

2022 No. 814

SANCTIONS

**The Russia (Sanctions) (EU Exit) (Amendment) (No. 13)
Regulations 2022**

Approved by both Houses of Parliament

Made - - - - At 12.00 p.m. on 14th July 2022

Laid before Parliament at 11.00 a.m. on 18th July 2022

Coming into force at 5.00 p.m. on 18th July 2022

The Secretary of State^(a), considering that the condition in section 45(2) of the Sanctions and Anti-Money Laundering Act 2018^(b) is met, makes the following Regulations in exercise of the powers conferred by sections 1, 6(1) and (6), 7(1) and (8), 11(5), 11(6)(b), 15(2)(a), 16(1)(a) to (c) and (e), 45, 62(4) and (5) of that Act:

Citation and commencement

1.—(1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022.

(2) These Regulations come into force at 5.00 p.m. on 18th July 2022.

PART 1

General

Amendment of the Russia (Sanctions) (EU Exit) Regulations 2019

2. The Russia (Sanctions) (EU Exit) Regulations 2019^(c) are amended as set out in regulations 3 to 9.

(a) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an “appropriate Minister” as including the Secretary of State.

(b) 2018 c. 13. Section 17(5)(b)(i) (enforcement) is amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 443(1). Sections 1 and 45 are amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), sections 57 and 62.

(c) S.I. 2019/855, as amended by S.I. 2020/590; S.I. 2020/951; S.I. 2022/123; S.I. 2022/194; S.I. 2022/195; S.I. 2022/203; S.I. 2022/205; S.I. 2022/241; S.I. 2022/395; S.I. 2022/452; S.I. 2022/477; S.I. 2022/792; S.I. 2022/801; and by the Sentencing Act 2020 (c. 17).

PART 2

Designation criteria

Designation criteria

3. In regulation 6 (designation criteria)—

(a) in paragraph (4)—

- (i) in sub-paragraph (d), after “trustee,” insert “or other manager”,
- (ii) in sub-paragraph (d)(ii), after “sub-paragraph (b) or (c)” for “.” substitute “;”,
- (iii) after sub-paragraph (d), insert—
 - “(e) holding the right, directly or indirectly, to nominate at least one director (whether executive or non-executive), trustee or equivalent of—
 - (i) a Government of Russia-affiliated entity, or
 - (ii) a person, other than an individual, which falls within sub-paragraph (b) or (c).”;

(b) after paragraph (4), insert—

“(4A) For the purposes of this regulation, a person is involved in “destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine” or “obtaining a benefit from or supporting the Government of Russia” if they work for, or are affiliated to, the Government of Russia, as—

- (a) an aide or adviser to the President of the Russian Federation,
- (b) a head or deputy-head of any public body, federal agency or service subordinate to the President of the Russian Federation, including the Administration of the President of the Russian Federation,
- (c) a member of the Security Council of the Russian Federation, its Secretary or any of its Deputy Secretaries,
- (d) the Chairman of the Government of the Russian Federation or any deputy of the Chairman,
- (e) a Minister or Deputy Minister of any Ministry of the Russian Federation,
- (f) a Governor or member of the Board of Directors of the Central Bank of the Russian Federation,
- (g) a Presidential Plenipotentiary Envoy to a Federal District, or a regional Governor or Deputy Governor or equivalent,
- (h) a head or deputy head of any other public body or agency of the Government of the Russian Federation,
- (i) a member of the armed forces or law-enforcement organs of the Russian Federation of the rank of colonel, or equivalent, or higher,
- (j) a member of the Russian security and intelligence services of the rank of colonel, or equivalent, or higher,
- (k) a vice president, or equivalent position or higher, of a Government of Russia-affiliated entity, or
- (l) a director or manager, or equivalent position or higher, of a Government of Russia-affiliated entity.”;

(c) for paragraph (6), substitute—

“(6) In paragraph (2)(d), being “associated with” a person includes—

- (a) obtaining a financial benefit or other material benefit from that person;
- (b) being an immediate family member of that person.”;

(d) in paragraph (7)—

- (i) after the definition of “Government of Russia-affiliated entity”, insert—
- ““immediate family member” means—
- (a) a wife or husband;
 - (b) a civil partner;
 - (c) a parent or step-parent;
 - (d) a child or step-child;
 - (e) a sibling or step-sibling;
 - (f) a niece or nephew;
 - (g) an aunt or uncle;
 - (h) a grandparent;
 - (i) a grandchild.”

