

**INFORMATION NOTICE TO BUSINESSES ON THE EUROPEAN UNION  
RESTRICTIVE MEASURES AGAINST RUSSIA AND BELARUS**

**16 March 2022**

By virtue of the [Law of the Republic of Lithuania on the Implementation of Economic and other International Sanctions](#), all entities registered or pursuing business in the Republic of Lithuania are obliged to comply with the restrictive measures of the European Union.

As a result of Russia's military aggression in Ukraine, up to and including 15 March 2022, the European Union adopted three main sanctions regulations, which are updated on a regular basis (see Annex I):

- Council Regulation (EU) No 269/2014 adopted by Council Decision 2014/145/CFSP of 17 March 2014;
- Council Regulation (EU) 692/2014 adopted on 23 June 2014;
- Council Regulation (EU) No 833/2014 adopted by Council Decision 2014/512/CFSP of 31 July 2014;
- Council Regulation (EU) No 2022/263 adopted on 23 February 2022.

With regard to Belarus' involvement in Russia's military aggression against Ukraine, until 15 March 2022, the European Union adopted a regulation, which is regularly updated (see Annex II):

- Council Regulation (EC) No 765/2006 adopted on 18 May 2006 and accompanied by Council Decision 2012/642/CFSP of 15 October 2012.

**Restrictive measures imposed by the Regulations and their subsequent updates**

With regard to Russia and its annexed territories:

- Funds and economic resources belonging to, owned, held or controlled by 877 natural and 62 legal persons, entities or bodies associated with Russia and Belarus, or persons related to them, are frozen and direct or indirect access to such funds and/or property is prohibited.
- Entry into, or transit through, the territory of the European Union is prohibited for 877 natural persons on the sanctions lists associated with Russia and Belarus.
- Prohibitions with regard to the territories of Crimea, Sevastopol, Donetsk and Luhansk:
  - prohibition of imports of goods;
  - restrictions on trade and investment in the region;
  - prohibition of tourism services;
  - prohibition on the export of goods and technology related to the exploration, prospecting and extraction of transport, communications, energy, oil, gas and mineral resources.
- It is prohibited to export to the territory of Russia or provide technical, financial or other assistance relating to:
  - dual-use goods and technologies, including goods and technology which might contribute to the technological enhancement of Russia's defence and security sector, goods and technologies suitable for oil refining;
  - goods and technology fit for use in the aviation sector or the space industry;
  - goods and technology for maritime navigation;
  - iron and steel products (restrictions on iron and steel products also apply in the case of imports from the Russian territory or where Russia is the country of origin);
  - luxury goods valued at more than EUR 300 per unit;

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- products and technology related to the energy sector, with the exception of the nuclear industry and the downstream sector of energy transport.
- Investments in Russia's energy sector, including the acquisition or increase of equity interests in such companies, are prohibited.
- Investing in, participating in or otherwise contributing to projects co-financed by the Russian Direct Investment Fund is prohibited.
- All aircraft registered in Russia and operated, owned and controlled by Russian natural or legal persons, entities or bodies are prohibited from using the European Union's airspace and facilities.
- The broadcasting of all Russia Today and Sputnik channels and the operation of broadcasting services in the territory of the European Union is prohibited.
- The provision of all credit rating services to any Russian citizen or natural person residing in Russia, or to any legal person, entity or body established in Russia, and granting access to all subscription services related to credit rating activities is prohibited. It should be noted that this prohibition does not apply to nationals of an EU Member State or to natural persons with a temporary or permanent residence permit in a Member State.
- Any transactions with state-owned enterprises listed in Annex XIX of Council Regulation (EU) 2022/428 and their subsidiaries in which more than 50% (50%+1 share) of the shares are directly or indirectly owned or controlled by such state-owned enterprises are prohibited.
- Russian banks are subject to the sanctions described below (see Annex III).
- Financial sanctions (see [Information notice on the application by the European Union of new restrictive measures to Russia \(only in the Lithuanian language\)](#)).

