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PROPOSAL

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

Delegations will find attached document JOIN(2022) 21 final.

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HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 24.2.2022
JOIN(2022) 21 final

2022/0058 (NLE)
SENSITIVE*

Joint Proposal for a

COUNCIL REGULATION

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

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EXPLANATORY MEMORANDUM

- (1) Council Regulation (EU) No 833/2014 prohibits the sale, supply, transfer or export of dual-use goods and technology to any person, entity or body in Russia or for use in Russia, if those items are for military use or for military end-users. It also bans the sale of such goods and technology to specified legal persons in Russia and prohibits the provision of technical assistance and other related services as well as financing and financial assistance related to such good and technology. In addition, it requires operators to obtain a prior authorisation for the sale, supply, transfer or export of certain technologies for the oil industry in Russia and prohibits the provision of associated services necessary for deep water oil exploration and production, arctic oil exploration and production or shale oil projects in Russia, including its Exclusive Economic Zone and Continental Shelf. Furthermore, it prohibits the provision of technical assistance related to the goods and technology listed in the Common Military List of the European Union or related to the provision, manufacture, maintenance and use of such goods. Finally, it imposes restrictions on access to the EU capital market for certain Russian financial institutions, Russia, its government and its Central Bank.
- (2) Council Regulation (EU) No 833/2014 gives effect to certain measures provided for in Council Decision 2014/512/CFSP.
- (3) Council Decision (CFSP) 2022/XXX amends Council Decision 2014/512/CFSP and introduces further targeted economic sanctions following the [description of the event triggering the adoption of sanctions].
- (4) Council Decision (CFSP) 2022/XXX imposes further restrictions on exports of dual-use goods and technology and on the provision of related services, as well as restrictions on exports of certain goods and technology which might contribute to Russia's technological enhancement of its defence and security sector. Subject to certain exceptions, it prohibits the provision of public financing or financial assistance for trade with, or investment in Russia.
- (5) Council Decision (CFSP) 2022/XXX also prohibits the sale, supply, transfer or export to Russia of specific goods and technologies for use in oil refining, together with restrictions on the provision of related services.
- (6) Further, it introduces an export ban covering goods and technology suited for use in aviation or space industry as well as prohibits the provision of insurance and reinsurance and maintenance services in relation to those goods and technology. It also prohibits the provision of technical assistance and other related services as well as financing and financial assistance in relation to the goods and technology subject to this prohibition.
- (7) Council Decision (CFSP) 2022/XXX expands the existing financial restrictions, in particular those on access by certain Russian entities to the capital markets.. It also prohibits the listing and provision of services in relation to shares of Russian state-owned entities on EU trading venues. In addition, it introduces new measures which significantly limit the financial inflows from Russia to the Union, by prohibiting the

acceptance of deposits exceeding certain values from Russian nationals or residents, the holding of accounts of Russian clients by the EU Central Securities Depositories as well as the selling of euro-denominated securities to Russian persons.

- (8) These amendments fall within the scope of the Treaty and, therefore, notably with a view to ensuring their uniform application in all Member States, regulatory action at the level of the Union is necessary.
- (9) The High Representative for Foreign Affairs and Security Policy and the Commission should therefore propose to amend Regulation (EU) No 833/2014 accordingly.

Joint Proposal for a

COUNCIL REGULATION

amending Council 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 Decision (CFSP) 2022/XXX¹ of XX February 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine,

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

Whereas:

- (1) On 31 July 2014, the Council adopted Regulation (EU) No 833/2014 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/CFSP and prohibits the sale, supply, transfer or export of dual-use goods and technology to any person, entity or body in Russia or for use in Russia, if those items are for military use or for military end-users. It also bans the sale of such goods and technology to specified legal persons in Russia and prohibits the provision of technical assistance and other related services as well as financing and financial assistance related to such good and technology. In addition, it requires operators to obtain a prior authorisation for the sale, supply, transfer or export of certain technologies for the oil industry in Russia and prohibits the provision of associated services necessary for deep-water oil exploration and production, arctic oil exploration and production or shale oil projects in Russia, including its Exclusive Economic Zone and Continental Shelf. It also prohibits the provision of technical assistance related to the goods and technology listed in the Common Military List of the European Union or related to the provision, manufacture, maintenance and use of such goods. It also imposes restrictions on access to the capital market for certain Russian financial institutions.
- (3) On 24 January 2022, recalling the European Council Conclusions from December 2021, the Council reiterated that any further military aggression by Russia against Ukraine would have massive consequences and severe costs.

