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Introduction

In response to Russia's continued invasion of Ukraine, the United States, the European Union and the United Kingdom have added to their measures targeting Russia. The actions align with a [joint statement](#) published following a meeting held on 11 October 2022 in which the G7 emphasised its commitment to acting in solidarity and close coordination to combat Russia's aggression.

Below we outline some of the key developments since our last update on 10 October 2022.

UK Sanctions and Export Controls

Asset Freezes

The U.K. has imposed asset freezes on an additional 29 individuals and one entity, including three Iranian individuals and an Iranian entity responsible for the supply of drones to Russia for use in Ukraine as well as key individuals in the construction and mining sectors and several Russian officials.

The U.K. imposed these measures on 20 October, 2 November and 30 November 2022.

The annual deadline set by the U.K. Office of Financial Sanctions Implementation (OFSI) to report frozen assets was on 11 November 2022. This required all persons that hold or control funds or economic resources belonging to, owned, held or controlled by a designated person to submit a report to OFSI setting out such details.

General Licences

On 17 October 2022, the U.K. issued General Licence INT/2022/1552576, which permits persons designated under the U.K.'s Russia and Belarus sanctions regimes (as well as companies under their ownership or control, or their legal representatives) to pay funds to the London Court of International Arbitration to cover any arbitration costs. The licence is in force for an indefinite duration.

On 28 October 2022, the U.K. issued General Licence INT/2022/2307324, which permitted persons to continue entering into arrangements to grant Category 5 loans (see "Loan and Credit Arrangement Prohibitions" below). This licence expired on 5 November 2022.

On 28 October 2022, the U.K. issued General Licence INT/2022/2305324, which permits persons to grant Category 5 loans for certain purposes to Securing Energy For Europe GmbH (a.k.a. Gazprom Germania) and its subsidiaries, including SEFE Marketing & Trading Limited and SEFE Energy Limited. The licence expires on 29 October 2023.

On 28 October 2022, the U.K. issued General Licence INT/2022/2252300, which permits U.K. law firms and barristers who have provided legal advice to persons designated under the U.K.'s Russia and Belarus sanctions regimes to receive payment in certain situations without the need for a specific licence from OFSI. The licence distinguishes between legal fees related to predesignation and post-designation work, and caps fees related to each phase of work at £500,000 (including VAT), which may be combined in certain instances to form a total cap of £1 million. The licence expires on 28 April 2023, and any payments require detailed reporting requirements.¹

¹ OFSI also published [guidance](#) on its blog on 28 October 2022.

Latest UK Sanctions Against Russia

On 2 November 2022, the U.K. issued General Licence INT/2022/2339452, which permits Truphone Limited to continue to provide telecommunication services under its existing arrangements.² The licence also allows Truphone Limited to pay (i) remunerations to, allowances to and pensions of all its U.K. staff, (ii) reasonable fees and other costs necessary for the functioning of the business (including utilities, IT services, tax and insurance, but excluding the payment of legal fees) and (iii) service providers under preexisting contracts necessary for the provision of services. The licence was amended on 10 November 2022 to clarify that it applies to Truphone Limited's subsidiary companies as existed at the point of designation (with the exception of Cellnetrix Technology LLC) and to clarify the licence's scope and extend its expiry date until 28 April 2023.

On 4 November 2022, the U.K. issued General Licence INT/2022/2349952, which allows Department of International Trade licence holders and nondesignated exporters, producers, sellers or transporters of agricultural commodities to (i) receive funds and economic resources from any person (including designated persons) and (ii) transfer funds or economic resources to insurance providers, U.K. corporations, designated persons or any other persons in connection with the export, sale, production and transport of agricultural commodities. The licence is in force for an indefinite duration.

On 9 November 2022, the Export Control Joint Unit published General Trade Licence (Russia Sanctions — Financial Services and Funds Related to Fertilisers), which authorises U.K. persons to provide financial services and to make funds available to a person connected with Russia for the supply or delivery of specified fertiliser goods from Russia to a third country, or from Russia to a person in a third country, where the goods are intended for agricultural use only. The licence is in force for an indefinite duration.

On 10 November 2022, the U.K. renewed General Licence INT/2022/1919908, which permits a person to make use of the retail banking services of a designated Russian credit or financial institution, provided that the payments made or received are intended for the personal use of that person and the value of such payments does not exceed £50,000.³ A relevant institution may also process payments made in accordance with the above. The licence includes reporting and record-keeping requirements. The licence initially expired on 10 September 2022 but is now in force until 10 November 2023.

² The U.K. issued this licence following asset freezes imposed against the owners of Truphone Limited on 2 November 2022.

³ Currently no general licence is available for payments over £50,000, and OFSI has not provided clarity regarding which specific licencing ground would be appropriate in such a scenario.

On 17 November 2022, the U.K. issued General Licence INT/2022/2300292, which permits payments from frozen accounts to utility companies for gas and electricity supplies to U.K. properties owned or rented by U.K. designated persons. The licence does not permit the provision of gas/electricity to any person designated by the United Nations. The licence includes reporting and record-keeping requirements and expires on 16 April 2023.

Trade Sanctions and Export Controls

On 28 October 2022, the U.K. introduced The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022, which imposed a number of additional trade sanctions⁴ and prohibits the export, supply, delivery and making available of “vulnerable goods” to, or for use in, Russia that are critical to the functioning of Russia's economy (including wood and certain construction machinery and tools). The regulation also expanded the list of revenue-generating goods subject to trade sanctions to include beverages, spirits, vinegar and food waste products. In addition, it introduced prohibitions on the import of gold and gold jewellery originating in Russia. These measures came into force on 29 October 2022 (and 1 January 2023 for “vulnerable goods”).

