

7 APRIL 2022

This memorandum summarises the counter sanctions the Russian Federation has imposed against hostile actions of the USA and their allied foreign countries and international organisations from **21 February to 07 April 2022 (13:00)**.

Terms

Foreign Persons	Natural persons and legal entities of foreign countries, which are not Hostile Persons.
Exception	Some of the requirements of such counter sanctions do not apply to persons if they concurrently meet the following requirements (clause 12, Decree No. 95): <ul style="list-style-type: none">• they are under Control of Russian legal or natural persons (the Russian Federation, Russian legal or natural persons are the ultimate beneficial owners), including if such Control is exercised through Hostile Persons; and• Control over them is disclosed to Russian tax authorities.
Control	Interpreted pursuant to Article 5 of Federal Law No. 57-FZ dated 29 April 2008 (clause 3 of the rules approved by Resolution No. 295, clause 1.1 of Guidance No. 2-OR).
Hostile States	The list is approved by Directive No. 430-r of the Russian Government dated 5 March 2022 (http://publication.pravo.gov.ru/Document/View/0001202203070001?index=0&rangeSize=1): Australia, Albania Andorra, United Kingdom (including Jersey and Anguilla, British Virgin Islands, Gibraltar), EU (Austria, Belgium, Bulgaria, United Kingdom, Hungary, Germany, Greece, Denmark, Ireland, Spain, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Finland, France, Croatia, Czech Republic, Switzerland and Estonia), Iceland, Canada, Liechtenstein, Micronesia, Monaco, New Zealand, Norway, Republic of Korea, San Marino, North Macedonia, Singapore, United States of America, Taiwan (China), Ukraine, Montenegro, Switzerland, Japan.

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Comment: The Bahamas joined the sanctions against Russia – it may be placed on the list of hostile countries (see <https://www.reuters.com/world/americas/bahamas-orders-halt-financial-operations-with-sanctioned-russian-entities-2022-03-13/>).

Non-Resident	<ul style="list-style-type: none">• natural persons who are not residents of Russia;• legal entities incorporated pursuant to the laws of foreign states and having their principal place of business outside Russia;• foreign legal entities registered pursuant to the Federal Law “On International Companies”;• other persons in accordance with currency control laws. <p><i>Comment: This term is not interpreted in the counter sanctions acts. We believe that this term is to be interpreted by analogy with “Resident” i.e. according to foreign exchange regulations.</i></p>
Hostile Persons	<p>Persons connected with Hostile States, including if such persons have the citizenship of these countries, or these countries are their place of registration, primary place of doing business or deriving profit.</p> <p>For the purposes of Decrees No. 81 dated 1 March 2022 and No. 126 dated 18 March 2022 of the Russian President, Hostile Persons do not include the persons eligible for the Exception.</p>
Resident	<ul style="list-style-type: none">• natural persons who are citizens of the Russian Federation;• legal entities incorporated under the laws of the Russian Federation;• other persons in accordance with currency control laws. <p><i>Comment:</i></p> <ul style="list-style-type: none">• “Resident” shall be interpreted in accordance with Federal Law No. 173-FZ “On Currency Regulation” (we note that international companies are not deemed residents under the above Federal Law) (clause 3 of the rules approved by Resolution No. 295).• A Russian resident who has a second citizenship is regarded only as a Russian resident for the purposes of Decrees of the Russian President No. 79 dated 28 February 2022, No. 81 dated 1 March 2022 and No. 95 dated 5 March 2022 (clause 1.10, Guidance No. 2-OR).
Controlled Persons	Persons who are under the Control of Hostile Persons regardless of their place of registration or primary pace of doing business.
Resolution No. 295	Resolution No. 295 of the Russian Government dated 6 March 2022 “On Approval of the Rules of Issuance by the Government Commission for Control over Foreign Investments in the Russian Federation of Permits for Residents to Carry out (Effect) Dealings (Transactions) with Foreign Persons to Implement Additional Interim Economic Measures to Ensure Financial Stability of the Russian Federation and Amendment of the Regulation on the Government Commission for Control over Foreign Investments in the Russian Federation” (http://publication.pravo.gov.ru/Document/View/0001202203070002).
Government Commission	Government Commission for Control over Foreign Investment in the Russian Federation.

