EUROPEAN
COMMISSION

HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

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2022/0422 (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

EXPLANATORY MEMORANDUM

2022/0422 (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

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 December 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 XXX the Council adopted Decision (CFSP) 2022/XXX amending Decision (CFSP) 2022/XXX.

(4) Decision (CFSP) 2022/XXX extends the list of restricted items which might contribute to Russia's military and technological enhancement or the development of its defence and security sector, by adding drone engines, further chemical and biological equipment, riot control agents and electronic components.

(5) Decision (CFSP) 2022/XXXX expands the list of entities connected to Russia's military and industrial complex, 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 by adding 169 new entities. In view of the concrete risk that certain goods or technology are redirected from Crimea or Sevastopol to the Russian Federation, it is also appropriate to include certain Russian-controlled entities based in Crimea or Sevastopol in this list of end-users. This inclusion does not affect the fact that the Union does not recognise and continues to strongly condemn the illegal annexation of Crimea and Sevastopol by the Russian Federation.

(6) 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.

(7) 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

[1] OJ L […], […], p. […].

of its neighbouring countries and of the Union and its Member States. 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.

(8) 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.

(9) 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.

(10) 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 suspend the broadcasting activities of such media outlets in the Union, or directed at the Union. The 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.

(11) 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, those measures do not prevent the media outlets and their staff from carrying out activities in the Union other than broadcasting, such as research and interviews. In particular, those 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.

(12) In light of the specific procedure foreseen by the Council to suspend broadcasting licences, including a prior notification to targeted media outlet and hearings, it is appropriate to confer on the Council implementing powers to decide, by way of implementing acts, whether the restrictive measures are to become applicable, on the date specified in this Regulation, in respect of several entities listed in Annex XV to this Regulation.

(13) Decision (CFSP) 2022/XXX furthers the already existing prohibition targeting new investments in the Russian energy sector by additionaly prohibiting new investments in the Russian mining sector, with the exception of mining and quarrying activities involving certain critical raw materials.

(14) Decision (CFSP) 2022/XXX expands the export ban covering goods and technology suited for use in aviation and the space industry to include aircraft engines and their parts. This prohibition as well as the prohibition to land, take off from, or overfly the territory of the Union applies to both manned and unmanned aircrafts. In addition, Decision (CFSP) 2022/XXX introduces a derogation allowing the provision of

technical assistance related to the use of goods and technology suited for use in aviation or the space industry, when this is 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. Moreover, it introduces a possibility for the national competent authorities to grant derogations to allow for certain aviation goods, which are also widely used in the medical field, to be exported for medical, pharmaceutical and humanitarian purposes.

(15) Decision (CFSP) 2022/XXX also extends the list of goods which could contribute to the enhancement of Russian industrial capacities by including such items as generators, toy drones, laptops, hard drives, IT components, night-vision and radio-navigation equipment, cameras and lenses.

(16) Decision (CFSP) 2022/XXX extends for an additional six months the exemption applicable to the imports of methanol originating in or exported from Russia.

(17) Council Regulation 833/2014 contains a prohibition to import crude oil from Russia, whether by pipeline or via maritime transport. Regulation 833/2014 also provides for temporary derogations for imports by pipeline, and for seaborne import for Bulgaria . Those derogations were exclusively meant to ensure the security of supply of the Member States, while maintaining a level playing field among them. It is thus appropriate to clarify that, as is the case for the Member States importing Russian crude oil by pipeline, Bulgaria cannot sell petroleum products obtained from Russian crude oil imported on the basis of the abovementioned derogation to buyers located in other Member States or in third countries.

(18) In a spirit of solidarity with Ukraine, Decision 2022/XXX nevertheless allows Hungary, Slovakia and Bulgaria to export to Ukraine diesel products obtained from Russian crude oil imported on the basis of the derogations in question.

(19) Decision 2022/XXX also provides for a derogation allowing competent authorities to authorise the import, purchase, transfer into the Union of natural gas condensate, which is needed for the production of liquefied natural gas. This derogation is therefore necessary to ensure the gas security of supply of the Union.

(20) Decision (CFSP) 2022/XXX adds the Russian Regional Development Bank to the list of Russian State-owned or controlled entities that are subject to the transaction ban.

(21) Decision (CFSP) 2022/XXX imposes a ban on Union nationals to hold any posts on the governing bodies of all Russian State-owned or controlled legal persons, entities or bodies located in Russia.

