
STATUTORY INSTRUMENTS

2019 No. 855

The Russia (Sanctions) (EU Exit) Regulations 2019

PART 3

Finance

CHAPTER 1

[^{F1}Asset-freeze etc.]

F1 Pt. 3 Ch. 1 heading substituted (1.3.2022) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 2\) Regulations 2022 \(S.I. 2022/194\)](#), regs. 1(2), 4

Meaning of “designated person”

10. In this Chapter a “designated person” means a person who is designated under regulation 5 for the purposes of regulations 11 to 15.

Commencement Information

II Reg. 10 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Asset-freeze in relation to designated persons

11.—(1) A person (“P”) must not deal with funds or economic resources owned, held or controlled by a designated person if P knows, or has reasonable cause to suspect, that P is dealing with such funds or economic resources.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1) a person “deals with” funds if the person—

- (a) uses, alters, moves, transfers or allows access to the funds,
- (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or
- (c) makes any other change, including portfolio management, that would enable use of the funds.

(5) For the purposes of paragraph (1) a person “deals with” economic resources if the person—

- (a) exchanges the economic resources for funds, goods or services, or
- (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise).

(6) The reference in paragraph (1) to funds or economic resources that are “owned, held or controlled” by a person includes, in particular, a reference to—

- (a) funds or economic resources in which the person has any legal or equitable interest, regardless of whether the interest is held jointly with any other person and regardless of whether any other person holds an interest in the funds or economic resources;
- (b) any tangible property (other than real property), or bearer security, that is comprised in funds or economic resources and is in the possession of the person.

(7) For the purposes of paragraph (1) funds or economic resources are to be treated as owned, held or controlled by a designated person if they are owned, held or controlled by a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

(8) For the avoidance of doubt, the reference in paragraph (1) to a designated person includes P if P is a designated person.

Commencement Information

- I2** Reg. 11 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Making funds available to designated person

12.—(1) A person (“P”) must not make funds available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making funds available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Commencement Information

- I3** Reg. 12 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Making funds available for benefit of designated person

13.—(1) A person (“P”) must not make funds available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the funds so available.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of this regulation—

- (a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
- (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Commencement Information

- I4** Reg. 13 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Making economic resources available to designated person

14.—(1) A person (“P”) must not make economic resources available directly or indirectly to a designated person if P knows, or has reasonable cause to suspect—

- (a) that P is making the economic resources so available, and
- (b) that the designated person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) The reference in paragraph (1) to making economic resources available indirectly to a designated person includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by the designated person.

Commencement Information

- I5** Reg. 14 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

Making economic resources available for benefit of designated person

15.—(1) A person (“P”) must not make economic resources available to any person for the benefit of a designated person if P knows, or has reasonable cause to suspect, that P is making the economic resources so available.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence.

(4) For the purposes of paragraph (1)—

- (a) economic resources are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and
- (b) “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible.

Commencement Information

- I6** Reg. 15 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

CHAPTER 2

Other financial and investment restrictions

Dealing with transferable securities or money-market instruments

16.—(1) A person (“P”) must not, directly or indirectly, deal with a transferable security or money-market instrument falling within paragraph (2) if P knows, or has reasonable cause to suspect, that P is dealing with such a transferable security or money-market instrument.

(2) A transferable security or money-market instrument falls within this paragraph if it has a maturity exceeding 30 days and is issued after 1 August 2014 by—

- (a) a person mentioned in any of paragraphs 1 to 5 of Schedule 2;
- (b) a person, other than an individual, which is—
 - (i) incorporated or constituted under the law of a non-UK country, and
 - (ii) owned by a person within sub-paragraph (a); or
- (c) a person, other than an individual, acting on behalf or at the direction of a person within sub-paragraph (a) or sub-paragraph (b).

(3) A person (“P”) must not, directly or indirectly, deal with a transferable security or money-market instrument falling within paragraph (4) if P knows, or has reasonable cause to suspect, that P is dealing with such a transferable security or money-market instrument.

(4) A transferable security or money-market instrument falls within this paragraph if it has a maturity exceeding 30 days and is issued after 12 September 2014 by—

- (a) a person mentioned in any of paragraphs 6 to 11 of Schedule 2;
- (b) a person, other than an individual, which is—
 - (i) incorporated or constituted under the law of a non-UK country, and
 - (ii) owned by a person within sub-paragraph (a); or
- (c) a person, other than an individual, acting on behalf or at the direction of a person within sub-paragraph (a) or sub-paragraph (b).

