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## **LEGISLATIVE ACTS AND OTHER INSTRUMENTS**

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Subject: COUNCIL REGULATION on emergency measures addressing the serious economic difficulties caused by Russia's actions in the context of the war of aggression against Ukraine

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**COUNCIL REGULATION (EU) 2025/...**

**of ...**

**on emergency measures addressing the serious economic difficulties  
caused by Russia's actions in the context of the war of aggression against Ukraine**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular  
Article 122(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 24 February 2022, the President of the Russian Federation announced a ‘special military operation’ in Ukraine and Russian armed forces began an attack on Ukraine. That attack is a blatant violation of the territorial integrity, sovereignty and independence of Ukraine. Since then, the war of aggression against Ukraine has continuously escalated and the Russian destabilising activities and hybrid campaigns have extended to the territory of Member States of the Union.
- (2) In addition to a devastating impact on the Ukrainian economy, Russia’s war of aggression against Ukraine and Russia’s actions against the Union have created and continue to create serious economic challenges outside Ukraine. Given the proximity of the Union to Russia and Ukraine, and given Russia’s war of aggression against Ukraine as well as Russia’s actions against the Union, the Union’s economy has been affected and is expected to continue to be affected as long as Russia persists in its war of aggression. Furthermore, it is expected that the Union’s economy would be affected even more severely should the situation in Ukraine deteriorate.
- (3) The unjustified and unprovoked war of aggression against Ukraine triggered a shock to the Union economy through serious supply disruptions, higher uncertainty, increased risk premia, and lower investment and consumer spending in the Union. As a result, the annual average GDP growth in 2022–2023 was 1,9 percentage points lower than projected in the Commission’s 2021 Autumn Forecast for the median Member State.

- (4) In particular, Russia's full-scale invasion of Ukraine in February 2022 sent oil, gas and food prices sharply higher, as markets adjusted to the loss or potential loss of exports from two major commodity suppliers. It also directly resulted in disruption to supply chains for Union imports from Ukraine, especially cereals and vegetable oils, as well as to exports from the Union to Ukraine, creating a particularly severe impact on the agriculture, food processing, fisheries and aquaculture sectors in the Union. Some metals and raw materials have become in short supply, because of the military aggression and the retaliatory measures taken by Russia, increasing costs for Union industries.
- (5) In light of the negative impacts on energy markets caused by Russia's actions, Member States have put in place support for households and undertakings. The fiscal measures adopted by the Member States in the period 2022 to 2024 to minimise the macroeconomic and social impact of high energy prices amounted to more than EUR 365 billion. On 17 March 2023, the Commission adopted its Communication on a Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia<sup>1</sup> which was followed on 4 July 2025 by a Communication on a Framework for State Aid measures to support the Clean Industrial Deal (Clean Industrial Deal State Aid Framework)<sup>2</sup>.

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<sup>1</sup> (2023/C 101/03).

<sup>2</sup> (C/2025/3602).

- (6) Russia's aggression against Ukraine and its weaponisation of energy supplies also exacerbated the urgency for the Union to reduce its dependence on fossil fuels by accelerating the roll-out of renewable energy, decarbonisation of industry and the deployment of capacities in sectors strategic to the transition towards a net-zero economy, also taking into account global challenges posing a threat of investments in those sectors being diverted in favour of third countries outside the EEA. At its level, the Union has taken several measures to respond to the energy crisis, including the REPowerEU that aimed to accelerate the transition to green energy and increase the Union energy independence. Under REPowerEU, an additional EUR 20 billion was made available to Member States through Regulation (EU) 2021/241 of the European Parliament and of the Council<sup>3</sup> to address the energy crisis resulting from the impact of Russia's war of aggression.
- (7) In addition, Russia has been negatively impacting the Union economy and business through the seizure, confiscation or forced sale of economic assets within Russia belonging to Union investors. That negative impact comes on top of the separate payments and taxes levied on Union entities and investors, alongside significant restrictions on the free movement of capital, which in turn distort investments and negatively affect companies and markets. The risks of further asset seizures remain elevated, given the existing exposure and Union investors' inability to exit the Russian market. In that context, on 30 September 2025, the President of the Russian Federation signed a decree for the accelerated sale of assets following their seizure.

