

Central Bank of Russia

FREQUENTLY ASKED QUESTIONS – AS OF 20 April 2022

1. Are the assets of the Central Bank of Russia frozen?

Pursuant to Article 5a(4) of [Council Regulation \(EU\) 833/2014](#), all transactions with the Central Bank of Russia are prohibited to the extent that they are related to "the management of reserves as well as of assets" of the Central Bank. A similar prohibition applies to the Belarussian Central Bank.

2. Does Article 5a(4) of [Council Regulation \(EU\) No 833/2014](#) prohibiting transactions related to the management of reserves as well as of assets of the Central Bank of Russia also cover the conversion and foreign exchange transactions (EUR/USD to RUB) carried out by subsidiaries of EU companies in Russia through Russian commercial banks?

EU sanctions do not apply extra-territorially. Therefore, Russian subsidiaries of EU parent companies are not obliged to comply with the sanctions. However, it is prohibited for EU parent companies to use their Russian subsidiaries to circumvent the obligations that apply to the EU parent.

3. Can you provide examples of which entities might be 'acting on behalf of or at the direction of the Central Bank of Russia'?

This is a case-by-case assessment. The Central Bank of Russia may try to conduct operations via a variety of legal persons, entities or bodies.

4. What criteria should be used to assess whether an entity acts on "behalf of or at the direction of the Central Bank of Russia"? To what extent do the criteria specified in the [Commission Opinion of 17 October 2019 on Article 5\(1\) of Council Regulation \(EU\) No 833/2014](#) still apply here, given that the Central Bank of Russia isn't a corporate entity?

This is a case-by-case assessment. Many of the examples of criteria provided in the quoted opinion remain relevant indeed: "*the precise ownership/control structure [...]; the nature and purpose of the transaction, coupled with the stated business duties of the entity that is owned or controlled; previous instances of acting on behalf or at the direction of the targeted entity; disclosure made by third parties and/or factual evidence indicating that directions were given by the targeted entity*".

5. Do payments of statutory taxes fall under the definition of "...transactions related to the management of reserves as well as assets" in Article 5a(4) of [Council Regulation 833/2014](#)? In other terms, does Article 5a of Council

Regulation 833/2014 prevent EU-companies operating in Russia from paying usual statutory taxes in Russia directly to the Russian Central Bank?

Paying lawfully due taxes in Russia does not amount to enabling the Russian Central Bank to manage its reserves or assets. Article 5a does therefore not apply to the payment of taxes.