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European Union

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15248/23

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FIN 1153

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL REGULATION amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

COUNCIL REGULATION (EU) 2023/...

of ...

**amending Regulation (EU) No 833/2014 concerning restrictive measures
in view of Russia's actions destabilising the situation in Ukraine**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 215 thereof,

Having regard to Council Decision (CFSP) 2023/... of ... amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine¹⁺,

Having regard to the joint proposal from the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission,

¹ OJ L, ..., ELI: ...

⁺ OJ: please insert the reference number and the date of adoption for the decision set out in ST 15246/23, and complete the corresponding footnote.

Whereas:

- (1) On 31 July 2014, the Council adopted Regulation (EU) No 833/2014¹, concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.
- (2) Regulation (EU) No 833/2014 gives effect to certain measures provided for in Council Decision 2014/512/CFSP².
- (3) On ..., the Council adopted Decision (CFSP) 2023/...⁺, amending Decision 2014/512/CFSP.

¹ Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

² Council Decision 2014/512/CFSP of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 13).

⁺ OJ: please insert the date of adoption and the reference number for the decision set out in ST 15246/23.

- (4) Decision (CFSP) 2023/...⁺ adds 29 new entities to the list of legal persons, entities and bodies set out in Annex IV to Decision 2014/512/CFSP, namely the list of persons, entities and bodies directly supporting Russia's military and industrial complex in its war of aggression against Ukraine, on which tighter export restrictions regarding dual-use goods and technology, as well as goods and technology which might contribute to the technological enhancement of Russia's defence and security sector, are imposed. In addition, in view of the key enabling role of electronic components for use by Russia's military and industrial complex in supporting the war of aggression against Ukraine, Decision (CFSP) 2023/...⁺ also includes on that list certain entities in third countries other than Russia involved in the circumvention of trade restrictions, as well as certain Russian entities involved in the development, production and supply of electronic components for Russia's military and industrial complex.
- (5) Decision (CFSP) 2023/...⁺ expands the list of items which contribute to Russia's military and technological enhancement or to the development of its defence and security sector by adding items which have been used by Russia in its war of aggression against Ukraine and items which contribute to the development or production of its military systems, including chemicals, lithium batteries, thermostats, DC motors and servomotors for unmanned aerial vehicles, machine tools and machinery parts.

⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

- (6) Decision (CFSP) 2023/...⁺ introduces a list of partner countries which apply a set of restrictive measures on imports of iron and steel and a set of import control measures that are substantially equivalent to those in Regulation (EU) No 833/2014. It also extends certain wind-down periods for the import of specific steel products.
- (7) Decision (CFSP) 2023/...⁺ imposes further restrictions on exports of goods which could contribute in particular to the enhancement of Russian industrial capacities. Furthermore, in order to minimise the risk of circumvention of the restrictive measures, Decision (CFSP) 2023/...⁺ prohibits the transit via the territory of Russia of certain goods and technology which could contribute in particular to the enhancement of Russian industrial capacities, exported from the Union.
- (8) Additionally, Decision (CFSP) 2023/...⁺ introduces further restrictions on imports of goods which generate significant revenues for Russia, thereby enabling the continuation of its war of aggression against Ukraine, such as liquefied propane gas, pig iron and spiegeleisen, copper wires, aluminium wires, foil, tubes and pipes. Certain exceptions and transitional periods are provided for.

⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

- (9) In addition, Decision (CFSP) 2023/...⁺ permits Member States to allow the entry into the Union of personal effects which do not pose significant circumvention concerns, such as personal hygiene items, or clothing worn by travellers or contained in their luggage, and which are clearly intended for their or their family members' strict personal use. It also provides for an exemption for cars that have a diplomatic vehicle registration plate to enter the Union and, in order to facilitate the entry into the Union of Union citizens living in Russia, permits Member States to authorise, under such conditions as they deem appropriate, the entry of cars of Union citizens or their immediate family members who are resident in Russia and are travelling into the Union, provided that the cars are not for sale and are driven for strict personal use. The situation of cars from Russia which are already in the territory of the Union may be regularised by Member States.
- (10) Decision (CFSP) 2023/...⁺ introduces a derogation enabling the granting of loans or credits to entities operating in the Russian energy sector which are subject to the transaction ban provided for in Regulation (EU) No 833/2014, under the conditions provided for therein.
- (11) Decision (CFSP) 2023/...⁺ imposes a prohibition on the direct or indirect import, purchase or transfer of diamonds from Russia. That prohibition applies to diamonds originating in Russia, diamonds exported from Russia, diamonds transiting Russia and Russian diamonds when processed in third countries other than Russia.

⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

- (12) The prohibition applies to non-industrial natural and synthetic diamonds, as well as diamond jewellery, as of 1 January 2024, and includes a progressive phasing-in, from 1 March 2024 until 1 September 2024, of an indirect import ban on Russian diamonds when processed in third countries other than Russia, including jewellery incorporating diamonds originating in Russia. The phasing-in of indirect import bans takes into consideration the need to deploy an appropriate traceability mechanism that enables effective enforcement measures and minimises disruptions for market players.
- (13) The ban on Russian diamonds is part of a G7 effort to develop an internationally coordinated diamond ban that aims at depriving Russia of such an important source of revenue. For the ban to effectively deprive Russia of revenues from diamond mining, action needs to be taken together with simultaneous action in other major markets for diamonds, including restricting imports of Russian diamonds that have been processed in third countries other than Russia.
- (14) Decision (CFSP) 2023/...⁺ prolongs by an additional year specific derogations from the prohibition on imports from Russia of crude oil and petroleum products in order to ensure the security of supply of certain Member States.

⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

(15) The price cap mechanism relies on an attestation process that enables operators in the supply chain of seaborne Russian oil to demonstrate that it has been purchased at or below the price cap agreed by the Price Cap Coalition. In order to further support the implementation of, and compliance with, that mechanism, while increasing barriers to the falsification of attestations, Decision (CFSP) 2023/...⁺ introduces a requirement that itemised price information for ancillary costs, such as insurance and freight, be shared upon request throughout the supply chain of Russian oil trade. In accordance with the Price Cap Coalition tier system for attestations that modulates actors' compliance obligations on the basis of their access to the purchase price for Russian crude or petroleum products, the itemised price information is to be shared by those actors with access to that information, such as traders and charterers. Actors down the supply chain, such as shipowners and insurers, should be able to collect as part of their due diligence procedures, and share, the itemised cost information provided by actors closer to the origin of such information. Competent authorities can request that information from any actor, regardless of their place in the supply chain, at any time, in order to verify compliance with the price cap mechanism. An appropriate transitional period is provided for.

⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

- (16) Decision (CFSP) 2023/...⁺ also provides that the implementation and enforcement of the price cap mechanism should be further supported by information sharing between the Commission, with the support of the European Maritime Safety Agency, and Member States to identify vessels and entities carrying out one or more deceptive practices, such as ship-to-ship transfers used to conceal the origin or destination of cargo and manipulations of the automatic identification system, while transporting Russian crude oil or petroleum products. Such information could support enforcement actions by Member States.
- (17) In order to introduce transparency into the sale of tankers, in particular second-hand carriers, that could be used to evade the import ban on Russian crude oil or petroleum products and the price cap agreed by the Price Cap Coalition, Decision (CFSP) 2023/...⁺ provides for a notification obligation for the sale of tankers to any third country and a derogation from the prohibition on the sale of tankers to Russian persons and entities, or for use in Russia. This obligation applies to the owner of a tanker who is a national of a Member State, to a natural person residing in a Member State, and to a legal person, entity or body which is established in the Union. The owner, or anyone acting on his or her behalf, should notify the competent authorities of any such sale concluded since 5 December 2022 and provide all the necessary details.

⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

- (18) The price cap mechanism provides that specific projects that are essential for the energy security of certain third countries may be exempted from the price cap agreed by the Price Cap Coalition. Decision (CFSP) 2023/...⁺ extends the exemption provided for in relation to the Sakhalin-2 (Сахалин-2) Project, located in Russia, until 28 June 2024 to ensure Japan's energy security needs.
- (19) Decision (CFSP) 2023/...⁺ further seeks to limit circumvention of the prohibition on the provision of crypto-asset wallet, account or custody services to Russian persons and residents by including a ban on Russian nationals or natural persons residing in Russia from owning or controlling, or holding any posts on the governing bodies of, the legal persons, entities or bodies providing such services.
- (20) Additionally, Decision (CFSP) 2023/...⁺ extends the existing prohibition on the provision of services to also include the provision of software for the management of enterprises and software for industrial design and manufacture, subject to appropriate exemptions and derogations.
- (21) In view of the importance of the Paks II project for the interests of Hungary in relation to security of energy supply, Decision (CFSP) 2023/...⁺ also clarifies that the exemptions and derogations in this Regulation concerning civil nuclear projects are fully applicable to all goods and services needed for that project.

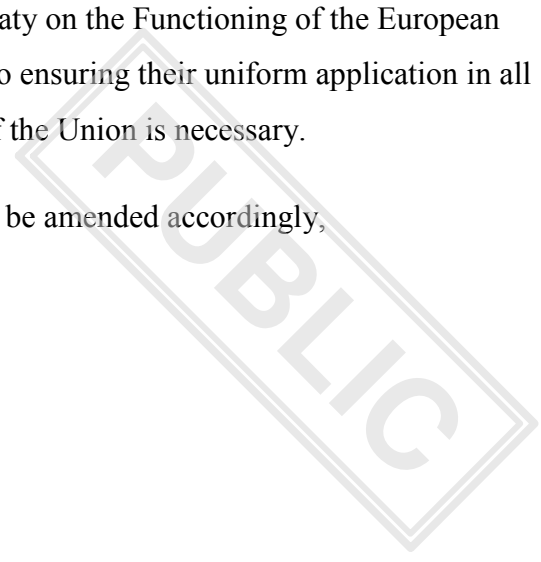
⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

- (22) Decision (CFSP) 2023/...⁺ also imposes certain reporting requirements for the transfer of funds out of the Union made by entities established in the Union, including Special Purpose Entities, whose proprietary rights are owned by entities established in Russia, by Russian nationals or by natural persons residing in Russia.
- (23) Moreover, Decision (CFSP) 2023/...⁺ requires that exporters contractually prohibit re-exportation to Russia and re-exportation for use in Russia of sensitive goods and technology as listed in Annexes XI, XX and XXXV to Regulation (EU) No 833/2014, common high priority items, or firearms and ammunition as listed in Annex I to Regulation (EU) No 258/2012.
- (24) Finally, Decision (CFSP) 2023/...⁺ makes certain technical amendments, including by replacing exemptions from certain prohibitions by derogations, by adding exemptions for personal use, by providing for notification obligations, by adding references that are missing in some articles but which were included in analogous articles, and by deleting references to transitional periods which have expired and other references that are not necessary for complying with the purpose of a particular provision. The deletion of references to transition periods which have already expired is not intended to have any legal effects on past or ongoing contracts or on the applicability of those transition periods.

⁺ OJ: please insert the reference number for the decision set out in ST 15246/23.