With regard to Belarus:

- Funds and economic resources belonging to, owned, held or controlled by 183 natural and 26 legal persons, entities or bodies associated with Belarus, or persons related to them, are frozen and direct or indirect access to such funds and/or property is prohibited.
- Entry into, or transit through, the territory of the European Union is prohibited for 183 natural persons on the sanctions lists associated with Belarus.
- It is prohibited to directly or indirectly sell, supply, transfer or export to the territory of Belarus:
  - dual-use goods and technology;
  - equipment and technology which might be used for internal repression;
  - goods intended for the manufacture of tobacco products;
  - machinery and equipment, whether or not originating in the Union.
- It is prohibited to purchase, import or transport products originating in Belarus or exported from the territory of Belarus:
  - mineral products;
  - potassium chloride (potash) products;
  - wood products;
  - cement products;
  - iron and steel (ferrous metals) products;
  - rubber, rubber products.
- All aircraft registered in Belarus and operated, owned and controlled by Belarusian natural or legal persons, entities or bodies are prohibited from using the European Union's airspace and facilities.
- Belarusian banks are subject to the sanctions described below (see Annex III).

**Important!** Pursuant to [Council Decision \(CFSP\) 2022/411](#) adopted on 10 March 2022, it was decided to extend the application of sanctions on those who are responsible for undermining or threatening the territorial integrity, sovereignty and independence of Ukraine for six months until 15 September 2022.

## **EXEMPTIONS FROM RESTRICTIVE MEASURES**

**Important!** Sanctions may be subject to exemptions specified in the relevant Council regulations and decisions.

Natural or legal persons of the Republic of Lithuania seeking to benefit from exemptions for sanctions provided for in EU regulations should apply to the authority supervising the implementation of international sanctions. Exemption requests in the Republic of Lithuania must be submitted to Financial Crime Investigation Service (hereafter – FCIS) in a form of a formal request, referring to the exact Council regulation and article on the basis of which the exemption is requested, and accompanied by supporting documentation. Upon receipt of the company's formal request, FCIS applies to the Ministry of Foreign Affairs in respect of the exemption and implements the exemption only subject to the consent of the Ministry of Foreign Affairs.

With regard to the implementation of exemptions from sanctions, please contact the Ministry of Foreign Affairs of the Republic of Lithuania, J. Tumo-Vaižganto st. 2, Vilnius, by e-mail [urm@urm.lt](mailto:urm@urm.lt) - [sankciju.grupe@urm.lt](mailto:sankciju.grupe@urm.lt) and the Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania, Šermukšnių st. 3, Vilnius, by e-mail [dokumentas@fntt.lt](mailto:dokumentas@fntt.lt).

## **RECOMMENDATIONS FOR THE ENFORCEMENT OF RESTRICTIVE MEASURES WITHIN A BUSINESS ENTITY**

**We recommend that all business entities registered or operating in the Republic of Lithuania:**

1. Check whether the planned business activities (e.g. exports, imports, payments, etc.) are not subject to restrictions due to the limitations and exemptions (e.g. deadlines for the execution and completion of transactions, etc.) set out in the above-mentioned EU decisions and regulations.
2. Conduct regular business risk assessments in the context of restrictive measures. It is recommended to evaluate:
  - a. Geographical risks – in which countries and/or territories the business is conducted and sanctions regimes imposed on those countries and/or territories;
  - b. Product risks – what are the potential risks of sanctions and restrictions (e.g. export, import and other restrictions) that arise with regard to the product being manufactured or supplied;
  - c. Customer and partner risks – what are the risks of sanctions that arise with regard to the current customer base and partners.
3. Conduct the 'Know Your Customer or Partner' process on a regular basis to help assess the risks associated with individual customers and partners.
4. Check that existing and future contracts with customers and/or business partners exclude contractual clauses which, for example, make the supplier company liable for damages due to a suspension of supply resulting from a ban imposed under approved EU sanctions. In such a case, it is important to bear in mind that, in accordance with Article 10(1) of the Law of the Republic of Lithuania on the Implementation of Economic and other International Sanctions, natural and legal persons shall not be held liable for the non-compliance with obligations relating to the

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implementation of international sanctions, or such persons shall be released from the such liability according to the provisions of the Civil Code of the Republic of Lithuania.

5. When concluding new contracts with Russian and/or Belarusian customers and/or business partners, it is recommended to consider the inclusion of a sanctions clause, which would allow for the suspension of the contract in the event of further sanctions against Russia and/or Belarus. Ideally, we recommend that the contract contains a clause on applicable law and jurisdiction outside Russia.