¹ OJ L , , p. .

- (4) In view of [TRIGGER on DATE], on [DATE] the Council adopted Decision (CFSP)2022/XXX amending Decision 2014/512/CFSP and imposing further restrictive measures in various sectors, particularly defence, energy, aviation and finance.
- (5) Council Decision (CFSP) 2022/XXX imposes further restrictions on exports of dual-use goods and technology and on the provision of related services, as well as restrictions on exports of certain goods and technology which might contribute to Russia's technological enhancement of its defence and security sector. It also introduces restrictions on the provision of related services. Limited exemptions to such restrictions are envisioned for legitimate and pre-determined purposes. Further, the Decision prohibits the provision of public financing or financial assistance for trade with, or investment in Russia, subject to certain exceptions.
- (6) Council Decision (CFSP) 2022/XXX also prohibits the sale, supply, transfer or export to Russia of specific goods and technologies for use in oil refining, together with restrictions on the provision of related services.
- (7) Further, it introduces an export ban covering goods and technology suited for use in aviation and space industry as well as prohibits the provision of insurance and reinsurance and maintenance services in relation to those goods and technology. It also prohibits the provision of technical assistance and other related services as well as financing and financial assistance in relation to the goods and technology subject to this prohibition.
- (8) Council Decision (CFSP) 2022/XXX further expands the existing financial restrictions, in particular those on access by certain Russian entities to the capital markets. It also prohibits the listing and provision of services in relation to shares of Russian state-owned entities on EU trading venues. In addition, it introduces new measures which significantly limit the financial inflows from Russia to the Union, by prohibiting the acceptance of deposits exceeding certain values from Russian nationals or residents, the holding of accounts of Russian clients by the EU Central Securities Depositories as well as the selling of euro-denominated securities to Russian clients.
- (9) These measures fall within the scope of the Treaty 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.
- (10) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (11) The Commission will monitor the application of these measures. To ensure the effectiveness of export controls on EU goods and technology which might contribute to Russia's technological enhancement of its defence and security sector, the Commission will act in coordination with Member States, and as the case may be with partner countries, with a view, in justified and documented cases, to adapting the list of those goods and technology as appropriate.
- (12) Regulation (EU) No 833/2014 should therefore be amended accordingly.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) 833/2014 is amended as follows:

(1) Article 1 is replaced by the following:

‘Article 1

For the purposes of this Regulation, the following definitions apply:

- (a) ‘dual-use goods and technology’ means the items listed in Annex I to Regulation (EU) 2021/821;
- (b) ‘competent authorities’ means the competent authorities of the Member States as identified on the websites listed in Annex I;
- (c) ‘technical assistance’ means any technical support related to repairs, development, manufacture, assembly, testing, maintenance, or any other technical service, and may take forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services; including verbal forms of assistance;
- (d) ‘brokering services’ means:
 - (i) the negotiation or arrangement of transactions for the purchase, sale or supply of goods and technology or of financial and technical services, including from a third country to any other third country, or
 - (ii) the selling or buying of goods and technology or of financial and technical services, including where they are located in third countries for their transfer to another third country;
- (e) ‘investment services’ means the following services and activities:
 - (i) reception and transmission of orders in relation to one or more financial instruments,
 - (ii) execution of orders on behalf of clients,
 - (iii) dealing on own account,
 - (iv) portfolio management,
 - (v) investment advice,
 - (vi) underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis,
 - (vii) placing of financial instruments without a firm commitment basis,