- (25) These measures fall within the scope of the Treaty on the Functioning of the European Union and therefore, in particular with a view to ensuring their uniform application in all Member States, regulatory action at the level of the Union is necessary.
- (26) Regulation (EU) No 833/2014 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:



Article 1

Regulation (EU) No 833/2014 is amended as follows:

(1) Article 1 is amended as follows:

(a) in point (u), the introductory wording is replaced by the following:

‘(u) “energy sector” means a sector covering the following activities with the exception of civil nuclear related activities, such as the Paks II project.’;

(b) the following points are added:

‘(zc) “partner country for importation of iron and steel” means a country applying a set of restrictive measures on imports of iron and steel substantially equivalent to those set out in Article 3g, and a set of import control measures substantially equivalent to those set out in that Article, as identified in Annex XXXVI;

(zd) “funds” means financial assets and benefits of every kind, including, but not limited to:

(i) cash, cheques, claims on money, drafts, money orders and other payment instruments;

- (ii) deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
- (iii) publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts;
- (iv) interest, dividends or other income on or value accruing from or generated by assets;
- (v) credit, right of set-off, guarantees, performance bonds or other financial commitments;
- (vi) letters of credit, bills of lading, bills of sale; and
- (vii) documents showing evidence of an interest in funds or financial resources.’;

(2) in Article 2(4), point (c) is replaced by the following:

- ‘(c) intended for the operation, maintenance, fuel retreatment and safety of civil nuclear capabilities, such as the Paks II project, as well as civil nuclear cooperation, in particular in the field of research and development;’;

(3) in Article 2a(4), point (c) is replaced by the following:

‘(c) intended for the operation, maintenance, fuel retreatment and safety of civil nuclear capabilities, such as the Paks II project, as well as civil nuclear cooperation, in particular in the field of research and development.’;

(4) in Article 3, paragraphs 4 and 5 are replaced by the following:

‘4. The prohibitions in paragraph 2 shall not apply until ... [six months after the entry into force of this amending Regulation] to the provision of insurance or reinsurance to any legal person, entity or body that is incorporated or constituted under the law of a Member State with regard to its activities outside the energy sector in Russia.

5. By way of derogation from paragraph 2, the competent authorities may authorise, under such conditions as they deem appropriate, the provision of insurance or reinsurance after ... [six months after the entry into force of this amending Regulation] to any legal person, entity or body that is incorporated or constituted under the law of a Member State with regard to its activities outside the energy sector in Russia.’;

(5) in Article 3a, the following paragraph is inserted:

‘3a. By way of derogation from point (b) of paragraph 1 of this Article, the competent authorities may authorise, under such conditions as they deem appropriate, any activity referred to therein after having determined that, in accordance with point (b) of Article 5aa(3), such an activity is necessary to ensure the operation of a deep-water offshore gas project in the Mediterranean Sea in which a legal person, entity or body listed in Annex XIX was a minority shareholder before 31 October 2017 and remains so, provided that the project is solely or jointly controlled or operated by a legal person incorporated or constituted under the law of a Member State.’;

(6) in Article 3c, paragraphs 5, 5a, 5b and 5c are deleted;

(7) in Article 3ea(5), point (d) is replaced by the following:

‘(d) transport of nuclear fuel and other goods strictly necessary for the functioning of civil nuclear capabilities, such as the Paks II project.’;

(8) Article 3g is amended as follows:

(a) in paragraph 1, point (d) is replaced by the following:

‘(d) to import or purchase, as from 30 September 2023, directly or indirectly, iron and steel products as listed in Annex XVII when processed in a third country incorporating iron and steel products originating in Russia as listed in Annex XVII; with regard to products listed in Annex XVII processed in a third country incorporating steel products originating in Russia of CN codes 7207 11, 7207 12 10 or 7224 90, this prohibition shall apply as of 1 April 2024 for CN code 7207 11 and as of 1 October 2028 for CN codes 7207 12 10 and 7224 90;

For the purpose of the application of this point, at the moment of importation, importers shall provide evidence of the country of origin of the iron and steel inputs used for the processing of the product in a third country unless the product is imported from a partner country for importation of iron and steel as listed in Annex XXXVI;’;

- (b) in paragraph 4, the following points are added:
- ‘(c) 3 185 719 metric tonnes between 1 October 2024 and 30 September 2025;
 - (d) 2 998 324 metric tonnes between 1 October 2025 and 30 September 2026;
 - (e) 2 623 534 metric tonnes between 1 October 2026 and 30 September 2027;
 - (f) 2 061 348 metric tonnes between 1 October 2027 and 30 September 2028.’;
- (c) in paragraph 5a, the following points are added:
- ‘(c) 124 956 metric tonnes between 1 October 2024 and 30 September 2025;
 - (d) 117 606 metric tonnes between 1 October 2025 and 30 September 2026;
 - (e) 102 905 metric tonnes between 1 October 2026 and 30 September 2027;
 - (f) 80 854 metric tonnes between 1 October 2027 and 30 September 2028.’;

(d) paragraph 7 is replaced by the following:

‘7. By way of derogation from paragraph 1, the competent authorities may authorise the purchase, import or transfer of the goods listed in Annex XVII, under such conditions as they deem appropriate, after having determined that this is necessary for the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, such as the Paks II project, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development.’;

(9) in Article 3h, paragraph 1 is replaced by the following:

‘1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, luxury goods, whether or not originating in the Union, as listed in Annex XVIII, to any natural or legal person, entity or body in Russia or for use in Russia.’;

(10) Article 3i is amended as follows:

(a) the following paragraphs are inserted:

‘3aa. The competent authorities of a Member State may allow the import of goods which are intended for the strict personal use of natural persons travelling to the Union or of their immediate family members, limited to personal effects owned by those individuals and which are manifestly not intended for sale.

3ab. The competent authorities may authorise, under such conditions as they deem appropriate, the entry into the Union of a vehicle falling under CN code 8703 not intended for sale and owned by a citizen of a Member State or an immediate family member who is resident in Russia and is driving the vehicle into the Union for strict personal use.

