

**EXPLANATORY MEMORANDUM TO**  
**THE RUSSIA (SANCTIONS) (EU EXIT) (AMENDMENT) (NO. 13) REGULATIONS**  
**2022**

**2022 No. 814**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by the Foreign, Commonwealth and Development Office ('FCDO') and is laid before Parliament by Command of Her Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

**2. Purpose of the instrument**

- 2.1 This instrument is made under the Sanctions and Anti-Money Laundering Act 2018 ('the Sanctions Act') to make amendments to the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) ('the 2019 Regulations'). These amendments will amend the designation criteria to specify additional activities for which a person may be designated, expand the scope of those involved in obtaining a benefit from or supporting the Government of Russia, and broaden the definition of 'associated with' to include specified family members. The instrument will also introduce a humanitarian exception from trade sanctions measures to support humanitarian assistance activity in the non-government controlled areas of Donetsk and Luhansk oblast.
- 2.2 This instrument will also amend the 2019 Regulations to expand the definition of ownership in relation to ships and aircraft and correct errors or omissions in regulations 76, 78 and 94 of the 2019 Regulations.

**3. Matters of special interest to Parliament**

***Matters of special interest to the Joint Committee on Statutory Instruments***

- 3.1 This instrument, which is subject to the made affirmative procedure, is laid before Parliament on 18 July 2022 under section 55(3) of the Sanctions Act and comes into force on the same day that it is laid. Bringing the instrument into force on the same day is necessary given the international situation and it is appropriate for these measures to enter into force as soon as possible.

**4. Extent and Territorial Application**

- 4.1 The territorial extent of this instrument is the same as the territorial extent of the instrument which it amends: that is, the whole of the United Kingdom ('UK').
- 4.2 Subject to paragraph 4.3, the territorial application of this instrument is also the same as the territorial application of the instrument that it amends. That is, it applies to the whole of the UK.

- 4.3 This instrument also applies to conduct by UK persons where that conduct is wholly or partly outside the UK, and some parts of it also apply to conduct by any person in the territorial sea adjacent to the UK.

## **5. European Convention on Human Rights**

- 5.1 The Parliamentary Under-Secretary of State at the FCDO, Rehman Chishti MP, has made the following statement regarding human rights:

“In my view the provisions of the Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 are compatible with the Convention rights.”

## **6. Legislative Context**

- 6.1 The Sanctions Act establishes a legal framework which enables Her Majesty’s Government to impose sanctions for a number of purposes, which include that it is in the interests of international peace and security and furthers a foreign policy objective of the government of the UK.
- 6.2 This instrument makes amendments to the 2019 Regulations, which were made under the Sanctions Act for discretionary purposes within section 1(2) of the Sanctions Act.

## **7. Policy background**

### *What is being done and why?*

- 7.1 This instrument amends the 2019 Regulations to: broaden the designation criteria for which a person can be designated; introduce a humanitarian exception from trade sanction measures in the non-government controlled areas of Donetsk and Luhansk; expand upon the definition of “owned” in relations to ships and aircraft; and resolve issues arising from the 2019 Regulations and amendments made to them, including the correction of errors and omissions.
- 7.2 Following its illegal annexation of Crimea in 2014, Russia continued a pattern of aggressive action towards Ukraine until 24 February 2022 when it invaded Ukraine’s sovereign territory, announced by President Putin as a “special military operation”, and recognised the ‘Donetsk People’s Republic’ and ‘Luhansk People’s Republic’ as independent states and deployed Russian military to those regions.
- 7.3 The UK has called on Russia to cease its military activity, withdraw its forces from Ukraine and Crimea, end its support for the separatists, and fulfil its international commitments including under the 1975 Helsinki Final Act, the 2014 and 2015 Minsk Protocols and the 1994 Budapest memorandum. UK policy remains focused on ending the crisis in Ukraine and on assisting Ukraine to secure its borders against Russia’s aggressive actions, ensuring a stable, prosperous and democratic future for all its citizens. The UK has been unwavering in its support for the country’s territorial integrity and sovereignty.
- 7.4 These sanctions are part of a broader policy of measures which includes: diplomatic pressure; trade sanctions; economic and financial sanctions; and designations. Change will therefore be sought through diplomatic pressure, and other measures, supported by implementing sanctions in respect of actions undermining the territorial integrity, sovereignty and independence of Ukraine.
- 7.5 Part 2 of this instrument amends regulation 6 (designation criteria) of the 2019 regulations to (i) include additional activities for which a person may be designated,

(ii) expand the scope of those involved in obtaining a benefit from or supporting the Government of Russia, and (iii) broaden the definition of ‘associated with’ to include specified immediate family members.

