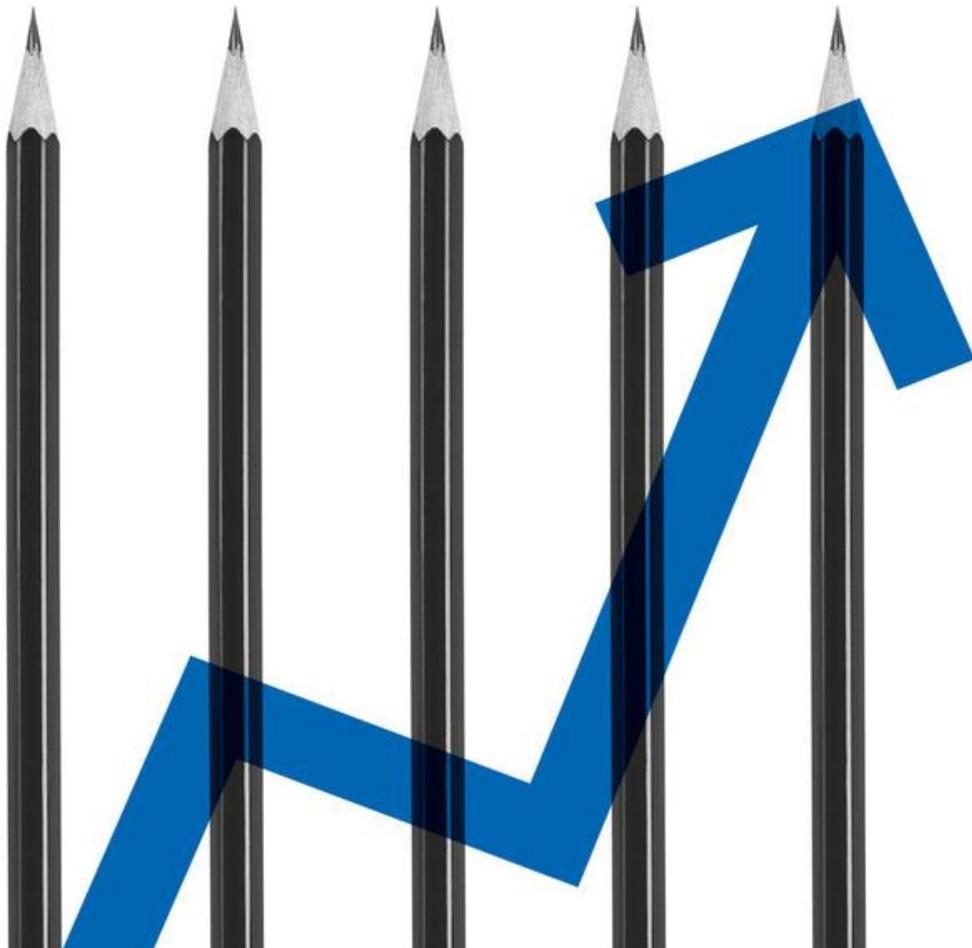


Keeping you up to speed
Russian sanctions update

25 April 2022



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Introduction

Following the invasion of Ukraine by Russia, the UK, EU and US have all responded by announcing significant sanctions in respect of Russia and Belarus.

This briefing summarises the key developments since 12 April 2022 and supplements our previous briefings on:

- [23 February 2022](#)
- [24 February 2022](#)
- [28 February 2022](#)
- [3 March 2022](#)
- [9 March 2022](#)
- [10 March 2022](#)
- [17 March 2022](#)
- [28 March 2022](#)
- [6 April 2022](#)
- [12 April 2022](#)



United Kingdom

Asset Freezes

On 13 and 14 April 2022, the UK imposed asset freezes with respect to 208 individuals. This included alleged separatists, oligarchs, close associates and employees of oligarchs and individuals who have been designated because they are subject to asset freeze measures put in place by the US, EU, Australia or Canada under the UK's 'urgent procedure'. The new designations include:

- **Eugene Tenenbaum** – Tenenbaum took control of Ervington Investments Limited an Abramovich-linked investment company on 24th February 2022, following Russia's invasion of Ukraine. Tenenbaum is also a Chelsea Football Club director.
- **David Davidovich** - Described by Forbes as Abramovich's "right hand man". Davidovich took over control of Ervington Investments from Tenenbaum in March 2022 and is also purported to have assumed control of Norma Investments following Abramovich's designation.
- **Saadat Narzieva** – Sister of Alisher Usmanov. Usmanov who transferred considerable assets to his sister including a single payment or gift of 3 million USD, 27 Swiss bank accounts, and holding hundreds of millions of dollars.
- **Gulbakhor Ismailova** - Sister of Alisher Usmanov. Usmanov who has indirectly transferred assets to Ismailova, including leaving her as the only beneficial owner of the yacht "Dilbar".
- **Alexander Alexandrovich Shulgin** - CEO of Ozon, Russia's leading multi-category e-commerce platform.
- **Igor Kesaev** - Owner and President of the Mercury Group, which owns Megapolis Group, the leading tobacco distributor in Russia which controls 70% of the cigarette market.
- **Vladimir Yakunin** - Former head of Russian Railways.
- **Sergey Fursenko** – Vice President of Gazprombank.
- **Viktor Medvedchuk** – alleged to have close ties to Putin.
- **Maria Lavrova** - wife of Russia's Foreign Minister Sergey Lavrov.



- **Alexander Ananchenko** - 'Prime Minister' of the Donetsk People's Republic.
- **Sergey Kozlov** - 'Chair of the Government' of the Luhansk People's Republic.

On 21 April 2022, a further 26 asset freezes were imposed. The additions to the consolidated list includes military officials, politicians and individuals sanctioned under the UK's urgent procedure. Key designations include:

- **JSC GTLK** - a prominent bond issuer via their Irish DAC
- **JSC Klashnikov Concern** – a Russian defence manufacturing company and the largest firearms producer in Russia.
- **Oleg Belozyorov** - Chief Executive of Russian Railways and Chairman of the Management Board
- **Anzhelika Khan** – wife of German Borisovich Khan

Amendments to the UK Russian Regulations

On 14 April 2022 the Russia (Sanctions)(EU Exit) Regulations 2019 were subject to an eighth amendment. The key amendments include:

- a new **ban on the export of luxury goods** (as listed in Schedule 3A to the Regulations) to, or for use in, Russia. This includes a prohibition on, directly or indirectly:
 - supplying or delivering luxury goods from a third country to a place in Russia;
 - making luxury goods available to a person connected with Russia; and
 - making luxury goods available for use in Russia
- a new **ban on the import of iron and steel products** (as listed in Schedule 3B to the Regulations) which are consigned from, or which originate in, Russia. This includes a prohibition on, directly or indirectly:
 - acquiring iron and steel products which originate in, or are located in, Russia; and
 - supplying or delivering iron and steel products from a place in Russia to a third country



- new prohibitions in relation to **oil refining goods and technology** (as listed in Schedule 2D to the Regulations) and **quantum computing and advanced materials goods and technology** (as listed in Schedule 2E to the Regulations), as follows:
 - a prohibition on the export of such goods to, or for use in, Russia;
 - a prohibition on the supply or delivery, directly or indirectly, of such goods from a third country to a place in Russia;
 - a prohibition on, directly or indirectly, making available of such goods or technology to a person connected with Russia, or for use in Russia;
 - a prohibition on the provision, directly or indirectly, of technical assistance and brokering services relating to such goods or technology to a person connected with Russia, or for use in Russia;
 - a prohibition on the provision, directly or indirectly, of financial services or funds relating to the above activities.

General Licences

OFSI has revoked [General Licence INT/2022/1438977](#). This is following the sale of Russian Railways' stake in GEFCO to non-designated persons, meaning GEFCO is no longer impacted by UK sanctions. The sale was completed on 8 April 2022.

On 21 April 2022, OFSI issued an amendment to [General Licence INT/2022/1424276](#) which granted a wind down period in relation to transactions involving Alfa Bank, Gazprombank, Rosselkhozbank, SMP Bank and the Ural Bank for Reconstruction and Development. The amendment to the general licence notice states that the general licence “does not contain a requirement that funds becoming payable to the Designated Persons, as a necessary part of a person winding down any transactions they have with the DPs, be paid into a frozen account”. The notice goes on to state that in the context of whether funds owed to a subsidiary of the DPs needs to be paid into a frozen account, ownership and control provisions must be considered.

Also on 21 April 2022, OFSI issued [General Licence INT/2022/1630477](#) which permits UK persons to make payments to Gazprombank or its subsidiaries under a contract entered into prior to 21 April 2022, for the purpose of making gas (commodity code 2711) available for use in the EU. The licence also



permits the opening and closing of bank accounts for this purpose. This General Licence expires on 31 May 2022.

On 22nd April, OFSI amended [General licence INT/2022/1280876](#). Under the licence both, VTB Capital plc and any entity owned or controlled by VTB Capital plc incorporated in the United Kingdom; or Sberbank CIB (UK) Ltd or any entity owned or controlled by Sberbank CIB (UK) Ltd incorporated in the United Kingdom, can pay their basis needs expenses, routine holding and maintenance expenses, and may make payment of reasonable professional fees for the provision of legal services, or reasonable expenses associated with the provision of legal services.