3ac. The prohibition in paragraph 1 shall not apply to the entry into the Union of motor vehicles falling under CN code 8703 provided that they have a diplomatic vehicle registration plate and are necessary for the functioning of diplomatic and consular representations, including delegations, embassies and missions, or of international organisations enjoying immunities in accordance with international law, or for the personal use of their staff and their immediate family members.

- 3ad. The prohibition in paragraph 1 shall not prevent vehicles already in the territory of the Union on ... [the date of entry into force of this amending Regulation] from being registered in a Member State.
- 3ca. With regard to the goods falling under CN codes 7205, 7408, 7604, 7605, 7607 and 7608, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until ... [three months after the entry into force of this amending Regulation] of contracts concluded before ... [the date of entry into force of this amending Regulation], or of ancillary contracts necessary for the execution of such contracts.
- 3cb. With regard to the goods falling under CN codes 2711 12, 2711 13, 2711 14, 2711 19 and 7202, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until ... [12 months after the entry into force of this amending Regulation] of contracts concluded before ... [the date of entry into force of this amending Regulation], or of ancillary contracts necessary for the execution of such contracts.

- 3cc. With regard to the goods falling under CN code 7201, the prohibitions in paragraphs 1 and 2 shall not apply to the import, purchase or transport, or related technical or financial assistance of the following quantities of goods:
- (a) 1 140 000 metric tonnes between ... [the date of entry into force of this amending Regulation] and 31 December 2024;
 - (b) 700 000 metric tonnes between 1 January 2025 and 31 December 2025.
- 3cd. With regard to the goods falling under CN code 7203, the prohibitions in paragraphs 1 and 2 shall not apply to the import, purchase or transport, or related technical or financial assistance, of the following quantities of goods:
- (a) 1 140 836 metric tonnes between ... [the date of entry into force this amending Regulation] and 31 December 2024;
 - (b) 651 906 metric tonnes between 1 January 2025 and 31 December 2025.';

(b) paragraph 3c is replaced by the following:

‘3c. By way of derogation from paragraphs 1 and 2, the competent authorities may authorise the purchase, import or transfer of the goods listed in Annex XXI, or the provision of related technical and financial assistance, under such conditions as they deem appropriate, after having determined that this is necessary for the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, such as the Paks II project, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development.’;

(c) paragraph 5 is replaced by the following:

‘5. The import volume quotas set out in paragraphs 3cc, 3cd, 3da and 4 of this Article shall be managed by the Commission and the Member States in accordance with the management system for tariff-rate quotas provided for in Articles 49 to 54 of Commission Implementing Regulation (EU) 2015/2447.’;

(d) paragraph 6 is replaced by the following:

‘6. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraphs 3c and 3e within two weeks of the authorisation.’;

(11) Article 3k is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods which could contribute in particular to the enhancement of Russian industrial capacities, whether or not originating in the Union, as listed in Annex XXIII, to any natural or legal person, entity or body in Russia or for use in Russia.’;

(b) the following paragraph is inserted:

‘1a. The transit via the territory of Russia of the goods and technology as listed in Annex XXXVII, exported from the Union, shall be prohibited.’;

(c) paragraphs 3, 3a and 3b are deleted;

(d) the following paragraphs are inserted:

‘3aa. With regard to the goods falling under the CN codes listed in Annex XXIII A, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until ... [three months after the entry into force of this amending Regulation] of contracts concluded before ... [the date of entry into force of this amending Regulation], or of ancillary contracts necessary for the execution of such contracts.

3ab. With regard to the goods falling under the CN codes listed in Annex XXIII B, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until ... [six months after the entry into force of this amending Regulation] of contracts concluded before ... [the date of entry into force of this amending Regulation], or of ancillary contracts necessary for the execution of such contracts.’;

- (e) in paragraph 5, point (c) is replaced by the following:
- ‘(c) the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, such as the Paks II project, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development.’;
- (f) the following paragraph is inserted:
- ‘5c. By way of derogation from paragraph 1a, the competent authorities may authorise the transit via the territory of Russia of goods and technology which could contribute in particular to the enhancement of Russian industrial capacities as listed in Annex XXXVII, after having determined that such goods or technology are intended for the purposes set out in paragraphs 5 and 5b of this Article.’;
- (g) paragraph 7 is replaced by the following:
- ‘7. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraphs 5, 5a, 5b and 5c within two weeks of the authorisation.’;

(12) Article 3l is amended as follows:

(a) paragraphs 3 and 3a are deleted;

(b) in paragraph 4, point (a) is replaced by the following:

‘(a) unless otherwise prohibited, the purchase, import or transport into the Union of natural gas and oil, including refined petroleum products, as well as titanium, aluminium, copper, nickel, palladium and iron ore;’;

(13) Article 3m is amended as follows:

(a) in paragraph 6, the introductory wording is replaced by the following:

‘6. As of 5 February 2023, and by way of derogation from paragraphs 1 and 2, the competent authorities of Croatia may authorise until 31 December 2024 the purchase, import or transfer of vacuum gas oil falling under CN code 2710 19 71 originating in Russia or exported from Russia, provided that the following conditions are fulfilled:’;

(b) in paragraph 8, the fourth subparagraph is replaced by the following:

‘By way of temporary derogation, the prohibitions referred to in the third subparagraph shall apply as from 5 December 2024 to the import and transfer into Czechia, and to the sale to purchasers in Czechia, of petroleum products obtained from crude oil which has been delivered by pipeline into another Member State as referred to in paragraph 3(d). If alternative supplies for such petroleum products are made available to Czechia before that date, the Council shall terminate that temporary derogation. During the period until 5 December 2024, the volumes of such petroleum products imported into Czechia from other Member States shall not exceed the average volumes imported into Czechia from those other Member States over the same period during the previous five years.’;

