

Practical application of sanctions on Russia

CASE STUDIES

March 04, 2022



Direct sanctions

**43 Countries after 24 February 2022,
including**

- EU
- USA
- Great Britain
- Canada
- Switzerland

Individuals

- Politicians
- Businessmen
- Media
- Military
- Financial

Sectoral (incl. EU Directives 48, 49)

- Aviation
- Space
- Oil refinery
- Defense
- Dual-use technologies

High level sanctions

Individual

- Highest politicians
- Businessmen
- Central bank of Russia
- Major state banks

SWIFT

Iranian model for disconnection of banks from all financial messaging services

Transportation

Closing of national airspace, no flights of national airlines

Affected Russian Banks

Starting 12.03



- VEB (Vneshekonombank)
- VTB (Vneshtorgbank)
- Novikombank
- Promsvyazbank
- Sovcombank
- Otkritie
- AKB Russia

Sanctions:

- Sberbank \$, £, € international payments
- Alfa Bank
- Bank Otkritie
- AKB Rossiya
- Promsvyazbank
- Credit Bank of Moscow
- Gazprombank
- Rosselkhozbank.
- Sovcombank
- Transkapitalbank
- VEB (Vneshekonombank)
- VTB (Vneshtorgbank)



2 March 2022

Suspension of operations in Russia*



*Source <https://www.bbc.com/russian/news-60588081>

Russian Response

- **Closing airspace for sanctioned states**
- **Ruble stabilization**

Mandatory 80% ruble conversion of contractual earnings

- **Restricted:**
- Payment of dividends on valuable securities (ценные бумаги)
- Transfer of shares
- Real estate objects
- Provision loans to foreigners, export of foreign exchange cash



Russian residents

- **Russian citizens**
- **Legal entities, established according Russian legislation (LLC, JSC, etc.)**
- **Foreign citizens and stateless persons having permanent residence permit (вид на жительство) in Russia**

Infographics



Physical person



Legal entity (incl. representative office on the territory of Russia)



