EUROPEAN
COMMISSION

HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

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2022/0083 (NLE)

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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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/XXX[1] 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.

(3) On [DATE] the Council adopted Decision (CFSP) 2022/XXX amending Decision 2014/512/CFSP and introducing further trade restrictions concerning iron and steel, as well as luxury goods.

(4) 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 goods and technology which might contribute to Russia's technological enhancement of its defence and security sector are imposed.

(5) Decision (CFSP) 2022/XXX also imposes prohibitions targeting new investments in the Russian energy sector, as well as a comprehensive export restriction on equipment, technology and services for the energy industry in Russia, with the exception of nuclear industry and the downstream sector of energy transport.

(6) Decision (CFSP) 2022/XXX prohibits all transactions with certain state-owned enterprises which are already subject to refinancing restrictions.

(7) Decision (CFSP) 2022/XXX also prohibits the provision of credit rating services as well as bans the access to any subscription services in relation to credit rating activities to Russian clients.

(8) 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.

[1] OJ L , , p. .

(9) 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) In Article 1, the following points are added:

‘(s) ‘credit rating’ means an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories;

(t) ‘credit rating activities’ means data and information analysis and the evaluation, approval, issuing and review of credit ratings.

(u) ‘energy sector’ means a sector covering the following activities with the exception of civil nuclear related activities:

(i) the exploration, production, distribution within Russia or mining of crude oil, natural gas or solid fossil fuels, the refining of fuels, the liquefaction of natural gas or regasification;

(ii) the manufacture or distribution within Russia of solid fossil fuel products, refined petroleum products or gas; or

(iii) the construction or installation of, or the provision of services, equipment or technology to activities related to, power generation or electricity production.’

(2) In Article 2(7), the following point is added:

‘(iii) 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 the energy sector.’

(3) In Article 2a(7) the following point is added:

‘(iii) 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 the energy sector.’

(4) In Article 2b, paragraph 1 is replaced by the following:

‘1. With regard to the natural or legal persons, entities or bodies listed in Annex IV, by way of derogation from Article 2(1) and (2) and Article 2a(1) and (2), 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 that:’

(5) Article 3 is replaced by the following:

'Article 3

1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods or technology, as listed in Annex II, whether or not originating in the Union, to any natural or legal person, entity or body in Russia, including its Exclusive Economic Zone and Continental Shelf or for use in Russia, including its Exclusive Economic Zone and Continental Shelf.

2. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, any other goods or technology, whether or not originating in the Union, to any natural or legal person, entity or body operating in the energy sector in Russia or for use in the energy sector in Russia.

3. It shall be prohibited to:

   (a) provide technical assistance, brokering services or other services related to the goods and technology referred to in paragraphs 1 and 2 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 the goods and technology referred to in paragraphs 1 and 2 for any sale, supply, transfer or export of those 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.

4. It shall be prohibited to provide insurance and reinsurance, directly or indirectly, to any legal person, entity or body operating in the energy sector in Russia.

5. It shall be prohibited to provide, directly or indirectly, any services to any legal person, entity or body operating in the energy sector in Russia.

6. The prohibitions in paragraphs 1, 2, 3, 4 and 5 shall not apply to the sale, supply, transfer or export of goods or technology, to the related technical or financial assistance, to the provision of insurance or reinsurance or of any services necessary for:

   (a) the transport of oil and natural gas from Russia into the Union;

   (b) the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment.

7. The prohibitions in paragraphs 1, 2, 3, 4 and 5 shall not apply to the execution until [OJ: please insert 3 months after entry into force] of an obligation arising from a contract concluded before [OJ: please insert date of entry into force], or ancillary contracts necessary for the execution of such a contract, provided that the competent authority has been informed at least five working days in advance.

8. By way of derogation from paragraphs 1, 2, 3, 4 and 5 the competent authorities may authorise, under such conditions as they deem appropriate, the sale, supply, transfer or export, the provision of related technical or financial assistance, the provision of insurance or reinsurance or of any service, after having determined that it is necessary for ensuring critical energy supply within the Union.

9. The Member State or Member States concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 8 within two weeks of the authorisation.'

