Questions and answers on the sixth package of sanctions against Russia

Brussels, 3 June 2022

**General**

**What is the rationale of imposing such sanctions?**
Sanctions are targeted at the Russian economy, the Kremlin, its power base and those involved in Russia’s unprovoked war against Ukraine. They aim to impair the Russian government’s ability to finance its war against Ukraine and are calibrated to target those responsible and to incur high costs on the Kremlin.

Sanctions impose a heavy, direct cost on Russia and impair its economic and financial ability to sustain its war efforts.

In addition, sanctions are designed to maximise the broader negative impact on the Russian economy while limiting the consequences for EU businesses and citizens. We welcome EU companies’ diligence in complying with the complex sanctions framework in place.

Ensuring effective and full implementation of sanctions is key. This is primarily the responsibility of Member States.

In this process, the European Commission is fully committed to assisting both Member States and EU operators in order to ensure consistent and full implementation across the EU.

**How are sanctions implemented?**

Except if stated otherwise, sanctions are directly applicable from the moment of their publication in the Official Journal of the EU.

It is for the Member States to enforce the sanctions.

It is for economic operators to take the necessary measures for activities prohibited under EU sanctions to cease in practice.

Sanctions include an anti-circumvention clause which prohibits participating knowingly and intentionally in activities that are meant to circumvent the prohibitions.

**What is the scope of the oil restrictions?**

The EU will prohibit the import of seaborne crude oil from Russia, with a transitory period of 6 months for existing contracts and spot transactions to allow global markets to adjust. The EU will also prohibit the import from Russia of refined petroleum products after a transitory period of 8 months for existing contracts and spot transactions. Imports by pipeline remain permitted for the time being.

After a transitory period of 8 months, Member States importing Russian crude and petroleum products via pipeline will not be able to resell these products to other Member States or to third countries. This is in order to ensure a level playing field between Member States.

Due to specific dependencies, Bulgaria, Croatia, and Czechia will benefit from specific derogations for a limited period of time. This will allow them to develop alternative supply routes. After a wind-down period of 6 months, EU operators will be prohibited from insuring and financing the transport, in particular through maritime routes, of Russian oil to third countries. This will make it particularly difficult for Russia to continue exporting its crude oil and oil products to the rest of the world.

**How will energy security of supply be ensured?**

An exceptional temporary derogation may be granted by national authorities to the prohibition to import seaborne crude oil, if the supply of crude oil by pipeline to a landlocked Member State is interrupted.

The general principles of solidarity and regional cooperation will apply in case of possible disruptions.
to the supply of oil. The Commission will monitor closely markets and the security of supply of the EU.

What is the impact of the ban on oil, on Russia and the EU?

The impact of the oil ban on Russia will be significant. Around half of its total oil exports go to the EU. In 2021, the EU imported €71 billion worth of crude oil (€48 billion) and refined oil products (€23 billion) from Russia. Losing this leading lucrative market will have a significant structural effect on Russia, whose budget relies substantially on these oil revenues.

As regards the impact on the EU, there are sufficient global supplies which can come onto the market in the medium term. The limited transitions in the Regulation will allow the EU and its partners to secure alternative supply routes in time, and minimise the impact on global markets. However, Member States are particularly dependent on Russian oil, and those most exposed have been granted carefully calibrated derogations. The EU is committed to ending its dependence on Russian fossil fuels as soon as possible.

Will you also ban gas?

The Commission and the High Representative have not proposed to prohibit gas imports. However, the import ban on oil is a significant step and a strong signal to Russia that we are ready to take further measures, notably in the energy sector. Nothing is off the table. The EU is working to end our dependence on all Russian fossil fuels as soon as possible, including gas. The Commission put forward its REPowerEU Plan on 18 May on how to achieve this.

Broadcasting suspension

What is the scope of the suspension?

This new measure immediately restricts the access of the sanctioned outlets to the European media market, regardless of their distribution channel. The newly banned outlets are Rossiya RTR/RTR Planeta, Rossiya 24/Russia 24, and TV Centre International. These Russian state-controlled outlets were already suspended in several Member States, but could still be accessed across the Union, notably via satellite. The new sanction addresses this issue.

It covers transmission or distribution by any means, such as cable, satellite, IPTV, Internet service providers, Internet video sharing platforms or applications.

It also imposes a prohibition to advertise products or services in any content produced or broadcast by these sanctioned Russian outlets. This seriously impacts on their financial basis. There is also an anti-circumvention clause which prohibits participating knowingly and intentionally in activities that are meant to circumvent the prohibitions.

What are the safeguards for freedom of expression and information?

The sanctions do not target the freedom of opinion. They include specific safeguards for freedom of expression and journalistic activities. Independent media can, for example, continue to report on the sanctioned outlets and use extracts for illustration purposes.

The measures also do not prevent the sanctioned outlets and their staff from carrying out other activities in the Union than broadcasting, such as research and interviews.

National regulators and authorities also have the responsibility to ensure that the law (including against illegal hate speech) is applied and that the limits are not crossed in their national media landscape.

Export restrictions

What is the economic value of the additional export controls imposed on Russia?

The proposed list of additional chemicals sanctioned represents around €663 million of EU exports to Russia (based on 2021 data).

How did you select the additional items added to the list of Annex VII (Advanced Technology items)?

The list of around 80 additional chemicals derives from a decision of the Australia Group - the Multilateral Export Control Regime in charge of preventing the proliferation of sensitive dual-use chemicals - in response to the use of chemical weapons in Syria in 2013 and has been called the "Syria Watch List". Furthermore, the export restrictions on advanced technologies in Annex VII are extended to additional chemicals and chemical/biological equipment that might be diverted to a chemical or biological weapons program. Specifically:
to include fentanyl and its derivatives, and relevant chemical precursors, which have been used as toxic chemicals (so-called Central Nervous System Acting Chemicals) in the past by Russia, and
to restrict the export of specific equipment that might be useful for the production of toxic chemicals (continuous flow reactors), other synthetic biology manufacturing equipment used for the synthesis of toxins, like peptide synthesisers, as well as nucleic acid assemblers.

