

Insights

UK EXPANDS DESIGNATION CRITERIA FOR RUSSIA SANCTIONS MEASURES

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On 10 February 2022 the UK published the much anticipated amendments to the current sanctions measures applicable to Russia. The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (“Amending Regulations 2022”) are enacted under the Sanctions and Anti-Money Laundering Act 2018 and amend the Russia (Sanctions) (EU Exit) Regulations 2019 and apply to the whole of the United Kingdom, including Northern Ireland.

The Amending Regulations 2022 significantly expand the definition of 'involved person' in the criteria which give grounds for which a person may be designated as an 'involved person'. The broadening of the existing designation criteria will allow the UK to designate individuals or entities that are (summarised):

- 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.

As is the case for most UK sanctions measures the scope of application extends not only to individuals and entities directly involved with the sanctioned activities but also any individuals or entities controlled by them, those who act on behalf of involved individuals and entities and those who are a member of, or associated with directly involved entities and individuals.

The legislation is drafted widely to capture any kind of support, including financial support, that could contribute to destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. Additionally the designation criteria provides that “obtaining a benefit from or supporting the Government of Russia” includes: carrying on business as a Government of Russia-affiliated entity; carrying on business of economic significance to the Government of Russia; carrying on business in a sector of strategic significance to the Government of Russia; as well as owning or controlling directly or indirectly, or working as a director, trustee or equivalent of such entities.

At this stage the UK Government has not taken action to designate further individuals and entities as a consequence of the Amending Regulations 2022. However there are a number of steps a UK business or association may wish to undertake now to prepare for such eventuality which have been set out in the attached checklist.

For further information please contact Chris Bryant, Sarah Klein, Ursula Johnston or Sonja Hainsworth.

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MEET THE TEAM



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