- (viii) any service in relation to the admission to trading on a regulated market or trading on a multilateral trading facility;
- (f) ‘transferable securities’ means the following classes of securities which are negotiable on the capital market, with the exception of instruments of payment:
- (i) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares,
 - (ii) bonds or other forms of securitised debt, including depositary receipts in respect of such securities,
 - (iii) any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities;
- (g) ‘money-market instruments’ means those classes of instruments which are normally dealt in on the money market, such as treasury bills, certificates of deposit and commercial papers and excluding instruments of payment;
- (h) ‘credit institution’ means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credit for its own account;
- (i) ‘territory of the Union’ means the territories of the Member States to which the Treaty is applicable, under the conditions laid down in the Treaty, including their airspace.
- (j) ‘central securities depository’ means a legal person as defined in point 1 of Article 2(1) of Regulation (EU) No 909/2014;
- (k) ‘deposit’ means a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:
- (i) its existence can only be proven by a financial instrument as defined in Article 4(1)(15) of Directive 2014/65/EU of the European Parliament and of the Council, unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014;
 - (ii) its principal is not repayable at par;
 - (iii) its principal is only repayable at par under a particular guarantee or agreement provided by the credit institution or a third party;
- (l) ‘investor citizenship schemes’ (or ‘golden passports’) means the procedures put in place by a Member State, which allow third-country nationals to acquire its nationality in exchange for pre-determined payments and investments;

- (m) ‘investor residence schemes’ (or ‘golden visas’) means the procedures put in place by a Member State, which allow third-country nationals to obtain a residence permit in a Member State in exchange for pre-determined payments and investments;
 - (n) ‘trading venue’, as defined in Article 4(1)(24) of Directive 2014/65/EU, means a regulated market, a multilateral trading facility (MTF) or an organised trading facility (OTF);
 - (o) ‘financing or financial assistance’ means any action, irrespective of the particular means chosen, whereby the person, entity or body concerned, conditionally or unconditionally, disburses or commits to disburse its own funds or economic resources, including but not limited to grants, loans, guarantees, suretyships, bonds, letters of credit, supplier credits, buyer credits, import or export advances and all types of insurance and reinsurance, including export credit insurance. Payment as well as terms and conditions of payment of the agreed price for a good or a service, made in line with normal business practice, do not constitute financing or financial assistance;
 - (p) ‘partner country’ means a country applying a set of export control measures substantially equivalent to those set out in this Regulation, as identified in Annex VIII;
 - (q) ‘consumer communication devices’ means devices used by private individuals such as personal computers and peripherals (including hard drives and printers), mobile telephones, smart televisions, memory devices (USB drives), and consumer software for all of these items.’
- (2) Articles 2 and 2a are deleted.
- (3) The following Articles are inserted:

‘Article 2

1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, dual-use goods and technology, whether or not originating in the Union, to any natural or legal person, entity or body in Russia or for use in Russia.
2. It shall be prohibited:
 - (a) to provide technical assistance, brokering services or other services related to goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of these goods and technology, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia;
 - (b) to provide financing or financial assistance related to goods and technology referred to in paragraph 1 for any sale, supply, transfer or export of these goods and technology, or for the provision of related technical assistance, brokering services or other services, directly or indirectly to any natural or legal person, entity or body in Russia, or for use in Russia.

3. Without prejudice to the authorisation requirements pursuant to Regulation (EU) 2021/821, the prohibitions in paragraphs 1 and 2 shall not apply to the sale, supply, transfer or export of dual-use goods and technology or to the related provision of technical and financial assistance, for non-military use and for a non-military end user, intended for:
- (a) humanitarian purposes, 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;
 - (b) medical or pharmaceutical purposes;
 - (c) temporary export of items for use by news media;
 - (d) software updates;
 - (e) use as consumer communication devices;
 - (f) ensuring cyber-security and information security for natural and legal persons, entities and bodies in Russia except for its government and undertakings directly or indirectly controlled by that government; or
 - (g) personal use of natural persons travelling to Russia or members of their immediate families travelling with them, and limited to personal effects, household effects, vehicles or tools of trade owned by those individuals and not intended for sale.

With the exception of points (f) and (g) above, the exporter shall declare in the customs declaration that the items are being exported under the relevant exception set out in this paragraph and shall notify the competent authority of the Member State where the exporter is resident or established of the first use of the relevant exception within 30 days from the date when the first export took place.