[^{F2}(4A) A person (“P”) must not, directly or indirectly, deal with a transferable security or money-market instrument falling within paragraph (4B) if P knows, or has reasonable cause to suspect, that P is dealing with such a transferable security or money-market instrument.

(4B) A transferable security or money-market instrument falls within this paragraph if it has a maturity exceeding 30 days and is issued on or after 1st March 2022 by—

- (a) a person, other than an individual, which is—
 - (i) incorporated or constituted under the law of any part of the United Kingdom, and
 - (ii) owned by a person falling within Schedule 2; or
- (b) a person, other than an individual, acting on behalf or at the direction of a person within sub-paragraph (a).

(4C) A person (“P”) must not, directly or indirectly, deal with a transferable security or money-market instrument falling within paragraph (4D) if P knows, or has reasonable cause to suspect, that P is dealing with such a transferable security or money-market instrument.

(4D) A transferable security or money-market instrument falls within this paragraph if it is issued on or after 1st March 2022 by—

- (a) a person connected with Russia, which is not—
 - (i) a person falling within Schedule 2,

- (ii) a person, other than an individual, which on 1st March 2022 is domiciled in a country other than Russia, or
 - (iii) a person, other than an individual, which on 1st March 2022 is a branch or subsidiary, wherever located, of a person mentioned in paragraph (ii);
 - (b) a person, other than an individual, which is owned by a person falling within sub-paragraph (a); or
 - (c) a person, other than an individual, acting on behalf or at the direction of a person within sub-paragraph (a) or sub-paragraph (b).
- (4E) A person (“P”) must not, directly or indirectly, deal with a transferable security or money-market instrument falling within paragraph (4F) if P knows, or has reasonable cause to suspect, that P is dealing with such a transferable security or money-market instrument.
- (4F) A transferable security or money-market instrument falls within this paragraph if it is issued on or after 1st March 2022 by, or on behalf of, the Government of Russia.]
- [^{F3}(4G) A person (“P”) must not, directly or indirectly, deal with a transferable security or money-market instrument falling within paragraph (4H) if P knows, or has reasonable cause to suspect, that P is dealing with such a transferable security or money-market instrument.
- (4H) A transferable security or money-market instrument falls within this paragraph if it is issued—
- (a) on or after 16th December 2022,
 - (b) by a person, other than an individual, which is not a person connected with Russia, and
 - (c) for the purposes of an activity mentioned in regulation 18B(2).]
- [^{F4}(5) Paragraphs (1), (3), (4A), (4C) [^{F5}, (4E) and (4G)] are subject to Part 7 (Exceptions and licences).]
- (6) A person who contravenes a prohibition in paragraph [^{F6}(1), (3), (4A), (4C) [^{F7}, (4E) or (4G)]] commits an offence.
- (7) For the purposes of this regulation, and regulations 17 (loans and credit arrangements) [^{F8}, 59 (exceptions relating to loans and credit arrangements) and 60ZZA (exceptions relating to investments in relation to Russia)], a person (“C”) is “owned” by another person (“P”) if P—
- (a) holds directly or indirectly more than 50% of the shares in C, or
 - (b) holds directly or indirectly more than 50% of the voting rights in C.
- (8) Schedule 1 applies for the purpose of interpreting paragraph (7).
- (9) For the purposes of this regulation, a reference to “dealing with” a transferable security or money-market instrument includes a reference to purchasing or selling the security or instrument, providing investment services relating to the security or instrument or assisting in the issuance of the security or instrument.
- (10) In this regulation—
- “investment services” means—
- (a) the reception and transmission of orders in relation to one or more financial instruments,
 - (b) the execution of orders on behalf of clients,
 - (c) dealing on own account,
 - (d) portfolio management,
 - (e) the provision of investment advice,
 - (f) the underwriting of financial instruments or placing of financial instruments on a firm commitment basis,

- (g) the placing of financial instruments without a firm commitment basis, or
- (h) any service in relation to the admission to trading on a regulated market or trading on a multilateral trading facility;

“money-market instrument” means an instrument of a kind normally dealt in on the money market, such as treasury bills, certificates of deposit and commercial papers, excluding instruments of payment;

“non-UK country” means a country that is not the United Kingdom;

“transferable security” means a security, negotiable on the capital market, of any of the following kinds, but excluding instruments of payment—

- (a) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;
- (b) bonds or other forms of securitised debt, including depositary receipts in respect of such securities;
- (c) any other securities giving the right to purchase or sell any security of a kind mentioned in paragraph (a) or (b).

