

**THE RUSSIA (SANCTIONS) (EU EXIT) (AMENDMENT) (No. 6) 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. 6) 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. 6) 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 aviation measures preventing Russian aircraft from overflying UK airspace or landing at UK airports and refusing and terminating the registration of relevant aircraft, as well as providing the power to prevent take off, to require take off, and allow for the detention of Russian aircraft. The Amendment Regulations will also impose new trade sanctions measures and amend existing trade sanctions measures under Part 5 (Trade) introduced by the 2019 Regulations. The Amendment Regulations also amend the 2019 Regulations to correct several omissions and an error in the shipping measures introduced by the Russia (Sanctions) (EU Exit) (Amendment) (No. 4) Regulations 2022 (S.I. 2022/203).
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 2014 and 2015 Minsk Protocols and the 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 UK recently introduced further secondary legislation to amend the 2019 Regulations: S.I.2022/123; S.I. 2022/194; S.I. 2022/195; S.I. 2022/203 and S.I. 2022/205. The amendments include: amending the existing designation criteria for the designation of persons, amending the financial sanctions and trade measures and introducing new shipping sanctions measures. 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 aviation measures which are designed to cause significant short-term disruption to Russian aviation and the users of Russian aircraft, thereby restricting their economic interests and further holding the Russian government to account. They include:
  - a. **Prohibition on Russian aircraft from entering UK airspace.** Any aircraft which is owned, chartered or operated by persons connected with Russia or designated persons, is prohibited from operating in UK airspace. This prohibition is not contravened by the flight of a Russian aircraft in the airspace over the United Kingdom where failing to land would endanger the lives of persons on board or the safety of the aircraft or preparatory to a landing at a UK airport where there might be such a risk. The prohibition

is also not contravened if action is taken necessary to protect another aircraft or the safety of persons on the ground. Further there will be no contravention where the Secretary of State has issued a direction permitting the Russian aircraft to overfly or land in the UK;

- b. **Prohibition on Russian aircraft landing in UK.** Any aircraft which is owned, chartered or operated by persons connected with Russia or designated persons, is prohibited from landing in the UK. This prohibition is not contravened by the landing of a Russian aircraft in the UK if failing to land would endanger the lives of persons on board or the safety of the aircraft, the safety of another aircraft or to protect persons on the ground. It is also not contravened where the Secretary of State, has issued a direction permitting the Russian aircraft to overfly or land in the UK;
- c. **Registration of aircraft in the UK.** The Civil Aviation Authority (CAA) must refuse to register an aircraft owned or operated by a designated person or chartered by a designated person. The CAA can also terminate the registration of an aircraft owned or operated by a designated person or chartered by a designated person.
- d. **Direction by air traffic control to Russian aircraft in UK airspace.** Air traffic control may direct the operator or pilot in command of a Russian aircraft not to enter the airspace over the UK, or to leave the airspace over the UK by a specific route;
- e. **Direction by an airport operator to a Russian aircraft in UK.** An airport operator may direct the operator or pilot in command of a Russian aircraft not to take off, or not to permit the aircraft to take off, to take off or require the aircraft to take off and not to land, or not to permit the aircraft to land, at the airport the operator manages;
- f. **Direction by the Secretary of State to air traffic control.** The Secretary of State may issue directions to air traffic control relating to Russian aircraft in UK airspace;
- g. **Direction by the Secretary of State to an airport operator.** The Secretary of State may issue directions to airport operators relating to Russian aircraft in UK airspace, including to not to take off, to take off and not to land. The Secretary of State may also issue directions to an airport operator to secure the detention of a Russian aircraft at an airport or to secure the movement of a Russian aircraft to a specified airport;
- h. **Direction by the Secretary of State to the CAA.** The Secretary of State may issue directions to the CAA with respect to permissions issued under (i) article 250 (Restriction on carriage, where valuable consideration is given or promised, in aircraft registered elsewhere than in the UK), and (ii) article 252 (Restriction on commercial operations in aircraft registered elsewhere than in an EEA state) of the Air Navigation Order 2016 (S.I. 2016/765); and

- i. **Maintenance of safety.** Any directions issued by the Secretary of State, air traffic control or an airport operator under the powers of the Regulations are not contravened by conduct necessary to maintain air or ground safety.
9. The Amendment Regulations also introduce and amend trade sanctions measures as follows:
  - a. The Amendment Regulations apply existing measures on 'Restricted Goods' and 'Restricted Technology' to aviation and space items. This prohibits the **export, supply and delivery, making available and transfer of aviation and space items to, or for use in, Russia** (as well as the provision of related technical assistance, financial services, funds and brokering services); and
  - b. The Amendment Regulations also apply a further prohibition to aviation and space items, covering the **provision of insurance and reinsurance services relating to aviation and space goods and technology**, to a person connected with Russia, or for use in Russia.
10. The Amendment Regulations also correct omissions and errors in the shipping measures in the 2019 Regulations. Firstly, they rectify the omission of 'ships registered in Russia' from the list of ships which can be given a detention direction and correct a typographical error in regulation 57D of the 2019 Regulations. Secondly, they clarify that a ship is not deemed to be 'operated' by its master and crew unless they are designated persons for the purposes of Part 6 of the 2019 Regulations. Finally, they change the penalty for the existing offences of disclosing confidential information so that these are consistent with similar offences in other regulations made under the Act. In addition the Amendment Regulations correct an error in the Merchant Shipping (Registration of Ships) Regulations 1993 (S.I. 1993/3138) which was introduced by S.I. 2022/203.
11. 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.

12. An annual review under section 30 of the Act, examining whether the 2019 Regulations were still appropriate for the purposes stated in them, was completed on 11 November 2021. It concluded that during the review period, Russia has continued to take actions which threaten and destabilise Ukraine.
13. 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 2019 Regulations**

14. **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 invasion of Ukraine on 24 February 2022 shows the importance of continuing to use this sanctions regime to increase pressure on Russia to change its behaviour.
15. **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.
16. **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.
17. 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 1975 Helsinki Final Act, the 2014 and 2015 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.

18. In response to this situation, it is a reasonable course of action to maintain the existing sanctions measures under the 2019 Regulations, rectify omissions and errors in the 2019 Regulations and S.I. 1993/3138 and to introduce the new prohibitions and measures in the Amendment Regulations.
19. 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.
20. 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.

**Lord Ahmad of Wimbledon**

**Minister of State at the Foreign, Commonwealth and Development Office**