4. By way of derogation from paragraphs 1 and 2, and without prejudice to the authorisation requirements pursuant to Regulation (EU) 2021/821, the competent authorities may authorise the sale, supply, transfer or export of dual-use goods and technology or the provision of related technical or financial assistance, for non-military use and for a non-military end user, after having determined that such goods or technology or the related technical or financial assistance are:
- (a) intended for cooperation between the Union, the governments of Member States and the government of Russia in purely civilian matters;
 - (b) intended for intergovernmental cooperation in space programmes;
 - (c) intended for the operation, maintenance, fuel retreatment and safety of civil nuclear capabilities, as well as civil nuclear cooperation, notably in the field of research and development;
 - (d) intended for maritime safety;

- (e) intended for civilian telecommunications networks, including the provision of internet services;
 - (f) intended for the exclusive use of entities owned, or solely or jointly controlled by a legal person, entity or body which is incorporated or constituted under the law of a Member State or of a partner country;
 - (g) intended for the diplomatic representations of the Union, Member States and partner countries, including delegations, embassies and missions.
5. By way of derogation from paragraphs 1 and 2, and without prejudice to the authorisation requirements pursuant to Regulation (EU) 2021/821, the competent authorities may authorise the sale, supply, transfer or export of dual-use goods and technology or the provision of related technical or financial assistance, for non-military use and for a non-military end-user, after having determined that such goods or technology or the related technical or financial assistance are due under contracts concluded before [date of entry into force of this Regulation], or ancillary contracts necessary for the execution of such a contract, provided that the authorisation is requested before [1 May 2022].
6. All authorisations required under this Article shall be granted by the competent authorities in accordance with the rules and procedures laid down in Regulation (EU) No 2021/821, which shall apply *mutatis mutandis*. The authorisation shall be valid throughout the Union.
7. When deciding on requests for authorisations referred to in paragraphs 4 and 5, the competent authorities shall not grant an authorisation if they have reasonable grounds to believe that:
- (i) the end-user might be a military end-user, a natural or legal person, entity or body in Annex IV or that the goods might have a military end-use; or
 - (ii) the sale, supply, transfer or export of goods and technology referred to in paragraph 1 or the provision of related technical or financial assistance is intended for aviation or space industry.
8. The competent authorities may annul, suspend, modify or revoke an authorisation which they have granted pursuant to paragraphs 4 and 5 if they deem that such annulment, suspension, modification or revocation is necessary for the effective implementation of this Regulation.

Article 2a

1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods and technology which might contribute to Russia's military and technological enhancement, or the development of the defence and security sector, as listed in Annex VII, whether or not originating in the Union, to any natural or legal person, entity or body in Russia or for use in Russia.
2. It shall be prohibited:

- (a) to provide technical assistance, brokering services or other services related to goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of these goods and technology, directly or indirectly to any natural or legal person, entity or body in Russia, or for use in Russia;
 - (b) to provide financing or financial assistance related to goods and technology referred to in paragraph 1 for any sale, supply, transfer or export of these goods and technology, or for the provision of related technical assistance, brokering services or other services, directly or indirectly to any natural or legal person, entity or body in Russia, or for use in Russia.
3. The prohibitions in paragraphs 1 and 2 shall not apply to the sale, supply, transfer or export of goods and technology referred to in paragraph 1 or to the related provision of technical and financial assistance, for non-military use and for a non-military end-user, intended for:
- (a) humanitarian purposes, 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;
 - (b) medical or pharmaceutical purposes;
 - (c) temporary export of items for use by news media;
 - (d) software updates;
 - (e) use as consumer communication devices;
 - (f) ensuring cyber-security and information security for natural and legal persons, entities and bodies in Russia except for its government and undertakings directly or indirectly controlled by that government; or
 - (g) personal use of natural persons travelling to Russia or members of their immediate families travelling with them, and limited to personal effects, household effects, vehicles or tools of trade owned by those individuals and not intended for sale.

With the exception of points (f) and (g) above, the exporter shall declare in the customs declaration that the items are being exported under the relevant exception set out in this paragraph and shall notify the competent authority of the Member State where the exporter is resident or established of the first use of the relevant exception within 30 days from the date when the first export took place.

4. By way of derogation from paragraphs 1 and 2, the competent authorities may authorise the sale, supply, transfer or export of goods and technology referred to in paragraph 1 or the provision of related technical or financial assistance, for non-military use and for a non-military end-user, after having determined that such goods or technology or the related technical or financial assistance are:
- (a) intended for cooperation between the Union, the governments of Member States and the government of Russia in purely civilian matters;

