

*This Statutory Instrument corrects an error in S.I. 2023/440 and is being issued free of charge to all known recipients of that Statutory Instrument.*

*Regulations made by the Secretary of State, laid before Parliament under section 55(3) of the Sanctions and Anti-Money Laundering Act 2018, for approval by resolution of each House of Parliament within twenty-eight days beginning with the day on which the instrument is made, subject to extension for periods of dissolution or prorogation or during which both Houses are adjourned for more than four days.*

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STATUTORY INSTRUMENTS

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**2023 No. 665**

**SANCTIONS**

**The Russia (Sanctions) (EU Exit) (Amendment) (No. 2)  
Regulations 2023**

<i>Made</i>	- - - -	<i>15th June 2023</i>
<i>Laid before Parliament</i>		<i>19th June 2023</i>
<i>Coming into force</i>	- -	<i>20th June 2023</i>

The Secretary of State, considering that the condition in section 45(2) of the Sanctions and Anti-Money Laundering Act 2018(a) is met, makes the following Regulations in exercise of the powers conferred by sections 1, 5, 7(2) and (5), 15(2)(a), 17 and 45 of, and paragraphs 2(b) and 28(1) of Schedule 1 to, that Act.

**Citation and commencement**

1.—(1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2023.

(2) These Regulations come into force on 20th June 2023.

**Amendments to the Russia (Sanctions) (EU Exit) Regulations 2019**

2. The Russia (Sanctions) (EU Exit) Regulations 2019(b) are amended in accordance with the following regulations.

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- (a) 2018 c. 13. Section 17(5)(b)(i) (enforcement) is amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 443(1). Sections 1 and 45 are amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), sections 57 and 62. The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) (“SAML A”) is conferred on an appropriate Minister. Section 1(9)(a) of SAML A defines an “appropriate Minister” as including the Secretary of State.
- (b) S.I. 2019/855, as 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. 2022/792; S.I. 2022/801; S.I. 2022/814; S.I. 2022/818; S.I. 2022/850; S.I. 2022/1110; S.I. 2022/1122; S.I. 2022/1331; and S.I. 2023/440; and by the Sentencing Act 2020.

## Interpretation

### 3. In regulation 2 (interpretation)—

- (a) omit the definition of “non-government controlled areas of the Donetsk and Luhansk oblasts”;
- (b) in the appropriate place insert—

““non-government controlled areas of the Donetsk, Kherson Luhansk and Zaporizhzhia oblasts” means the parts of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts which are for the time being controlled by an authority other than the Government of Ukraine;”
- (c) for the definition of “non-government controlled Ukrainian territory” substitute—

““non-government controlled Ukrainian territory” means Crimea and non-government controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts;”.

## Purposes

### 4. In regulation 4 (purposes)—

- (a) after “for the purposes of” insert “—”;
- (b) the remaining text becomes paragraph (a);
- (c) after that paragraph insert—

“(b) promoting the payment of compensation by Russia for damage, loss or injury suffered by Ukraine on or after 24th February 2022 as a result of Russia’s invasion of Ukraine.”

## Export of relevant restricted goods to non-government controlled Ukrainian territory

### 5. For regulation 30B (export of relevant restricted goods) substitute—

- “**30B.**—(1) The export of relevant restricted goods to, or for use in, Crimea is prohibited.
- (2) The export of relevant restricted goods to, or for use in, non-government controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts is prohibited.
- (3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).
- (4) It is a defence for a person charged with the offence under section 68(1) (offences in relation to exportation of prohibited or restricted goods) of CEMA in relation to the prohibition in paragraph (2) to show that they did not know and had no reasonable cause to suspect that the export was, or would have been, to, or the goods were for use in, non-government controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts.”

## Export of infrastructure-related goods to non-government controlled Ukrainian territory

### 6. For regulation 48 (export of infrastructure-related goods to non-government controlled Ukrainian territory) substitute—

- “**48.**—(1) The export of infrastructure-related goods to, or for use in, Crimea is prohibited.
- (2) The export of infrastructure-related goods to, or for use in, non-government controlled areas of the Donetsk Kherson, Luhansk and Zaporizhzhia oblasts is prohibited.
- (3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).
- (4) It is a defence for a person charged with the offence under section 68(1) (offences in relation to exportation of prohibited or restricted goods) of CEMA in relation to the prohibition in paragraph (2) to show that they did not know and had no reasonable cause to suspect that the export was, or would have been, to, or the goods were for use in, non-government controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts.”