The regulation also introduced a prohibition on the import of liquefied natural gas consigned from or originating in Russia. The amendment further prohibits the acquisition of liquefied natural gas that originates in or is located in Russia and is intended to enter into the U.K.. These prohibitions are due to come into force on 1 January 2023.

On 3 November 2022, the U.K. introduced The Russia (Sanctions) (EU Exit) (Amendment) (No. 16) Regulations 2022, which imposed further trade sanctions, including a prohibition on the supply or delivery by ship of certain Russian oil and oil products, along with a prohibition on the provision of related ancillary services, such as brokering services, financial services and funds.⁵ The regulation also empowers OFSI to impose civil monetary penalties on a person who fails to comply with this prohibition. In addition, the amendment moved the implementation date for the import ban relating to Russian oil and oil products, which was introduced by The Russia (Sanctions) (EU Exit) (Amendment) (No. 14) Regulations 2022, from 31 December 2022 to 5 December 2022.

⁴ The regulation also included further amendments to existing trade sanctions, including to the various lists of products, and exceptions for luxury goods and gold.

⁵ In particular, the prohibition relates to the supply or delivery by ship of Russian oil and oil products (i) with commodity code 2709 (crude oil) and (ii) with commodity code 2710 (refined oil). The prohibition relating to code 2709 enters into force on 5 December 2022, and the prohibition relating to code 2710 enters into force on 5 February 2023. On 14 November 2022, the U.K. published guidance stating that a general licence will be introduced prior to 5 December 2022, to allow a price cap exception whereby the supply or delivery by ship of Russian 2709 and 2710 oil and oil products will be available to third country importers as long as they purchase oil below the agreed price cap. This general licence has not yet been published.

Latest UK Sanctions Against Russia

Loan and Credit Arrangement Prohibitions

In addition to the trade sanctions outlined above, [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 15\) Regulations 2022](#) introduced the following new category of loan subject to the loan and credit arrangement prohibitions:

- **Category 5:** Loan or credit that is not a category 1 to 4 loan, with a maturity exceeding 30 days, made or granted on or after 29 October 2022, to the following: (i) an entity connected with Russia (other than an entity incorporated outside Russia or an entity owned by such an entity); (ii) an entity owned by (i); or (iii) an entity owned by an individual connected with Russia.

Sanctions Damages Cap

On 25 October 2022, the U.K. published [The Sanctions \(Damages Cap\) Regulations 2022](#), which sets a cap of £10,000 for damages where a court is satisfied that a designation is made in bad faith.

Guidance

On 18 October 2022, OFSI and the U.S. Office of Foreign Assets Control (OFAC) issued a [joint statement](#) setting out their enhanced partnership following a multiday technical exchange between the two authorities on 13 October 2022 in London. As part of their enhanced partnership, they will collaborate to implement and enforce sanctions, identify opportunities to pool expertise, develop approaches to address shared priorities such as cyber threats and assist stakeholders by providing information and guidance and by making timely decisions regarding licences.

On 8 November 2022, the U.K. High Court issued a judgment in [VTB Commodities Trading DAC v. Petraco Oil Company SA \[2022\] EWHC 2795 \(Comm, 4.11.2022\)](#), which provides the first interpretation of the General Licence INT/2022/2252300 on legal fees.

On 9 November 2022, OFSI updated its [guidance on the Russia sanctions regime](#) to include the prohibition on providing financial services and funds relating to restricted goods and G7 dependency and further goods.

On 10 November 2022, OFSI published its [Annual Review](#), which noted that the office has received 642 licence applications in the first six months of the Ukraine invasion and 236 breach

reports. The report also noted that the number of staff at OFSI will increase to 100 full-time employees by the end of 2022.

On 14 November 2022, the U.K. published detailed guidance⁶ on the prohibitions relating to oil under [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 16\) Regulations 2022](#). On 21 November 2022, the U.K. also published guidance⁷ providing an overview of the prohibitions and requirements relating to oil and oil products under [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 14\) Regulations 2022](#).

On 2 December 2022, the U.K. Export Control Joint Unit published [guidance on applying for a licence for exemption from the prohibitions on professional and business services](#) set out in Regulation 54C of the Russia (Sanctions) (EU Exit) Regulations 2019.

Measures Announced but Not Yet in Force

The U.K. has announced a number of further sanctions measures which are not yet in force.

On 29 June 2022, the U.K. announced that it would introduce new measures that would prevent Russia from accessing U.K. trusts services. These are not yet in force.

On 30 September 2022, the U.K. announced that it would seek to prevent Russian access to IT consultancy services (including services designing IT systems and software applications), architectural services, engineering services, advertising services, transactional legal advisory services and auditing services (expanding the existing accountancy services prohibition). As we noted in our 10 October 2022 client alert "[US, UK and EU Expand and Amend Russian Sanctions, Responding to Purported Annexations of Ukrainian Regions](#)," when these prohibitions come into force, we expect them to mirror the existing professional, accounting and business services sanctions that prohibit providing such services to persons connected with Russia. These prohibitions are expected to come into force at the end of 2022/early 2023.

⁶ See HM Treasury's "[UK Maritime Services Prohibition and Oil Price Cap Guidance](#)" (November 2022).

⁷ See "[UK Ban on Russian Oil and Oil Products](#)" (updated 2 December 2022). OFSI also published a [14 November 2022 blog post](#) addressing the oil price cap.