(14) Article 3n is amended as follows:

(a) the following paragraph is inserted:

‘6a. In application of paragraphs 4 and 6, point (a), for Russian crude oil or petroleum products listed in Annex XXV, loaded as of ... [two months after the entry into force of this amending Regulation], service providers with no access to the purchase price per barrel laid down in Annex XXVIII of such products shall collect itemised price information for ancillary costs as provided by operators further up the supply chain of Russian crude oil or petroleum product trade. Such itemised price information shall be provided to counterparties and competent authorities, upon their request, for the purpose of verifying compliance with this Article.’;

(b) paragraph 8 is deleted;

(15) the following Articles are inserted:

Article 3na

To facilitate the implementation and enforcement of Articles 3m and 3n, the Commission and Member States shall periodically share information with each other with a view to further identify vessels and entities of concern carrying out one or more deceptive practices while transporting Russian crude oil and petroleum products.

Information received in accordance with this Article shall be used only for the purpose for which it was requested.

Article 3p

1. It shall be prohibited, as of 1 January 2024, to purchase, import, or transfer, directly or indirectly, diamonds and products incorporating diamonds, as listed in Parts A, B and C of Annex XXXVIII A, if they originate in Russia or have been exported from Russia into the Union or to any third country.
2. It shall be prohibited, as of 1 January 2024, to purchase, import, or transfer, directly or indirectly, diamonds and products incorporating diamonds, as listed in Parts A, B and C of Annex XXXVIII A, of any origin, if they transited via the territory of Russia.
3. It shall be prohibited, as of 1 March 2024, to purchase, import, or transfer, directly or indirectly, products listed in Part A of Annex XXXVIII A, when processed in a third country, consisting of diamonds originating in Russia or exported from Russia with a weight equal to or above 1.0 carats per diamond.

4. It shall be prohibited, as of 1 September 2024, to purchase, import, or transfer, directly or indirectly, products listed in Parts A, B and C of Annex XXXVIII A, when processed in a third country, consisting of or incorporating diamonds originating in Russia or exported from Russia with a weight equal to or above 0.5 carats or 0.1 grams per diamond.
5. It shall be prohibited to:
- (a) provide technical assistance, brokering services or other services related to the goods referred to in paragraphs 1 to 4, and to the provision, manufacture, maintenance and use of those goods, directly or indirectly in relation to the prohibitions in paragraphs 1 to 4;
 - (b) provide financing or financial assistance related to the goods referred to in paragraphs 1 to 4 for any purchase, import or transfer of those goods, or for the provision of related technical assistance, brokering services or other services, directly or indirectly in relation to the prohibitions in paragraphs 1 to 4.
6. The prohibitions in paragraphs 1 to 4 shall not apply to goods listed in Part C of Annex XXXVIII A for the personal use of natural persons travelling to the Union or of their immediate family members travelling with them, owned by those individuals and not intended for sale.

7. By way of derogation from paragraphs 1 to 4, the competent authorities may authorise the transfer or import of cultural goods which are on loan in the context of formal cultural cooperation with Russia.
8. For the purposes of paragraphs 3 and 4, goods falling under CN codes 7102 31 00 and 7102 10 00 that are imported into the Union shall be submitted for verification without delay, together with documentation certifying their origin, to the authority specified in Annex XXXVIII B. The Member State where those goods are brought into the customs territory of the Union shall ensure their submission to the authority specified in Annex XXXVIII B. Customs transit may be granted to that effect. If such customs transit is granted, the verification provided for in this paragraph shall be suspended until the arrival of those goods at the authority specified in Annex XXXVIII B. The importer shall be responsible for the proper movement of those goods and the costs of such movement.
9. All verifications required under paragraph 8 shall be carried out in accordance with the rules and procedures laid down in Council Regulation (EC) No 2368/2002*, which shall apply *mutatis mutandis*.
10. For the purposes of paragraphs 3 and 4, at the moment of importation, importers shall provide evidence of the country of origin of the diamonds or products incorporating diamonds used as inputs for the processing of the product in a third country.

As of 1 September 2024, the traceability-based evidence shall include a corresponding certificate certifying that the diamonds are not mined, processed or produced in Russia.

Article 3q

1. It shall be prohibited for any national of a Member State, natural person residing in a Member State, and legal person, entity or body which is established in the Union to sell, or otherwise transfer ownership, directly or indirectly, of tankers for the transport of crude oil or petroleum products listed in Annex XXV, falling under HS code ex 8901 20, whether or not originating in the Union, to any natural or legal person, entity or body in Russia or for use in Russia.
2. By way of derogation from paragraph 1, the competent authorities may authorise, under the conditions they deem appropriate, the sale or other transfer of ownership of tankers for the transport of crude oil or petroleum products listed in Annex XXV, falling under HS code ex 8901 20.

3. When deciding on requests for the authorisation referred to in paragraph 2 of this Article, the competent authorities shall not grant an authorisation for a sale or other transfer of ownership to any natural or legal person, entity or body in Russia or for use in Russia, if they have reasonable grounds to believe that the tanker would be used to transport, or be re-exported to transport, crude oil or petroleum products listed in Annex XXV, originating in Russia or exported from Russia for import into the Union in breach of Article 3m or for transport to third countries at a purchase price per barrel exceeding the price laid down in Annex XXVIII.
4. Any sale or other arrangement entailing a transfer of ownership by a national of a Member State, a natural person residing in a Member State, and a legal person, entity or body which is established in the Union to any third country of tankers for the transport of crude oil or petroleum products listed in Annex XXV, falling under HS code ex 8901 20, with the exception of a sale or other transfer of ownership prohibited under paragraph 1, shall be notified immediately to the competent authorities of the Member State where the owner of the tanker is a citizen, a resident or is established.