(22) Decision (CFSP) 2022/XXX extends the duration of the exemption from the prohibition to enter into any transactions with certain Russian state-owned entities if such a transaction is strictly necessary for the wind-down of a joint venture or similar legal arrangement. It also introduces the possibility for national competent authorities to authorise transactions, which are necessary for the divestment and complete withdrawal of those Russian state-owned entities from EU companies.

(23) In order to facilitate divestment from the Russian market by Union operators, Decision (CFSP) 2022/XXX introduces a tempoary derogation from certain import and export prohibitions contained in Council Regulation (EU) 833/2014. To faciliate an expeditious exit from the Russian market, this derogation is temporary and applies only to those goods that were already physically located in Russia at the time when the relevant prohibitions entered into force. Additionally, national authorities should

ensure that the prohibited goods remaining in Russia as a result of divestment do not benfit military end-user or have a military-end use.

(24) Decision (CFSP) 2022/XXX aligns Member States' reporting obligation on deposits exceeding EUR 100 000 from legal persons, entities or bodies established in third countries and majority-owned by Russian nationals or natural persons residing in Russia, with the similar obligations already existing for the other types of deposits.

(25) Furthermore, Decision (CFSP) 2022/XXX extends the existing prohibition on the provision of certain services to the Russian Federation and to legal persons, entities or bodies established in Russia by banning the provision of advertising, market research and public opinion polling services, as well as product testing and technical inspection services. In line with the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No 77, CPC prov., 1991, 'Market research and public opinion polling services' covers market research services and public opinion polling services. 'Technical testing and analysis services' covers composition and purity testing and analysis services, testing and analysis services of physical properties, testing and analysis services of integrated mechanical and electrical systems, technical inspection services, as well as other technical testing and analysis services. 'Advertising services' covers the sale or leasing services of advertising space or time and the planning, creating and placement services of advertising, as well as other advertising services.

(26) Finally, Decision CFSP 2022/XXX makes certain technical corrections in the operative text.

(27) 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.

(28) 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 1, the following point is added:

'(x) 'mining and quarrying sector' means a sector covering the location, extraction, management and processing activities relating to energy and non-energy producing materials;'

(2) 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 incorporated or constituted under the law of Russia or any other third country and operating in the energy sector in Russia;

(b) grant or be part of any arrangement to grant any new loan or credit or otherwise provide financing, including equity capital, to any legal person, entity or body incorporated or constituted under the law of Russia or any

other third country and operating in the energy sector in Russia, or for the documented purpose of financing such a legal person, entity or body;

(c) create any new joint venture with any legal person, entity or body incorporated or constituted under the law of Russia or any other third country and operating in the energy sector in Russia;

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

(2) It shall be prohibited to:

(a) acquire any new or extend any existing participation in any legal person, entity or body incorporated or constituted under the law of Russia or any other third country and operating in the mining and quarrying sector in Russia;

(b) grant or be part of any arrangement to grant any new loan or credit or otherwise provide financing, including equity capital, to any legal person, entity or body incorporated or constituted under the law of Russia or any other third country and operating in the mining and quarrying sector in Russia, or for the documented purpose of financing such a legal person, entity or body;

(c) create any new joint venture with any legal person, entity or body incorporated or constituted under the law of Russia or any other third country and operating in the mining and quarrying sector in Russia;

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

(3) 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:

(a) it is necessary for ensuring critical energy supply within the Union, as well as the transport of fossil fuels, in particular coal, oil and natural gas, from or through Russia into the Union; or

(b) it exclusively concerns a legal person, entity or body operating in the energy sector in Russia owned by a legal person, entity or body which is incorporated or constituted under the law of a Member State.

(4) The Member State or Member States concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 2 within two weeks of the authorisation.

(5) The prohibition of paragraph 2 shall not apply to mining and quarrying activities that yield their highest value from, or have as their primary objective, the production of any of the materials listed in Annex XXX.'

(3) In Article 3c, the following paragraph is added:

'5b. With regard to the goods listed in Part C of Annex XI, the prohibitions in paragraphs 1 and 4 shall not apply to the execution until *[OJ: please insert date 30 days after the entry into force of this Regulation]* of contracts concluded before *[OJ: please insert date of entry into force]*, or of ancillary contracts necessary for the execution of such contracts.'

(4) In Article 3c, the following paragraphs are added:

‘6b. By way of derogation from paragraph 4, the competent authorities may authorise, under such conditions as they deem appropriate, the provision of technical assistance, related to the use of the goods and technology referred to in paragraph 1, after having determined that the provision of such technical assistance is necessary for avoiding collission between satellites, or their unintended re-entry into the atmosphere.