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<sup>3</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17, ELI: <http://data.europa.eu/eli/reg/2021/241/oj>).

- (8) In addition to the loss of economic growth and purchasing power, Russia's actions have led to significant direct fiscal costs for Member States. This has happened in a period where Member States' finances are still recovering from the COVID-19 crisis. A significant part of the budget of the Union has also had to be redirected towards measures aimed at addressing the direct and indirect consequences of Russia's war of aggression against Ukraine.
- (9) Those different elements show that Russia's war of aggression against Ukraine has already had, and is continuing to have, direct and indirect repercussions on the economy of the Union and has significantly impacted the fiscal situation of the Member States. Despite all the measures taken at Union and Member State level, the effects of the disruptions caused by Russia's war of aggression against Ukraine and other actions by Russia on the territory of the Union have directly and indirectly affected the Union's economic performance and have significantly impacted the fiscal situation of the Member States.

- (10) This situation of unprecedented urgency is a result of external factors which are beyond the control of the Member States and seriously impacts their economies. It threatens to affect them even more if immediate action is not taken to limit the capacity of Russia to intensify hybrids attacks over the territory of the Union. A swift and coordinated response at Union level is therefore needed. Such action should be taken in a spirit of solidarity between Member States in order to avoid the unequal repercussions that an increase of the threat by Russia threatens to have on the Member States, and in particular on those which are the closest to the borders of Russia and Ukraine. This response is without prejudice to appropriate measures adopted by the Council under the Common Foreign and Security Policy in relation to restrictive measures against Russia.
- (11) The need for urgent action arises from the recent stark deterioration of the security situation in Ukraine and in the Member States, which represents a real threat to the stability of the economic situation of the Union and is highly dependent on different parameters and their evolution in time.
- (12) Given the urgency of the above situation, it is appropriate to prohibit, on a temporary basis, any direct or indirect transfer of assets and reserves of the Central Bank of Russia, or of any legal person, entity or body acting on behalf of, or at the direction of, the Central Bank of Russia, such as the Russian National Wealth Fund (the ‘Central Bank of Russia or related entities’), in order to ensure that the assets and reserves of the Central Bank of Russia or related entities are not transferred to or for the benefit of Central Bank of Russia or related entities and ultimately Russia.

- (13) The transfer of funds to Russia should be prevented as a matter of urgency to limit the damage to the Union's economy. Military spending has largely driven Russia's robust growth since 2022, but the pace of Russia's economic expansion has weakened markedly in 2025. The slowdown reflects inter alia the adverse impact of accumulated imbalances, notably high inflation and interest rates. The fiscal situation of Russia has worsened further in 2025, as oil prices have dropped, the Ruble has appreciated and Western sanction efforts have once more intensified. Given Russia's fiscal position, it can be expected that any additional resources received would be directly used to finance its unjustified and unprovoked war of aggression against Ukraine with serious consequences for the European Union and its Member States.
- (14) This would create serious difficulties for the Union's economy for two main reasons.
- (15) Firstly, the transfer of additional resources to Russia would exacerbate the risk of an escalation of hybrid belligerent activities targeted against Member States and in the territory of the Member States, creating additional economic disruptions and fiscal and economic costs, and adding to economic uncertainty. In its conclusions of 26 June 2025, the European Council strongly condemned all types of hybrid activities, in particular Russia's continued hybrid campaign, including sabotage, disruption of critical infrastructure, cyber-attacks, information manipulation and interference, and attempts to undermine democracy, including in the electoral process. In those conclusions, the European Council noted that the Union and the Member States will continue to strengthen their resilience, prevent, deter and respond to Russia's hybrid threats.