- Guidance No. 2-OR** Official Guidance from the Bank of Russia No. 2-OR dated 18 March 2022 “On Application of Certain Provisions of Decree No. 79 of the Russian President dated 28 February 2022 “On Application of Special Economic Measures in Connection with Hostile Actions of the United States of America and their Allied Foreign Countries and International Organisations”, Decree No. 81 of the Russian President dated 1 March 2022 “On Additional Interim Economic Measures to Ensure Financial Stability of the Russian Federation” and Decree No. 95 of the Russian President dated 5 March 2022 “On Temporary Procedures to Discharge Obligations Owed to Certain Foreign Creditors” (<https://www.cbr.ru/Crosscut/LawActs/File/5831>).
- Guidance No. 3-OR** Official Guidance from the Bank of Russia No. 3-OR dated 4 April 2022 “On Application of Certain Provisions of Decree No. 79 of the Russian President dated 28 February 2022 “On Application of Special Economic Measures in Connection with Hostile Actions of the United States of America and their Allied Foreign Countries and International Organisations” and Decree No. 95 of the Russian President dated 5 March 2022 “On Temporary Procedures to Discharge Obligations Owed to Certain Foreign Creditors” (<https://www.cbr.ru/Crosscut/LawActs/File/5856>).
- Resolution on Type C Accounts** Resolution of the Board of Directors of the Bank of Russia dated 18 March 2022 “On the Regime of Type C Accounts for Payments and Dealings (Transactions) to Discharge the Obligations Specified in Decree No. 95 of the Russian President dated 5 March 2022 “On Temporary Procedures to Discharge Obligations Owed to Certain Foreign Creditors” (https://www.cbr.ru/about_br/dir/rsd_2022-03-18_04/)
- Decree No. 79** Decree No. 79 of the Russian President dated 28 February 2022 “On Application of Special Economic Measures in Connection with Hostile Actions of the United States of America and their Allied Foreign Countries and International Organisations” (<http://publication.pravo.gov.ru/Document/View/0001202202280049>).
- Decree No. 81** Decree No. 81 of the Russian President dated 1 March 2022 “On Additional Interim Economic Measures to Ensure Financial Stability of the Russian Federation” (<http://publication.pravo.gov.ru/Document/View/0001202203010083>).
- Decree No. 95** Decree No. 95 of the Russian President dated 5 March 2022 “On Temporary Procedures to Discharge Obligations Owed to Certain Foreign Creditors” (<http://publication.pravo.gov.ru/Document/View/0001202203050062>)
- Decree No. 126** Decree No. 126 of the Russian President dated 1 March 2022 “On Additional Interim Economic Measures to Ensure Financial Stability of the Russian Federation” (<http://publication.pravo.gov.ru/Document/View/0001202203180017>).

PART 1 – KEY COUNTER SANCTIONS

	Sanction	Regulation	Comments
DEALINGS / TRANSACTIONS			
1.	Requirement to obtain consents from the Government Commission / Russian Central Bank / Ministry of Finance for certain dealings (transactions) with effect from 2 March 2022		
1.1.	The following dealings (transactions) shall be carried out with the consent of the Government Commission (such consent may contain terms of transactions)		
(a)	<p><i>Dealings (transactions) between Residents and (i) Hostile Persons and (ii) Controlled Persons:</i></p> <p>(i) Disbursement of bank loans and intercompany loans in Russian roubles (unless prohibited by legal regulations of the Russian Federation);</p> <p>(ii) Dealings (transactions) giving rise to the ownership right to securities or immovable property.</p>	clause 1(a), Decree No. 81	<p>Procedures to obtain Consent from the Government Commission are contemplated by Resolution No. 295:</p> <ul style="list-style-type: none"> • A Resident or Hostile Person / Controlled Person shall file an application to obtain consent to a transaction or a series of transactions. • The application shall attach a range of documents, among which are the applicant's corporate documents, information about the transaction, balance sheet of the Resident, etc. (for more details, please follow the link below). • The decisions shall be taken by the Government Commission unanimously. • The sub-commission may specify the validity period of the consent to a dealing (transaction).
(b)	<p><i>Dealings (transactions) with Foreign Persons:</i></p> <p>(i) If the subject matter of these transactions is securities or immovable property purchased from Hostile Persons after 22 February 2022.</p>	clause 1(c), Decree No. 81	
(c)	<p><i>Other categories of dealings / transactions:</i></p> <p>(i) Foreign currency loans from Residents to Non-Residents;</p> <p>(ii) Residents can credit foreign currency to their accounts outside the Russian Federation (money transfers without opening a bank account with the use of foreign payment methods).</p> <p>(iii) Sale of foreign currencies in the amount different from that contemplated by Decree No. 79 (i.e. not 80% of earned foreign currency)</p> <p>(iv) Transactions in excess of the limits set by the BoD of the Russian CB:</p> <ul style="list-style-type: none"> • Advance payments made by Residents under agreements for services, work, transfer of information and IT by Foreign Persons and Hostile Persons (legal entities and natural persons). • Money transfers from accounts opened in Russia: 	<p>clause 1(b), Decree No. 81</p> <p>clause 3, Decree No. 79</p> <p>clause 9, Decree No. 126</p>	