6c. By way of derogation from paragraphs 1 and 4, the competent authorities may authorise, under such conditions as they deem appropriate, the sale, supply, transfer or export of the goods falling under CN codes 8517 71 00, 8517 79 00 and 9026 00 00 listed in Part B of Annex XI, or related technical assistance, brokering services, financing or financial assistance, after having determined that it is necessary for medical or pharmaceutical purposes, or 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.

When deciding on requests for authorisations for medical, pharmaceutical or humanitarian purposes in accordance with this paragraph, the national competent authorities shall not grant an authorisation for exports to any natural or legal person, entity or body in Russia or for use in Russia, if they have reasonable grounds to believe that the goods might have a military end-use.’

(5) In Article 3i, paragraph 3b is replaced by the following:

‘3b. With regard to the goods listed in Part B of Annex XXI, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until 8 January 2023 of contracts concluded before 7 October 2022, or of ancillary contracts necessary for the execution of such contracts.

This provision does not apply to goods falling under CN code 2905 11 as listed in Part B of Annex XXI, for which paragraph 3ba applies.’

(6) In Article 3i, the following paragraph is added:

‘3ba. With regard to goods falling under CN code 2905 11 as listed in Part B of Annex XXI, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until *[OJ: please insert date 6 months after the entry into force of this Regulation]* of contracts concluded before 7 October 2022 or of ancillary contracts necessary for the execution of such contracts.’

(7) In Article 3k, paragraph 3 is replaced by the following:

‘3. With regard to the goods listed in Part A of Annex XXIII, the prohibitions in paragraph 1 and 2 shall not apply to the execution until 10 July 2022 of contracts concluded before 9 April 2022 or ancillary contracts necessary for the execution of such contracts.’

(8) In Article 3k, paragraph 3a is replaced by the following:

‘3a. With regard to the goods falling under CN codes 2701, 2702, 2703 and 2704 as listed in in Part A of Annex XXIII, the prohibitions in paragraph 1 and 2 shall not apply to the execution until 8 January 2023 of contracts concluded before 7 October 2022, or of ancillary contracts necessary for the execution of such contracts.’

(9) In Article 3k, the following paragraph is added:

‘3b. With regard to the goods listed in Part B of Annex XXIII, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until *[OJ: please insert date 30 days after the entry into force of this Regulation]* of contracts concluded before *[OJ: please insert date of entry into force]*, or of ancillary contracts necessary for the execution of such contracts.’

(10) In Article 3m, the following sub-paragraph is added in paragraph 7:

As from 5 February 2023, it shall be prohibited to transfer or transport petroleum products falling under CN 2710 which are obtained from crude oil imported on the basis of a derogation granted by the Bulgarian competent authority under paragraph 5, to other Member States or to third countries, or to sell such petroleum products to purchasers in other Member States or in third countries.

By way of derogation from the prohibition set out in the second subparagraph, the competent authorities of Bulgaria may authorise, under such conditions as they deem appropriate, the sale, supply, transfer or export to Ukraine of diesel products as listed in Annex XXXI which are obtained from crude oil imported under paragraph 5, after having determined that:

(a) the products are intended for an exclusive use in Ukraine;

(b) such sale, supply, transfer or export is not meant to circumvent the prohibitions in the second subparagraph.

Bulgaria shall inform the other Member States and the Commission of any authorisations granted under this paragraph within two weeks of the authorisation.’

(11) In Article 3m, the following subparagraph is added as fourth subparagraph in paragraph 8:

‘As of 5 February 2023, by way of derogation from the prohibitions referred to in the third subparagraph of paragraph 8, the competent authorities of Hungary and Slovakia may authorise, under such conditions as they deem appropriate, the sale, supply, transfer or export to Ukraine of diesel products as listed in Annex XXXI which are obtained from crude oil imported under paragraph 3(d), after having determined that:

(a) the products are intended for an exclusive use in Ukraine;

(b) such sale, supply, transfer or export is not meant to circumvent the prohibitions in the third subparagraph of paragraph 8.

The Member State concerned shall inform the other Member States and the Commission of any authorisations granted under this paragraph within two weeks of the authorisation.’

(12) In Article 3m, the following paragraph is added:

‘11. As of 5 February 2023, by way of derogation to the prohibitions in paragraph 1 and 2, the competent authorities may authorise, under such conditions as they deem appropriate, the purchase, import or transfer of natural gas condensate falling under CN 2709 00 10 after having determined that this is necessary for ensuring the security of energy supplied, in particular of liquified natural gas, of the Union.

The Member State concerned shall inform the other Member States and the Commission of any authorisations granted under this paragraph within two weeks of the authorisation.’