- (b) intended for intergovernmental cooperation in space programmes;
 - (c) intended for the operation, maintenance, fuel retreatment and safety of civil nuclear capabilities, as well as civil nuclear cooperation, notably in the field of research and development;
 - (d) intended for maritime safety;
 - (e) intended for civilian telecommunications networks, including the provision of internet services;
 - (f) intended for the exclusive use of entities owned, or solely or jointly controlled by a legal person, entity or body which is incorporated or constituted under the law of a Member State or of a partner country; or
 - (g) intended for the diplomatic representations of the Union, Member States and partner countries, including delegations, embassies and missions.
5. By way of derogation from paragraphs 1 and 2, the competent authorities may authorise the sale, supply, transfer or export of goods and technology referred to in paragraph 1 or the provision of related technical or financial assistance, for non-military use and for a non-military end-user, after having determined that such goods or technology or the related technical or financial assistance are due under contracts concluded before [date of entry into force of this Regulation], or ancillary contracts necessary for the execution of such a contract, provided that the authorisation is requested before [1 May 2022].
6. All authorisations required under this Article shall be granted by the competent authorities in accordance with the rules and procedures laid down in Regulation (EU) No 2021/821, which shall apply mutatis mutandis. The authorisation shall be valid throughout the Union.
7. When deciding on requests for authorisations referred to in paragraphs 4 and 5, the competent authorities shall not grant an authorisation if they have reasonable grounds to believe that
- (i) the end-user might be a military end-user, a natural or legal person, entity or body in Annex IV or that the goods might have a military end-use; or
 - (ii) the sale, supply, transfer or export of goods and technology referred to in paragraph 1 or the provision of related technical or financial assistance is intended for aviation or space industry.
8. The competent authorities may annul, suspend, modify or revoke an authorisation which they have granted pursuant to paragraphs 4 and 5 if they deem that such annulment, suspension, modification or revocation is necessary for the effective implementation of this Regulation.

Article 2b

1. With regard to the entities identified in Annex IV, by way of derogation from paragraphs 1 and 2 of Articles 2 and 2a and without prejudice to the authorisation requirements pursuant to Regulation (EU) 2021/821, the competent authorities may only authorise the sale, supply, transfer or export of dual-use goods and technology and goods and technology listed in Annex VII, or the provision of related technical or financial assistance after having determined:
 - a. that such goods or technology or the related technical or financial assistance are necessary for 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
 - b. that such goods or technology or the related technical or financial assistance are due under contracts concluded before [date of entry into force of this Regulation], or ancillary contracts necessary for the execution of such a contract, provided that the authorisation is requested before [1 May 2022].
2. All authorisations required under this Article shall be granted by the competent authorities of the Member State in accordance with the rules and procedures laid down in Regulation (EU) No 2021/821, which shall apply mutatis mutandis. The authorisation shall be valid throughout the Union.
3. The competent authorities may annul, suspend, modify or revoke an authorisation which they have granted pursuant to paragraph 1 if they deem that such annulment, suspension, modification or revocation is necessary for the effective implementation of this Regulation.

Article 2c

1. The notification to the competent authority referred to in Articles 2(3) and 2a(3) shall be submitted by electronic means, whenever possible, on forms containing at least all the elements of, and in the order provided for in, the models set out in Annex IX.
2. All authorisations referred to in Articles 2, 2a and 2b shall be issued by electronic means, whenever possible, on forms containing at least all the elements of, and in the order provided for in, the models set out in Annex IX.

Article 2d

1. The competent authorities shall exchange information on authorisations granted and denials issued pursuant to Articles 2, 2a and 2b with the other Member States and the Commission without delay. The exchange of information shall be carried out using the electronic system provided pursuant to Article 23(6) of Regulation (EU) 2021/821.

2. Information received as a result of the application of this Article shall be used only for the purpose for which it was requested, including the exchanges mentioned in paragraph 4.

Member States and the Commission shall ensure the protection of confidential information acquired in application of this Article in accordance with Union and the respective national law.

Member States and the Commission shall ensure that classified information provided or exchanged under this Article is not downgraded or declassified without the prior written consent of the originator.

3. Before a Member State grants an authorisation in accordance with Articles 2, 2a and 2b for a transaction which is essentially identical to a transaction which is the subject of a still valid denial issued by another Member State or by other Member States, it shall first consult the Member State or States which issued the denial. If, following such consultations, the Member State concerned decides to grant an authorisation, it shall inform the other Member States and the Commission thereof, providing all relevant information to explain the decision.
4. The Commission, in consultation with the Member States shall, where appropriate, exchange information with partner countries, with a view to supporting the effectiveness of export control measures under this Regulation and the consistent application of export control measures applied by partner countries.