The notification to the competent authority shall contain at least, the following information: the identities of the seller and the purchaser, and where applicable the incorporation documents of the seller and the purchaser including the shareholding and management; the IMO ship identification number of the tanker; and the Call Sign of the tanker.

5. Any sale or other transfer of ownership of tankers as referred to in paragraphs 1 and 4 after 5 December 2022 and prior to ... [the date of entry into force of this amending Regulation] shall be notified to the competent authorities before ... [two months after the entry into force of this amending Regulation].
6. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 2, and of any notification under paragraphs 4 and 5, within two weeks of the authorisation or notification.

* Council Regulation (EC) No 2368/2002 of 20 December 2002 implementing the Kimberley Process certification scheme for the international trade in rough diamonds (OJ L 358, 31.12.2002, p. 28).’;

(16) in Article 5, paragraphs 6 and 7 are replaced by the following:

- ‘6. It shall be prohibited to directly or indirectly make or be part of any arrangement to make:
 - (i) new loans or credit with a maturity exceeding 30 days to any legal person, entity or body referred to in paragraph 1 or 3, after 12 September 2014 to 26 February 2022; or
 - (ii) any new loans or credit to any legal person, entity or body referred to in paragraph 1, 2, 3 or 4 after 26 February 2022.

The prohibition shall not apply to:

- (a) loans or credit that have a specific and documented objective to provide financing for non-prohibited imports or exports of goods and non-financial services between the Union and any third State, including the expenditure for goods and services from another third State that is necessary for executing the export or import contracts, provided that the national competent authority has been notified within three months of the date of the loan or credit; or
 - (b) loans that have a specific and documented objective to provide emergency funding to meet solvency and liquidity criteria for legal persons established in the Union, whose proprietary rights are owned for more than 50 % by any entity referred to in Annex III, provided that the national competent authority has been notified within three months of the date of the loan or credit.
7. The prohibition in paragraph 6 shall not apply to drawdown or disbursements made under a contract concluded before 26 February 2022, provided that the following conditions are met:
- (a) all the terms and conditions of such drawdown or disbursements:
 - (i) were agreed before 26 February 2022; and
 - (ii) have not been modified on or after that date;

- (b) before 26 February 2022, a contractual maturity date has been fixed for the repayment in full of all funds made available and for the cancellation of all the commitments, rights and obligations under the contract;
- (c) at the time of its conclusion the contract was not in breach of the prohibitions in this Regulation in force at that time; and
- (d) the national competent authority has been notified within three months of the date of the drawdown or disbursements.

The terms and conditions of drawdowns and disbursements referred to in point (a) include provisions concerning the length of the repayment period for each drawdown or disbursement, the interest rate applied or the interest rate calculation method, and the maximum amount.’;

(17) in Article 5a, paragraphs 2 and 3 are replaced by the following:

- ‘2. It shall be prohibited to directly or indirectly make or be part of any arrangement to make any new loans or credit to any legal person, entity or body referred to in paragraph 1 after 23 February 2022.

The prohibition shall not apply to loans or credit that have a specific and documented objective to provide financing for non-prohibited imports or exports of goods and non-financial services between the Union and any third State, including the expenditure for goods and services from another third State that is necessary for executing the export or import contracts, provided that the national competent authority has been notified within three months of the date of the loan or credit.

3. The prohibition in paragraph 2 shall not apply to drawdown or disbursements made under a contract concluded before 23 February 2022 provided that the following conditions are met:

(a) all the terms and conditions of such drawdown or disbursements:

- (i) were agreed before 23 February 2022; and
- (ii) have not been modified on or after that date;

- (b) before 23 February 2022 a contractual maturity date has been fixed for the repayment in full of all funds made available and for the cancellation of all the commitments, rights and obligations under the contract; and
- (c) the national competent authority has been notified within three months of the date of the drawdown or disbursements.

The terms and conditions of drawdowns and disbursements referred to in point (a) include provisions concerning the length of the repayment period for each drawdown or disbursement, the interest rate applied or the interest rate calculation method, and the maximum amount.’;

(18) Article 5aa is amended as follows:

- (a) paragraphs 2, 2b and 2d are deleted;
- (b) in paragraph 3, the introductory wording is replaced by the following:
‘Unless otherwise prohibited, the prohibition in paragraph 1 shall not apply to:’;
- (c) in paragraph 3, point (d) is replaced by the following:
‘(d) transactions, including sales, which are strictly necessary for the wind-down, by 31 December 2024, of a joint venture or similar legal arrangement concluded before 16 March 2022, involving a legal person, entity or body referred to in paragraph 1;’;

(d) in paragraph 3, point (h) is deleted;

(e) paragraph 3a is replaced by the following:

‘3a. By way of derogation from paragraph 1, the competent authorities may authorise, under such conditions as they deem appropriate, transactions which are strictly necessary for the divestment and withdrawal by 31 December 2024, by the entities referred to in paragraph 1 or their subsidiaries in the Union from a legal person, entity or body established in the Union.’;

(19) Article 5b is amended as follows:

(a) the following paragraph is inserted:

‘2a. It shall be prohibited as from ... [30 days after the entry into force of this amending Regulation] to allow Russian nationals or natural persons residing in Russia to directly or indirectly own or control, or to hold any posts in the governing bodies of, a legal person, entity or body which is incorporated or constituted under the law of a Member State and is providing the services referred to in paragraph 2.’;

(b) paragraph 3 is replaced by the following:

‘3. Paragraphs 1, 2 and 2a shall not apply to nationals of a Member State, of a country member of the European Economic Area or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State, in a country member of the European Economic Area or in Switzerland.’;

(20) in Article 5k(2), point (a) is replaced by the following:

