

*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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**2022 No. 123**

## **SANCTIONS**

### **The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022**

<i>Made</i>	- - - -	<i>at 10.15 a.m. on 10th February 2022</i>
<i>Laid before Parliament</i>		<i>at 4.00 p.m. on 10th February 2022</i>
<i>Coming into force</i>	- -	<i>at 5.00 p.m. on 10th February 2022</i>

The Secretary of State<sup>(1)</sup>, considering that the requirements of section 45(2) of the Sanctions and Anti-Money Laundering Act 2018<sup>(2)</sup> are met, makes the following Regulations in exercise of the powers conferred by sections 1, 11 and 45 of that Act:

#### **Citation and commencement**

**1.**—(1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022.

(2) These Regulations come into force at 5.00 p.m. on 10th February 2022.

#### **Amendment of the Russia (Sanctions) (EU Exit) Regulations 2019**

**2.** The Russia (Sanctions) (EU Exit) Regulations 2019<sup>(3)</sup> are amended in accordance with regulation 3.

**3.** For regulation 6 (designation criteria) substitute—

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(1) The power to make regulations under Part 1 of the Sanctions and Anti-Money Laundering Act 2018 (c. 13) is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an “appropriate Minister” as including the Secretary of State.

(2) 2018 c. 13.

(3) S.I. 2019/855, as amended by S.I. 2020/590; S.I. 2020/951; and by the Sentencing Act 2020 (c. 17).

**“Designation criteria**

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 subparagraph (a), or
  - (ii) a person who provides financial services, or makes available funds, economic resources, goods or technology, as mentioned in subparagraph (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 Crimea;
- (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, 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).
- (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;
- (6) In paragraph (2)(d), being “associated with” a person includes obtaining a financial benefit or other material benefit from 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;
- “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;

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- (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.”

*James Cleverly*  
Minister of State  
Foreign, Commonwealth and Development  
Office

At 10.15 a.m. on 10th February 2022

## 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) to amend the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the 2019 Regulations”). These Regulations amend the designation criteria in regulation 6 of the 2019 Regulations to specify additional activities for which a person may be designated.

Under the amended criteria, an “involved person” now includes a person who is or has been involved in “obtaining a benefit from or supporting the Government of Russia”. Paragraph (4) of regulation 6 defines that term. Paragraph (7) contains relevant definitions of terms used in the amended provision.

An Impact Assessment has not been produced for these Regulations, as any impact will result primarily from any future increase in the number of sanctions designations. An Impact Assessment was, however, produced for the Sanctions and Anti-Money Laundering Act 2018 and can be found at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/653271/Sanctions\\_and\\_Anti-Money\\_Laundering\\_Bill\\_Impact\\_Assessment\\_18102017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/653271/Sanctions_and_Anti-Money_Laundering_Bill_Impact_Assessment_18102017.pdf).