Article 2e

1. It shall be prohibited to provide public financing or financial assistance for trade with, or investment in, Russia.
2. The prohibition in paragraph 1 shall not apply:
 - a. to binding financing or financial assistance commitments established prior to [date of entry into force of this Regulation];
 - b. to the provision of public financing or financial assistance up to the total value of EUR 10 000 000 per project to small and medium-sized enterprises (SMEs) established in the Union; or
 - c. to the provision of public financing or financial assistance for trade in food, and for agricultural, medical or humanitarian purposes.'
- (4) In paragraph 2 of Article 3, "Article 11 of Regulation (EC) No 428/2009" is replaced with "Article 14 of Regulation (EU) No 2021/821".'
- (5) The following Articles are inserted:

Article 3b

1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods and technology suited for use in oil refining, as listed in Annex X, whether or not

originating in the Union, to any natural or legal person, entity or body in Russia or for use in Russia.

2. It shall be prohibited:
 - (a) to provide technical assistance, brokering services or other services related to goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of these goods and technology, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia.
 - (b) to provide financing or financial assistance related to goods and technology referred to in paragraph 1 for any sale, supply, transfer or export of these goods and technology, or for the provision of related technical assistance, brokering services or other services, directly or indirectly to any person, entity or body in Russia or for use in Russia.
3. The prohibitions in paragraphs 1 and 2 shall not apply to the execution until [90 days after entry into force] of contracts concluded before [date of entry into force], or ancillary contracts necessary for the execution of such contracts.
4. By way of derogation from paragraphs 1 and 2, the competent authorities may authorise, under such conditions as they deem appropriate, the sale, supply, transfer or export of goods and technology listed in Annex X or the provision of related technical or financial assistance, after having determined that such goods or technology or the provision of related technical or financial assistance are necessary for the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment.

In duly justified cases of emergency, the sale, supply, transfer or export may proceed without prior authorisation, provided that the exporter notifies the competent authority within five working days after the sale, supply, transfer or export has taken place, providing detail about the relevant justification for the sale, supply, transfer or export without prior authorisation.

Article 3c

1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods and technology suited for use in aviation or space industry, as listed in Annex XI, whether or not originating in the Union, to any natural or legal person, entity or body in Russia or for use in Russia.
2. It shall be prohibited to provide insurance and reinsurance, directly or indirectly, in relation to goods and technology listed in Annex XI to any person, entity or body in Russia or for use in Russia.
3. It shall be prohibited to provide any one or combination of the following activities: overhaul, repair, inspection, replacement, modification or defect rectification of an aircraft or component, with the exception of pre-flight inspection, in relation to the goods and technology listed in Annex XI, directly or indirectly, to any natural or legal person, entity or body in Russia or for use in Russia.

4. It shall be prohibited:
- (a) to provide technical assistance, brokering services or other services related to goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of these goods and technology, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia.
 - (b) to provide financing or financial assistance related to goods and technology referred to in paragraph 1 for any sale, supply, transfer or export of these goods and technology, or for the provision of related technical assistance, brokering services or other services, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia.
5. With regard to goods listed in Annex XI, the prohibitions in paragraphs 1 and 4 shall not apply to the execution [until 30 days after entry into force] of contracts concluded before [date of entry into force], or ancillary contracts necessary for the execution of such contracts.’
- (6) In paragraph 2 of Article 4, “EU” is replaced by “Union”.’
- (7) Article 5 is replaced by the following:

‘Article 5

1. It shall be prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments with a maturity exceeding 90 days, issued after 1 August 2014 to 12 September 2014, or with a maturity exceeding 30 days, issued after 12 September 2014 to [45 days after entry into force] or any transferable securities and money market instruments issued after [45 days after entry into force] by:
- (a) a major credit institution, or other major institution having an explicit mandate to promote competitiveness of the Russian economy, its diversification and encouragement of investment, established in Russia with over 50 % public ownership or control as of 1 August 2014, as listed in Annex III; or
 - (b) a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed in Annex III; or
 - (c) a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (b) of this paragraph or listed in Annex III.
2. It shall be prohibited to directly or indirectly, purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments issued after [45 days after entry into force] by:

- (a) any major credit institution, or other institution with over 50 % public ownership or control as of [date of entry into force] or any other credit institution having a significant role in supporting the activities of Russia, its government or Central Bank and established in Russia, as listed in Annex XII; or
 - (b) a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed in Annex XII; or
 - (c) a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.
3. It shall be prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments with a maturity exceeding 30 days, issued after 12 September 2014 to [45 days after entry into force] or any transferable securities and money market instruments issued after [45 days after entry into force] by:
- (a) a legal person, entity or body established in Russia predominantly engaged and with major activities in the conception, production, sales or export of military equipment or services, as listed in Annex V, except legal persons, entities or bodies active in the space or the nuclear energy sectors;
 - (b) a legal person, entity or body established in Russia, which is publicly controlled or with over 50 % public ownership and having estimated total assets of over RUB 1 trillion and whose estimated revenues originate for at least 50 % from the sale or transportation of crude oil or petroleum products, as listed in Annex VI;
 - (c) a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed in point (a) or (b) of this paragraph; or
 - (d) a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a), (b) or (c) of this paragraph.
4. It shall be prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments, issued after [45 days after entry into force] by:
- (a) a legal person, entity or body established in Russia, which is publicly controlled or with over 50% public ownership and in which an entity referred to in point (a) or (b) of paragraph 2 has the right to participate in profits or has other substantial economic relationship, as listed in Annex XIII; or
 - (b) a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed Annex XIII; or

- (c) a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.
5. It shall be prohibited to list and provide services as of [45 days after entry into force] on trading venues registered or recognised in the Union for the transferable securities of any legal person, entity or body established in Russia and with over 50% public ownership.
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 [date of entry into force]; or
 - (ii) any new loans or credit to any legal person, entity or body referred to in paragraph 1, 2, 3 or 4 after [date of entry into force].

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; 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.
7. The prohibition in paragraph 6 shall not apply to drawdown or disbursements made under a contract concluded before [entry into force] provided that the following conditions are met:
- (a) all the terms and conditions of such drawdown or disbursements:
 - (i) were agreed before [entry into force]; and
 - (ii) have not been modified on or after that date; and
 - (b) before [entry into force] 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) at the time of its conclusion the contract was not in breach of the prohibitions of this Regulation in force at that time.

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.’

- (8) The following Articles are inserted:

Article 5b

1. It shall be prohibited to accept any deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of deposits of the natural or legal person, entity or body per credit institution exceeds EUR 100 000.
2. Paragraph 1 shall not apply to nationals of a Member State or natural persons having a temporary or permanent residence permit in a Member State,
3. Paragraph 1 shall not apply to deposits which are necessary for non-prohibited cross-border trade in goods and services between the Union and Russia.

Article 5c

1. By way of derogation from Article 5b(1), the competent authorities may authorise the acceptance of such a deposit, under such conditions as they deem appropriate, after having determined that the acceptance of such a deposit is:
 - (a) necessary to satisfy the basic needs of natural or legal persons, entities or bodies referred to in Article 5b(1) and their dependent family members, including payments for food, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
 - (b) intended exclusively for the payment of reasonable professional fees or the reimbursement of incurred expenses associated with the provision of legal services;
 - (c) necessary for extraordinary expenses, provided that the relevant competent authority has notified the competent authorities of the other Member States and the Commission of the grounds on which it considers that a specific authorisation should be granted, at least two weeks prior to the authorisation; or
 - (d) necessary for official purposes of a diplomatic mission or consular post or international organisation.
2. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraphs 1(a), (b) and (d) within two weeks of the authorisation.

Article 5d

1. By way of derogation from Article 5b(1), the competent authorities may authorise the acceptance of such a deposit, under such conditions as they deem appropriate, after having determined that the acceptance of such a deposit is:

- (a) necessary for humanitarian purposes, such as delivering or facilitating the delivery of assistance, including medical supplies, food, or the transfer of humanitarian workers and related assistance or for evacuations; or
 - (b) necessary for civil society activities that directly promote democracy, human rights or the rule of law in Russia.
2. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 1 within two weeks of the authorisation.

Article 5e

1. It shall be prohibited for EU central securities depositories to provide any services as defined in the Annex of Regulation (EU) No 909/2014 for transferable securities issued after [45 days after entry into force] to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia.
2. Paragraph 1 shall not apply to nationals of a Member State or natural persons having a temporary or permanent residence permit in a Member State.