The export of these items to Russia would remain possible under the existing exemptions and derogations provided for non-military users and non-military uses, which cover, for example, humanitarian purposes and health emergencies as well as for medical and pharmaceutical purposes.

Financial and business services measures

The provision of bookkeeping, audit, tax advice, and accounting services, business and management consulting, as well as public relations services to the Russian government and Russian companies is now banned. What does this achieve?

By targeting these services, the Russian government and Russian companies will be prevented from benefitting from European services that facilitate their business. This includes, for example, accountants and consultants, which many Russian companies rely upon.

You’ve removed more banks from SWIFT. Does this mean Russia is finally cut off from the Western financial system?

The disconnection of three additional Russian banks, including Russia's largest, Sberbank, from the SWIFT financial messaging system increases our impact on the Russian financial market. It stops these banks from conducting their financial transactions worldwide in a fast and efficient manner.

Nevertheless, some financial channels for permitted transactions with the Russian economy have to stay open, albeit these now become considerably more difficult.

We have also decided to disconnect one additional Belarusian bank.

Lastly and importantly, this approach was closely coordinated with our G7 partners.

Criminalisation for sanctions breaches

Member States will be required to establish criminal penalties for sanctions breaches, and have the possibility to confiscate the proceeds of such breaches. Could this be further legislated at EU level?

The implementation of EU sanctions is an immediate obligation of EU Member States. As part of this obligation, they already have to put in place penalties for breaches that are effective, dissuasive and proportionate. The new provision in today’s package requires Member States to lay down criminal penalties as appropriate for violations of Regulation 833/2014 if they have not yet done so. The obligation to confiscate proceeds of violations further increases the dissuasive effect of sanctions breaches.

In addition to the Council Regulation in the 6th package, the Commission proposed on 25 May measures to ensure the effective implementation of the EU sanctions by way of supplementary criminal law measures. Those measures include an initiative to revise Article 83(1) TFEU to add the violation of sanctions to the list of EU crimes, which – once agreed by the European Parliament and Council - will allow the Commission to present a subsequent legislative proposal for a Directive harmonising the definition of the offence of sanctions violation and application sanctions, including the possibility to confiscate the proceeds of such breaches, also for legal persons, as well as jurisdiction rules and limitation periods. In a separate proposal, the Commission also proposed on 25 May to reinforce rules on asset recovery and confiscation, which will notably ensure the effective tracing, freezing, management and confiscation of proceeds derived from the violation of restrictive measures.

How is this going to work in real life?

The addition of criminal penalties strengthens the enforcement of penalties for sanctions breaches across the European Union. EU sanctions, including criminal, apply on the territory of the Union. This will close the current gaps between enforcement systems. Breaches of sanctions are a major offence and should therefore be treated as such.

Does this mean you can sell the yachts you’ve seized?

Anyone who breaches EU sanctions on the EU's territory and any EU national who does so potentially faces penalties. If there are proceeds from such violations, they should be subject to confiscation.
The new asset recovery and confiscation proposal adopted by the Commission on 25 May 2022 will enable the confiscation of the assets of Russian oligarchs who try to violate restrictive measures, for example by moving their yachts outside the EU or changing the ownership of their properties. In order to do so, the violation of restrictive measures has to be criminalised across Member States in a consistent manner. This is why on the same day the Commission has adopted an initiative to extend the list of ‘EU crimes’ to include the violation of EU restrictive measures (see above). While the proposed Directive on confiscation does not provide for an automatic confiscation of all assets of persons under the EU restrictive measures’ list, it would allow for the confiscation of assets related to sanction violations. The introduction of criminal penalties relates for now only to Regulation 833/2014 which does not include individual financial sanctions, such as asset freezes. However, Member States may broaden the scope of potential confiscatory measures to other sanctions regulations as well.

**How will the proceeds be used?**

Should there be any confiscations, it is for Member States to determine where proceeds would go to. Note however that in the context of the Commission’s Freeze and Seize task force, the Commission is actively discussing with Member States options to assist Ukraine financially, possibly also including with proceeds from any future confiscations, knowing that this process will take time given the legal requirements for confiscation under EU and national law.

**Listings of individuals and entities**

**What are the new designations adopted regarding Russia?**

The package of listing proposed by the High Representative includes 65 individuals and 18 entities. It focuses on the Russian Army and the defence industry, with senior military officials involved in the atrocities in Bucha, as well as entities involved in the military sector, manufacturing equipment and software used during Russia’s aggression against Ukraine. It also includes a number of proponents of disinformation and information manipulation, persons benefitting from their close relations with the Russian elites and the Kremlin such as family members of listed businessmen and Russian-appointed persons in occupied cities of Ukraine, notably Kherson.

**Which measures apply to these persons?**

- Travel ban: targeted individuals cannot enter the EU.
- Freezing of assets belonging to listed individuals or entities: all their assets in the EU are frozen and EU persons and entities cannot make funds available to them.

**For More Information**

Commission press release – Russia’s war on Ukraine: EU adopts sixth package of sanctions against Russia

Council press release – Russia's aggression against Ukraine: EU adopts sixth package of sanctions

Official Journal

European Commission website on Ukraine

Questions and answers on restrictive measures

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Press contacts:

  Daniel FERRIE (+32 2 298 65 00)  
  Aikaterini APOSTOLA (+32 2 298 76 24)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email