

IMPORT, PURCHASE & TRANSFER OF LISTED GOODS

RELATED ARTICLES: ARTICLE 3g, ARTICLE 3i, ARTICLE 3j, ARTICLE 3o OF COUNCIL REGULATION NO. 833/2014

FREQUENTLY ASKED QUESTIONS – AS OF 20 JANUARY 2023

1. Is the purchase of goods listed in Annexes XVII, XXI and XXII of Council Regulation No. 833/2014 by an EU company allowed when the goods are destined for a third country and are not transiting Union territory?

Last update: 29 August 2022

No. Articles 3g, 3i and 3j of Council Regulation No. 833/2014 prohibit the purchase, import, or transfer, directly or indirectly, of the goods listed in Annexes XVII, XXI and XXII if they originate in Russia or are exported from Russia. The prohibition on purchase applies irrespective of the final destination of the goods. Provided the purchase falls within the scope of Article 13 of Regulation 833/2014, it is not relevant whether the goods are destined for the EU or not. This supports the aim of the sanctions which is to significantly weaken Russia's economic base, depriving it of critical markets for its products and to significantly curtail its ability to wage war. Any other interpretation would render the prohibition largely devoid of purpose and create significant loopholes.

Please note that the situation is different for the purchase of Russian seaborne crude oil (question n°15 of the FAQ on “oil imports”).

2. Is the transfer of goods listed in Annexes XVII, XXI and XXII of Council Regulation No. 833/2014 by an EU company allowed when the goods are destined for a third country and are not transiting Union territory?

Last update: 7 October 2022

No. Articles 3g, 3i and 3j of Council Regulation No. 833/2014 prohibit the purchase, import, or transfer, directly or indirectly, of the goods listed in Annexes XVII, XXI and XXII if they originate in Russia or are exported from Russia. The prohibition on transfer applies irrespective of the final destination of the goods, whereas the prohibition on the import applies by nature to goods moving “into the Union”. Provided the transfer falls within the scope of Article 13 of Council Regulation No. 833/2014, it is not relevant whether the goods are destined for the EU or not. This supports the aim of the sanctions which is to significantly weaken Russia's economic base, depriving it of critical markets for its products and to significantly curtail its ability to wage war. Any other interpretation would render the prohibition largely devoid of purpose and create significant loopholes.

However, the Union is committed to avoiding that its sanctions impact food and energy security of third countries around the globe, in particular of the least developed ones. In light of this commitment, which is clearly stated in recitals 11 and 12 of Council Regulation No. 2022/1269,

the transfer to third countries of certain goods listed in Annex XXI and XXII should be allowed “to combat food and energy insecurity around the world” and “in order to avoid any potential negative consequences therefor” in third countries.

In order to ensure energy security, transfer to third countries of specific energy-related goods, as well as the financing or financial assistance related to such transfer, carried out by EU operators should be allowed. Given their specific supply chains and the available transport options, such transfer should only be permitted from point to point (eg, from Russia to a third country), without transiting via the EU territory. The relevant goods are the following:

- Energy goods falling under CN codes 4401 (fuel wood) and 4402 (charcoal), as listed in Annex XXI
- All the items listed in Annex XXII (coal and related products).

Recital 12 of Council Regulation No. 2022/1269 further clarifies that EU sanctions “do not target in any way the trade in agricultural and food products, including wheat and fertilisers, between third countries and Russia”. It follows that the transfer to third countries, as well as the financing or financial assistance related to such transfer, carried out by EU operators or via the EU territory (including in transit) should not in any way be hindered for the following goods:

- Fertilisers falling under CN codes 310420, 310520; 310560; ex31059020 and ex31059080 related, as listed in Annex XXI;
- Animal feed falling under CN code 2303, as listed in Annex XXI.

The above is without prejudice to the guidance on transit of goods to and from Kaliningrad and to the ability of Member States to take the necessary measures to protect their national security interests.

3. Does “purchase” or “transfer” also refer to restricted goods that are already released for free circulation within the territory of the Union before the restrictive measures?

Last update: 10 August 2022

No. The restrictions envisaged in Articles 3g, 3i, 3j and 3m of Council Regulation No. 833/2014 do not concern goods which are already released for free circulation within the territory of the Union (i.e. usually already placed on the market) at the time when the respective measure becomes applicable.

4. What is the scope of the prohibition on relevant services (e.g. financial assistance, including brokering or insurance) as stated in Articles 3g, 3i and 3j of Council Regulation No. 833/2014 for the transport or transfer of goods or products listed in Annexes XVII, XXI or XXII to third countries?

Last update: 7 October 2022

The provision of insurance, brokering services or other financing or financial assistance by EU operators for the transport or transfer of good or products listed in Annexes XVII, XXI or XXII to third countries is prohibited. Regardless of whether the transfer of these goods or products is performed by an EU or a non-EU operator, where the provider of assistance related to such a shipment is an EU operator, they remain bound by the prohibition.

However, the Union is committed to avoiding that its sanctions impact food and energy security of third countries around the globe, in particular of the least developed ones. In light of this commitment, which is clearly stated in recitals 11 and 12 of Council Regulation No. 2022/1269, the transfer to third countries of certain goods listed in Annex XXI and XXII should be allowed “to combat food and energy insecurity around the world” and “in order to avoid any potential negative consequences therefor” in third countries.