	<ul style="list-style-type: none"> – from Hostile Persons (legal entities) to Foreign Persons (legal entities); – from Foreign Persons (legal entities) to accounts opened in Hostile States. • Transfers (without opening accounts) of money, including e-money: <ul style="list-style-type: none"> – from Hostile Persons (legal entities) to Foreign Persons (legal entities); – from Foreign Persons (legal entities) to banks and other organisations of the financial market located in Hostile States. • Purchase of foreign currency on the domestic market of the Russian Federation by Non-Residents (legal entities). 		<ul style="list-style-type: none"> • The sub-commission may decide to give consent to a dealing (transaction) to the public at large. <p>Form of application to the Government Commission</p> <p>https://minfin.gov.ru/ru/permission/79-81/?id_65=135694-forma_rassmotrenie_voprosov_podkomisiei_v_tselyakh_vydachi_razresheniya_p_ravitelstvennoi_komissiei</p> <p>Other information regarding applications</p> <p>https://minfin.gov.ru/ru/permission/79-81/</p>
	(v) Deposit of export earnings under agreements with Non-Residents providing services, performing work and transferring IT to accounts (deposit accounts) opened outside Russia.	clause 1.2, Guidance No. 3-OR	
1.2.	Consent of the Russian CB required		
(a)	Dealings (transactions) granting Hostile Persons and Controlled Persons the ownership right to securities are allowed for on-exchange trading on the basis of consents given by the Central Bank of Russia upon agreement with the Ministry of Finance (consents contain terms of such dealings (transactions)).	clause 1(d), Decree No. 81	<p>The table posted on the Ministry of Finance’s website (in clause 5.2.1) states that dealings (transactions) as part of on-exchange trading require consent from the Government Commission (rather than Russian Central Bank).</p> <p>https://minfin.gov.ru/common/upload/library/2022/03/main/Osnovaniya_dlya_vyneseniya_voprosa_po_Ukazam_Prezidenta.docx</p>
(b)	<p>Until 31 December 2022 the following transactions required consent of the Russian CB:</p> <ul style="list-style-type: none"> (i) Payment by a Resident for a share, contribution, unit in property (authorised (pooled) capital, unit investment fund of a cooperative) of a Non-Resident legal entity. (ii) Contributions by a Resident to a Non-Resident under a simple partnership agreement with investments in the form of capital investments (a joint operations agreement). 	clauses 2 and 4, Decree No. 126	Information regarding applications to and consents from the Russian CB (does not apply to consents for the purposes of Decree No. 95):

(c)	<p>Other transactions requiring consent from the Russian CB:</p> <p>(i) Sale by exporters of 80% of foreign currency within time limits other than contemplated by Decree No. 79 (pursuant to Decree No. 79, sale is made within 3 business days after such foreign currency is credited).</p> <p>(ii) Non-application of the exporters' requirement to sell their foreign currency in the extent applied to repayment of foreign currency loans to Russian credit institutions (such a portion is determined on the date when a foreign currency is credited to the exporter's account).</p>	clause 4, Decree No. 126	https://www.cbr.ru/about_br/dir/rsd_2022-03-25_2/
(d)	(iii) As for credit and non-credit financial organisations – discharge of obligations under intercompany loans, bank loans and financial instruments (including derivative financial instruments) exceeding RUB 10m (or its equivalent in a foreign currency) to Hostile Persons and Controlled Persons (except for those registered in Russia) – other than contemplated by Decree No. 95 (i.e. in a foreign currency or not to C accounts).	clauses 10 and 11, Decree No. 95	
1.3.	Consent of the Ministry of Finance required		
(a)	As for organisations which are not credit or non-credit financial organisations – discharge of obligations under intercompany loans, bank loans and financial instruments (including derivative financial instruments) exceeding RUB 10m (or its equivalent in a foreign currency) to Hostile Persons and Controlled Persons (except for those registered in Russia) – other than contemplated by Decree No. 95 (i.e. in a foreign currency or not to C accounts).	clauses 10 and 11, Decree No. 95	Information regarding applications to the Ministry of Finance: https://minfin.gov.ru/ru/permission/95/
(b)	Transfers from Type C Accounts to other accounts (customer accounts), which are not Type C Accounts	Resolution on Type C Accounts	
2.	Specifics and exceptions from temporary procedures in relation to transactions that require consent from the Government Commission / Russian CB / Ministry of Finance		
2.1.	Dealings (transactions) with stakes in LLC		
(a)	No consent of the Government Commission / Russian CB is required for dealings (transactions) to dispose of stakes in LLC capital	Letter No. 1176/03-16-3 of the Federal Notarial Chamber "On Specifics of Notarisations by Notaries Public Involving Foreign	

