, financial and humanitarian assistance. By aiming to undermine the Kremlin's ability to pursue the invasion, sanctions are contributing to restoring peace in Ukraine and the region. Together with other EU policies, sanctions are a concrete means to uphold the EU values of human dignity, freedom, democracy, the rule of law and human rights.

6. Sanctions are affecting ordinary people in Europe and Russia more than they affect politicians and decision-makers. What is the rationale behind imposing such sanctions?

Last update: 8 April 2022

Sanctions are targeted at the Kremlin and its accomplices. They aim at weakening the Russian government's ability to finance its war of aggression against Ukraine and are calibrated in order to minimise the negative consequences on the Russian population. In addition, sanctions are designed to maximise the negative impact for the Russian economy while limiting as much as possible the consequences for EU businesses and citizens.

Ensuring an effective and diligent implementation of sanctions is key to preventing circumvention. This is primarily the responsibility of Member States. In this process, the European Commission is fully committed to assisting them and ensuring a consistent implementation across the EU.

7. Are EU citizens holding bank accounts in EU banks still allowed to make payments towards Russian nationals holding bank accounts in Russian banks? What about receiving money?

Last update: 8 April 2022

There is no general prohibition for EU citizens to make payments towards Russian nationals holding a bank account in a Russian bank. It is however important to make sure that a payment does not breach other prohibitions, for instance that it is not in favour of a natural person or entity designated under [Council Regulation No 269/2014](#), or does not serve to settle a transaction prohibited under [Council Regulation No 833/2014](#).

Receiving money for a deposit with an EU credit institution is only prohibited under the specific case laid down in Article 5(b)(1) of [Council Regulation No 833/2014](#), whereby: "*It shall be prohibited to accept any deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of deposits of the natural or legal person, entity or body per credit institution exceeds 100 000 EUR.*" This prohibition to accept deposits does not apply when the person making the deposit is a national of

a Member State, a country member of the European Economic Area or Switzerland, or a person having a temporary or permanent resident permit in one of these countries (Article 5b(2)). Deposits with EU credit institutions which are necessary for non-prohibited cross border trade in goods and services between the Union and Russia are allowed, even if they come from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia are also allowed (Article 5b(3)).

8. I am a small entrepreneur based in the EU and I have a contract concluded with a legal entity registered in Russia. The contract dates from before the entry into force of the current sanctions. Can I still perform payments to the Russian entity under the current contract? Can I still receive payments ordered by the Russian legal entity?

Last update: 8 April 2022

There is no general prohibition for EU entrepreneurs to make payments towards legal entities registered in Russia. It is however important to make sure that the payment does not breach other prohibitions, for instance that it is not in favour of a natural person or entity designated under [Council Regulation No 269/2014](#), or does not serve to settle a transaction prohibited under [Council Regulation No 833/2014](#). Your [national competent authority](#) will assist you in determining whether any of the above is the case. To help you determine whether the counterparty to your contract is designated under Council Regulation No 269/2014, you may also check the [EU Sanctions Map](#) and use the “Search” function. Your national competent authority can further support in determining whether the goods or services that you deliver under the contract are subject to an export ban under Council Regulation No 833/2014.

There is also no general prohibition on receiving payment made by Russian legal entities.

Deposits on EU credit institutions ordered by a Russian legal entity are only prohibited under the specific case laid down in Article 5(b)(1) of [Council Regulation No 833/2014](#), whereby: “*It shall be prohibited to accept any deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of deposits of the natural or legal person, entity or body per credit institution exceeds 100 000 EUR.*” Importantly, this prohibition does not apply when the deposit is necessary for non-prohibited cross-border trade between the Union and Russia (Article 5b(3)). In other terms, if the goods or services that you provide your Russian client(s) with are non-prohibited trade under Council Regulation No 833/2014, you are not subject to any restriction for receiving payments from your client(s).

Should the object of your contract be the provision or acquisition of goods or services which are subject to respectively an export or an import ban under [Council Regulation No 833/2014](#), please note that, depending on the goods or services in question, you might still be able to perform the contract and receive or make payments until a certain date, subject to the relevant provision in Council Regulation No 833/2014. Your [national competent authority](#) will then assist you in

determining, if at all, until which date you might be able to perform the contract, based on the goods or services that you trade.

9. I am a Russian citizen with permanent residence in an EU Member State. I work as a freelancer. I have recently received a letter from my bank stating that my accounts were restricted due to my Russian nationality in the context of current sanctions. Does my bank have the right to restrict my accounts?

Last update: 8 April 2022

If neither you nor your client are a designated person under [Council Regulation No 269/2014](#) and are not providing services whose trade is prohibited under [Council Regulation No 833/2014](#), we see no reason why your bank should be restricting your account. The sanctions do not provide a legal basis to refuse payments to your account based on your Russian nationality. Further, as you have a permanent residence permit in an EU Member State, you are also exempted from the prohibition to receive deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia in case your account balance would exceed EUR 100 000, pursuant to Article 5 (b) (2) of Council Regulation No 833/2014.

You may want to contact your [national competent authority](#) in relation to the situation.

10. I am an EU citizen having money in a euro-denominated bank account in a Russian bank. I would like to transfer my money out from the Russian bank, but my transfer order was rejected. Which are my options?

Last update: 8 April 2022

It is the role of your [national competent authority](#) to help you assess your options. The details provided here do not allow for an assessment of whether there might be a legal basis justifying that your transfer be rejected. With more details, your national competent authority will be able to assess the existence of such a legal basis, or absence thereof.