### **The 'Know Your Customer or Partner' approach should entail the following:**

1. Identification of the customer or partner by collecting the information and documentation necessary for identification.
2. Identification of the shareholders and beneficiaries (natural persons) of the customer or partner by collecting the information and documentation necessary for identification. For the purposes of sanctions, shareholders and beneficiaries are defined as legal and natural persons who directly or indirectly own more than 50% (50%+1 share) or otherwise control a legal person.
3. Identification of the customer's or partner's representative (natural person) by collecting the information and documentation necessary for identification.
4. Verification of the customer or partner, their shareholders, beneficiaries and representatives in sanctions lists. This can be done on the [EU Sanctions Map](#), a regularly updated database of persons sanctioned in the European Union.

**Important!** In the current context of EU sanctions against Russia and Belarus, it is particularly important to carefully assess the relations between customers and/or business partners and sanctioned persons/entities. It should be noted that sanctioned persons/entities may attempt to circumvent sanctions through third parties/entities under their control. We thus recommend that you also search and evaluate publicly available information to make sure that such public domain has no indication of potential relations between the customer and/or business partner and a sanctioned person/entity.

	<u>Natural persons</u>	<u>Legal persons</u>
Information necessary for identification	<ul style="list-style-type: none"> <li>▪ Name(s)</li> <li>▪ Surname(s)</li> <li>▪ Date of birth</li> <li>▪ Place of birth</li> <li>▪ Nationality(s)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Name</li> <li>▪ Registration number</li> <li>▪ Registered address</li> </ul>
Acceptable verification documents	<ul style="list-style-type: none"> <li>▪ Passport</li> <li>▪ Personal ID card (EU)</li> <li>▪ Residence permit in Lithuania</li> </ul>	<ul style="list-style-type: none"> <li>▪ Extract from the local company register or equivalent</li> <li>▪ Articles of incorporation</li> </ul>
Acceptable documents for identification of shareholders and ultimate beneficial owners	<ul style="list-style-type: none"> <li>▪ Extract from the shareholders' register</li> <li>▪ Extract from registers of ultimate beneficial owners</li> <li>▪ Extract from stock exchange, etc.</li> </ul>	

### **The 'Know Your Customer or Partner' approach is recommended to be followed:**

- Before on-boarding of new client or business partner;
- Periodically at intervals determined by the company, depending on the company's customer or partner risks (e.g. if the company works with high-risk markets such as Russia and Belarus, a periodic check is recommended at least once a year);
- In the case of new sanction packages adopted by the European Union, it is recommended to carry out an event driven review of target groups of customers and partners.

### FURTHER RECOMMENDATIONS FOR COMPANIES ENGAGED IN EXPORT, IMPORT AND TRANSPORT

1. Identification of the country of origin of the goods and the legal or natural person supplying them;
2. Verification of the records of the relevant commodity or material codes. Due to the fact that EU sanctions restrict the export, import and transport of certain categories of goods, a screening procedure is required in order to identify whether the goods/materials are subject to sanctions. Information on export restrictions related to specific goods can be found in the Lithuanian customs system [LITAR](#).
3. Countries, territories through which the goods will be transported, including identification of sea ports and airports;
4. Identification of the transport company(s);
5. Identification of the final destination of the goods (country, territory and consignee company or person);
6. Screening of all persons engaged in the export, import and transport process against the sanctions lists on the [EU Sanctions Map](#).

! For more detailed information on the control of exported equipment and goods following the adoption of the new EU sanctions against Russia and Belarus, please refer to the document prepared by the Ministry of Economy and Innovation. Also, we recommend consulting the [answers](#) (in English) to the most frequently asked questions on export-related sanctions.

#### **Documents that may be requested by financial institutions and customs for the import, export and transport of goods:**

In order to comply with sanctions, financial institutions and customs authorities may additionally request information and documentation relating to the entity's activities, individual goods, services or technology, as well as payments and information relating to the entity's customers and partners. Entities should be prepared to provide:

- Extracts the entity's records from company register or equivalent, and, if none exists, the articles of incorporation;
- Evidence of the entity's shareholders and ultimate beneficiary owners (e.g. extracts from registers of ultimate beneficial owners);
- Detailed descriptions of the services supplied;
- Documents with a list of imported, exported, transported goods;
- Detailed descriptions of goods imported, exported, transported;
- Import and export licences, if required for the goods being imported, exported or transported;
- Sale and purchase contracts between the supplier of the goods and the final consignee;

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- Customer or partner information including supporting documentation of shareholders and beneficiaries;
- Bank statements of payments for the goods.