		Persons in Connection with Decree No. 79 and Decree No. 81” dated 2 March 2022 https://notariat.ru/ru-ru/news/izmeneniya-v-poryadke-udostovereniya-sdelok-s-inostrannym-elementom-2203	
2.2.	Dealings (transactions) with securities		
(a)	The Government Commission’s consent is required both in case of purchase and disposal of securities under transactions between Residents and Hostile Persons or Controlled Persons except for transactions involving Special Foreign Persons.	clause 1.7, Guidance No. 2-OR	The term “Special Foreign Persons” is currently not defined in any of the acts discussed in this memorandum. We believe that such persons could include persons eligible for the Exception.
	No consent of the Government Commission is required:		
	(i) If the Exception is applicable.	clause 12, Decree No. 95	
(b)	<p><i>For the following dealings (transactions) unless they involve a transfer of money:</i></p> <p>(ii) transactions made upon conversion of depositary receipts for shares of a Russian issuer into shares of the Russian issuer (provided that, as a result of this conversion, the shares are credited to the securities account opened in the name of the holder of such depositary receipts);</p> <p>(iii) transactions made in connection with the transfer of securities by a Hostile Person or a Controlled Person who held such securities and took all related actions in the interests of the person to which they are transferred (for example, return of securities from a trust);</p> <p>(iv) transfers of securities without conveyance of titles to such securities;</p> <p>(v) transactions made beyond the will of the person exercising the rights attached to securities (for example, enforcement of a judgment);</p>	clause 1.5, Guidance No. 2-OR	Limitations of Decree No. 95 on the discharge of obligations under bank loans, intercompany loans and financial instruments continue to apply.

	(vi) withdrawals of securities from the securities account of the nominal holder and crediting of such securities to the securities account of another nominal holder.		
	<i>To dealings / transactions if:</i> (i) securities are kept by a foreign depository outside Russia (or another financial market organisation); (ii) payments under transactions involving such securities are made in accounts (i) opened by a Resident at foreign banks (other organisations outside Russia) and (ii) disclosed to Russian tax authorities.	clause 1.11, Guidance No. 2-OR	
2.3.	Transactions with real estate		
(a)	The Government Commission's consent is required both in case of purchase and disposal of real estate under transactions between Residents and Hostile Persons or Controlled Persons except for transactions involving Special Foreign Persons.	clause 1.7, Guidance No. 2-OR	The term "Special Foreign Persons" is currently not defined in any of the acts discussed in this memorandum. We believe that such persons could include persons eligible for the Exception.
	No consent of the Government Commission is required:		
	(i) If the Exception is applicable.	clause 12, Decree No. 95	
(b)	(ii) To transactions involving real estate between Residents and Non-Residents who are natural persons. <ul style="list-style-type: none"> In the event of purchase of real estate from Non-Residents who are natural persons, Residents must transfer funds to a Type C Account. (iii) To the execution / performance by Residents of construction co-funding agreements with Hostile Persons.	Minutes of the Government Commission's subcommission meeting dated 17 March 2022 https://minfin.gov.ru/ru/document/?id_4=135769-vypiska_iz_protokola_zasedaniya_podkomissii_pravitelstvennoi_komissii_po_kontrolyu_za_oshcheshchvleniem_inos	Such consent is valid indefinitely.

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	(iv) To transactions of Controlled Persons (Residents) giving rise to ownership to apartment buildings and (or) other real properties built (created) and commissioned pursuant to requirements of Federal Law No. 214-FZ “On Participation in Co-Funded Construction of Apartment Buildings and Other Real Properties and Amendments to Certain Enactments of the Russian Federation” dated 30 December 2004.	Minutes of the Government Commission’s subcommission meeting dated 24 March 2022 https://minfin.gov.ru/ru/permission/79-81/?id_65=135863-vypiska_iz_protokola_zasedaniya_podkomissii_pravitelstvennoi_komissii_po_kontrolyu_za_oshcheshchivleniem_inostrannykh_investitsii_v_rossiiskoi_federatsii_ot_24_marta	
	<i>To dealings / transactions if:</i> (i) real properties are located outside Russia; (ii) payments under transactions involving such real estate are made in accounts (i) opened by a Resident at foreign banks (other organisations outside Russia) and (ii) disclosed to Russian tax authorities.	clause 1.11, Guidance No. 2-OR	
2.4.	Other dealings (transactions)		
(a)	No consent of the Government Commission is required for: (i) Inheritance succession involving a foreign element; (ii) Issuance of powers of attorney granting authority to carry out dealings (transactions) that require consent from the Government Commission.	Letter No. 1176/03-16-3 of the Federal Notarial Chamber “On Specifics of Notarisations by Notaries Public Involving Foreign Persons in Connection	

