

**THE RUSSIA (SANCTIONS) (EU EXIT) (AMENDMENT) (No. 4) REGULATIONS 2022**  
**REPORT UNDER SECTION 46 OF THE SANCTIONS AND ANTI-MONEY**  
**LAUNDERING ACT 2018**

1. This is a report under section 46 of the Sanctions and Anti-Money Laundering Act 2018 ("the Act") in relation to the Russia (Sanctions) (EU Exit) (Amendment) (No. 4) Regulations 2022. When new regulations are made under section 45 of the Act to amend sanctions regulations that have already been made under section 1 of the Act, and the regulations being amended state a purpose other than compliance with a UN or other international obligation (i.e. discretionary purposes in section 1(2) of the Act), the Minister making the new regulations must lay before Parliament a report under section 46(2) of the Act which explains why the Minister is of the opinion mentioned in section 45(2)(b) of the Act, namely that:
  - The Minister considers that carrying out the purpose(s) of the regulations being amended would meet one or more of the conditions in paragraphs (a) to (i) of section 1(2) of the Act;
  - The Minister considers that there are good reasons to pursue that purpose; and
  - The Minister considers that the imposition of sanctions is a reasonable course of action for that purpose.
  
2. The Russia (Sanctions) (EU Exit) (Amendment) (No. 4) Regulations 2022 (the "Amendment Regulations") are made under the Act to amend the Russia (Sanctions) (EU Exit) Regulations 2019 ("the 2019 Regulations"). The Amendment Regulations introduce new maritime measures of prohibitions on port entry, movement of, direction, detention, and registration of Russian and specified ships.
  
3. Following its illegal annexation of Crimea in 2014, Russia has continued to pursue a pattern of aggressive action towards Ukraine. This has included use of military force to invade Ukraine, announced by President Putin on 24 February 2022 as a "special military operation", the recognition of the 'Donetsk People's Republic' and 'Luhansk People's Republic' as independent states, and the deployment of Russian military to those regions.
  
4. The UK has called on Russia to cease its military activity, withdraw its forces from Ukraine and Crimea and fulfil its international commitments including under the 1975 Helsinki Act, the Minsk Protocols and 1994 Budapest memorandum. The UK continues to reiterate its support for Ukraine and in addition to

withdrawing its troops from Ukrainian soil, has called on Russia to end its support for the separatists, and enable the restoration of security along the Ukraine-Russia border under effective and credible international monitoring.

5. UK policy is focused on ending the crisis in Ukraine and on assisting Ukraine to secure its borders against Russia's aggressive actions to ensure a stable, prosperous and democratic future for all its citizens, and has been unwavering in its support for the country's territorial integrity and sovereignty.
6. These sanctions are part of a broader policy of measures which includes: diplomatic pressure; restrictions on trade relations with Crimea and the city of Sevastopol; economic and financial sanctions and designations. Change will therefore be sought through diplomatic pressure, and other measures, supported by implementing restrictive measures in respect of actions undermining the territorial integrity, sovereignty, and independence of Ukraine.
7. The Government recently introduced secondary legislation, through the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (S.I.2022/123), to amend the existing criteria for the designation of persons. This has enabled the UK to designate individuals that are or have been involved in obtaining a benefit from, or supporting, the Government of Russia. The Government also introduced financial and trade measures in the Russia (Sanctions) (EU Exit) (Amendment) (No.2) and (No.3) Regulations (S.I.s 2022/194 and 195). The UK continues to work closely with international partners to ensure that coordinated sanctions remain in place as long as these actions continue.
8. The Amendment Regulations introduce new maritime measures which are designed to cause significant short-term disruption to Russian shipping, thereby restricting their economic interests and further holding the Russian government to account.
  - a. **Prohibition on port entry.** This will prohibit a person from providing a Russian ship, or a specified ship, with access to a port in the United Kingdom where that person knows, or has reasonable cause to suspect, that that they are such a ship. These measures will apply to any ship which is owned, controlled, chartered, or operated by persons connected with Russia or designated persons; ships registered in Russia; and ships flying the flag of Russia or those specified by the Secretary of State.
  - b. **Direction of Russian ships.** Any ship which is owned, controlled, chartered or operated by persons connected with Russia or designated persons, ships registered in Russia, flying the flag of Russia, originating from Russia, or a ship specified by the Secretary of State, may have their movements directed, including being directed to leave a port.

