

## General questions

FREQUENTLY ASKED QUESTIONS – AS OF 18 April 202

### 1. Will the Commission prepare further Guidance?

In reaction to the recent 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 aims to provide further guidance updates. For the time being, we recommend to take orientation from the recently published questions and answers and the guidelines presented in the Commission Guidance Note on the implementation of certain provisions of [Council Regulation \(EU\) No 833/2014](#).

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

Yes it is.

### 3. Will the European Commission publish a consolidated text with all sanctioned individuals and entities, as well as with all the TARIC codes of the targeted goods?

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 at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>.

As regards the TARIC codes, the TARIC and Surveillance databases have been updated in order to include all targeted goods.

Finally, the European Commission is gradually publishing Frequently Asked Questions on its website. For instance, you may find a batch of FAQs concerning the dual-use and advanced-use goods subject to restrictions at: [https://ec.europa.eu/info/files/220316-faqs-export-related-restrictions-russia\\_en](https://ec.europa.eu/info/files/220316-faqs-export-related-restrictions-russia_en).

### 4. How do the Council Decision and Council Regulation interact and which one is applicable to whom?

The Council Decision is binding on Member States and the Council Regulation is directly binding on all persons subject to EU Member State jurisdiction. This includes Member State nationals, legal persons, entities and bodies incorporated or constituted under the law of a Member State as well as persons doing business in the EU territory. The Regulation gives effect in EU law to certain measures decided in the Decision.

**5. Can EU nationals be sanctioned?**

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.

**6. What are the benefits of the sanctions for European citizens?**

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.

**7. 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?**

Sanctions are targeted at the Kremlin and its accomplices. They aim to weaken 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.

**8. 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?**

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)).

**9. 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?**

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.

**10. I am a Russian citizen with permanent residence in an EU Member State. I work as a free lancer. 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. Some of my clients already reported that their payment orders in my favour were rejected. My bank was not able to give me more details. Can I continue to receive payments for the services I render under my contracts with my clients? Does my bank have the right to restrict my accounts?**

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.

**11. 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?**

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.

**12. 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?**

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.

**13. What is a contract in the context of sanctions regimes against Russia and Belarus?**

The term 'contract' has already been used in most EU sanctions regime, including [Council Regulation \(EU\) No 833/2014](#) concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, which has been in force since 2014. It refers to a binding commitment between parties. Such an agreement should contain all the necessary elements for its validity and the execution of a transaction (such as indication of the parties, price, quantities, delivery dates, modalities of execution, etc.) Most framework contracts which do not specify the quantities or the price would therefore not be considered as a contract for the purpose of the exceptions foreseen for the execution of prior contracts.

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

[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](#).

**15. US sanctions envisage a 30-day transitional period. Can any transitional period be carved out for EU sanctions?**

[Council Regulation \(EU\) 328/2022 amending Regulation \(EU\) No 833/2014](#) was adopted and published on 25 February and entered into force the following day. No transition period of general application is envisaged in [Regulation \(EU\) 328/2022](#).

However, some specific prohibitions envisage a wind-down period. For instance, the prohibition to purchase or sell transferable securities issued by credit institutions listed in Annex XII applies to all new securities issued after 12 April 2022. Similarly, the SWIFT prohibition took effect as of 12 March. This gave SWIFT and other operators a brief transition period to implement the measure.

**16. 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?**

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.

17. [Council Regulation \(EU\) No 833/2014](#) concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine as amended by Council Regulation (EU) 2022/428 of 15 March 2022, and [Council Regulation \(EC\) No 765/2006](#) as amended by Council Regulation (EU) 2022/355 of 2 March 2022 concerning restrictive measures in view of the situation in Belarus mention a number of derogations to the prohibitions for companies to sell, supply, transfer or export certain goods or services. What are the practical modalities for companies to benefit from these derogations? What is the competent authority to which we should address ourselves?

Derogations requests shall be addressed to the relevant competent authority in accordance with the rules and procedures laid down in [Regulation \(EU\) 2021/821](#), which shall apply mutatis mutandis. Such derogations shall be valid throughout the Union.

You may find the list of competent national authorities [here](#).

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

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.

19. 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?

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

20. How should the term 'transfer' in the context of trade-related prohibitions be interpreted?

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.