- (16) Russia's hybrid activities are increasingly used in an attempt to destabilise not only Ukraine but also the Member States and the Union (for example through sabotages, drones, economic espionage, interference in election processes and misinformation campaigns). In this context, the Union and its Member States and businesses have suffered direct costs in addressing Russia's hybrid campaign.
- (17) In the absence of a prohibition on the transfer of assets and reserves of the Central Bank of Russia or related entities, it is likely that those resources could be used to support Russia's hybrid campaign, thereby deepening the economic difficulties in the Union. For example, in recent weeks the airspace has been violated over Belgium, the Netherlands, Poland, Romania, Denmark, Estonia, Germany, Lithuania and Latvia. Those incidents are a pattern, not accidental and risk being exacerbated in the case of a transfer of assets and reserves to, or for the benefit of, the Central Bank of Russia or related entities and ultimately Russia.
- (18) Secondly, the availability of additional funds for Russia's war of aggression risks prolonging and aggravating economic uncertainty and would require a greater fiscal response from the Union and its Member States to support Ukraine and the Union's economy.

- (19) The European Council Conclusions from 23 October 2025 recognise that Russia's war of aggression against Ukraine and its repercussions for European and global security in a changing environment constitute an existential challenge for the Union. The Joint Communication of the High Representative and of the Commission Preserving Peace, Defence Readiness 2030 Roadmap<sup>4</sup> indicates that Ukraine remains Europe's first line of defence and is an integral part of Europe's defence and security architecture.
- (20) In this context, should Russia's war of aggression continue, it can be expected that the repercussions on the Union's economy would be even more severe in the case where Ukraine would not be able to support the fiscal efforts that are necessary for the continuation of its war effort. A defeat of Ukraine would also be associated with an increased risk of aggression, including through hybrid activities, by Russia against one of the Member States or a country in the neighbourhood of Ukraine, including candidate countries, having immediate direct and indirect repercussions of unprecedented magnitude on the security and economic situation in the Union. Such a situation would further increase the level of uncertainty for economic operators. That impact would likely be more severe in the Member States which are closer to the borders of Ukraine, Russia and Belarus. Recent econometric analysis by the Commission suggests that due to the war GDP growth in 2022–2023 was already 1,4–1,8 percentage points lower in Member States bordering the countries at war compared to the Union average, with losses only moderating slightly when extended to 2024.

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<sup>4</sup> JOIN(2025) 27 final.

- (21) In October and November 2025, Russian air attacks targeting transport networks, residential areas and energy infrastructure in Ukraine intensified further. Russia launched seven large-scale combined missile and long-range drone attacks, causing severe disruptions to Ukrainian energy production and resulting in the need for additional gas imports for the heating season. The most devastating attacks took place during the nights of 7 November, involving over 500 drones and missiles, and 24 November, with 464 drones and 22 missiles. According to figures presented by the UN Human Rights Monitoring Mission in Ukraine on 25 November 2025, civilian casualties in major cities in 2025 (January to October) increased by 26 % compared to the previous year, while civilian injuries increased by 75 % over the same period. Since the start of the full-scale invasion by Russia, at least 14 534 civilians have been killed, including 745 children, and 38 472 injured, including 2 349 children.

(22) Additionally, the military aggression against Ukraine by Russia has already led to a major displacement of Ukrainian citizens both internally and in neighbouring countries, with an unprecedented inflow into the Union of displaced persons from Ukraine, with major humanitarian and economic consequences for the Member States. In particular, the Union and its Member States have had to and continue to have to make an important fiscal effort to host displaced persons from Ukraine. Russia's invasion of Ukraine has forced millions of people to flee their country to safety, mostly towards Member States. By the end of September 2025, a total of 4,3 million non-EU citizens who fled Ukraine have received temporary protection under Council Directive (EU) 2001/55/EU<sup>5</sup>. Since 2022, the gross fiscal cost for the Union associated with hosting displaced persons from Ukraine is estimated at about 0,2 % of GDP per year and different estimations show that the resulting fiscal costs for the Member States in the period between 2022 and 2025 could reach above EUR 155 billion. A further escalation of Russia's war of aggression could lead to the risk of sudden and mass influx of displaced persons from Ukraine or of persons in need of international protection.