		with Decree No. 79 and Decree No. 81” dated 2 March 2022 https://notariat.ru/ru-ru/news/izmeneniya-v-poryadke-udostovereniya-sdelok-s-inostrannym-elementom-2203	
INTERCOMPANY LOANS / BANK LOANS			
3.	Requirement to obtain consents from the Government Commission / Russian Central Bank for certain dealings with effect from 2 March 2022		
3.1.	Categories of intercompany loans / bank loans that require consent of the Government Commission (such consents may contain terms of transactions)		
(a)	Disbursement of bank loans and intercompany loans in Russian roubles (unless prohibited by legal regulations of the Russian Federation) by Residents (i) to Hostile Persons or (ii) Controlled Persons.	clause 1(a)(2), Decree No. 81	
(b)	Foreign currency loans from Residents to Non-Residents.	clause 3(a), Decree No. 79 clause 1(b), Decree No. 81	According to guidance from the Russian Central Bank dated 2 March 2022 (Item No. 3), Residents are not limited in the discharge of their obligations under intercompany loans from Non-Residents. https://www.cbr.ru/explan/support_measures_fin/ This comment had been published by the Russian CB before Decree No. 95 governing the discharge of obligations under intercompany loans was enacted.
	<ul style="list-style-type: none"> The prohibition on foreign currency bank loans / intercompany loans is applicable to both new and existing loan agreements. 	Guidance of the Central Bank of Russia dated 2 March 2022 (Item No. 2)	

		https://www.cbr.ru/explan/support_measures_fin/	
	<ul style="list-style-type: none"> Residents may continue to receive foreign currency under loans previously made available to Non-Residents. 	<p>Guidance of the Central Bank of Russia dated 2 March 2022 (Item No. 2)</p> <p>https://www.cbr.ru/explan/support_measures_fin/</p>	
	<ul style="list-style-type: none"> Agreements on amendments to terms of foreign currency loans made available before 1 March 2022 may be entered into. 	clause 1.2, Guidance No. 2-OR	
4. Specifics of and exceptions from temporary procedures in relation to dealings (transactions) that require consent from the Government Commission / Russian CB			
4.1.	No consent of the Government Commission (Russian CB) is required:		
(a)	For Rouble-denominated bank loans and intercompany loans if the Exception is applicable.	clause 12, Decree No. 12	
(b)	To Rouble-denominated bank loans and intercompany loans to Residents, including Controlled Persons.	clause 7, Decree No. 126	<p>A similar guidance was issued earlier. See Minutes No. 5 of the Government Commission's subcommission meeting dated 9 March 2022 (https://storage.consultant.ru/ondb/attachments/202203/12/Vypiska_LOd.pdf).</p> <p>As opposed to guidance on Decree No. 126, the Government Commission allowed lending by Russian credit institutions (<u>without specifying the loan currency</u>):</p> <ul style="list-style-type: none"> to Controlled Persons (Russian nationals and legal entities) engaged in production and business activities in Russia;

			<ul style="list-style-type: none"> provided that new credit facilities are directed to production and business activities in Russia.
(c)	To foreign currency loans from a Resident to Foreign Persons and Hostile Persons if funds are transferred outside of Russia to accounts of diplomatic missions, consular offices of Russia, permanent missions of Russia at international organisations, other official representative offices of Russia and government authorities, legal entities – Residents outside Russia and their employees.	clause 6, Decree No. 126	
5.	Corporate regulation		
5.1.	Buy-back by PJSCs of their own shares until 31 December 2022		
(a)	PJSCs are allowed to buy back their own shares until 31 December 2022 due to consequences of sanctions.	<p>Federal Law No. 46-FZ dated 8 March 2022</p> <p>Federal Law No. 55-FZ dated 14 March 2022</p> <p>Decree No. 79</p>	<p>The list of buy-back conditions prescribed by Decree No. 79 is broader than that contemplated by Federal Laws No. 46 and No. 55.</p> <p>A draft law on amendments to the buy-back procedure was introduced to the State Duma: https://sozd.duma.gov.ru/bill/99629-8#bh_histras</p>
5.2.	Limitations related to a bankruptcy moratorium		
(a)	Payments for shares and buyback of shares by a debtor, distribution of profits and payment of dividends are not permitted while the bankruptcy moratorium is in effect (from 1 April 2022 to 1 October 2022)	<p>Article 9.1(3) of the Bankruptcy Law</p> <p>Resolution of the Russian Government No. 497 of 28 March 2022</p>	
5.3.	Other corporate matters		