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5. Does a purchase, import or transfer restriction in Council Regulation No. 833/2014 which provides for an exception allowing the execution of a prior contract until a specified date allow for the payment on the basis of such contract by the EU operator to its Russian counterpart after this date?

Last update: 26 August 2022

It is the Commission's view that an exception to a purchase, import or transfer restriction allowing for the execution of prior contracts until a specified date would not allow for a payment to be made to the Russian counterpart beyond that date. Since the payment is part of the execution of the contract, EU operators are prohibited from making such a payment thereafter, even if the goods originating in Russia have already been received. Questions on the concrete application of EU sanctions in specific cases should be addressed to the relevant national competent authority.

6. What is the scope of 'import of goods in the Union' in the context of 'import' related prohibitions in Council Regulation No. 833/2014?

Last update: 21 December 2022

Sanctions regulations do not contain a specific definition of the notion of "import". Given the numerous, frequent and significant amendments to the sanctions provisions, particularly in the context of the Russian aggression in Ukraine, without prejudice to the Union Customs Code definitions and formalities applying in other areas, the conditions for determining the legal import into the Union of a good **as regards sanctions** should be assessed in relation to the time the goods are brought into the Union and presented to customs, regardless of the subsequent customs procedure these goods will be placed under. Indeed, unlike other import requirements, which are established in order to protect the internal market and EU consumers, and are thus assessed at the time of the goods' release for free circulation, the objective of the import restrictions in Council Regulation No. 833/2014 is to deprive Russia of income which it can use to finance its war in Ukraine.

Consequently, goods which lawfully entered the EU territory and were presented to customs (a) before the entry into force of the relevant sanctions restrictions, or (b) before the date of application of such restrictions (when a wind-down for the execution of existing contracts is foreseen, for instance) can be released to the EU importers.

However, in view of Article 12 of Council Regulation No. 833/2014, national competent authorities should not allow such a release of the goods if they have reasonable ground to suspect that doing so would constitute circumvention. Moreover, any subsequent payments related to the released goods have to comply with the applicable restrictive measures, in particular asset freezes provisions in Council Regulation No. 269/2014.

7. Why did the EU introduce a gold import ban and what does it cover?

Last update: 27 July 2022

The G7 has agreed the necessity of co-ordinated action to further increase economic pressure on Russia. The gold ban further aligns EU sanctions with those of our G7 partners.

As of 22 July 2022, EU sanctions prohibit the direct or indirect import, purchase or transfer of gold, which constitutes Russia's most significant export after energy, pursuant to Article 30 of Regulation (EU) 833/2014. The prohibition applies to gold listed in Annex XXVI of the regulation, i.e. gold plated with platinum, unwrought or in semi-manufactured forms, in powder form, waste and scrap of gold including metal clad with gold but excluding sweepings containing other precious metals, and gold coins.

This prohibition applies to gold if it (i) originates in Russia and (ii) has been exported from Russia into the Union or to any third country after 22 July 2022. This implies that for such a good imported into the EU from 22 July 2022 and onwards not to be covered by the prohibition, the importer shall provide to customs authorities a proof that the good was exported from Russia before 22 July 2022. Therefore, this prohibition does not apply to e.g. gold of Russian origin already held by central banks, investors, companies or pension funds across Member States, if it was exported from Russia before 22 July 2022.

The prohibition also applies to financing, technical and other related assistance pursuant to Art. 30 paragraph 4 of the regulation.

8. Is processed gold concerned by the prohibition?

Last update: 27 July 2022

Yes, the prohibition applies to processed gold according to Art. 30 paragraph 2 of the regulation, if it fulfils the following conditions: (i) products listed in Annex XXVI, (ii) processed in a third country and (iii) incorporating the products prohibited in paragraph 1 of Art. 30, meaning gold originating in Russia listed in Annex XXVI and exported from Russia after 22 July 2022.

For such goods imported into the EU from 22 July 2022 and onwards not to be covered by the prohibition, the importer must provide to customs a proof that the export from Russia to the third country took place before 22 July 2022.

9. Is gold jewellery included in the ban? Can I travel with golden jewellery to and from Russia?

Last update: 27 July 2022

Yes, import, purchase or transfer, directly or indirectly, into the Union, of golden jewellery originating in Russia and exported from Russia after 22 July 2022 is prohibited, pursuant to Art. 30 paragraph 3 and listed in Annex XXVII of the regulation.

The prohibition however does not apply to golden jewellery for personal use of natural persons travelling to the European Union or to members of their immediate families travelling with them, as long as it is owned by those individuals and not intended for sale. A similar exemption also

applies to export of golden jewellery included in the luxury goods list in Annex XVIII of the regulation.

10. Are there other exceptions to the gold ban?

Last update: 27 July 2022

The prohibition in Art. 3o also does not apply to gold which is necessary for the official purposes of diplomatic missions, consular posts or international organisations in Russia enjoying immunities in accordance with international law. Competent authorities of Member States may also authorise the transfer or import of gold that is designated as cultural goods, which are on loan in the context of formal cultural cooperation with Russia. The re-export of those temporarily imported gold cultural goods would also have to be subject to a subsequent authorisation for export by a competent authority, as per Article 3h paragraphs 1 and 4 of the regulation.