Loans provision for business

Starting 01.03

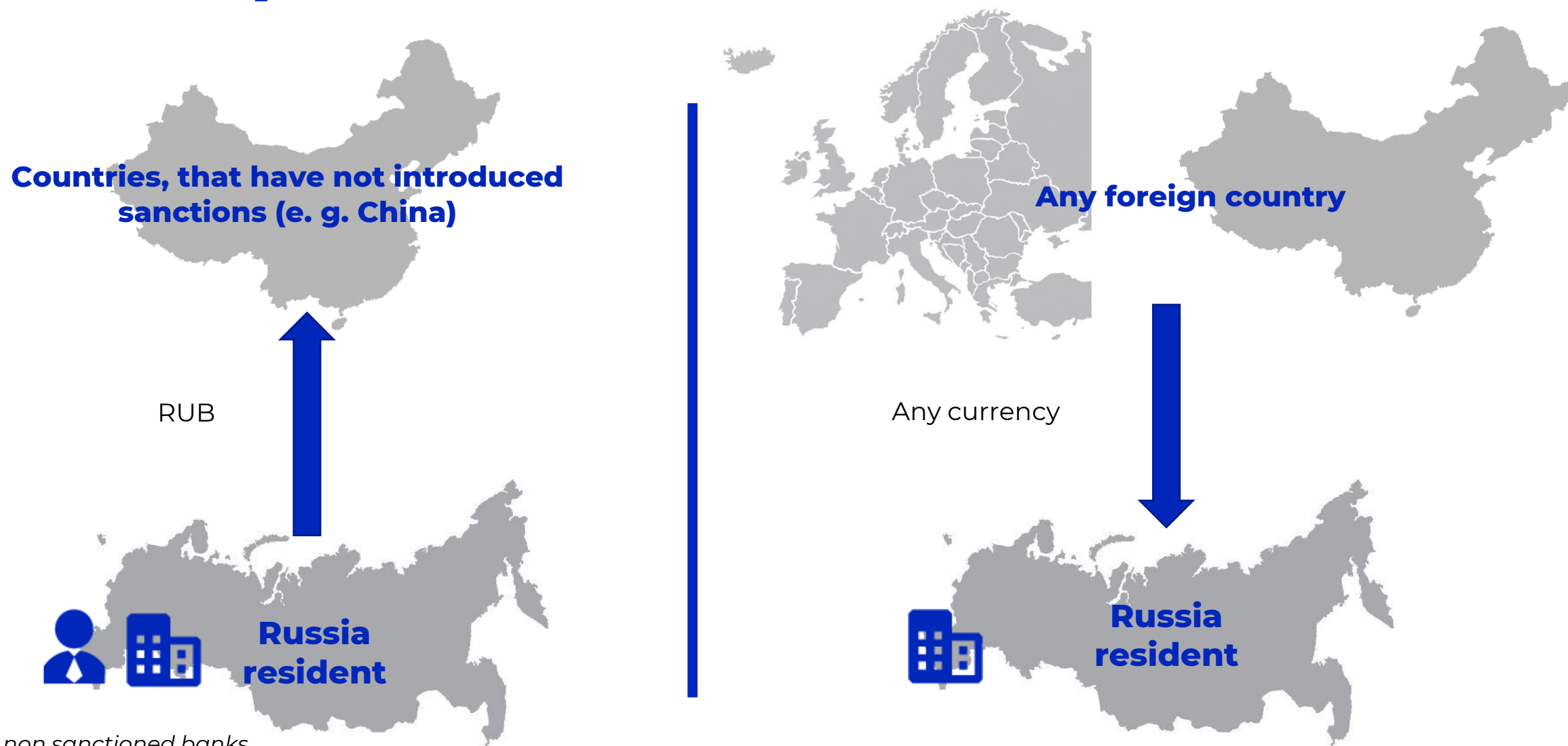


Starting 02.03



**for non sanctioned banks*

Loans provision for business



**for non sanctioned banks*

Loan return for business, including interest



**for non sanctioned banks*

Non-residents

- **Foreign citizens (except ones having permanent residence permit (вид на жительство) in Russia)**
- **Representative offices and branches of foreign legal entities in Russia**
- **Foreign legal entities**



Dividends and shares payment

Existing restrictions

- All payments for dividends on valuable security (ценные бумаги) to non-residents are suspended (e.g. payments on dividends of public or non-public stock companies (ПАО и АО))
- All payments on deals for ownership transfer for valuable security or real estate by or to non residents are possible only under special permission of Special Governmental Commission on investments control

