

On 11 September, the European Union officially confirmed a further round of economic sanctions against Russia in response to the continued crisis in the Ukraine.

Before today, the EU delayed enforcement of these restrictive measures in order to leave time to assess whether the cease fire in the Ukraine would hold. The sanctions have now been confirmed by the Council of the European Union, and have taken effect upon publication of Regulations No 959/2014 and Regulations 960/2014 in the Official Journal dated 12 September 2014.

The new restrictions as published today include:

- Strengthened restrictions on Russia's access to EU capital markets. EU nationals and companies may no longer provide loans to five major Russian banks. At the same time, trade in new bonds, equity or similar financial instruments with a maturity exceeding 30 days, issued by these same five banks, has been prohibited. The same restrictions have been extended to three major Russian defence companies and three major energy companies. Providing services related to the issuing of the above financial instruments, e.g., brokering, is also included in the prohibition.
- Certain services necessary for deep water oil exploration and production, Arctic oil exploration or production and shale oil projects in Russia may no longer be supplied, for instance drilling, well testing or logging services.
- The ban on exporting dual use goods and technology for military use in Russia has been extended to also include a list of nine mixed defence companies that cannot receive dual use goods from the EU.
- Twenty-four persons have been added to the list of those subject to a travel ban and an asset freeze. They comprise persons involved in actions against Ukraine's territorial integrity, including the new leadership in the Donbass region, the government of Crimea as well as Russian decision-makers and oligarchs. This brings the total of persons subject to sanctions to 119, while 23 entities remain under asset freeze in the EU. Moreover, the legal basis has been widened to allow imposing asset freezes and travel bans on persons or entities conducting transactions with separatist groups in the Donbass region.

What Does This Mean for You?

Any companies conducting business with Russia should keep a close eye on the new legal changes, and make sure that they fully comply with the new rules, whilst putting in place a number of sanctions checks on any transaction involving the country. This would include careful sanctions checks on any transaction involving the country, confirming end-use and end-user for certain types of goods and services, implementation of carefully worded sanctions language in dealings with third parties, and continued close monitoring of the sanctions regime.

What is Next?

The European Union has expressed its willingness to review the agreed sanctions in whole or in part depending on the continuation of relations between Russia and the Ukraine. Squire Patton Boggs is monitoring the situation and will be providing further details as they arise.

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