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<sup>5</sup> Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof (OJ L 212, 7.8.2001, p. 12, ELI: <http://data.europa.eu/eli/dir/2001/55/oj>).

(23) As a consequence of Russia's actions in Ukraine, which pose a direct threat to the security situation in the Union, the Union and its Member States have had to substantially increase their investments in defence capabilities. Since the start of Russia's war of aggression against Ukraine in February 2022, the Union defence expenditure-to-GDP ratio has increased by around 0,25 percentage points, reaching 1,5 % of GDP in 2024 (or around EUR 270 billion). On 28 May 2025, the Council adopted, as an emergency measure, Council Regulation (EU) 2025/1106<sup>6</sup> which aims to provide financial assistance to Member States to allow them to support their defence industrial readiness. The Commission Autumn 2025 Forecast projects a further increase in defence spending of around 0,5 percentage points by 2027, when it would reach 2,0 % of GDP (or around EUR 405 billion). In addition to those economic consequences for the Union's economy caused by Russia's war of aggression in Ukraine, Russia is itself causing direct economic impacts on the Union's economy through its actions. This would be suddenly and drastically aggravated if Russia had access to additional funds in the absence of a transfer prohibition.

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<sup>6</sup> Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument (OJ L, 2025/1106, 28.5.2025, ELI: <http://data.europa.eu/eli/reg/2025/1106/oj>).

- (24) In light of those different considerations, ensuring a prohibition on the transfer of assets and reserves of the Central Bank of Russia or related entities to or for the benefit of the Central Bank of Russia or related entities and ultimately Russia is a measure that is appropriate in order to avoid further repercussions of unprecedented magnitude on the economic situation of the Union caused by Russia's actions. In so far as it is limited in time and reversible, it does not go beyond what is necessary to pursue that objective.
- (25) It is also appropriate, under the current circumstances, that the financial institutions which hold assets and reserves of the Central Bank of Russia or related entities, manage separately the cash balances that have been accumulating as the assets mature.
- (26) The specific measures set out in this Regulation are without prejudice to the assets of the Central Bank of Russia that consist of a claim against Union financial institutions that is subject to transfer restrictions. The ownership of those assets is not impacted by the measures provided for under this Regulation. The cash balances accumulating on the balance sheets of the financial institutions holding assets and reserves of the Central Bank of Russia as a result of the prohibition on transfers to or for the benefit of the Central Bank of Russia do not belong to the Central Bank of Russia and do not constitute sovereign assets. The prohibition on transfers of the assets and reserves of the Central Bank of Russia or related entities is temporary, reversible and under periodic review.

- (27) Those additional measures create new obligations for the financial institutions holding assets and reserves of the Central Bank of Russia or related entities for the purpose of alleviating the economic consequences for the Union of Russia's war of aggression against Ukraine. Given the context in which those measures are taken and the fact that those measures pursue a public policy objective of avoiding the deterioration of the Union economy in a security crisis situation, those measures fully respect the fundamental rights and freedoms recognised in the Charter of Fundamental Rights, in particular Article 17 read in accordance with Article 52 thereof, as they are justified and proportionate to the objectives pursued.