- c. **Detention of Russian ships.** Any ship which is owned, controlled, chartered or operated by persons connected with Russia or designated persons, ships registered in Russia or flying the flag of Russia, or a ship specified by the Secretary of State may be the subject of a direction requiring the detention of the ship at a port or anchorage.
  - d. **Registration of ships in the United Kingdom.** This sets out powers for the Registrar to refuse to register a ship in the United Kingdom if the ship appears to be owned, controlled, chartered or operated by designated persons; or persons connected with Russia. The provision also provides a power for the Secretary of State to direct the Registrar to terminate the registration of a ship in the United Kingdom if the ship is owned, controlled, chartered or operated by designated persons, or persons connected with Russia or is a ship specified by the Secretary of State.  
**Specification of ships:** the Secretary of State may specify ships for the purposes of the above measures where they have reasonable grounds to suspect that the ship is, has been, or is likely to be, involved in a relevant activity, and considers it is appropriate for the ship to be specified, having regard to the purposes of the Amendment Regulations. A ship is involved in a “relevant activity” if used for any activity whose object or effect is to contravene or circumvent, or to enable or facilitate the contravention or circumvention of, any provision of the 2019 Regulations.
9. The Amendment Regulations also make provisions to exclude from the scope of port restrictions provisions any entry needed by a ship in a case of emergency.
10. Section 2(4) of the Act requires a report to be laid before Parliament explaining why the appropriate Minister making Regulations under section 1 of the Act considers that carrying out each of the discretionary purposes of the Regulations would meet one or more of the conditions in paragraph (a) to (i) of section 1(2) of the Act, why the Minister considers that there are good reasons to pursue that purpose, and why the Minister considers that the imposition of sanctions is a reasonable course of action for that purpose. A report under s.2(4) and the other documents that accompanied the 2019 Regulations were laid before Parliament on 11 April 2019.
11. An annual review under section 30 of the Act, examining whether the Russia (Sanctions) (EU Exit) Regulations 2019 were still appropriate for the purposes stated in them, was completed on 11 November 2021. It concluded that during the review period that Russia has continued to take actions which threaten and destabilise Ukraine.

12. A summary of the conclusions relating to the discretionary purposes of the section 2 report and the annual review is below, together with an assessment of the current situation for the purposes of this section 46 report.

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

13. **Section 2 report, laid before Parliament on 11 April 2019:** The report stated that the discretionary purposes of the 2019 Regulations were to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. The report concluded that carrying out those purposes met one or more of the conditions in section 1(2) of the Act. In particular, carrying out those purposes would fall within paragraph 2(c) and 2(d), in that it would be in the interests of international peace and security, and furthering a foreign policy objective of the government of the United Kingdom. The purposes remain relevant following the deterioration of the security situation since 2020. The UK continues to put pressure on the Russian Government to change its behaviour and policy towards Ukraine. Russia's further invasion of Ukraine shows the importance of continuing to use this sanctions regime to increase pressure on Russia to change its behaviour.
14. **Annual review:** An annual review was completed on 11 November 2021. It concluded that during the review period the situation in Ukraine had further deteriorated since the 2019 Regulations were laid in Parliament.
15. **Current assessment:** Since the completion of the section 2 report Russia has launched a military invasion of Ukraine, announced by President Putin on 24 February 2022 as a "special military operation", and recognised the 'Donetsk People's Republic' and 'Luhansk People's Republic' as independent states, and has deployed Russian military forces to those regions.
16. Russia's actions to change borders by force and undermine Ukraine's sovereignty and territorial integrity are illegal and geopolitically destabilising. Russia's aggressive actions, as well as its previous intervention in eastern Ukraine and illegal annexation of Crimea and the city of Sevastopol are clearly inconsistent with a number of Russia's international commitments, including the OSCE Helsinki Final Act, the Minsk Protocols, and the Budapest Memorandum. The UK has been clear that Russia should change its behaviour towards Ukraine and be held to account for its actions in Ukraine.
17. In response to this situation, it is a reasonable course of action to maintain the existing sanctions measures under the 2019 Regulations, and to introduce the new prohibitions and measures in the Amendment Regulations.

18. The existing sanctions measures under the 2019 Regulations have not yet achieved the desired outcomes. These new prohibitions and requirements will send a clear political signal to Russia that we are aligned with international partners and would signal to the wider international community that territorial expansionism is unacceptable and should be met with a serious response. Any diminution of sanctions against Russia would be seen as an acceptance of Russia's invasion of Ukraine. More comprehensive measures, as detailed above, are both reasonable and proportionate to achieve the purposes of the sanctions regime.
  
19. The policy intention is to keep sanctions in place until the UK Government is assured that Russia has ended its occupation of Ukraine, withdrawn its troops from Ukrainian soil, ended its support for the separatists, and enabled the restoration of security along the Ukraine-Russia border. For the reasons set out in the section 2 report, carrying out those purposes meets one or more of the conditions in section 1(2) of the Act, there are good reasons for pursuing those purposes, and the imposition of the kinds of prohibitions and requirements imposed by this instrument for those purposes is a reasonable course of action for those purposes.

**The Rt. Hon. James Cleverly MP**

**Minister of State for Foreign, Commonwealth and Development Affairs**