This licence takes effect in its amended form from 22 April 2022 and expires on 3 April 2023.



European Union

Humanitarian exemptions

On 13 April 2022, the EU introduced the following amendments to the EU Russia related sanctions regimes

Council Regulation (EU) 2022/625 (“Reg 2022/625”)

Reg 2022/625 amends Council Regulation (EU) 269/2014 (“Reg 269/2014”) by providing an exception to EU asset freezes under Reg 269/2014 for certain organisations which have been pillar assessed by the EU and where the organisations act as humanitarian partners of the EU. Transactions are exempt from the asset freezes where the provision of such fund and economic resources is exclusively for humanitarian purposes in Ukraine.

Council Regulation (EU) 2022/626 (“Reg 2022/626”)

Reg 2022/626 amends Council Regulation (EU) 2022/263 with respect to restrictive measures in connected with the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine (“Reg 2022/263”) by providing exceptions to certain restrictions which relate to goods and technology (along with restricted services and assistance relating to such goods and technology) for use in certain sectors where necessary for humanitarian purposes in the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine.

The exemptions specifically relate to Article 4a and 5a of Reg 2022/263.

Asset freezes

On 21 April 2022, Council Implementing Regulation (EU) 2022/658 made amendments to Regulation 269/2014 and imposed asset freezes in respect of:

- **Serhiy Vitaliyovick Kurchenko** – a Ukrainian businessman who has support of pro-Russia separatists and is alleged to have monopolised coal mining in the Donbas region via his Gaz-Alliance company; and



- **Yevgeniy Viktorovick Prigozhin** – a prominent Russian businessman with close ties to Putin and the Russian Ministry of Defence. He is also believed to be the funder and un-official head of the Wagner Group.



United States

On April 12, 2022, Office of Foreign Assets Control of the US Department of the Treasury (“**OFAC**”) issued new [GL 26](#), which authorizes wind-down transactions involving Joint Stock Company SB Sberbank Kazakhstan or Sberbank Europe AG (and their subsidiaries) through 12:01 am EDT, July 12, 2022.

On April 14, 2022, Bureau of Industry and Security (“**BIS**”) of the US Department of Commerce identified ten additional aircraft in likely violation of US export controls. Seven of the ten identified aircraft are Belarusian owned/operated commercial aircraft. BIS also updated the list with the tail numbers of 32 planes that re-registered in Russia. BIS also authorized two planes to leave Russia, and will remove them from the list.

On April 19, 2022, OFAC issued a Fact Sheet for "[Preserving Agricultural Trade, Access to Communication, and Other Support to Those Impacted by Russia’s War Against Ukraine](#)" and [General License 27](#), authorizing transactions ordinarily necessary and incident to the following non-governmental organization (“**NGO**”) activities

- Supporting humanitarian projects in Ukraine or Russia
- Supporting democracy building in Ukraine or Russia
- Supporting education in Ukraine or Russia
- Supporting non-commercial development projects directly benefiting the people of Ukraine or the Russian Federation, including related to health, food security, and water and sanitation;
- Supporting environmental and natural resource protection in Ukraine or Russia

On April 20, 2022 OFAC [announced](#) additional blocking sanctions against “entities and individuals involved in attempts to evade sanctions imposed by the United States and its international partners on Russia.” OFAC added the following to the SDN List:

- Russian commercial bank **Transkapitalbank** (“TKB”) and Joint Stock Company **Investtradebank**, a subsidiary of TKB
- “a global network of more than 40 individuals and entities led by U.S.-designated Russian oligarch **Konstantin Malofeyev**,” who was previously designated in 2014. The following entities and individuals were designated for acting on behalf of Konstantin Malofeyev:



- Kirill Konstantinovich Malofeyev (Kirill), Malofeyev's son
- **Limited Liability Company Vladeks Kholding** (Vladeks Kholding)
- Ilya Anatolyevich Markov, general director of **Limited Liability Company Vladeks** (Vladeks) and **Limited Liability Company Russian Digital Solutions** (Rus.Digital)
- Autonomous Noncommercial Organization for the Study and Development of International Cooperation in the Economic Sphere International Agency of Sovereign Development (**IASD**);
- Mikhail Ilich Yakushev, IASD's chief of staff
- Alexey Anatolyevich Subbotin
- Aleksandr Okulov (Okulov), a Moldovan and Russian national and member of IASD's supervisory board
- The following Moldovan companies tied to Okulov:
- **Agent de Asigurare Lider Asig Societate cu Raspundere Limitata** (Lider Asig), a financial services company;
- **Organizatia de Creditare Nebancara Lider Leasing SRL** (Lider Leasing), a financial company;
- **OKAF Trading Societatea cu Raspundere Limitata** (OKAF Trading), which operates in a number of fields, including the provision of civil and non-offensive military equipment; and
- **Societatea cu Raspundere Limitata Project Invest Company** (Project Invest), a property services company
- Artem Samoylov, an IASD legal advisor
- Alexey Aleksandrovich Kupriyanov
- **MGI PTE Ltd**, a Singapore-based management consultancy that facilitated IASD's activities in Cuba.
- **Joint Stock Company Marshal.Global** (MarGlo), a Moscow-based financial company linked to a number of Malofeyev associates
- Mikhail Aleksandrovich Leshchenko, MarGlo's general director
- **Tsargrad OOO** (Tsargrad)
- Pavel Vladimirovich Kuzmin (Kuzmin), IASD's legal chief and the director of legal services at Tsargrad
- **Imenie Tsargrad OOO** (Imenie)
- **Tsargrad Park OOO** (Tsargrad Park)
- **Kurort Tsargrad Spas-Teshilovo OOO**
- **Zareche-Oka OOO**
- **Proizvodstvenno-Stroitel'naya Kompaniya SNM**
- **Imperiya 19-31 OOO** (Imperiya)
- **Kontur OOO**
- **Tureya OOO**
- **Roman Viktorovich Nechiporuk**, Imperiya general director of Ekoferma Zareche OOO
- **Tsargrad-Media OOO** (Tsargrad-Media)



- **Tsargrad-Kultura OOO**
- **Natalya Aleksandrovna Tyurina**, general director
- **Kurort Livadiya OOO**
- **Analiticheski Tsentr Katekhon OOO** (Katekhon)
- **All-Russian Public Organization Society for the Promotion of Russian Historical Development Tsargrad** (Tsargrad Society)
- **Teshilovo OOO**
- **Spetsinvestservis OOO** (Spetsinvestservis)
- Yevgeniy Yuryevich Gadetskiy, Spetsinvestservis general director
- **Bitriver AG**, a Switzerland-based holding company for Russian virtual currency mining company Bitriver
- **OOO Management Company Bitriver**
- **OOO Bitriver Rus**
- **OOO Everest Grup**
- **OOO Siberskie Mineraly**
- **OOO Tuvaasbest**
- **OOO Torgovy Dom Asbest**
- **OOO Bitriver-B**
- **OOO Bitriver-K**
- **OOO Bitriver-North**
- **OOO Bitriver-Turma**

OFAC also issued [General License 28](#) and [General License 29](#) on April 20, 2022.

- GL 28 authorizes through [12:01 am EDT, October 20, 2022](#) transactions involving TKB or its subsidiaries that are that are ultimately destined for or originating from Afghanistan
- GL 29 authorizes through [12:01 am EDT, May 20, 2022](#) transactions for the wind down of transactions involving TKB or its subsidiaries.

The US Department of State [announced](#) on April 20, 2022 that it is imposing visa restrictions on 635 Russian nationals involved in Russia's invasion of Ukraine.

On April 21, 2022, the White House [announced](#) a new ban, prohibiting Russian-affiliated vessels from entering into United States ports, with exceptions for vessels transporting nuclear materials where there are no viable alternatives and vessels requesting to enter the US due to force majeure, to allow "seafarers of any nationality to disembark or embark for purposes of conducting crew changes, emergency medical care, or for other humanitarian need."



Switzerland

On 13 April 2022, the Swiss government decided to implement the European Union's (fifth) package of EU sanctions of 8 April 2022 against Russia and Belorussia. This covers additional restrictions trade, finance and transport.

The main features are:

- import ban on coal, wood, cement, vodka, etc.
- export ban on kerosene, industrial robots and certain chemicals and other goods that could contribute to strengthening Russia's industrial capacity.
- Switzerland also updated its sanctions lists (asset freeze and travel restriction) that now fully matches the EU's. Further 200 individuals were added, including two daughters of President Putin.

Switzerland announced to also implement the other EU financial restrictions of the fifth package which include a ban on financial support for Russian public institutions. Most importantly, Switzerland is going to implement sanctions as regards to trusts and so will prohibit acting as trustee or director for trusts or similar legal arrangements with settlors or beneficiaries that are Russian persons or companies or persons residing in Russia. So far, the Swiss sanction ordinance has not yet been amended to that effect.

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Should you require any further information in respect of any or all of the new sanctions, including a review of relevant contractual provisions, please contact:

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