- F2** Reg. 16(4A)-(4F) inserted (1.3.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), regs. 1(2), **5(a)**
- F3** Reg. 16(4G)(4H) inserted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **4(a)**
- F4** Reg. 16(5) substituted (1.3.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), regs. 1(2), **5(b)**
- F5** Words in reg. 16(5) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **4(b)**
- F6** Words in reg. 16(6) substituted (1.3.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), regs. 1(2), **5(c)**
- F7** Words in reg. 16(6) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **4(c)**
- F8** Words in reg. 16(7) substituted (19.7.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 12) Regulations 2022 (S.I. 2022/801), regs. 1(2), **3**

Commencement Information

- I7** Reg. 16 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, **Sch. 5 para. 1(1)**), see reg. 1(2)

Loans and credit arrangements

17.—(1) A person (“P”) must not directly or indirectly grant a relevant loan if P knows, or has reasonable cause to suspect, that P is granting a relevant loan.

(2) A person must not directly or indirectly enter into any arrangement to grant a relevant loan if the person knows, or has reasonable cause to suspect, that the arrangement relates to a relevant loan.

[^{F9}(2A) A person must not make funds or economic resources available to a relevant entity (“E”) where the purposes of making those funds or economic resources available is to enable E to grant a relevant loan on or after 16th December 2022.]

(3) Paragraphs (1) [^{F10}, (2) and (2A)] are subject to [^{F11}Part 7 (Exceptions and licences)].

(4) A person who contravenes a prohibition in paragraph (1) [^{F12}, (2) or (2A)] commits an offence.

(5) In this regulation—

F13
...

[^{F14}“category 1 loan” means a loan or credit—

- (a) with a maturity exceeding 30 days,
- (b) made or granted to—
 - (i) a person falling within Schedule 2,
 - (ii) a person, other than an individual, which is—
 - (aa) incorporated or constituted under the law of a non-UK country, and
 - (bb) owned ^{F15}... by a person within paragraph (i), or
 - (iii) a person, other than an individual, acting on behalf or at the direction of a person within paragraph (i) or paragraph (ii), and
- (c) which is first made or granted at any time after IP completion day;

“category 2 loan” means a loan or credit—

- (a) with a maturity exceeding 30 days,
- (b) made or granted to a person, other than an individual, which is—
 - (i) incorporated or constituted under the law of any part of the United Kingdom, and
 - (ii) owned ^{F16}... by a person falling within Schedule 2, and
- (c) which is first made or granted at any time on or after 1st March 2022;

“category 3 loan” means a loan or credit—

- (a) with a maturity exceeding 30 days,
- (b) made or granted to a person, other than an individual, which is—
 - (i) connected with Russia,
 - (ii) owned ^{F17}... by a person within sub-paragraph (i), or
 - (iii) a person, other than an individual, acting on behalf or at the direction of a person within paragraph (i) or paragraph (ii),
- (c) [^{F18}which is first made or granted at any time on or after 1st March 2022 but before [^{F19}29th October 2022], and,]

(d) which is not—

- (i) a category 1 loan, a category 2 loan or a category 4 loan, or
- (ii) a loan made or granted to—
 - (aa) a person, other than an individual, which on 1st March 2022 is domiciled in a country other than Russia,
 - (bb) a person, other than an individual, which is owned by a person falling within sub-paragraph (aa), or
 - (cc) a person, other than an individual, acting on behalf or at the direction of a person within sub-paragraph (aa) or sub-paragraph (bb);

“category 4 loan” means a loan or credit—

- (a) made or granted to the Government of Russia,
- (b) which is first made or granted at any time on or after 1st March 2022;]