Article 5f

1. It shall be prohibited to sell euro denominated transferable securities issued after [45 days after entry into force] or units in collective investment undertakings providing exposure to such securities, to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia.
2. Paragraph 1 shall not apply to nationals of a Member State or natural persons having a temporary or permanent residence permit in a Member State.

Article 5g

1. Without prejudice to the applicable rules concerning reporting, confidentiality and professional secrecy, credit institutions shall:
 - (a) supply to the national competent authority of the Member State where they are located or to the Commission by no later than [3 months of entry into force], a list of deposits exceeding EUR 100.000 held by Russian nationals or natural persons residing in Russia, or by legal persons, entities or bodies established in Russia. They shall provide updates regarding the amounts of such deposits every 12 months.
 - (b) supply to the national competent authority of the Member State where they are located information on deposits exceeding EUR 100.000 held by Russian nationals or natural persons residing in Russia who have acquired the citizenship of a Member State or residence rights in a Member State through an investor citizenship scheme or an investor residence scheme respectively.'

- (9) Articles 6 and 7 are replaced by the following:

Article 6

1. The Member States and the Commission shall inform each other of the measures taken under this Regulation and share any other relevant information at their disposal in connection with this Regulation, in particular information:
 - (a) in respect of authorisations granted under this Regulation;
 - (b) in respect of information received under Article 5g;
 - (c) in respect of violation and enforcement problems and judgments handed down by national courts.
2. The Member States shall immediately inform each other and the Commission of any other relevant information at their disposal which might affect the effective implementation of this Regulation.
3. Any information provided or received in accordance with this Article shall be used for the purposes for which it was provided or received, including ensuring the effectiveness of the measures in this Regulation.

Article 7

The Commission shall be empowered to amend Annexes I, VII and IX on the basis of information supplied by Member States.’

- (10) Articles 11 and 12 are replaced by the following:

Article 11

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:
 - (a) legal persons, entities or bodies listed in Annexes III, IV, V, VI, XII or XIII or referred to in point (b) or (c) of Article 5(1), in point (b) or (c) of Article 5(2), in point (c) or (d) of Article 5(3), in point (b) or (c) of Article 5(4) and in point (a), (b) or (c) of Article 5a ;
 - (b) any other Russian person, entity or body;
 - (c) any person, entity or body acting through or on behalf of one of the persons, entities or bodies referred to in points (a) or (b) of this paragraph.

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. This Article is without prejudice to the right of the 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 12

It shall be prohibited to participate, knowingly and intentionally, in activities the object or effect of which is to circumvent prohibitions in this Regulation including by acting as a substitute for natural or legal persons, entities or bodies referred to in Articles 5, 5a, 5b, 5e and 5f or by acting to their benefit by using the exceptions in Articles 5(6), 5a(2) 5b(2), 5e(2) or 5f(2).'

- (11) The following Article is inserted:

'Article 12a

1. The Commission shall process personal data in order to carry out its tasks under this Regulation. These tasks include the handling of information on deposits and information on authorisations granted by the competent authorities.
2. For the purposes of this Regulation, the Commission service listed in Annex I is designated as 'controller' for the Commission within the meaning of Article 3(8) of Regulation (EU) 2018/1725 in relation to the processing activities necessary to accomplish the tasks referred to in paragraph 1.'

- (12) Annex I is replaced by Annex I to this Regulation;
- (13) Annex III is amended in accordance with Annex II of this Regulation.
- (14) Annex IV is replaced by Annex III of this Regulation.
- (15) Annex V is amended in accordance with Annex IV of this Regulation.
- (16) Annex VI is amended in accordance with Annex V of this Regulation.
- (17) Annex VII is inserted in accordance with Annex VI of this Regulation.
- (18) Annex VIII is inserted in accordance with Annex VII of this Regulation.
- (19) Annex IX is inserted in accordance with Annex VIII of this Regulation.
- (20) Annex X is inserted in accordance with Annex IX of this Regulation.
- (21) Annex XI is inserted in accordance with Annex X of this Regulation.
- (22) Annex XII is inserted in accordance with Annex XI of this Regulation.

(23) Annex XIII is inserted in accordance with Annex XII of 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 Brussels,

For the Council
The President