(13) In Article 5, paragraph 5 is replaced by the following:

'5. It shall be prohibited to admit to trading and provide services as of 12 April 2022 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.'

(14) In Article 5aa, the following paragraph is added:

'1b. It shall be prohibited as from *[OJ: please insert date 15 days after the entry into force of this Regulation]* to hold any posts in the governing bodies of:

(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;

(b) a legal person, entity or body established in Russia whose proprietary rights are directly or indirectly owned for more than 50 % by an entity referred to in point (a) of this paragraph; 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.

This prohibition shall not apply to the any legal person, entity or body referred to in paragraph 1, for which paragraph 1a applies.

1c The prohibition in paragraph 1 shall not apply to transactions, including sales, which are strictly necessary for the wind-down, by 30 June 2023, of a joint venture or similar legal arrangement concluded before 16 March 2022, involving a legal person, entity or body referred to in paragraph 1.'

(15) In Article 5aa, the following paragraphs are added:

'2d. The prohibition in paragraph 1 shall not apply to the execution until *[OJ: please insert date 3 months after the entry into force of this Regulation]* of contracts concluded with a legal person, entity or body referred to in Part C of Annex XIX before *[OJ: please insert date of entry into force]*, or of ancillary contracts necessary for the execution of such contracts.

2e. The prohibition in paragraph 1 shall not apply to the reception of payments due by the legal persons, entities or bodies referred to in Part C of Annex XIX pursuant to contracts performed before *[OJ: please insert date 3 months after the entry into force of this Regulation]*.'

(16) In Article 5aa, paragraph 3, point (d) is replaced by the following:

'(d) transactions, including sales, which are strictly necessary for the wind-down, by 30 June 2023, of a joint venture or similar legal arrangement concluded before 16 March 2022, involving a legal person, entity or body referred to in paragraph 1;'

(17) In Article 5aa, the following paragraph is added:

'3a. By way of derogation from paragraph 1, the competent authorities may authorise, under such conditions as they deem appropriate, transactions which are strictly necessary for the divestment and complete withdrawal by 30 June 2023, of the entities mentioned in paragraph 1 or their subsidiaries in the Union from a legal person, entity or body established in the Union.'

(18) In Article 5aa, the following paragraph is added:

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

(19) In Article 5g, paragraph 1, the following point is added:

'(aa) supply to the national competent authority of the Member State where they are located or to the Commission by no later than 27 May 2023 a list of deposits exceeding 100 000 EUR held by a legal person, entity or body established outside the Union and whose proprietary rights are directly or indirectly owned for more than 50 % by Russian nationals or natural persons residing in Russia. They shall provide updates regarding the amounts of such deposits every 12 months.'

(20) Article 5n is replaced by the following:

'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) It shall be prohibited to provide, directly or indirectly, architectural and engineering services, legal advisory services and IT consultancy services to:

(a) the Government of Russia; or

(b) legal persons, entities or bodies established in Russia

(2a) It shall be prohibited to provide market research and public opinion polling services, technical testing and analysis services and advertising services to:

(c) the Government of Russia; or

(d) legal persons, entities or bodies established in Russia

(3) Paragraph 1 shall not apply to the provision of services that are strictly necessary for the termination by 5 July 2022 of contracts which are not compliant with this Article concluded before 4 June 2022, or of ancillary contracts necessary for the execution of such contracts.

(4) Paragraph 2 shall not apply to the provision of services that are strictly necessary for the termination by 8 January 2023 of contracts which are not compliant with this Article concluded before 7 October 2022, or of ancillary contracts necessary for the execution of such contracts.

(4a) Paragraph 2a shall not apply to the provision of services that are strictly necessary for the termination by *[OJ: please insert the date 30 days after the 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]*, or of ancillary contracts necessary for the execution of such contracts.

(5) Paragraphs 1 and 2 shall not apply to the provision of services that are strictly necessary for the exercise of the right of defence in judicial proceedings and the right to an effective legal remedy.

(6) Paragraphs 1 and 2 shall not apply to the provision of services which are strictly necessary to ensure access to judicial, administrative or arbitral proceedings in a Member State, as well as for the recognition or enforcement of a judgment or an arbitration award rendered in a Member State and if such provision of services is consistent with the objectives of this Regulation and Regulation (EU) No 269/2014.

(7) Paragraphs 1, 2 and 2a shall not apply to the provision of services intended for the exclusive use of legal persons, entities or bodies established in Russia that are owned by, or solely or jointly controlled by, a legal person, entity or body which is incorporated or constituted under the law of a Member State, a country member of the European Economic Area, Switzerland or a partner country as listed in Annex VIII.