(a)	<p>Amendments have been made providing for:</p> <ul style="list-style-type: none"> (i) specifics of holding annual general meetings of shareholders/members (adjustments were made to the provisions on putting items on the agenda, nominating candidates to the BoD); (ii) non-applicability of the requirements to reduce the authorised capital of or liquidate a company as a result of reduction of net asset value at the end of 2022. 	<p>Federal Law No. 46-FZ “On Amendments to Certain Legislative Enactments of the Russian Federation” dated 8 March 2022 http://publication.pravo.gov.ru/Document/View/0001202203080001</p>	<p>The Russian CB did not clarify when specifics of annual general shareholders/members meetings of the Russian CB are not applicable. https://www.cbr.ru/explan/corporate_rel#a_tm7124</p>
(b)	<p>The threshold for the exercise of rights to information and right to file a lawsuit at JSC is raised to 5% of the company’s voting shares.</p>	<p>Federal Law No. 55-FZ dated 14 March 2022 http://publication.pravo.gov.ru/Document/View/0001202203140007</p>	
DISCHARGE OF OBLIGATIONS BY RESIDENTS			
6.	Payment limits		
6.1.	Transactions with limits		
(a)	<p>Limits are set by BoD of Russian CB.</p>	<p>clause 1, Decree No. 126</p>	
(b)	<p>From 2 March 2022 through 27 March 2022, prepayments or advance payments by Residents to foreign natural persons or legal entities (both Foreign Persons and Hostile Persons) are limited to 30% in relation to the contracts:</p> <ul style="list-style-type: none"> (i) stipulating that foreign natural persons and legal entities provide services; (ii) stipulating that foreign natural persons and legal entities perform work, transfer information, IP, including exclusive rights thereto. 	<p>Resolution of the BoD of the CB dated 1 April 2022 to set the amount for specific transactions by residents and non-residents (https://www.cbr.ru/about_br/dir/rsd_2022-04-01_01/)</p>	<p>The limits set by the Resolution of the BoD of CB dated 25 March 2022 were in effect from 27 March 2022 through 1 April 2022 (inclusive). https://www.cbr.ru/about_br/dir/rsd_2022-03-25_1/</p>

6.2.	Limits do not apply when		
(a)	<p>transactions are made:</p> <p>(i) by individuals who are not sole traders;</p> <p>(ii) Russian credit institutions;</p> <p>(iii) VEB.RF State-Owned Development Corporation.</p>	clause 3, Decree No. 126	
(b)	<p>Requirements do not apply to contracts:</p> <p>(i) stipulating the purchase from foreign natural persons or legal entities and/or provision by them of services related to the purchase of fuels and lubricants (bunker fuel), food products, inventories and other products (except for spare parts and equipment) required for operation and maintenance of vehicles;</p> <p>(ii) stipulating provision of financial services by foreign natural persons or legal entities to Residents, including under insurance and reinsurance contracts;</p> <p>(iii) stipulating provision by foreign natural persons or legal entities to Residents of services for international / transit carriage of goods (freight), services for provision of rolling stock (containers) for such carriage, transportation of empty railcars (containers), freight forwarding and logistic services as well as payment by Residents of ancillary costs related to the organisation of such carriage, rates, charges and fees for transportation infrastructure services;</p> <p>(iv) not exceeding \$15,000 (at the exchange rate of the Russian Central Bank as at the date of a contract / change of the contract price).</p>	<p>Resolution of the BoD of the CB dated 1 April 2022 to set the amount for specific transactions by residents and non-residents</p> <p>(https://www.cbr.ru/abou_t_br/dir/rsd_2022-04-01_01/)</p>	
(c)	The Government Commission consent is available.	clause 9, Decree No. 126	
7.	Discharge of obligations under foreign trade contracts		
7.1.	<p>Discharge of obligations under foreign trade contracts with Non-Residents (under which Residents must sell foreign currency) – possible through payment to the Residents’ account opened in Russia (or without crediting such accounts if so contemplated by Federal Law No. 173-FZ “On Currency Regulation and Control” dated 10 December 2003.</p> <ul style="list-style-type: none"> • Deposit of export earnings to accounts (deposit accounts) opened outside Russia – possible subject to the Government Commission's consent. 	clause 1.2, Guidance No. 3-OR	The regulation was introduced so that the obligation to sell foreign currency could be discharged.