PART 3

Exceptions

Trade: humanitarian exception

4. After regulation 61 (trade: exception for emergencies in certain cases), insert—

“Trade: exception for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts

61ZA.—(1) A relevant prohibition is not contravened by a person (“P”) carrying out a relevant activity which is necessary to ensure the timely delivery of humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts provided that P believes that carrying out the relevant activity is so necessary and there is no reasonable cause for P to suspect otherwise.

- (2) For the purposes of this regulation—

“humanitarian assistance activity” includes the work of international and non-governmental organisations carrying out relief activities for the benefit of the civilian population of the non-government controlled areas of the Donetsk and Luhansk oblasts;

“relevant activity” means any activity which would, in the absence of this regulation, contravene a relevant prohibition;

“relevant prohibition” means—

- (a) any prohibition in regulations 48 to 51, 52(1), (2) or (3)(b) to (e) (trade in relation to non-government controlled Ukrainian territory), or 54(1)(a) (prohibition on infrastructure-related services relating to non-government controlled Ukrainian territory), or
- (b) any prohibition in regulation 53(1)(b) to (g) (brokering services: non-UK activity relating to infrastructure-related goods and goods from non-government controlled Ukrainian territory), except for any such prohibition which relates to an arrangement whose object or effect is the import of goods which originate in non-government controlled Ukrainian territory.”

PART 4

Miscellaneous amendments

5. In regulation 57I (interpretation of Part 6), for paragraph (1)(a) substitute—

“(a) “owned” by a person if—

- (i) the legal title to the ship, or to any share in the ship, is vested in the person, or in a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, or
- (ii) the person, or a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, has a beneficial interest in the ship or in any share in the ship; and”.

6. In regulation 57O (interpretation of Part 6A), for paragraph (2) substitute—

“(2) For the purposes of this Part an aircraft is “owned” by a person if—

- (a) the legal title to the aircraft, or to any share in the aircraft, is vested in the person, or a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, or
- (b) the person, or a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by that person, has a beneficial interest in the aircraft or in any share in the aircraft,

and the reference to a legal title or other interest includes one held jointly with any other person or persons.”

7. In regulation 76(2) (general trade licences: records), after “the following information” insert “, where appropriate,”.

8. In regulation 78(1)(b)(i) (disclosure of information), after “Part 6 (Ships)” insert “or Part 6A (Aircraft)”.

9. In regulation 94 (interpretation of Part 9), in the heading for “Part 9” substitute “Part 10”.

Rehman Chishti

Parliamentary Under Secretary of State

At 12.00 p.m. on 14th July 2022

Foreign, Commonwealth and Development Office

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c.13) to amend the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the 2019 Regulations”).

Part 2 makes amendments to the designation criteria in regulation 6 of the 2019 Regulations: first, to specify additional activities for which a person may be designated; second, to make minor amendments to the definition of “being involved in obtaining a benefit from or supporting the Government of Russia”; and third, to broaden the interpretation of being “associated with” a designated person.

Part 3 provides for a new exception from trade sanctions measures for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts.

Part 4 makes provision to correct or resolve a number of issues arising from the 2019 Regulations or amendments made to them: first, to expand upon the definition of ownership in relation to ships and aircraft; and second, to correct drafting errors or omissions in regulations 76, 78 and 94.

An Impact Assessment has not been produced for these Regulations, as any impact would result primarily from any future increase in the number of sanctions designations. An Impact Assessment was, however, produced for the Sanctions and Anti-Money Laundering Act 2018 and can be found at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/653271/Sanctions_and_Anti-Money_Laundering_Bill_Impact_Assessment_18102017.pdf.

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