[^{F20}“category 5 loan” means a loan or credit—

- (a) with a maturity exceeding 30 days,

- (b) made or granted to a person, other than an individual—
 - (i) which is connected with Russia, other than—
 - (aa) a person which on [^{F21}29th October 2022] is incorporated or constituted in a country other than Russia, or
 - (bb) a person which is owned by a person falling within paragraph (aa),
 - (ii) a person which is owned by a person within sub-paragraph (i), or
 - (iii) a person which is owned by a person connected with Russia who is an individual,
 - (c) which is first made or granted at any time on or after [^{F21}29th October 2022], and
 - (d) which is not a category 1 loan, a category 2 loan, a category 3 loan or a category 4 loan.]
- [^{F22}“category 6 loan” means a loan or credit—
- (a) made or granted to a relevant entity,
 - (b) which is for the purposes of an activity mentioned in regulation 18B(2),
 - (c) which is first made or granted at any time on or after 16th December 2022, and
 - (d) which is not a category 1 loan, a category 2 loan, a category 3 loan, a category 4 loan or a category 5 loan;]
- “non-UK country” means a country that is not the United Kingdom;
- [^{F23}“owned” means owned within the meaning of regulation 16(7);]
- [^{F24}“relevant entity” has the meaning given in regulation 18B(8);]
- [^{F25}“relevant loan” means a category 1 loan, a category 2 loan, a category 3 loan [^{F26}, a category 4 loan [^{F27}, a category 5 loan or a category 6 loan]];

^{F28} ...

- F9** Reg. 17(2A) inserted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(a)**
- F10** Words in reg. 17(3) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(b)**
- F11** Words in reg. 17(3) substituted (1.3.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), regs. 1(2), **6(a)**
- F12** Words in reg. 17(4) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(c)**
- F13** Words in reg. 17(5) omitted (16.12.2022) by virtue of The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(d)(i)**
- F14** Words in reg. 17(5) inserted (1.3.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), regs. 1(2), **6(b)(i)**
- F15** Words in reg. 17(5) omitted (29.10.2022) by virtue of The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (S.I. 2022/1110), regs. 1(2)(b), **3(3)**
- F16** Words in reg. 17(5) omitted (29.10.2022) by virtue of The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (S.I. 2022/1110), regs. 1(2)(b), **3(4)**
- F17** Words in reg. 17(5) omitted (29.10.2022) by virtue of The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (S.I. 2022/1110), regs. 1(2)(b), **3(5)(a)**
- F18** Words in reg. 17(5) substituted (29.10.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (S.I. 2022/1110), regs. 1(2)(b), **3(5)(b)**
- F19** Words in reg. 17(5) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(d)(ii)**

- F20** Words in reg. 17(5) inserted (29.10.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (S.I. 2022/1110), regs. 1(2)(b), **3(6)**
- F21** Words in reg. 17(5) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(d)(iii)**
- F22** Words in reg. 17(5) inserted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(d)(iv)**
- F23** Words in reg. 17(5) inserted (29.10.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (S.I. 2022/1110), regs. 1(2)(b), **3(7)**
- F24** Words in reg. 17(5) inserted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(d)(v)**
- F25** Words in reg. 17(5) substituted (1.3.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), regs. 1(2), **6(b)(ii)**
- F26** Words in reg. 17(5) substituted (29.10.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (S.I. 2022/1110), regs. 1(2)(b), **3(8)**
- F27** Words in reg. 17(5) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), **5(d)(vi)**
- F28** Words in reg. 17(5) omitted (1.3.2022) by virtue of The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 (S.I. 2022/194), regs. 1(2), **6(b)(iii)**

Commencement Information

- I8** Reg. 17 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, **Sch. 5 para. 1(1)**), see reg. 1(2)

[^{F29}Correspondent banking relationships [^{F30}and processing payments]

17A.—(1) A UK credit or financial institution (“C”) (“the correspondent”) must not establish or continue a correspondent banking relationship with the following (“the respondent”)—

- (a) a designated person (“D”),
- (b) a UK credit or financial institution, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by D, or
- (c) a non-UK credit or financial institution, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by D,

if C knows, or has reasonable cause to suspect, that the correspondent banking relationship is with a designated person.

(2) C must not process a ^{F31}... payment to, from or via —

- (a) D,
- (b) a UK credit or financial institution, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by D, or
- (c) a non-UK credit or financial institution, which is owned or controlled directly or indirectly (within the meaning of regulation 7) by D,

if C knows, or has reasonable cause to suspect, that the ^{F31}... payment is to, from or via such a person.

(3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).

(4) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence.

[^{F32}(5) For the purposes of this regulation, a reference to “processing” a payment—

- (a) includes the clearing and settlement of a payment; but
- (b) does not include the act of crediting a payment, for the first time, to C where that payment is credited to an account which is—

- (i) in the name of C; and
- (ii) not held on behalf of, or for the benefit of, a customer of C.]