(28) The measures linked to the prohibition on transfers of the assets or reserves of the Central Bank of Russia or related entities should remain temporary. They should be maintained as long as the making available of significant financial and other resources to Russia to continue its actions in the context of its war of aggression against Ukraine poses, or threatens to pose, serious economic difficulties within the Union and the Member States and the risk of causing further serious deterioration of the economic situation in the Union and in the Member States persists. It is therefore appropriate to discontinue the measures provided for in this Regulation where Russia ceases its war of aggression against Ukraine, provides reparations to Ukraine to the extent necessary to allow for reconstruction without economic and financial consequences for the Union and where Russia's actions in the context of its war of aggression against Ukraine have objectively ceased to pose a serious risk of severe difficulties to the economy of the Union and its Member States. For that purpose, the Council, on a proposal from the Commission, which should take into account the Commission report on the basis of the annual review of this Regulation, should amend this Regulation, including by laying down appropriate, strictly necessary and temporary winding-down provisions for the protection of the legitimate interests of the operators of the Union and of the Member States, including an appropriate timeframe for the fulfilment of obligations following the discontinuance of the measures. In particular, to ensure legal certainty and an orderly winding down, rules on the timeline and modalities of the reimbursement of cash balances should be established.

- (29) The need to ensure the financial stability of the Union and to safeguard the systemic importance of central securities depositories for the functioning of securities markets should be taken into consideration in the application of this Regulation.
- (30) Considering the scale of the crisis, the level of its social, economic and financial impact and the need to act as soon as possible, this Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union*.
- (31) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAS ADOPTED THIS REGULATION:

*Article 1*  
*Subject matter*

This Regulation establishes exceptional and temporary emergency measures addressing the serious economic difficulties within the Union caused by Russia's actions in the context of its war of aggression against Ukraine and the risk of further deterioration of the economic situation in the Union. These measures aim to avoid a serious deterioration of the economic stability in the Union and its Member States by preventing significant resources being made available to Russia to continue its actions in the context of the war of aggression against Ukraine.

*Article 2*  
*Prohibition on transfer*

1. Any direct or indirect transfer of assets or reserves of the Central Bank of Russia, or of any legal person, entity or body acting on behalf of, or at the direction of, the Central Bank of Russia, such as the Russian National Wealth Fund, shall be prohibited.
2. Cash balances corresponding to the assets and reserves referred to in paragraph 1 shall be managed separately.

*Article 3*  
*Reporting*

1. To the extent not already required by other provisions of Union law, and notwithstanding the applicable rules concerning reporting, confidentiality and professional secrecy, natural and legal persons, entities and bodies, including the European Central Bank, national central banks, financial sector entities as defined in Article 4 of Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>7</sup> insurance and reinsurance undertakings as defined in Article 13 of Directive 2009/138/EC of the European Parliament and of the Council<sup>8</sup>,

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<sup>7</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/575/oj>).

<sup>8</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1, ELI: <http://data.europa.eu/eli/dir/2009/138/oj>).

central securities depositories as defined in Article 2 of Regulation (EU) No 909/2014 of the European Parliament and of the Council<sup>9</sup> and central counterparties as defined in Article 2 of Regulation (EU) No 648/2012 of the European Parliament and of the Council<sup>10</sup> shall provide to the Commission, by ... [*three months from date of entry into force of this Regulation*], information on the assets and reserves referred to in Article 2 of this Regulation which they hold or control or are a counterparty to. Such information shall be updated every three months and shall at least include the following:

- (a) information identifying the natural or legal persons, entities or bodies owning, holding or controlling such assets and reserves, including the name, address and VAT registration or tax identification number;
- (b) the amount or market value of such assets and reserves at the date of reporting;
- (c) the types of assets or reserves as well as crypto-assets and other relevant categories of assets, including non-pecuniary assets. For each of those categories, and where available, relevant features such as quantity, location, currency, maturity and contractual conditions between the reporting entity and the asset owner shall be indicated.

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<sup>9</sup> Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1, ELI: <http://data.europa.eu/eli/reg/2014/909/oj>).

<sup>10</sup> Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1, ELI: <http://data.europa.eu/eli/reg/2012/648/oj>).