(8) Paragraph 2 and 2a shall not apply to the provision of services necessary for public 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.

(9) Paragraph 2 shall not apply to the provision of services necessary for software updates for non-military use and for a non-military end user, permitted by Articles 2(3)(d) and 2a(3)(d) in relation to goods listed in Annex VII.

(10) By way of derogation from paragraphs 1, 2 and 2a 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) 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;

(b) civil society activities that directly promote democracy, human rights or the rule of law in Russia;

(c) the functioning of diplomatic and consular representations of the Union and of the Member States or partner countries in Russia, including delegations, embassies and missions, or international organisations in Russia enjoying immunities in accordance with international law;

(d) ensuring critical energy supply within the Union and the purchase, import or transport into the Union of titanium, aluminium, copper, nickel, palladium and iron ore;

(e) ensuring the continuous operation of infrastructures, hardware and software which are critical for human health and safety, or the safety of the environment;

(f) the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities, the supply of precursor material for the production of medical radioisotopes and similar medical applications, or critical technology for environmental radiation monitoring, as well as for civil nuclear cooperation, in particular in the field of research and development; or

(g) the provision of electronic communication services by Union telecommunication operators necessary for the operation, maintenance

and security, including cybersecurity, of electronic communication services, in Russia, in Ukraine, in the Union, between Russia and the Union, and between Ukraine and the Union, and for data centre services in the Union.

(11) The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 10 within two weeks of the authorisation.

(21) The following articles are inserted:

'Article 12b

(1) By way of derogation from Articles 2, 2a, 3k and 3h, the competent authorities may authorise the sale, supply or transfer of goods and technologies listed in Annexes VII, XVIII and XXIII, as well as in Annex I to Regulation (EU) 2021/821 until 30 September 2023, where such sale, supply or transfer is strictly necessary for the divestment from Russia or the wind-down of business activities in Russia, provided that the following conditions are fulfilled:

(a) the goods and technologies are owned by a national of a Member State or by a legal person, entity or body which is incorporated or constituted under the law of a Member State or by legal persons, entities or bodies established in Russia that are owned by, or solely or jointly controlled by, a legal person, entity or body which is incorporated or constituted under the law of a Member State; and

(b) the competent authorities deciding on requests for authorisations have no reasonable grounds to believe that the goods might be for a military end-user or have a military end-use in Russia; and

(c) the concerned goods and technologies were physically located in Russia before the relevant prohibitions in Articles 2, 2a, 3k or 3h entered into force in respect of those goods and technologies.

(2) By way of derogation from Articles 3g and 3i, the competent authorities may authorise the import or transfer of goods listed in Annexes XVII and XXI until 30 September 2023, where such import or transfer is strictly necessary for the divestment from Russia or the wind-down of business activities in Russia, provided that the following conditions are fulfilled:

(a) the goods are owned by a national of a Member State or by a legal person, entity or body which is incorporated or constituted under the law of a Member State or by legal persons, entities or bodies established in Russia that are owned by, or solely or jointly controlled by, a legal person, entity or body which is incorporated or constituted under the law of a Member State; and

(b) the concerned goods were physically located in Russia before the relevant prohibitions in Articles 3g and 3i entered into force in respect of those goods.

(3) The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraphs 1 and 2 within two weeks of the authorisation.

(4) All autorisations referred to in paragraph 1 with respect to goods and technologies listed in Annex VII as well as in Annex I to Regulation (EU) 2021/821 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 model C set out in Annex IX.

Article 12c

(1) The competent authorities shall exchange information with the other Member States and the Commission on authorisations granted pursuant to paragraph 1 of Article 12b in relation to goods and technologies listed in Annex VII as well as in Annex I to Regulation (EU) 2021/821. 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 of Article 2d.

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

(4) 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.'

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

(23) Annex VII is amended in accordance with Annex II of this Regulation.

(24) Annex IX is amended in accordance with Annex III of this Regulation.

(25) Annex XI is amended in accordance with Annex IV of this Regulation.

(26) Annex XV is amended in accordance with Annex V of this Regulation.

This point shall apply in respect of several of the entities referred to in Annex V to this Regulation as from [OJ: please insert date 3 weeks after entry into force] and provided that the Council, having examined the respective cases, so decides by implementing act.

(27) Annex XVII is amended in accordance with Annex VI of this Regulation.

(28) Annex XIX is amended in accordance with Annex VII of this Regulation.

(29) Annex XXIII is amended in accrodance with Annex VIII of this Regulation.

(30) Annex XXX is inserted in accordance with Annex IX of this Regulation.

(31) Annex XXXI is inserted in accordance with Annex X 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