11. I am a Russian citizen and I own an apartment in one EU Member State. I have been using regularly my bank account in an EU-based bank to pay the monthly utilities for the apartment, including annual taxes towards local authorities. The bank restricted my account and I am no longer able to receive money or order payments from this account. Is this a correct application of EU law?

Last update: 8 April 2022

If you not are a designated person under [Council Regulation No 269/2014](#) and the money you seek to receive or transfer does not serve to settle the provision of goods or services whose trade is prohibited under [Council Regulation No 833/2014](#), we see no reason why your bank should be restricting your account. The sanctions do not provide a legal basis to refuse payments to your account based on your Russian nationality. Further, if you have a permanent or temporary residence permit in an EU Member State, you are also exempted from the prohibition to receive

deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia in case your account balance would exceed EUR 100 000, pursuant to Article 5 (b) (2) of Council Regulation No 833/2014. Should you not have a permanent or temporary residence permit in an EU Member State, the bank should indeed not allow the credit of any incoming transfer that you as a Russian citizen would make towards it, if and only if your account balance would be in excess of EUR 100 000. In any event, the possibility of holding an account balance of up to EUR 100 000 would still leave you headroom for paying monthly utilities and taxes for your apartment.

You may want to contact your [national competent authority](#) in relation to the situation.

12. Can European companies receive payments for services or products commissioned before the sanctions were put in place on Russian companies or individuals?

Last update: 8 April 2022

[Council Regulation \(EU\) No 269/2014](#) of 17 March 2014 prohibits EU operators from making any funds or economic resources available to persons designated under its Annex I, directly or indirectly, whether by gift, sale, barter or any other means, including the return of the listed person's own resources (Article 2(2)). In principle, and by way of example, an EU business is not allowed to sell or deliver products or services to those persons, even if in exchange for adequate payment. There are a number of exceptions (derogations) from this prohibition, including for prior contracts where a payment by a listed person is due under a contract or agreement concluded or an obligation that arose before the date on which that person was included in Annex I, and provided that the funds or economic resources will be used for a payment by the listed person and that the payment is not made to or for the benefit of a listed person (Article 6 of the Regulation). However, this is subject to a prior authorisation from the relevant [national competent authority](#).

13. Does [Council Regulation \(EU\) No 833/2014](#) apply to contracts signed before 16 March 2022? Does it apply to the delivery of goods that were paid by Russian entities before 16 March 2022?

Last update: 8 April 2022

It depends on the goods and the export-ban measure they are targeted by. Unless otherwise specified in the relevant provisions of [Council Regulation \(EU\) No 833/2014](#), export bans apply as of the day of entry into force of the amendment. It is the role of your [national competent authority](#) to assist you in determining whether the goods you sell are targeted by an export ban.

14. Does [Council Regulation 883/2014](#) apply to Russian subsidiaries of EU parent companies?

Last update: 8 April 2022

EU sanctions do not apply extra-territorially. In accordance with Article 13, the Regulation applies:

- i. within the territory of the Union
- ii. on board any aircraft or any vessel under the jurisdiction of a Member State
- iii. to any person inside or outside the territory of the Union who is a national of a Member State
- iv. to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State
- v. to any legal person, entity or body in respect of any business done in whole or in part within the Union.

Therefore, EU sanctions must be complied with by all EU persons – both natural and legal – and therefore by all EU incorporated companies, including subsidiaries of Russian companies in the EU. Russian branches of EU companies remain EU persons, and thus bound by the Regulation. By contrast, Russian subsidiaries of EU parent companies are incorporated under Russian law, not under the law of a Member State, hence they are not bound by the measures. However, it is prohibited for EU parent companies to use their Russian subsidiaries to circumvent the obligations that apply to the EU parent, for instance by delegating to them decisions which run counter the sanctions, or by approving such decisions by the Russian subsidiary.

15. Due to sanctions imposed, Russian companies may not be capable of ordering payments towards companies in the European Union. How should the EU companies reflect this in their accounting systems? Are set offs against reciprocal debts and claims allowed?

Last update: 8 April 2022

It is the responsibility of your [national competent authority](#) to provide you with guidance on how to reflect this in your accounting system.

16. How should the term ‘transfer’ in the context of trade-related prohibitions be interpreted?

Last update: 17 April 2022

The trade-related prohibitions in [Council Regulation 833/2014](#) concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, are, as in most other sanctions regulations, drafted in a very broad way in order to ensure that a maximum array of operations around the actual export or import are prohibited. This means that, in addition to exports, EU sanctions also prohibit the sale and supply of the relevant products to specific categories of beneficiaries, or for use in specific territories; in addition to import, EU sanctions also prohibit

the purchase of the relevant products to specific categories of beneficiaries, or for use in specific territories. In both cases, the transfer of the relevant products, as well as brokering services, technical and financial assistance in relation to their purchase or sale are also prohibited.

Specifically, transfer is a broad concept covering a wide range of operations: not only the movement of goods through customs controls, but also the transport of goods, including (but not exhaustively) their loading and trans-shipment. The transfer prohibition applies not only in relation to an actual import or export (e.g. with the goods entering or exiting the EU customs territory), but also when those products do not enter the EU, but are transferred between Russia and a third country (and vice-versa). In such a case, EU operators are prohibited from providing transfer services as described above.

17. Does Council Regulation No. 883/2014 apply to EU branches of Russian parent companies?

Last update: 30 June 2022

A branch of a Russian parent company does not have legal personality on its own and is considered as an entity established in Russia. Therefore, the restrictive measures for Russian entities apply equally to a branch in the EU. Moreover, to the extent that the activity of the branch is carried out in the EU, it will be bound to respect EU sanctions itself.