(6) In this regulation—

“correspondent banking relationship” means the provision of banking services by a correspondent to a respondent including providing a current or other liability account and related services, such as cash management, international funds transfers, cheque clearing, providing customers of the respondent with direct access to accounts with the correspondent (and vice versa) and providing foreign exchange services;

“designated person” means a person who is designated under regulation 5 (power to designate persons) for the purposes of this regulation;

“non-UK credit or financial institution” means—

- (a) a person, other than an individual, which would satisfy the threshold conditions for permission under Part 4A of the Financial Services and Markets Act 2000 if it had its registered office (or if it does not have one, its head office) in the United Kingdom, or
- (b) an undertaking, other than a UK credit or financial institution, which by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers;

“UK credit or financial institution” means—

- (a) a person that has permission under Part 4A of the Financial Services and Markets Act 2000 (permission to carry on regulated activities), or
- (b) an undertaking domiciled in the United Kingdom which by way of business—
 - (i) operates a currency exchange office,
 - (ii) transmits money (or any representation of monetary value) by any means, or
 - (iii) cashes cheques that are made payable to customers.]

F29 Reg. 17A inserted (1.3.2022) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 2\) Regulations 2022 \(S.I. 2022/194\)](#), regs. 1(2), 7

F30 Words in reg. 17A heading substituted (15.12.2023) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 4\) Regulations 2023 \(S.I. 2023/1364\)](#), regs. 1(3), 3(2)

F31 Word in reg. 17A(2) omitted (15.12.2023) by virtue of [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 4\) Regulations 2023 \(S.I. 2023/1364\)](#), regs. 1(3), 3(3)

F32 Reg. 17A(5) substituted (15.12.2023) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 4\) Regulations 2023 \(S.I. 2023/1364\)](#), regs. 1(3), 3(4)

Investments in relation to ^{F33}non-government controlled Ukrainian territory]

18.—(1) A person (“P”) must not carry on an activity mentioned in paragraph (2) if P knows, or has reasonable cause to suspect, that P is carrying on such an activity.

(2) The activities in this paragraph are—

- (a) directly or indirectly acquiring or extending a participation, or acquiring any ownership interest, in land located in ^{F34}non-government controlled Ukrainian territory];
- (b) directly or indirectly acquiring or extending a participation, or acquiring any ownership interest in or control over, a relevant entity;

- (c) directly or indirectly granting any loan or credit, entering into any arrangement to grant any loan or credit, or otherwise providing funds, including for example equity capital—
 - (i) to a relevant entity, or
 - (ii) for the documented purpose of financing any such entity;
 - (d) directly or indirectly establishing any joint venture—
 - (i) in [^{F34}non-government controlled Ukrainian territory], or
 - (ii) with a relevant entity;
 - (e) providing investment services directly related to an activity referred to in sub-paragraphs (a) to (d) above.
- (3) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (1) commits an offence.
- (5) In this regulation—
- “investment services” has the same meaning as it has in regulation 16;
- “relevant entity” means a person, other than an individual, which has a place of business located in [^{F35}non-government controlled Ukrainian territory].

F33 Words in [reg. 18](#) heading substituted (30.3.2022 at 5.00 p.m.) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 7\) Regulations 2022 \(S.I. 2022/395\)](#), regs. 1(2), **10(a)**

F34 Words in [reg. 18\(2\)](#) substituted (30.3.2022 at 5.00 p.m.) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 7\) Regulations 2022 \(S.I. 2022/395\)](#), regs. 1(2), **10(b)**

F35 Words in [reg. 18\(5\)](#) substituted (30.3.2022 at 5.00 p.m.) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 7\) Regulations 2022 \(S.I. 2022/395\)](#), regs. 1(2), **10(b)**

Commencement Information

I9 Reg. 18 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1](#), [Sch. 5 para. 1\(1\)](#)), see reg. 1(2)

[^{F36}Provision of financial services relating to foreign exchange reserve and asset management

18A.—(1) A person (“P”) must not provide financial services to a person mentioned in paragraph (2) where—

- (a) the financial services are for the purpose of foreign exchange reserve and asset management; and
 - (b) P knows, or has reasonable cause to suspect, that the financial services are provided to such a person.
- (2) The persons mentioned in this paragraph are—
- (a) the Central Bank of the Russian Federation,
 - (b) the National Wealth Fund of the Russian Federation,
 - (c) the Ministry of Finance of the Russian Federation,
 - (d) a person owned or controlled directly or indirectly (within the meaning of regulation 7) by a person mentioned in sub-paragraphs (a) to (c), or
 - (e) a person acting on behalf of or at the direction of a person mentioned in sub-paragraphs (a) to (c).
- (3) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (4) A person who contravenes the prohibition in paragraph (1) commits an offence.]