8.	Payments under securities		
8.1.	<p>Payments under securities shall be made by depositaries pursuant to Article 8.7 of Federal Law No. 39-FZ "On Securities Market" dated 22 April 1996.</p> <p>However, payments shall be made to Type C Accounts:</p> <p>(i) to Hostile Persons and Controlled Persons (except for those registered in Russia);</p> <p>(ii) to Foreign Persons and Residents to whom claims under relevant obligations have been assigned by Hostile Persons or Controlled Persons (except for those registered in Russia).</p> <p>the other creditors – payments shall be made to their bank accounts.</p>	<p>The resolution of the BoD of the Russian CB dated 18 March 2022 imposing requirements to activities of professional securities traders engaged in depositary business as regards their payment of revenues and payments under securities</p> <p>https://www.cbr.ru/about_dir/rsd_2022-03-18_03/</p>	
9.	Discharge by the Russian Federation, constituent entities of the Russian Federation, municipalities of the Russian Federation and Residents of their obligations under bank loans, intercompany loans and financial instruments		
9.1.	Obligations subject to temporary discharge procedures		
(a)	<p>The temporary discharge procedures apply to the discharge by the Russian Federation, constituent entities of the Russian Federation, municipalities of the Russian Federation and Residents of their obligations under:</p> <p>(i) intercompany loans,</p> <p>(ii) bank loans,</p> <p>(iii) financial instruments (including derivative financial instruments),</p> <p>exceeding RUB 10 million per month (or its equivalent in foreign currency at the exchange rate of the Central Bank of Russia at the 1st day of each month).</p>	<p>clause 1, Decree No. 95 clause 1.9, Guidance No. 2-OR (re: derivative financial instruments).</p>	
(b)	<p>The temporary discharge procedures apply to the discharge by the Russian Federation, constituent entities of the Russian Federation, municipalities of the Russian Federation and Residents of their obligations:</p>		

	(i) to creditors – Hostile Persons or Controlled Persons (save where their place of registration is the Russian Federation).	clause 1, Decree No. 95	
	(ii) to Residents or Foreign Persons if the right of claim under such obligations was assigned to them by Hostile Persons or Controlled Persons (except for those registered in Russia) after 1 March 2022 (another date agreed by the Board of Directors of the Central Bank of Russia);	clause 8, Decree No. 95	
	(iii) to obligations of Russian legal entities in connection with the issue by foreign organisations of foreign equity securities (Eurobonds or depositary receipts);	clause 9, Decree No. 95	
	(iv) to the obligations owed by sanctioned credit institutions to Residents or Foreign Persons if the right of claim under such obligations was assigned to them by Hostile Persons or Controlled Persons (save where their place of registration is the Russian Federation) after the first day of imposition of sanctions on such a credit institution (at least by one of the hostile countries).	Resolution of the Board of Directors of the Russian Central Bank dated 8 March 2022 https://www.cbr.ru/about_dir/rsd_2022-03-08_1/	
9.2.	Temporary procedures for the discharge of obligations under bank loans, intercompany loans and financial instruments		
	The obligations shall be deemed duly discharged if:		
(a)	(i) the obligations owed to Foreign Persons (other than Controlled Persons) are discharged in Russian roubles in an amount equivalent to the price of obligations in foreign currency at the official exchange rate of the Central Bank of Russia at the date of payment;	clause 6, Decree No. 95	
	(ii) the obligations are discharged to Residents, of which the securities are kept at securities accounts in Russian depositaries, by the debtor transferring the funds to the creditor's account in Russian roubles in an amount equivalent to the price of obligations in foreign currency at the official exchange rate of the Central Bank of Russia at the date of payment;	clause 6, Decree No. 95	
	(iii) the obligations are discharged to a foreign nominal holder by the debtor transferring the funds to a type C account of the foreign nominal holder opened in a Russian depositary in Russian roubles in an amount equivalent to the price of obligations in foreign currency at the official exchange rate of the Central Bank of Russia at the date of payment, to further transfer to the securities holders being Hostile Persons or Controlled Persons (except for those registered in Russia) these funds in an amount payable under the terms of issue of securities less the amount of payments made to the securities holders being the persons for which the procedure of discharging obligations is set out in paras (i) and (ii) above;	clause 6, Decree No. 95	