(6) Article 3a is replaced by the following:

'Article 3a

1. It shall be prohibited to:

   (a) acquire any new or extend any existing participation in any legal person, entity or body operating in the energy sector in Russia;

   (b) grant or be part of any arrangement to grant any loan or credit or otherwise provide financing, including equity capital, to any legal person, entity or body operating in the energy sector in Russia, or for the documented purpose of financing such a legal person, entity or body;

   (c) create any joint venture with any legal person, entity or body operating in the energy sector in Russia;

   (d) provide investment services directly related to the activities referred to in points (a) to (c).

2. By way of derogation from paragraph 1 the competent authorities may authorise, under such conditions as they deem appropriate, any activity referred to in paragraph 1 after having determined that it is necessary for ensuring critical energy supply within the Union.

3. The Member State or Member States concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 8 within two weeks of the authorisation.'

(7) The following Articles are inserted:

'Article 3g

1. It shall be prohibited:

   (a) to import, directly or indirectly, iron and steel products as listed in Annex XVII into the Union if they:

      (i) originate in Russia; or

      (ii) have been exported from Russia;

   (b) to purchase, directly or indirectly, iron and steel products as listed in Annex XVII which are located in or which originated in Russia;

   (c) to transport iron and steel products as listed in Annex XVII if they originated in Russia or are being exported from Russia to any other country;

   (d) to provide, directly or indirectly, technical assistance, brokering services, financing or financial assistance, including financial derivatives, as well as insurance and re-insurance, related to the prohibitions in points (a), (b) and (c).

2. The prohibitions in paragraph 1 shall not apply to the execution until [OJ: please insert 3 months after entry into force] of contracts concluded before [OJ: please insert date of entry into force], or ancillary contracts necessary for the execution of such contracts.

Article 3h

1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, luxury goods as listed in Annex XVIII, to any natural or legal person, entity or body in Russia or for use in Russia.

2. The prohibition referred to in paragraph 1 shall apply to luxury goods listed in Annex XVIII insofar as their value exceeds EUR 300 per item unless otherwise specified in the Annex.

3. The prohibition referred to in paragraph 1 shall not apply to goods which are necessary for the official purposes of diplomatic or consular missions of Member States or partner countries in Russia or of international organisations enjoying immunities in accordance with international law, or to the personal effects of their staff.

4. The competent authorities of the Member States may authorise, under the conditions they deem appropriate, a transaction with regard to goods referred to in point (17) of Annex XVIII, provided that the goods are for humanitarian purposes.'

(8) The following Article is inserted:

'Article 5aa

1. It shall be prohibited to directly or indirectly engage in any transaction with:

   (a) a legal person, entity or body established in Russia, which is publically controlled or with over 50% public ownership or in which Russia, its Government or Central Bank has the right to participate in profits or with which Russia, its Government or Central Bank has other substantial economic relationship, as listed in Annex XIX;

   (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 XIX; 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.

2. The prohibition in paragraph 1 shall not apply to the execution until [OJ: please insert 60 days after entry into force] of contracts concluded before [OJ: please insert date of entry into force] or ancillary contracts necessary for the execution of such contracts.'

(9) The following Article is inserted:

'Article 5j

1. It shall be prohibited as of [OJ: please insert date 30 days after entry into force] to provide credit rating services to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia.

2. It shall be prohibited as of [OJ: please insert date 30 days after entry into force] to provide access to any subscription services in relation to credit rating activities to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia.

3. Paragraphs 1 and 2 shall not apply to nationals of a Member State or natural persons having a temporary or permanent residence permit in a Member State'

(10) Article 11(1), point (a), is replaced by the following:

'(a) legal persons, entities or bodies listed in Annex III, IV, V, VI, XII, XIII, XIV,XV or XIX, 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), in point (a), (b) or (c) of Article 5a, in point (b) or (c) of Article 5aa, Article 5h or in Article 5j.'

(11) Article 12 is replaced by the following:

'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.'

(12) Annex IV is amended in accordance with Annex I of this Regulation.

(13) Annexes XVII, XVIII, XIX are inserted in accordance with Annex II 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