
STATUTORY INSTRUMENTS

2019 No. 855

The Russia (Sanctions) (EU Exit) Regulations 2019

PART 3

Finance

CHAPTER 2

Other financial and investment restrictions

[^{F1}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

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Changes to legislation: There are currently no known outstanding effects for the The Russia (Sanctions) (EU Exit) Regulations 2019, Section 18B. (See end of Document for details)

- (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 ^{F2}... is not a person connected with Russia.]

Textual Amendments

- F1** 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
- F2** 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

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