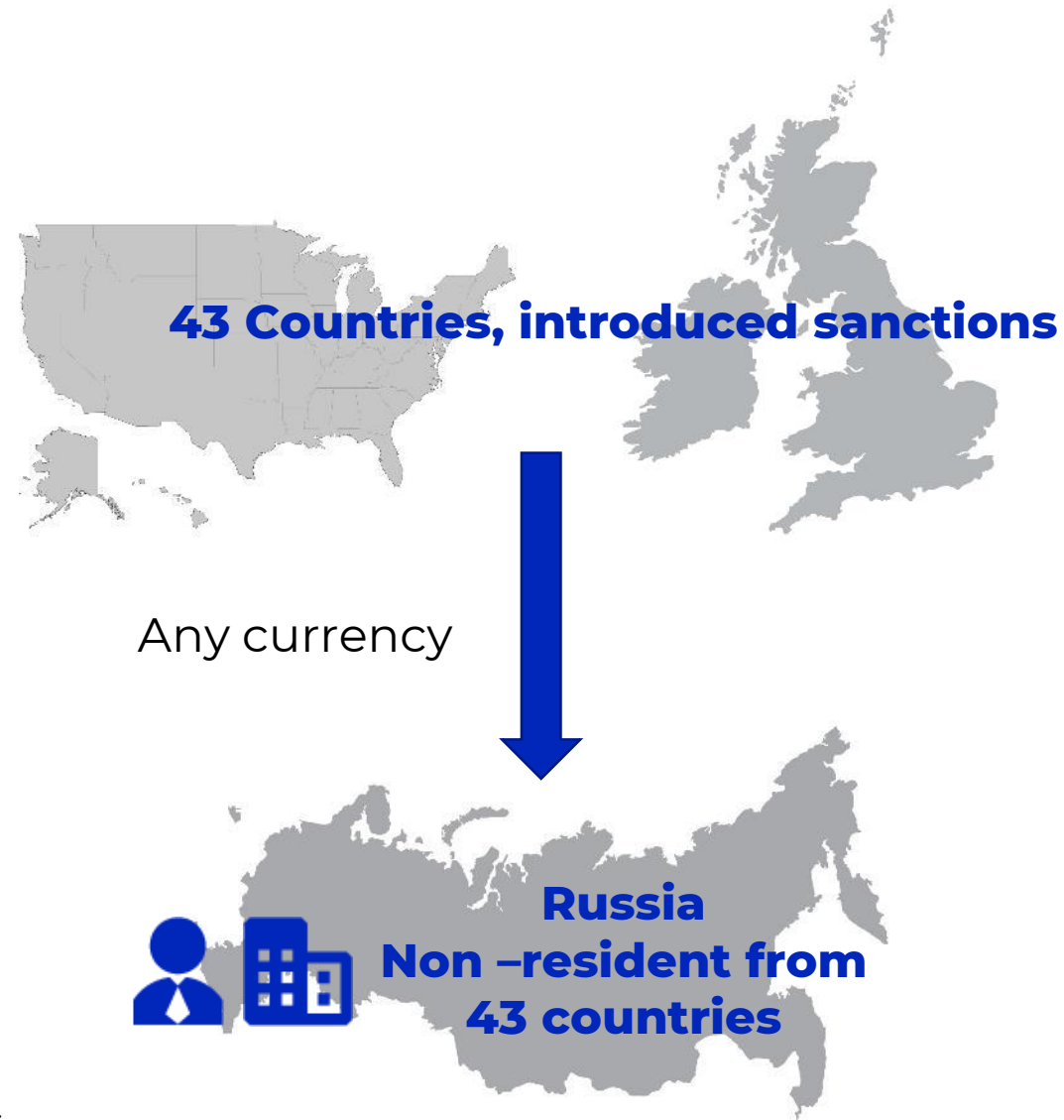
Dealings are allowed, status 05.03.22

- Sale of participation in Russian LLC (доли в ООО) by or to non-residents
- Profit distribution of Russian LLC to non residents*