### **The most common schemes for circumventing sanctions:**

→ Forgery of documents relating to the transport, import and/or export of goods, for example to conceal the true origin of the goods and/or the final consignee of the goods. In this case, the person or entity seeking to evade sanctions may specifically attempt to mislead and make numerous alterations to documents relating to the transport, export or import of goods in order to mislead as to the true origin of the goods, the final consignee of the goods, or the jurisdiction.

→ The transport, export and/or import of goods by persons and/or entities evading sanctions may be related to jurisdictions adjacent to the sanctioned territory (e.g. in the case of Russia, this may include Kazakhstan or Georgia). In this regard, it is advised to be critical of the information if, for example, there is an unplanned change in the final place of unloading of the goods, i.e. Kazakhstan instead of Russia.

→ Companies avoiding sanctions change payment methods, banks or companies. Individuals from sanctioned countries request payment for goods or services from or to another bank or payment institution, change the currency of payment, including virtual currencies, or request to re-invoice a third party (another company or individual). Entities are advised to be critical of such requests, to consider the reasons and purpose of such requests, to establish the relationship between the third party and the customer or partner and the risks of sanctions arising in this regard.

## NOTIFICATION OF BREACHES AND CIRCUMVENTION OF RESTRICTIVE MEASURES

All natural or legal persons are required to report identified breaches or circumvention of sanctions:

- by contacting the Ministry of Foreign Affairs; or
- anonymously by filling in a form on the [EU Sanctions Whistleblower Tool](#) developed by the European Commission.

**As a reminder**, breach or circumvention of international sanctions can lead to administrative and criminal liability for natural and legal persons.

- According to Article 515 of the Code of Administrative Offences, breach of international sanctions implemented in the Republic of Lithuania will be punishable by a fine of between two hundred and six thousand euros.
- According to Article 123<sup>1</sup> of the Criminal Code, whoever violates international sanctions implemented in the Republic of Lithuania and, as a consequence, has caused serious damage to the interests of the Republic of Lithuania, will be liable to a fine or arrest or to imprisonment for up to five years.

**Important!** It should be noted that the Notice is only a recommendation and individual entities should assess the risks encountered and take proportionate steps to identify, manage and mitigate the risks of sanctions. The initial version of this information note is based on the most up-to-date information available up to and including 15 March 2022. It should be pointed out that the list of recommendations for entities contained in the information note is non-exhaustive and will be supplemented as required.

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Should you have any questions, please contact Ms Rūta Bajarūnaitė, Coordinator of the Legislative Initiatives and Methodology Group of the Public Institution Centre of Excellence in Anti-Money Laundering at [ruta.bajarunaite@amlcenter.lt](mailto:ruta.bajarunaite@amlcenter.lt) and Expert Simona Niedvaraitė at [simona.niedvaraite@amlcenter.lt](mailto:simona.niedvaraite@amlcenter.lt)

ANNEX I

Restrictive measures against Russia:

- [Council Regulation \(EU\) No 269/2014](#) adopted on 17 March 2014 ([consolidated version up to 13 December 2021](#))
  - Council regulations amending Council Regulation (EU) No 269/2014:
    - [Council Regulation \(EU\) 2022/259](#) of 23 February 2022
    - [Council Regulation \(EU\) 2022/330](#) of 25 February 2022
  - Council regulations implementing Council Regulation (EU) No 269/2014:
    - [Council Implementing Regulation \(EU\) 2022/236](#) of 21 February 2022
    - [Council Implementing Regulation \(EU\) 2022/260](#) of 23 February 2022
    - [Council Implementing Regulation \(EU\) 2022/261](#) of 23 February 2022
    - [Council Implementing Regulation \(EU\) 2022/332](#) of 25 February 2022
    - [Council Implementing Regulation \(EU\) 2022/336](#) of 28 February 2022
    - [Council Implementing Regulation \(EU\) 2022/353](#) of 02 March 2022
    - [Council Implementing Regulation \(EU\) 2022/396](#) of 09 March 2022
    - [Council Implementing Regulation \(EU\) 2022/427](#) of 15 March 2022
- [Council Decision 2014/145/CFSP](#) 17 March 2014 ([consolidated version up to 13 December 2021](#))
  - Council decisions amending Council Decision 2014/145/CFSP:
    - [Council Decision \(CFSP\) 2022/241](#) of 21 February 2022
    - [Council Decision \(CFSP\) 2022/265](#) of 23 February 2022
    - [Council Decision \(CFSP\) 2022/329](#) of 25 February 2022
    - [Council Decision \(CFSP\) 2022/331](#) of 25 February 2022
    - [Council Decision \(CFSP\) 2022/337](#) of 28 February 2022
    - [Council Decision \(CFSP\) 2022/354](#) of 2 March 2022
    - [Council Decision \(CFSP\) 2022/397](#) of 09 March 2022
    - [Council Decision \(CFSP\) 2022/429](#) of 15 March 2022
- [Council Regulation \(EU\) No 833/2014](#) adopted on 31 July 2014 ([consolidated version up to 09 July 2019](#))
  - Council regulations amending Council Regulation (EU) No 833/2014:
    - [Council Regulation \(EU\) 2022/262](#) of 23 February 2022
    - [Council Regulation \(EU\) 2022/328](#) of 25 February 2022
    - [Council Regulation \(EU\) 2022/334](#) of 28 February 2022
    - [Council Regulation \(EU\) 2022/350](#) of 01 March 2022
    - [Council Regulation \(EU\) 2022/345](#) of 01 March 2022
    - [Council Regulation \(EU\) 2022/394](#) of 09 March 2022
    - [Council Regulation \(EU\) 2022/428](#) of 15 March 2022
- [Council Decision 2014/512/CFSP](#) adopted on 31 July 2014 ([consolidated version up to 15 January 2022](#)):
  - Council decisions amending Council Decision 2014/512/CFSP:
    - [Council Decision \(CFSP\) 2022/264](#) of 23 February 2022
    - [Council Decision \(CFSP\) 2022/327](#) of 25 February 2022
    - [Council Decision \(CFSP\) 2022/335](#) of 28 February 2022
    - [Council Decision \(CFSP\) 2022/346](#) of 01 March 2022
    - [Council Decision \(CFSP\) 2022/351](#) of 01 March 2022
    - [Council Decision \(CFSP\) 2022/395](#) of 09 March 2022



- [Council Decision \(CFSP\) 2022/430](#) of 15 March 2022\_

Restrictive measures against Donetsk and Luhansk territories:

- [Council Regulation \(EU\) 2022/263](#) of 23 February 2022

Restrictive measures against Crimea and Sevastopol territories:

- [Council Regulation \(EU\) No 692/2014](#) adopted on 23 June 2014

ANNEX II

Restrictive measures against Belarus:

- Council Regulation (EU) No 765/2006 adopted on 23 June 2006 ([consolidated version up to 02 December 2021](#))
  - Council regulations amending Council Regulation (EC) No 765/2006:
    - [Council Regulation \(EU\) 2022/212](#) of 17 February 2022
    - [Council Regulation \(EU\) 2022/398](#) of 9 March 2022
- [Council Decision 2012/642/CFSP](#) adopted on 15 October 2014 ([consolidated version up to 02 December 2021](#))
  - Council decisions amending Council Decision 2012/642/CFSP:
    - [Council Decision \(CFSP\) 2022/218](#) of 17 February 2022
    - [Council Decision \(CFSP\) 2022/399](#) of 9 March 2022

ANNEX III

Restrictive measures against Russian and Belarusian banks:

	Financial institution	Debt and capital restrictions	Freezing of Assets	Exclusion from SWIFT	Restrictions on securities and money market instruments	Freezing of reserves and assets	Euro banknote restrictions
Russia	Sberbank (Сбербанк России)	X					
	VTB (Банк ВТБ)	X		X			
	Gazprombank (Газпромбанк)	X					
	Alfa-Bank (Альфа-Банк)				X		
	Promsvyazbank (Промсвязьбанк)		X	X	X		
	Otkritie bank (Банк ФК Открытие)			X	X		
	Russian Agricultural Bank (Россельхозбанк)	X					
	Novikombank (Новикомбанк)			X			
	Bank Rossiya (Банк Россия)		X	X	X		
	Sovcombank (Совкомбанк)			X			
	VEB.RF (ВЭБ.РФ)	X	X	X			
Bank of Russia (Central Bank of the Russian Federation) (Центральный банк Российской Федерации)	X					X	X
Belarus	Belarusbank (Беларусбанк)	X					
	Belinvestbank (Белинвестбанк)	X					
	Belagroprombank (Белагропромбанк)	X		X			
	Bank Dabrabyt (Банк Дабрабыт)	X		X			
	Development Bank of the Republic of Belarus	X		X			