



EUROPEAN
COMMISSION

HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
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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**

EXPLANATORY MEMORANDUM

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 May 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 833/2014².
- (2) Regulation (EU) No 833/2014 gives effect to certain measures provided for in Council Decision 2014/512/CFSP³.
- (3) On XXX, the Council adopted Decision (CFSP) 2022/XXX, amending Decision 2014/512/CFSP and imposing further restrictive measures in various sectors.
- (4) Decision (CFSP) 2022/XXX extends the prohibition on the provision of specialised financial messaging services to three additional Russian credit institutions.
- (5) Decision (CFSP) 2022/XXX expands the list of persons connected to Russia's defence and industrial base, on whom tighter export restrictions regarding dual-use goods and technology as well as goods and technology which might contribute to the technological enhancement of Russia's defence and security sector are imposed.
- (6) It is also considered appropriate to extend the list of controlled items which might contribute to Russia's military and technological enhancement or the development of its defence and security sector.
- (7) Decision (CFSP) 2022/XXX extends the suspension of the broadcasting licences in the Union of Russian media outlets under the permanent control of the Russian leadership.
- (8) The Russian Federation has engaged in a systematic, international campaign of media manipulation and distortion of facts in order to enhance its strategy of destabilisation of its neighbouring countries and of the Union and its Member States.

¹ OJ L , , p. .

² Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine ([OJ L 229, 31.7.2014, p. 1](#)).

³ Council Decision 2014/512/CFSP of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine ([OJ L 229, 31.7.2014, p. 13](#)).

In particular, the propaganda has repeatedly and consistently targeted European political parties, especially during election periods, as well as targeting civil society, asylum seekers, Russian ethnic minorities, gender minorities, and the functioning of democratic institutions in the Union and its Member States.

- (9) In order to justify and support its aggression against Ukraine, the Russian Federation has engaged in continuous and concerted propaganda actions targeted at civil society in the Union and neighbouring countries, gravely distorting and manipulating facts.
- (10) Those propaganda actions have been channelled through a number of media outlets under the permanent direct or indirect control of the leadership of the Russian Federation. Such actions constitute a significant and direct threat to the Union's public order and security. Those media outlets are essential and instrumental in bringing forward and supporting the aggression against Ukraine, and for the destabilisation of its neighbouring countries.
- (11) In view of the gravity of the situation, and in response to Russia's actions destabilising the situation in Ukraine, it is necessary, consistent with the fundamental rights and freedoms recognised in the Charter of Fundamental Rights, in particular with the right to freedom of expression and information as recognised in Article 11 thereof, to introduce further restrictive measures to urgently suspend the broadcasting activities of such media outlets in the Union, or directed at the Union. These measures should be maintained until the aggression against Ukraine is put to an end, and until the Russian Federation, and its associated media outlets, cease to conduct propaganda actions against the Union and its Member States.
- (12) Consistent with the fundamental rights and freedoms recognised in the Charter of Fundamental Rights, in particular with the right to freedom of expression and information, the freedom to conduct a business and the right to property as recognised in Articles 11, 16 and 17 thereof, these measures do not prevent those media outlets and their staff from carrying out other activities in the Union than broadcasting, such as research and interviews. In particular, these measures do not modify the obligation to respect the rights, freedoms and principles referred to in Article 6 of the Treaty on European Union, including in the Charter of Fundamental Rights, and in Member States' constitutions, within their respective fields of application.
- (13) Decision (CFSP) 2022/XXX also imposes a prohibition to advertise products or services in any content produced or broadcast by the Russian media outlets under the permanent control of the Russian leadership subject to the suspension of broadcasting licenses.
- (14) Decision (CFSP) 2022/XXX also imposes prohibitions on the purchase, import or transfer, directly or indirectly, of crude oil and certain petroleum products into the Union and the transport by Union vessels of such goods to third countries. Appropriate transition periods are provided for.
- (15) Due to the specific geographic situation of Hungary and Slovakia, which are landlocked countries, and their substantial dependence from crude oil imported by pipeline from Russia, a derogation to the prohibition may be granted by their national competent authority for a longer period of time under certain conditions.
- (16) Decision (CFSP) 2022/XXX also prohibits the sale and transfer of ownership rights in immovable property located within the territory of the Union to Russian nationals

and residents in Russia, as well as legal persons, entities or bodies established in Russia.