## **Export of restricted goods**

7. In regulation 53A (application of prohibitions and requirements in Chapter 2 of Part 5 to non-government controlled Ukrainian territory)—

- (a) the existing text becomes paragraph (1);
- (b) after that paragraph insert—

“(2) Paragraph (3) applies where the person is charged with the offence under section 68(1) (offences in relation to exportation of prohibited or restricted goods) of CEMA in relation to exportation of goods to, or for use in, non-government controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts which is or would be contrary to the prohibition in regulation 22(1) (export of restricted goods), as it has effect by virtue of this regulation.

(3) It is a defence for a person charged with the offence mentioned in paragraph (2) to show that the person did not know and had no reasonable cause to suspect that the export was, or would have been, to, or the goods were for use in, non-government controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts.”

## **Ports directions**

8. In regulation 57 (Crimean ports direction or Donetsk ports direction)—

- (a) for the heading, substitute “Crimean ports direction, Donetsk ports direction or Kherson and Zaporizhzhia ports direction”;
- (b) in paragraph (1), for “Crimean ports direction or a Donetsk ports direction” substitute “Crimean ports direction, a Donetsk ports direction or a Kherson and Zaporizhzhia ports direction”;
- (c) after paragraph (2A) insert—

“(2B) In this regulation, a “Kherson and Zaporizhzhia ports direction” is a direction prohibiting a ship from entering a port or any ports located in non-government controlled areas of the Kherson and Zaporizhzhia oblasts.”;
- (d) in paragraph (4), for “Crimean ports direction or a Donetsk ports direction” substitute “Crimean ports direction, a Donetsk ports direction or a Kherson and Zaporizhzhia ports direction”;
- (e) in paragraph (5), for “Crimean ports direction or a Donetsk ports direction” substitute “Crimean ports direction, a Donetsk ports direction or a Kherson and Zaporizhzhia ports direction”.

## **Exceptions relating to investments in relation to non-government controlled Ukrainian territory**

9. In regulation 60 (exceptions relating to investments in relation to non-government controlled Ukrainian territory), after paragraph (3)(b), insert—

“(c) in the case of investments in relation to non-government controlled areas of the Kherson and Zaporizhzhia oblasts, 20th June 2023.”

## **Trade: exception for humanitarian assistance activity**

10. In regulation 61ZA (trade: exception for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts)—

- (a) in the heading, for “Donetsk and Luhansk oblasts” substitute “Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts”;
- (b) in paragraph (1), for “Donetsk and Luhansk oblasts” substitute “Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts”;

- (c) in paragraph (2), in the definition of “humanitarian assistance activity” for “Donetsk and Luhansk oblasts” substitute “Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts”.

### **Penalties for offences**

11. In regulation 80(1) (penalties for offences), for “57 (Crimean ports direction or Donetsk ports direction)” substitute “57 (Crimean ports direction, Donetsk ports direction or Kherson and Zaporizhzhia ports direction)”.

### **Maritime enforcement**

12. In regulation 89(2)(ba) (exercise of maritime enforcement powers), for “non-government controlled Ukrainian technology” substitute “non-government controlled Ukrainian territory”.

*Andrew Mitchell*  
Minister of State

15th June 2023

Foreign, Commonwealth and Development Office

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c. 13) (“the Act”) to amend the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the 2019 Regulations”) (as amended).

Under section 1 of the Act, the Secretary of State may make sanctions regulations for a purpose within subsection (2). In addition to the current purpose stated in regulation 4 (encouraging Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine), the Secretary of State considers that the 2019 Regulations are also appropriate for promoting the payment of compensation by Russia for losses suffered by Ukraine as a result of Russia’s full-scale invasion of Ukraine on or after 24 February 2022. Regulation 4 of the 2019 Regulations is amended to refer to this additional purpose.

Regulation 3 removes the existing definition of non-government controlled areas of the Donetsk and Luhansk oblasts, and substitutes a new definition of non-government controlled Ukrainian territory which includes also the additional territory of non-government controlled areas of the Kherson and Zaporizhzhia oblasts of Ukraine.

The expanded definition has the effect of extending existing finance, shipping and trade sanctions relating to the Autonomous Republic of Crimea and city of Sevastopol (“Crimea”) and non-government controlled areas of the Donetsk and Luhansk oblasts, and relevant exceptions, to non-government controlled areas of the Kherson and Zaporizhzhia oblasts.

The Regulations also introduce a defence to the strict liability offence under section 68(1) of the Customs and Excise Management Act 1979 relating to the prohibition on exportation of certain goods to, or for use in, non-government controlled areas of the Donetsk, Kherson, Luhansk and Zaporizhzhia oblasts.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. Instead a de minimis assessment has been prepared as this instrument is likely to entail some costs for businesses, but the net impact is estimated to be below £5 million per year.

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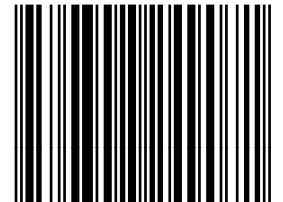




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