F36 Reg. 18A inserted (1.3.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 5) Regulations 2022 (S.I. 2022/205), regs. 1(2), 3(1)

[^{F37}Investments in relation to Russia

18B.—(1) A person (“P”) must not carry on an activity mentioned in paragraph (2) if P knows, or has reasonable cause to suspect, that P is carrying on such an activity.

(2) The activities in this paragraph are—

- (a) directly acquiring any ownership interest in land located in Russia;
- (b) indirectly acquiring any ownership interest in land located in Russia for the purpose mentioned in paragraph (3);
- (c) directly acquiring any ownership interest in or control over a person, other than an individual, connected with Russia;
- (d) indirectly acquiring any ownership interest in or control over a person, other than an individual, connected with Russia for the purpose mentioned in paragraph (3);
- (e) directly or indirectly acquiring any ownership interest in or control over a relevant entity for the purpose mentioned in paragraph (3);
- (f) directly or indirectly establishing any joint venture with a person connected with Russia;
- (g) opening a representative office or establishing a branch or subsidiary located in Russia; or
- (h) providing investment services directly related to an activity referred to in sub-paragraphs (a) to (g).

(3) The purpose mentioned in paragraph 2(b), (d) and (e) above is making funds or economic resources available—

- (a) directly or indirectly to a person connected with Russia; or
- (b) for the benefit of a person connected with Russia.

(4) For the purposes of paragraph (3)—

- (a) economic resources are made available to a person connected with Russia only if that person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services;
- (b) making funds or economic resources indirectly available to a person connected with Russia includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person connected with Russia; and
- (c) funds or economic resources are made available for the benefit of a person connected with Russia only if that person thereby obtains, or is able to obtain, a significant financial benefit, and “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the person connected with Russia is wholly or partly responsible.

(5) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(6) A person who contravenes a prohibition in paragraph (1) commits an offence.

(7) In this regulation, the reference to a person (“P”) directly or indirectly acquiring any ownership interest in or control over a person or entity means—

- (a) P directly or indirectly acquiring any share in the person or entity;
- (b) P directly or indirectly acquiring any voting rights in the person or entity;

- (c) P directly or indirectly acquiring any right to appoint or remove a majority of the board of directors of the person or entity; or
 - (d) P directly or indirectly acquiring any means of ensuring that the affairs of the person or entity are conducted in accordance with the wishes of P where it is reasonable, having regard to all of the circumstances, to expect that P would (if P chose to) in most cases or significant respects, by whatever means, be able to do so.
- (8) In this regulation—
- “branch” means, in relation to a person other than an individual, a place of business which forms a legally dependent part of that person and which carries out all or some of the transactions inherent in the business of that person;
- “investment services” has the same meaning as it has in regulation 16 (dealing with transferable securities or money-market instruments);
- “relevant entity” means a person, other than an individual, which ^{F38}... is not a person connected with Russia.]

F37 Reg. 18B inserted (19.7.2022) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 12\) Regulations 2022 \(S.I. 2022/801\)](#), regs. 1(2), 4

F38 Words in reg. 18B(8) omitted (16.12.2022) by virtue of [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 17\) Regulations 2022 \(S.I. 2022/1331\)](#), regs. 1(2)(b), 6

^{F39}Trust services

- 18C.—**(1) A person must not provide trust services to or for the benefit of a designated person.
- (2) A person (“P”) must not provide trust services to or for the benefit of a person connected with Russia (“C”) unless pursuant to an ongoing arrangement pursuant to which P provided those trust services to or for the benefit of C immediately before 16th December 2022.
- (3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).
- (4) A person who contravenes a prohibition in paragraph (1) or (2) commits an offence.
- (5) For the purposes of paragraphs (1) and (2), trust services are provided for the benefit of a person (“B”) where—
- (a) B is a beneficiary of a trust or similar arrangement,
 - (b) B is referred to as a potential beneficiary in a document from the settlor relating to a trust or similar arrangement (such as a letter of wishes), or
 - (c) having regard to all the circumstances, B might reasonably be expected to obtain, or to be able to obtain, a significant financial benefit from the trust or similar arrangement.
- (6) For the purpose of paragraph (5), “beneficiary”, “potential beneficiary” and “settlor”, in relation to an arrangement similar to a trust, means those persons who hold equivalent or similar positions to those described in sub-paragraphs (a) to (c) of that paragraph in respect of a trust.
- (7) In this regulation—
- “designated person” means a person who is designated under regulation 5 (power to designate persons) for the purposes of this regulation;
- “trust services” means—
- (a) the creation of a trust or similar arrangement,
 - (b) the provision of a registered office, business address, correspondence address or administrative address for a trust or similar arrangement,
 - (c) the operation or management of a trust or similar arrangement, or