- (17) Furthermore, Decision (CFSP) 2022/XXX imposes prohibitions on the provision of accounting, auditing, bookkeeping and tax consulting services, as well as business and management consulting and public relations services to Russia.
- (18) In accordance with Annex II of Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment, accounting, auditing, bookkeeping and tax consultancy services covers the recording of commercial transactions for businesses and others; examination services of accounting records and financial statements; business tax planning and consulting; and preparation of tax documents. Business and management consulting and public relations services covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organisation. Included are management fees, management auditing; market management, human resources, production management and project management consulting; and advisory, guidance and operational services related to improving the image of the clients and their relations with the general public and other institutions.
- (19) In order to ensure correct implementation of the measures set out in Regulation (EU) No 833/2014, it is appropriate to extend the exemption from the prohibition on the transport of goods by road transport undertakings established in Russia to all diplomatic and consular representations in Russia. It is also appropriate to extend certain exemptions from the prohibitions on accepting deposits and on trusts, and to clarify and strengthen the provisions on national penalties for the breach of the measures in this Regulation.
- (20) 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.
- (21) Regulation (EU) No 833/2014 should therefore be amended accordingly.

HAS ADOPTED THIS REGULATION:

Article 1

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

- (1) in Article 2f, the following paragraph is added:

‘3. It shall be prohibited to advertise products or services in any content produced or broadcast by the legal persons, entities or bodies listed in Annex XV, including through transmission or distribution by any means as referred to in paragraph 1.’

- (2) in Article 3l(4), point (d) is replaced by the following:

‘(d) the functioning of diplomatic and consular representations in Russia, including delegations, embassies and missions, or international organisations in Russia enjoying immunities in accordance with international law; or’

- (3) the following Articles are inserted:

Article 3m

1. It shall be prohibited to purchase, import or transfer, directly or indirectly, crude oil and petroleum products as listed in Annex XXV, if they originate in Russia or are exported from Russia.
2. It shall be prohibited to provide, directly or indirectly, technical assistance, brokering services, financing or financial assistance or any other services related to the prohibition in paragraph 1.
3. The prohibitions in paragraphs 1 and 2 shall not apply :
 - (a) until [*OJ : please insert date 6 months after entry into force of this Regulation*] to one-off transactions for near-term delivery, concluded and executed before this date, and to the execution of contracts for the purchase, import or transfer of goods falling under CN 2709 00 concluded before [*OJ: please insert date of entry into force of this Regulation*], or ancillary contracts necessary for the execution of such contracts,
 - (b) until [*OJ: please insert date 8 months after entry into force of this Regulation*] to one-off transactions for near-term delivery, concluded and executed before this date, and to the execution of contracts for the purchase, import or transfer of goods falling under CN 2710 concluded before [*OJ: please insert date of entry into force of this Regulation*], or ancillary contracts necessary for the execution of such contracts,

provided that the contracts mentioned in this paragraph have been notified by the relevant Member States to the Commission by [*OJ please insert date 10 days after entry into force of this Regulation*] and that the one-off transactions for near-term delivery are notified by the relevant Member States to the Commission within [10] days of their completion.

4. As of [*OJ: please insert date 6 months after entry into force of this Regulation*], and by way of derogation from paragraphs 1 and 2 of this Article, the competent authorities of Hungary and Slovakia may authorise the execution until 31 December 2023 of contracts concluded before [*OJ: please insert date of entry into force of this Regulation*], or ancillary contracts necessary for the execution of such contracts, for the purchase, import or transfer of goods falling under CN 2709 00 originating in Russia or exported from Russia.
5. The goods referred to in paragraph 4 shall not be sold to buyers located in another Member State or in a third country.
6. The competent authorities of Hungary and Slovakia shall notify the Commission of all the authorisations granted under paragraph 4 within [10] days of granting the derogation. Such notification shall include an explicit reference to the contract and describe the terms, including information on the counterpart, quantities to be transferred and expected dates of delivery.

Article 3n

1. It shall be prohibited to transport, including through ship-to-ship transfers, to third countries crude oil and petroleum products as listed in Annex XXV which originate in Russia or have been exported from Russia, by any vessel registered under the flag of a Member State or owned, chartered, operated or otherwise controlled by a national of a Member State or any legal person, entity or body incorporated or constituted under the law of a Member State.