‘(a) the operation, maintenance, decommissioning and radioactive waste management, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, such as the Paks II project, as well as the supply of precursor material for the production of medical radioisotopes and similar medical applications, critical technology for environmental radiation monitoring, as well as civil nuclear cooperation, in particular in the field of research and development;’;

(21) in Article 5l(2), point (d) is replaced by the following:

‘(d) the operation, maintenance, decommissioning and radioactive waste management, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, such as the Paks II project, as well as supply of precursor material for the production of medical radioisotopes and similar medical applications, critical technology for environmental radiation monitoring, as well as civil nuclear cooperation, in particular in the field of research and development;’;

(22) Article 5n is amended as follows:

(a) in paragraph 2a, the introductory wording is replaced by the following:

‘2a. It shall be prohibited to provide, directly or indirectly, market research and public opinion polling services, technical testing and analysis services and advertising services to:’;

(b) the following paragraph is inserted:

‘2b. It shall be prohibited to sell, supply, transfer, export, or provide, directly or indirectly, software for the management of enterprises and software for industrial design and manufacture as listed in Annex XXXIX to:

(a) the Government of Russia; or

(b) legal persons, entities or bodies established in Russia.’;

(c) paragraphs 3, 4 and 4a are deleted;

(d) the following paragraph is inserted:

‘3a. It shall be prohibited to:

(a) provide technical assistance, brokering services or other services related to the goods and services referred to in paragraphs 1, 2, 2a and 2b for their provision, directly or indirectly, to the Government of Russia or legal persons, entities or bodies established in Russia;

(b) provide financing or financial assistance related to the goods and services referred to in paragraphs 1, 2, 2a and 2b for their provision, or for the provision of related technical assistance, brokering services or other services, directly or indirectly, to the Government of Russia or legal persons, entities or bodies established in Russia.’;

- (e) the following paragraph is inserted:
- ‘4b. Paragraph 2b shall not apply to the sale, supply, transfer, export or provision of software that is strictly necessary for the termination by ... [three months after the entry into force of this amending Regulation] of contracts which are not compliant with this Article concluded before ... [the date of entry into force of this amending Regulation], or of ancillary contracts necessary for the execution of such contracts.’;
- (f) paragraph 7 is replaced by the following:
- ‘7. Paragraphs 1, 2, 2a and 2b shall not apply until ... [six months after the entry into force of this amending Regulation] to the sale, supply, transfer, export or provision of services intended for the exclusive use of legal persons, entities or bodies established in Russia that are owned by, or solely or jointly controlled by, a legal person, entity or body which is incorporated or constituted under the law of a Member State, a country member of the European Economic Area, Switzerland or a partner country as listed in Annex VIII.’;

- (g) paragraph 8 is replaced by the following:
- ‘8. Paragraphs 2, 2a and 2b shall not apply to the sale, supply, transfer, export, or provision of services necessary for public health emergencies, the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment, or as a response to natural disasters.’;
- (h) paragraph 9 is deleted;
- (i) the following paragraph is inserted:
- ‘9b. By way of derogation from paragraph 2b, the competent authorities may authorise the provision of services referred to therein, under such conditions as they deem appropriate, after having determined that those services are necessary for the contribution of Russian nationals to international open-source projects.’;
- (j) paragraph 10 is amended as follows:
- (a) the introductory wording is replaced by the following:
- ‘10. By way of derogation from paragraphs 1, 2, 2a, 2b and 3a, the competent authorities may authorise the sale, supply, transfer, export, or provision of the services referred to therein, under such conditions as they deem appropriate, after having determined that this is necessary for:’;

(b) point (f) is replaced by the following:

‘(f) the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, such as the Paks II project, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development;’;

(c) the following point is added:

‘(h) the exclusive use of legal persons, entities or bodies established in Russia that are owned by, or solely or jointly controlled by, a legal person, entity or body which is incorporated or constituted under the law of a Member State, a country member of the European Economic Area, Switzerland or a partner country as listed in Annex VIII.’;

(k) paragraph 11 is replaced by the following:

‘11. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraphs 9a, 9b and 10 within two weeks of the authorisation.’;

(23) in Article 5p, paragraph 2 is deleted;

(24) the following Article is inserted:

Article 5r

1. Legal persons, entities and bodies established in the Union whose proprietary rights are directly or indirectly owned for more than 40 % by:
 - (a) a legal person, entity or body established in Russia;
 - (b) a Russian national; or
 - (c) a natural person residing in Russia,

shall, as of 1 May 2024, report to the competent authority of the Member State where they are established, within two weeks of the end of each quarter, any transfer of funds exceeding 100 000 EUR out of the Union that they made during that quarter, directly or indirectly, in one or several operations.

2. Notwithstanding the applicable rules concerning reporting, confidentiality and professional secrecy, credit and financial institutions shall, as of 1 July 2024, report to the competent authority of the Member State where they are located, within two weeks of the end of each semester, information on all transfers of funds out of the Union of a cumulative amount, over that semester, exceeding 100 000 EUR that they initiated, directly or indirectly, for the legal persons, entities and bodies referred to in paragraph 1.

3. Member States shall assess the information received in accordance with paragraphs 1 and 2 to identify transactions, entities and business sectors that indicate a serious risk of breaches or circumvention of, or use of funds for purposes incompatible with, this Regulation or Council Regulations (EU) No 269/2014, (EU) No 692/2014* or (EU) 2022/263**, or Council Decisions 2014/145/CFSP***, 2014/386/CFSP****, 2014/512/CFSP or (CFSP) 2022/266*****, and shall regularly inform each other and the Commission of their findings.
4. Based on the information received from the Member States under paragraph 3, the Commission shall review the functioning of the measures provided for in this Article no later than ... [one year after the entry into force of this amending Regulation].’;

* Council Regulation (EU) No 692/2014 of 23 June 2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol (OJ L 183, 24.6.2014, p. 9).

