

Client Alert

International Trade

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EU continues sanctions against Russia and Crimea into 2016

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I. Introduction

On 19 June 2015, the **EU Council decided to extend until 23 June 2016 the EU sanctions against Crimea/Sevastopol** imposed in June 2014 in response to the annexation of Crimea and Sevastopol.

On 22 June 2015, the **EU Council also decided to extend until 31 January 2016 the sectoral sanctions imposed last year against Russia** in response to Russia's role in Eastern Ukraine.

The various **asset freeze regulations were already prolonged in March 2015**.

The extension of these Ukraine-related sanctions is a consequence of the agreement of the European Council last March to **link the duration of these sanctions to the complete implementation of the Minsk Agreements**¹ (foreseen by the end of 2015).

II. EU sanctions focusing on Crimea and Sevastopol

Through Council Decision 2015/959,² the EU has taken the political decision to **prolong by one year** the existing sanctions imposed by Council Decision 2014/386/CFSP³ and implemented through Council Regulation 692/2014⁴ **without amendment** at this stage.

These measures focus on trade with, and investments in, the Crimea/Sevastopol region. They include a **prohibition on imports** of products originating in Crimea or Sevastopol into the EU; **restrictions on investment** in Crimea or Sevastopol (e.g. Europeans or EU-based companies can generally not buy real estate or entities in Crimea, finance Crimean companies or supply related services) **and tourism services** (in particular, European cruise ships cannot call at ports in the Crimean peninsula, except in case of emergency); a **ban on supply of certain goods and technologies to Crimean companies or for use in Crimea in the transport, telecommunications and energy sectors and related to the prospection, exploration and production of oil, gas and mineral resources**. Technical assistance, brokering, construction or engineering services related to infrastructure in these sectors cannot be provided either. For more details on these measures (and any exemption that may apply) see our [alert](#) of 19 December 2014 (when the original sanctions imposed on 23 June 2014 were significantly expanded).

II. EU sectoral sanctions targeting Russia

On 22 June 2015, a few days after this development was reported in the press, the EU Council with Council Decision 2015/971⁵ formally decided to extend the EU's sectoral

¹ See [Conclusions of the European Council](#) of 19-20 March 2015, at pages 4-5.

² See [Council Decision \(CFSP\) 2015/959](#) of 19 June 2015 amending Decision 2014/386/CFSP concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.

³ See the latest consolidated version of [Council Decision 2014/386/CFSP](#) of 23 June 2014 concerning the restrictive measures in response to the illegal annexation of Crimea and Sevastopol.

⁴ See the latest consolidated version of [Council Regulation \(EU\) No 692/2014](#) of 23 June 2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.

sanctions against Russia by six months, **until the end of January 2016**.

The economic sanctions against Russia were imposed in July 2014 and expanded in September 2014.⁶ These measures include restrictions and prohibitions covering: the **supply of military and dual-use items and technology** to or for use in Russia (and related financing and technical and brokering assistance); **offshore arctic, deep water and shale oil projects in Russia** (including restrictions on supply of certain goods or services and related financing and assistance); and **access for certain companies to the EU capital market** (cutting off new loans and credits and prohibiting dealings in trade securities and money market instruments issued by 11 companies). For more details on these sanctions, see our alerts of [12 September 2014](#) (when these were first significantly expanded after their imposition in late July 2014) and [5 December 2014](#) (when they were last amended).

III. EU asset freezes related to Ukraine crisis

To be complete, we note that the EU decided already in March 2015 to prolong the EU measures imposing an **asset freeze** on individuals and entities linked with the annexation of Crimea/Sevastopol **under Regulation 208/2014⁷ until 6 March 2016**. Likewise, around the same time, the **asset freeze imposed by Council Regulation 269/2014⁸** in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine was also **extended until 15 September 2015**.

IV. EU jurisdiction

As always, these sanctions apply to the **EU territory** (including its airspace), **nationals of EU Member States** (including those located outside the EU), and **on board vessels and aircraft under Member State jurisdiction**. Sanctions further apply to **companies incorporated or registered under the law of an EU Member State and to other non-EU companies in respect of business done in whole or in part in the EU**. This means that non-EU companies can be covered by the measures, depending on the particular circumstances under which they perform their business activities in the EU and how they are connected to any activities restricted by the Regulation.

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⁵ See [Council Decision \(CFSP\) 2015/971](#) of 22 June 2015 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine.

⁶ See [Council Regulation \(EU\) 833/2014](#) of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (as amended by Regulation 1290/2014).

⁷ See latest consolidated version of [Council Regulation \(EU\) No 208/2014](#) of 5 March 2014 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine, and its most recent amendment in [Council Implementing Regulation \(EU\) 2015/869](#).

⁸ See consolidated version of [Council Regulation \(EU\) No 269/2014](#) of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, implementing [Council Decision 2014/145/CFSP](#) of 17 March 2014.