2. It shall be prohibited to provide, directly or indirectly, technical assistance, brokering services, financing or financial assistance, or any other services, related to the transport, including through ship-to-ship transfers, to third countries of crude oil and petroleum products as listed in Annex XXV which originate in Russia or have been exported from Russia .
3. The prohibitions in paragraphs 1 and 2 shall not apply to the execution until [OJ: please insert date one month after entry into force of this Regulation] of contracts concluded before [OJ: please insert date of entry into force of this Regulation], or ancillary contracts necessary for the execution of such contracts.

Article 3o

1. It shall be prohibited to sell or transfer, directly or indirectly, ownership rights in immovable property located within the territory of the Union or units in collective investment undertakings providing exposure to such immovable property to:
 - (a) Russian nationals, or natural persons residing in Russia; or
 - (b) legal persons, entities or bodies 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.
3. Paragraph 1 shall not apply to the execution until [OJ: please insert date three months after entry into force of this Regulation] of legally binding agreements concluded before [OJ: please insert date of entry into force of this Regulation].’
- (4) in Article 5aa, the following point is added:
 ‘2a. The prohibition in paragraph 1 shall not apply to the reception of payments due by the legal persons, entities or bodies referred to therein pursuant to contracts performed before 15 May 2022.’
- (5) in paragraph 3 of Article 5aa, the following point is added:
 ‘(d) transactions which are strictly necessary to withdraw, by [OJ: please insert date 4 months after the date of entry into force of this Regulation] from joint ventures or similar legal arrangements involving a legal person, entity or body referred to in paragraph 1.’
- (6) Article 5c is replaced by the following:
 ‘1. By way of derogation from Articles 5b(1) and (2), the competent authorities may authorise the acceptance of such a deposit or provision of wallet, account or custody service, under such conditions as they deem appropriate, after having determined that the acceptance of such a deposit or provision of wallet, account or custody service 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) intended exclusively for payment of fees or service charges for routine holding or maintenance of frozen funds or economic resources;

- (d) 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
- (e) 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), (c) and (e) within two weeks of the authorisation.'

(7) in Article 5f, paragraph 2, is replaced by the following:

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

(8) in Article 5m, paragraph 5, the following point is added:

'(c) the operation of trusts whose purpose is the administration of occupational pension schemes, insurance policies or employee share scheme, charities, amateur sports clubs, and funds for minors or vulnerable adults.'

(9) The following Article is inserted:

'Article 5n

1. It shall be prohibited to provide, directly or indirectly, accounting, auditing, including statutory audit, bookkeeping or tax consulting services, or business and management consulting or public relations services to:
 - (a) the Government of Russia; or
 - (b) legal persons, entities or bodies established in Russia.
2. Paragraph 1 shall not apply to the provision of services that are strictly necessary for the termination by [*OJ: please insert 1 month after date of entry into force of this Regulation*] of contracts which are not compliant with this Article concluded before [*OJ: please insert date of entry into force of this Regulation*] or ancillary contracts necessary for the execution of such contracts.
3. By way of derogation from paragraph 1, the competent authorities may authorise the services referred to therein, under such conditions as they deem appropriate, after having determined that this is necessary for:
 - (a) the termination of operations, contracts, or other agreements concluded by legal persons, entities or bodies established in Russia before [*OJ: please insert 1 month after date of entry into force of this Regulation*], when such services are exclusively provided for the benefit of a legal person, entity or body incorporated or constituted under the law of a Member State liquidating a subsidiary established in Russia;
 - (b) the exercise of the right of defence in judicial proceedings and the right to an effective legal remedy;

- (c) 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
- (d) civil society activities that directly promote democracy, human rights or the rule of law in Russia.'

(10) in Article 8, paragraph 1 is replaced by the following:

'1. Member States shall lay down the rules on penalties, including criminal penalties, applicable to infringements of the provisions of this Regulation and shall take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive. Member States shall also provide for appropriate measures of confiscation of the proceeds of such infringements.'

- (11) Annex IV is amended in accordance with Annex I of this Regulation.
- (12) Annex VII is amended in accordance with Annex II of this Regulation.
- (13) Annex VIII is amended in accordance with Annex II of this Regulation.
- (14) Annex XII is amended in accordance with Annex IV of this Regulation.
- (15) Annex XIV is amended in accordance with Annex V of this Regulation.
- (16) Annex XV is amended in accordance with Annex VI of this Regulation.
- (17) Annex XXI is amended in accordance with Annex VII of this Regulation.
- (18) Annex XXV is inserted in accordance with Annex VIII of this Regulation.

Article 2

This Regulation shall enter into force on the day following 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