** Council Regulation (EU) 2022/263 of 23 February 2022 concerning restrictive measures in response to the illegal recognition, occupation or annexation by the Russian Federation of certain non-government controlled areas of Ukraine (OJ L 42 I, 23.2.2022, p. 77).

*** Council Decision 2014/145/CFSP of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (OJ L 78, 17.3.2014, p. 16).

**** Council Decision 2014/386/CFSP of 23 June 2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol (OJ L 183, 24.6.2014, p. 70).

***** Council Decision (CFSP) 2022/266 of 23 February 2022 concerning restrictive measures in response to the illegal recognition, occupation or annexation by the Russian Federation of certain non-government controlled areas of Ukraine (OJ L 42 I, 23.2.2022, p. 109).’;

(25) Article 6b is amended as follows:

(a) the following paragraph is inserted:

‘1a. For the purposes of paragraph 1, the confidentiality of communications between lawyers and their clients shall include the confidentiality of communications relating to legal advice provided by other certified professionals who are authorised under national law to represent their clients in judicial proceedings, insofar as such legal advice is provided in connection with pending or prospective judicial proceedings.’;

(b) paragraph 4 is replaced by the following:

‘4. Any information provided or received in accordance with this Article shall be used only for the purposes for which it was provided or received.’;

(26) Article 12b is amended as follows:

(a) in paragraph 1, the introductory wording is replaced by the following:

‘1. By way of derogation from Articles 2, 2a, 3, 3b, 3c, 3f, 3h and 3k, the competent authorities may authorise the sale, supply or transfer of goods and technologies listed in Annexes II, VII, X, XI, XVI, XVIII, XX and XXIII to this Regulation and in Annex I to Regulation (EU) 2021/821 as well as the sale, licensing or transfer in any other way of intellectual property rights or trade secrets as well as granting rights to access or re-use any material or information protected by means of intellectual property rights or constituting trade secrets, related to the goods and technology mentioned above until 30 June 2024, where such sale, supply, transfer, licensing, granting rights to access or re-use is strictly necessary for the divestment from Russia or the wind-down of business activities in Russia, provided that the following conditions are fulfilled:’;

- (b) paragraph 1a is replaced by the following:
- ‘1a. By way of derogation from Article 3, the competent authorities may authorise the sale, supply or transfer of goods and technologies listed in Annex II until 30 September 2024, where such sale, supply or transfer is strictly necessary for the divestment from a joint venture incorporated or constituted under the law of a Member State before 24 February 2022, involving a Russian legal person, entity or body, and operating a gas pipeline infrastructure between Russia and third countries.’;
- (c) in paragraph 2, the introductory wording is replaced by the following:
- ‘2. By way of derogation from Articles 3g and 3i, the competent authorities may authorise the import or transfer of goods listed in Annexes XVII and XXI until 30 June 2024, where such import or transfer is strictly necessary for the divestment from Russia or the wind-down of business activities in Russia, provided that the following conditions are fulfilled:’;
- (d) in paragraph 2a, the introductory wording is replaced by the following:
- ‘2a. By way of derogation from Article 5n, the competent authorities may authorise the continuation of the provision of services listed therein until 31 July 2024 where such provision of services is strictly necessary for the divestment from Russia or the wind-down of business activities in Russia, provided that the following conditions are fulfilled:’;

(27) Article 12d is replaced by the following:

‘Article 12d

The prohibitions laid down in this Regulation shall not apply to the provision of pilot services which are necessary for reasons of maritime safety.’;

(28) the following Article is added:

‘Article 12g

1. When selling, supplying, transferring or exporting to a third country, with the exception of partner countries listed in Annex VIII to this Regulation, goods or technology as listed in Annexes XI, XX and XXXV to this Regulation, common high priority items as listed in Annex XL to this Regulation, or firearms and ammunition as listed in Annex I to Regulation (EU) No 258/2012, exporters shall, as of ... [three months after the entry into force of this amending Regulation], contractually prohibit re-exportation to Russia and re-exportation for use in Russia.
2. Paragraph 1 shall not apply to the execution of contracts concluded before ... [the date of entry into force of this amending Regulation] until ... [twelve months after the date of entry into force of this amending Regulation] or until their expiry date, whichever is earlier.

3. In application of paragraph 1, exporters shall ensure that the agreement with the third-country counterpart contains adequate remedies in the event of a breach of a contractual obligation concluded in accordance with paragraph 1.
4. If the third-country counterpart breaches any of the contractual obligations concluded in accordance with paragraph 1, exporters shall inform the competent authority of the Member State where they are resident or established as soon as they become aware of the breach.
5. Member States shall inform each other and the Commission of detected instances of a breach or circumvention of a contractual obligation concluded in accordance with paragraph 1.';

- (29) Annex IV is amended in accordance with Annex I to this Regulation;
- (30) Annex VII is amended in accordance with Annex II to this Regulation;
- (31) Annex XXI is amended in accordance with Annex III to this Regulation;
- (32) Annex XXIII is amended in accordance with Annex IV to this Regulation;
- (33) Annex XXIX is amended in accordance with Annex V to this Regulation;
- (34) Annexes XXIIIA and XXIIIB are inserted in accordance with Annex VI to this Regulation;
- (35) Annex XXXVI is added in accordance with Annex VII to this Regulation;

- (36) Annex XXXVII is added in accordance with Annex VIII to this Regulation;
- (37) Annexes XXXVIII A and XXXVIII B are added in accordance with Annex IX to this Regulation;
- (38) Annex XXXIX is added in accordance with Annex X to this Regulation;
- (39) Annex XL is added in accordance with Annex XI to this Regulation.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the Council
The President
