

## Banknotes (Article 5i)

### FREQUENTLY ASKED QUESTIONS – AS OF 20 APRIL 2022

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Article 5i of [Council Regulation 833/2014](#) provides that:

1. *‘It shall be prohibited to sell, supply, transfer or export banknotes denominated in any official currency of a Member State to Russia or to any natural or legal person, entity or body in Russia, including the government and the Central Bank of Russia, or for use in Russia.*
  2. *The prohibition in paragraph 1 shall not apply to the sale, supply, transfer or export of banknotes denominated in any official currency of a Member State provided that such sale, supply, transfer or export is necessary for:*
    - (a) the personal use of natural persons travelling to Russia or members of their immediate families travelling with them; or*
    - (b) the official purposes of diplomatic missions, consular posts or international organisations in Russia enjoying immunities in accordance with international law.’;*
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#### **1. Does the ban on supplying banknotes denominated in any official currency of a Member State relate to physical notes only or does it also include transfers via bank accounts?**

The restrictions introduced on banknotes denominated in any official currency of a Member State concern physical banknotes and do not extend to transfers via bank accounts, as long as these do not fall under other restrictions (e.g. transfers to listed persons or transfers through a listed bank).

#### **2. How should the exception for personal use from the prohibition to export banknotes denominated in any official currency of a Member State to Russia be interpreted?**

For the consideration of the term “personal use” as provided in Article 5i, the determining factor is the non-commercial nature. The objective of the prohibition to export banknotes denominated in any official currency of a Member State to Russia is to prevent the Russian Government, its Central Bank and natural or legal persons in Russia to get access to banknotes denominated in any official currency of a Member State. The exception built in the provision, which allows the supply of banknotes denominated in any official currency of a Member State for personal use of natural persons travelling to Russia or members of their immediate families travelling to them, should be interpreted in narrow terms.

The exception should not be used for commercial purposes or reflect a commercial interest. This includes cases where Russian companies are closing down and returning to Russia with cash belonging to the company. As regards employees of companies closing down who return and take their savings with them, there is no reason to allow Russians to repatriate their savings in Russia. It should be underlined that the measure is temporary and linked to the aggression of Ukraine by Russia.

Furthermore, the exception cannot be used to bring cash to acquaintances, friends or parents, because the exception is limited to those travelling. It should cover the necessities of natural persons of members of their family during their trip.

**3. “Are gold, currencies other than any official currency of a Member State, traveller cheques and bank cheques covered by the prohibition in Article 5i?”**

The measure only concern banknotes denominated in any official currency of a Member State. Therefore, none of the above are concerned.

**4. Are financial institutions expected to monitor ATM usage, limit increases in card caps for cash withdrawals or restrict card usage?**

Financial institutions are not expected to change their practices, but to heighten their vigilance and be able to detect sudden increases of banknotes withdrawal/requests.

**5. Does the prohibition to sell, supply, transfer or export banknotes denominated in any official currency of a Member State to Russia only apply to Russian nationals and natural persons with a residence in Russia?**

No, the prohibition must be complied with by everybody who would be delivering banknotes to Russia or for use in Russia.

**6. Is it necessary to prohibit the withdrawal of banknotes from bank accounts of Russian clients as well as any transactions of cash exchange/sale of banknotes to Russian nationals?**

No, the prohibition in Article 5i should not be interpreted as prohibiting any withdrawal of banknotes of a Member State from the bank accounts of Russian client, or any transaction of cash exchange/sale of banknotes to Russian nationals. The prohibition shall be assessed on a case-by-case basis, including by taking into account the exemptions as provided for under Article 5i(2) of [Council Regulation 833/2014](#).

**7. Does the prohibition also target subsidiaries of Russian entities, and entities otherwise related to the Russian government within the EU, such as Russian embassies?**

The prohibition covers subsidiaries of Russian entities to the extent that there are grounds to believe that the banknotes would reach the parent companies or other Russian entities. In complying with the prohibition, EU operators have an obligation of result.

The prohibition in principle covers entities such as Russian embassies in Europe, but Article 5i(b) sets out an exception for the official purposes of these missions.