**on practice some banks do not perform transfers, we recommend to contact us*

All kinds of international payments for non-residents*

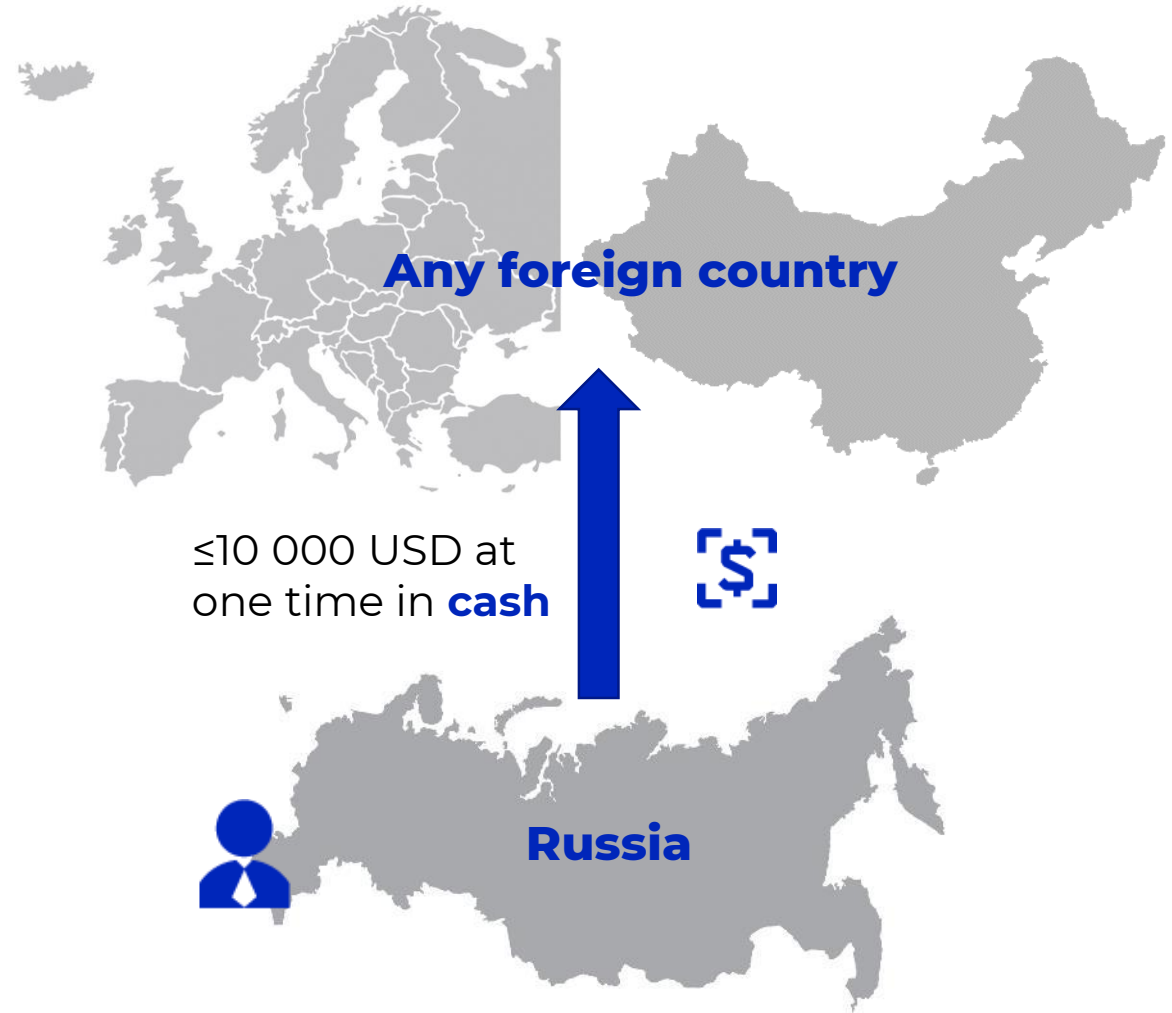
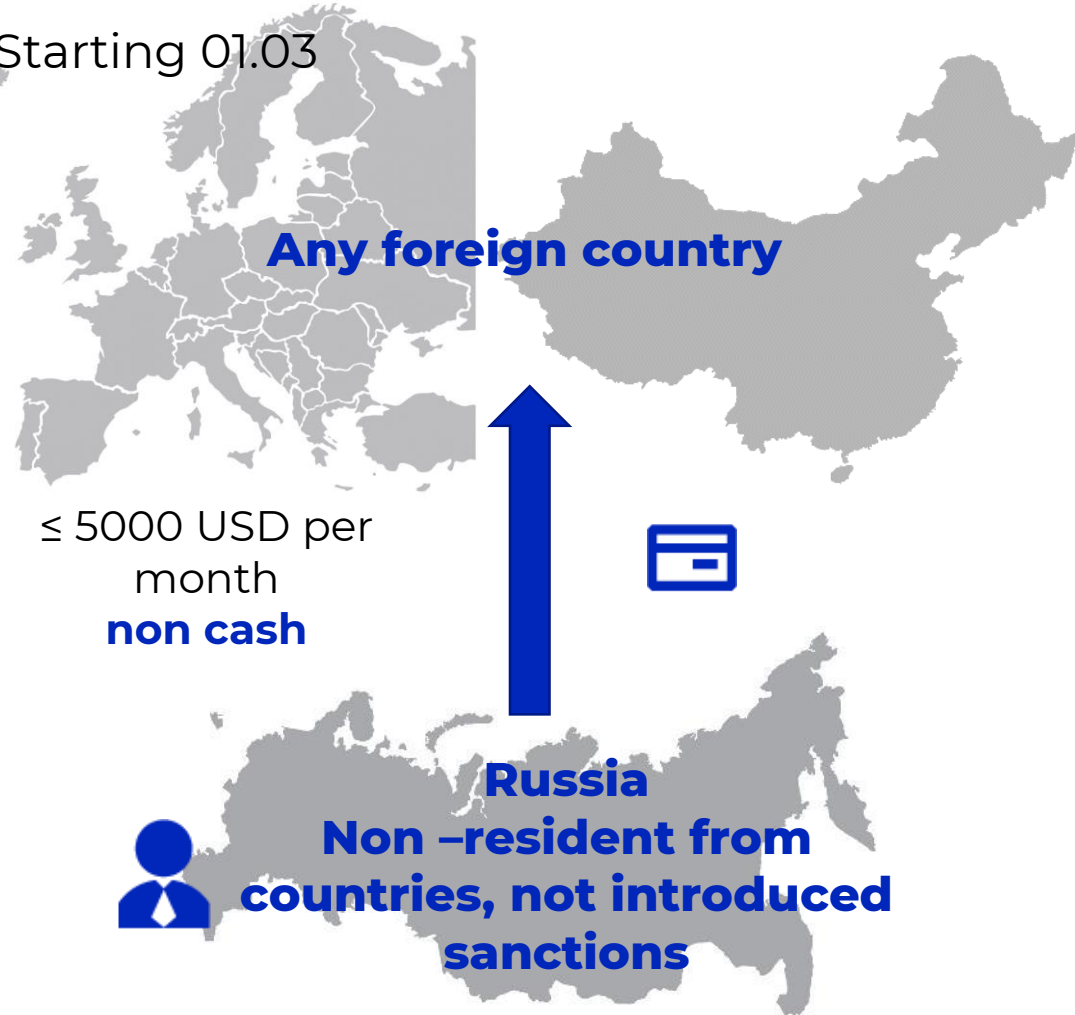
Starting 01.03



**for non sanctioned banks and allowed by Russian currency control regulation*

Additional regulations for physical persons*

Starting 01.03



**for non sanctioned banks and allowed by Russian currency control regulation*

Additional regulations for cash in Euro

Starting 01.03



Additional regulations *

Starting 01.03



**for non sanctioned banks and allowed by Russian currency control regulation*

International payments for goods and services*



Examples of payments

- Royalties
- Marketing services
- Cost+ contracts
- Import/Export of non-sanctioned goods
- Insurance
- Consultancy services

**for non sanctioned banks and allowed by Russian currency control regulation*

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We will take care
of the rest.**

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