- 7.6 Part 3 of this instrument amends Part 5 (Trade) of the 2019 regulations to introduce a new humanitarian exception from the prohibition on outward trade in goods and infrastructure-related services for humanitarian assistance activity in the non-government controlled areas of the Donetsk and Luhansk oblasts.
- 7.7 Part 4 of this instrument amends Parts 6 (Ships) and 6A (Aircrafts) of the 2019 Regulations to clarify the definitions of “owned” by incorporating the term “owned or controlled directly or indirectly” defined in regulation 7. This will clarify that aircraft or ships owned via a majority interest in a company are in scope. Part 4 also corrects errors and omissions in regulations 76, 78 and 94 of the 2019 Regulations.

## **8. European Union Withdrawal and Future Relationship**

- 8.1 This instrument itself does not relate to withdrawal from the European Union (‘EU’) / trigger the statement requirements under the European Union (Withdrawal) Act. The 2019 Regulations related to the withdrawal of the UK from the EU because they replaced, with substantially the same effect, the previous EU Russia- and Ukraine-related sanctions regimes.

## **9. Consolidation**

- 9.1 The 2019 Regulations have been amended by S.I. 2020/590; S.I. 2020/951; S.I. 2022/123; S.I. 2022/194; S.I. 2022/195; S.I. 2022/203; S.I. 2022/205; S.I. 2022/241; S.I. 2022/395; S.I. 2022/452; S.I. 2022/477, S.I. 2022/689; S.I. 2022/792 and by the Sentencing Act 2020 (c. 17). This instrument does not consolidate previous instruments. The FCDO will keep the need for consolidation under review.

## **10. Consultation outcome**

- 10.1 No consultation has been carried out on this instrument. The Explanatory Memorandum to the 2019 Regulations explains the [consultation](#) that has been carried out in relation to the Sanctions Act.
- 10.2 There is neither a requirement in the Sanctions Act for public consultation on instruments made under the Act, nor is there any other legal obligation to consult in respect of this instrument. HM Government will continue engagement with stakeholders on the implementation of UK sanctions.

## **11. Guidance**

- 11.1 In accordance with section 43 of the Sanctions Act, guidance has been published in relation to the prohibitions and requirements under the 2019 Regulations. This guidance will be updated to reflect the amendments to those Regulations made by this instrument.

## **12. Impact**

- 12.1 An impact assessment has not been produced for these Regulations as no, or no significant impact, on the private, voluntary or public sector is foreseen. Any impact would result primarily from any future increase in the number of sanctions designations. A more detailed analysis of the impact on the UK economy will be

made at the point of designations. This instrument also introduces a humanitarian exception from outward trade sanctions measures in the non-government controlled areas of the Donetsk and Luhansk oblasts, broadens the definition of ownership in relations to ships and aircrafts and makes miscellaneous amendments to correct errors and omissions in the 2019 Regulations and amendments made to those regulations. Impact assessments produced for the primary legislation and previous amendment regulations already cover the associated impacts.

- 12.2 UK businesses must already comply with sanctions against individuals and entities appearing on a regularly updated gov.uk list. The process for notifying businesses about sanctions remains unchanged, so we do not expect significant changes to IT systems or administrative changes.
- 12.3 An impact assessment was produced for the primary legislation and can be found [here](#).

### **13. Regulating small business**

- 13.1 The legislation applies to activities that are undertaken by small businesses.
- 13.2 No specific action is proposed to mitigate regulatory burdens on small businesses.
- 13.3 The FCDO does not believe it is possible to exempt smaller businesses from the requirements to comply with the measures introduced by this instrument, as this could provide a route for the circumvention or evasion of sanctions.

### **14. Monitoring & review**

- 14.1 If determined that it was no longer appropriate to maintain a sanctions regime or specific sanctions measures, that regime would be removed or amended accordingly. In the case of the 2019 Regulations, that would include the measures introduced by this instrument. As such, the Minister does not consider that a review clause in this instrument is appropriate.

### **15. Contact**

- 15.1 The Sanctions Legislation and Policy Team at the FCDO, 0207 008 8553 or email: [Sanctions.SIs@fcdo.gov.uk](mailto:Sanctions.SIs@fcdo.gov.uk), can be contacted with any queries regarding the instrument.
- 15.2 Abigail Culank, Deputy Director Sanctions Taskforce at the FCDO, can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Rehman Chishti MP, Parliamentary Under-Secretary of State at the FCDO, can confirm that this Explanatory Memorandum meets the required standard.