2. Where the reporting natural or legal person, entity or body has established an extraordinary and unforeseen loss or damage to the assets and reserves referred to in Article 2, that information shall be reported immediately to the Commission.
3. Member States, as well as the natural and legal persons, entities and bodies covered by the reporting obligation set out in this Article, shall cooperate with the Commission in any verification of the information received. The Commission may request any additional information it requires to carry out such verification. When such a request is addressed to a natural or legal person, entity or body, the Commission shall simultaneously transmit it to the competent authority of the relevant Member State. Any information received by the Commission shall be made available to the relevant Member State.
4. Any information provided to or received by the Commission and the competent authorities of the Member States in accordance with this Article shall be used by the Commission and the competent authorities of the Member States only for the purposes for which it was provided or received.

5. Any processing of personal data shall be carried out in accordance with this Regulation and Regulations (EU) 2016/679<sup>11</sup> and (EU) 2018/1725<sup>12</sup> of the European Parliament and of the Council and only in so far as necessary for the application of this Regulation and to ensure effective cooperation between Member States as well as with the Commission in the application of this Regulation.

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<sup>11</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>).

<sup>12</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39, ELI: <http://data.europa.eu/eli/reg/2018/1725/oj>).

*Article 4*  
*Safeguards*

1. No claims in connection with any contract or transaction the performance of which has been affected, directly or indirectly, in whole or in part, by the measures imposed under this Regulation, including claims for indemnity or any other claim of this type, such as a claim for compensation or a claim under a guarantee, notably a claim for extension or payment of a bond, guarantee or indemnity, particularly a financial guarantee or financial indemnity, of whatever form, shall be satisfied, if they are made by the Russian Federation, by the legal persons, entities and bodies referred to in Article 2 or by persons acting on their behalf or at their direction. No judicial, arbitral or administrative decision obtained by the Russian Federation, by the legal persons, bodies and entities referred to in Article 2 or by persons acting on their behalf or at their direction in connection with the measures in Article 2 shall be recognised, given effect or enforced in the Union for as long as this Regulation is in force.
2. In any proceedings for the enforcement of a claim, the onus of proving that satisfying the claim is not prohibited by paragraph 1 shall be on the person seeking the enforcement of that claim.
3. Paragraph 1 is without prejudice to the right of the legal persons, entities and bodies referred to in paragraph 1 to judicial review of the legality of the non-performance of contractual obligations in accordance with this Regulation.

## *Article 5*

### *Review*

By 31 December 2026, and every 12 months afterwards, the Commission shall carry out a review of this Regulation and present a report on the main findings of that review to the Council. That review shall also assess whether the making available of the significant resources to Russia to continue Russia's actions in the context of its war of aggression against Ukraine continues to pose, or threatens to pose, serious economic difficulties within the Union and the Member States and whether the risk of causing further serious deterioration of the economic situation in the Union and the Member States persists.

## *Article 6*

### *Temporary application of measures*

1. The measures in Articles 2 to 4 shall be temporary. They shall be maintained as long as the making available of the significant resources to Russia to continue its actions in the context of its war of aggression against Ukraine poses, or threatens to pose, serious economic difficulties within the Union and the Member States and the risk of causing further serious deterioration of the economic situation in the Union and the Member States persists. To this effect, the measures set out in this Regulation shall cease to apply when the following conditions are met:
  - (a) Russia ceases its war of aggression against Ukraine;

- (b) Russia provides reparations to Ukraine to the extent necessary to allow for reconstruction without adverse economic or financial consequences for the Union;  
and
- (c) Russia's actions in the context of its war of aggression against Ukraine have objectively ceased to pose a serious risk of severe difficulties to the economy of the Union and its Member States.

2. For the purpose of ensuring the temporary nature of the measures referred to in Articles 2 to 4 in accordance with the conditions set out in paragraph 1, the Council, on a proposal from the Commission, taking into account the report provided for in Article 5, shall amend this Regulation, including by adopting appropriate, strictly necessary and temporary provisions for ensuring the orderly winding down of those measures, taking into account the need to protect the legitimate interests of Union operators and of the Member States.

*Article 7*  
*Final provision*

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*

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