- (d) acting or arranging for another person to act as trustee of a trust or similar arrangement, where “trustee”, in relation to an arrangement similar to a trust, means a person who holds an equivalent or similar position to a trustee of a trust.]

F39 Reg. 18C inserted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), 7

CHAPTER 3

Further provision

Circumventing etc. prohibitions

19.—(1) A person must not intentionally participate in activities knowing that the object or effect of them is (whether directly or indirectly)—

- (a) to circumvent any of the prohibitions in [^{F40}regulations 11 to [^{F41}18C]], or
 - (b) to enable or facilitate the contravention of any such prohibition.
- (2) A person who contravenes the prohibition in paragraph (1) commits an offence.

F40 Words in reg. 19(1) substituted (19.7.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 12) Regulations 2022 (S.I. 2022/801), regs. 1(2), 5

F41 Word in reg. 19(1)(a) substituted (16.12.2022) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 (S.I. 2022/1331), regs. 1(2)(b), 8

Commencement Information

I10 Reg. 19 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, Sch. 5 para. 1(1)), see reg. 1(2)

[^{F42}Interpretation of Part 3

19A.—(1) In this Part—

“branch” means, in relation to a credit or financial institution, a place of business which forms a legally dependent part of that institution and which carries out all or some of the transactions inherent in the business of that institution;

“credit or financial institution” means a “UK credit or financial institution” or a “non-UK credit or financial institution”;

[^{F43}“foreign exchange reserve and asset management” means activities relating to the reserves or assets of the persons mentioned in paragraph (2) of regulation 18A, such reserves or assets to include the following—

- (a) money market instruments (including cheques, bills and certificates of deposit);
- (b) foreign exchange;
- (c) derivative products (including futures and options);
- (d) exchange rate and interest rate instruments (including products such as swaps and forward rate agreements);
- (e) transferable securities;
- (f) other negotiable instruments and financial assets (including bullion);
- (g) special drawing rights.]

“Government of Russia” has the same meaning as in regulation 6;

“subsidiary” has the meaning given by section 1159 of the Companies Act 2006;

(2) For the purposes of this Part, a person is to be regarded as “connected with” Russia if the person is—

- (a) an individual who is, or an association or combination of individuals who are, ordinarily resident in Russia,
- (b) an individual who is, or an association or combination of individuals who are, located in Russia,
- (c) a person, other than an individual, which is incorporated or constituted under the law of Russia, or
- (d) a person, other than an individual, which is domiciled in Russia.

(3) In this Part, the definitions of—

- (a) “non-UK credit or financial institution”, and
- (b) “UK credit or financial institution”,

[^{F44}have the meaning given in regulation 17A [^{F45}(corresponding banking relationships and processing payments)] and] are to be read with section 22 of the Financial Services and Markets Act 2000, any relevant order under that section and Schedule 2 to that Act.]

F42 Reg. 19A inserted (1.3.2022) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 2\) Regulations 2022 \(S.I. 2022/194\)](#), regs. 1(2), **8**

F43 Words in reg. 19A(1) inserted (1.3.2022 at 5.00 p.m.) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 5\) Regulations 2022 \(S.I. 2022/205\)](#), regs. 1(2), **3(2)**

F44 Words in reg. 19A(3) inserted (30.3.2022 at 5.00 p.m.) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 7\) Regulations 2022 \(S.I. 2022/395\)](#), regs. 1(2), **12**

F45 Words in reg. 19A(3) substituted (15.12.2023) by [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 4\) Regulations 2023 \(S.I. 2023/1364\)](#), regs. 1(3), **23(1)(2)(b)**

Changes to legislation:

There are currently no known outstanding effects for the The Russia (Sanctions) (EU Exit) Regulations 2019, PART 3.