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STATUTORY INSTRUMENTS

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**2019 No. 855**

**The Russia (Sanctions) (EU Exit) Regulations 2019**

**PART 2**

Designation of persons

**Designation criteria**

[<sup>F1</sup>6.—(1) The Secretary of State may not designate a person under regulation 5 (power to designate persons) unless the Secretary of State—

- (a) has reasonable grounds to suspect that that person is an involved person, and
- (b) considers that the designation of that person is appropriate, having regard to—
  - (i) the purposes stated in regulation 4 (purposes), and
  - (ii) the likely significant effects of the designation on that person (as they appear to the Secretary of State to be on the basis of the information that the Secretary of State has).

(2) In this regulation, an “involved person” means a person who—

- (a) is or has been involved in—
  - (i) destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine, or
  - (ii) obtaining a benefit from or supporting the Government of Russia,
- (b) is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person who is or has been so involved,
- (c) is acting on behalf of or at the direction of a person who is or has been so involved, or
- (d) is a member of, or associated with, a person who is or has been so involved.

(3) 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” if—

- (a) the person is responsible for, engages in, provides support for, or promotes any policy or action which destabilises Ukraine or undermines or threatens the territorial integrity, sovereignty or independence of Ukraine;
- (b) the person provides financial services, or makes available funds, economic resources, goods or technology, that could contribute to destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine;
- (c) the person provides financial services, or makes available funds, economic resources, goods or technology, to—
  - (i) a person who is responsible for a policy or action which falls within sub-paragraph (a), or
  - (ii) a person who provides financial services, or makes available funds, economic resources, goods or technology, as mentioned in sub-paragraph (b);

- (d) the person obstructs the work of international organisations in Ukraine;
  - (e) the person conducts business with a separatist group in the Donbas region;
  - (f) the person is a relevant person trading or operating in [<sup>F2</sup>non-government controlled Ukrainian territory];
  - (g) the person assists the contravention or circumvention of a relevant provision.
- (4) For the purposes of this regulation, being “involved in obtaining a benefit from or supporting the Government of Russia” means—
- (a) carrying on business as a Government of Russia-affiliated entity;
  - (b) carrying on business of economic significance to the Government of Russia;
  - (c) carrying on business in a sector of strategic significance to the Government of Russia;
  - (d) owning or controlling directly or indirectly (within the meaning of regulation 7), or working as a director (whether executive or non-executive), trustee, [<sup>F3</sup>or other manager] or equivalent, of—
    - (i) a Government of Russia-affiliated entity;
    - (ii) a person, other than an individual, which falls within sub-paragraph (b) or (c) [<sup>F4</sup>];
  - [<sup>F5</sup>(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).]
- [<sup>F6</sup>(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.]
- (5) In paragraph (3)(f), a person (“P”) is a “relevant person” if—
  - (a) P is not an individual, and
  - (b) the ownership or control of P has been transferred contrary to the law of Ukraine;
- [<sup>F7</sup>(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.]
- (7) In this regulation—
  - “Government of Russia” means—
    - (a) the Presidency of the Russian Federation;
    - (b) public bodies and agencies subordinate to the President of the Russian Federation, including the Administration of the President of the Russian Federation;
    - (c) the Chairman of the Government of the Russian Federation and the deputies of the Chairman of the Government;
    - (d) any Ministry of the Russian Federation;
    - (e) any other public body or agency of the Government of the Russian Federation, including the armed forces and law-enforcement organs of the Russian Federation;
    - (f) the Central Bank of the Russian Federation;
  - “Government of Russia-affiliated entity” means a person, other than an individual—
    - (a) which is owned or controlled directly or indirectly by the Government of Russia (within the meaning of regulation 7),
    - (b) in which the Government of Russia holds directly or indirectly a minority interest,
    - (c) which receives, or has received, financing, directly or indirectly, from the Russian Direct Investment Fund or the National Wealth Fund, or
    - (d) which otherwise obtains a financial benefit or other material benefit from the Government of Russia;
  - [<sup>F8</sup>“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.]
  - “minority interest” means any shareholding, voting right or right to appoint or remove members of the board of directors which does not meet the condition set out in regulation 7(2);
  - “relevant provision” means—
    - (a) any provision of Part 3 (Finance) or Part 5 (Trade);

- (b) any provision of the law of a country other than the United Kingdom made for purposes corresponding to a purpose of any provision of Part 3 or Part 5;

“sector of strategic significance to the Government of Russia” means—

- (a) the Russian chemicals sector;
- (b) the Russian construction sector;
- (c) the Russian defence sector;
- (d) the Russian electronics sector;
- (e) the Russian energy sector;
- (f) the Russian extractives sector;
- (g) the Russian financial services sector.
- (h) the Russian information, communications and digital technologies sector;
- (i) the Russian transport sector.

(8) Nothing in any sub-paragraph of paragraph (3) or (4) is to be taken to limit the meaning of any of the other sub-paragraphs of that paragraph.]

#### Textual Amendments

- F1** Reg. 6 substituted (10.2.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (S.I. 2022/123), regs. 1(2), **3**
- F2** Words in reg. 6(3)(f) 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), **6**
- F3** Words in reg. 6(4)(d) inserted (18.7.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 (S.I. 2022/814), regs. 1(2), **3(a)(i)**
- F4** Reg. 6(4)(d)(ii): semicolon substituted for full stop (18.7.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 (S.I. 2022/814), regs. 1(2), **3(a)(ii)**
- F5** Reg. 6(4)(e) inserted (18.7.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 (S.I. 2022/814), regs. 1(2), **3(a)(iii)**
- F6** Reg. 6(4A) inserted (18.7.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 (S.I. 2022/814), regs. 1(2), **3(b)**
- F7** Reg. 6(6) substituted (18.7.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 (S.I. 2022/814), regs. 1(2), **3(c)**
- F8** Words in reg. 6(7) inserted (18.7.2022 at 5.00 p.m.) by The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 (S.I. 2022/814), regs. 1(2), **3(d)(i)**

**Changes to legislation:**

There are currently no known outstanding effects for the The Russia (Sanctions) (EU Exit) Regulations 2019, Section 6.