	(iv) the obligations are discharged in the manner prescribed by the Central Bank of Russia or the Ministry of Finance or non-applicability of the special procedure of discharge of obligations is agreed with (i) the Central Bank of Russia for credit and non-credit financial institutions or (ii) the Ministry of Finance for other debtors.	clause 6, Decree No. 95	
	(v) Temporary discharge of obligations under bank loans, intercompany loans and financial instruments (pursuant to Decree No. 95): <ul style="list-style-type: none"> – may not be seen as improper or constitute a default; – treatment by Hostile Persons and Controlled Persons (except for those registered in Russia) of the discharge by Russian debtors of their obligations pursuant to Decree No. 95 as an event of default may not be seen by Russian creditors as a basis to invoke the cross-default condition for the other obligations of such a Russian debtor. 	clause 1.9, Guidance No. 3-OR	
(b)	Creditors being Residents and creditors being Foreign Persons can receive funds under the existing debt obligations of Residents within the timeframes specified in the debt obligation in Russian roubles in an amount of their Russian rouble equivalent at the exchange rate at the time of payment and, if special consent is in place, in the debt currency. No restrictions on the use of Russian roubles received by the creditors, including in respect of forex transactions, are contemplated.	Guidance of the Central Bank of Russia dated 6 March 2022 https://www.cbr.ru/pres/event/?id=12736	
	The temporary procedures for the discharge of obligations do not apply:		
(c)	(i) If the Exception is applicable;	clause 12, Decree No. 95 clause 8, Decree No. 126	
	(ii) Unless other procedures are introduced by the Russian Central Bank / Ministry of Finance or consent is given by the Russian Central Bank / Ministry of Finance.	clauses 10 and 11, Decree No. 95 clause 1.9, Guidance No. 2-OR	
10.	Type C Accounts		
10.1.	Opening of Type C Accounts		

(a)	For the purposes of discharge of obligations under bank loans and intercompany loans or financial instruments to the creditors being Hostile Persons or Controlled Persons (except for those registered in the Russian Federation), type C accounts shall be opened.	clause 3, Decree No. 95	
(b)	The following Type C Accounts may be opened: (i) Type C bank account; (ii) Type C securities account and securities sub-account; (iii) Type C brokerage account; (iv) Type C special brokerage account; (v) Type C clearing bank account; (vi) Type C trading account.	Resolution on Type C Accounts	
(c)	A Type C account shall be opened in the name of a Hostile Person or a Controlled Person (except for those registered in the Russian Federation) or a foreign nominal holder upon application of a debtor at (i) a Russian credit institution or (ii) central depository (for discharge of issue-related obligations).	clause 3, Decree No. 95	
(d)	Securities accounts of Hostile Persons, Foreign Persons, Controlled Persons (foreign nominal holders) opened prior to 5 March 2022 shall fall within type C accounts.	clause 1.8, Guidance No. 2-OR clause 4, Decree No. 95	
(e)	Accounts are opened for all Non-Residents served and accepted by a Russian depository except for Non-Residents which are international companies and international funds registered pursuant to Federal Law No. 290-FZ "On International Companies and Funds" dated 3 August 2018.	clause 2, Resolution on type C accounts	
(f)	As accounts are opened: (i) credit institutions are not required to obtain consent from a Hostile Person or a Controlled Person; (ii) a Hostile Person or a Controlled Person are not required to provide a credit institution with the documents contemplated by Instruction No. 153-I of the Bank of Russia dated 30 May 2014 (after 1 April 2022 – Instruction No. 204-I) or ensure personal appearance of a foreign creditor's representative; (iii) a credit institution shall identify new clients pursuant to the money laundering legislation within 30 days after a type C account is opened for a Hostile Person or a Controlled Person;	clause 1.6, Guidance No. 2-OR	

	(iv) a credit institution shall conduct such identification pursuant to the money laundering legislation in full if a Hostile Person or a Controlled Person seeks to use the funds deposited in a type C account opened in its name.		
10.2.	Regime of Type C Accounts		
(a)	The Type C Account regime shall be established by a resolution of the Board of Directors of the Central Bank of Russia.	clause 5, Decree No. 95	
(b)	A Type C Account shall be maintained in Russian roubles.	clause 5, Decree No. 95	
(c)	A creditor may file an application for use of the funds in a Type C Account in the manner determined by the Central Bank of Russia (for credit institutions and non-credit financial institutions) or the Ministry of Finance (for other debtors).	clause 7, Decree No. 95	
(d)	A type C bank account may be debited for, among other things: (i) Mandatory payments pursuant to the Russian budget legislation; (ii) Transfers to business accounts of non-residents in the Russian currency contemplated by an authorisation; (iii) Transfers in other transactions contemplated by an <u>authorisation</u> ; (iv) Transfers to type C bank accounts; (v) Transfers to a resident to pay a break fee (fine, penalty) in the dealings (transactions) listed in Decree No. 95.	Resolution on Type C Accounts	
(e)	Securities are withdrawn from a type C securities account or securities sub-account <i>inter alia</i> : (i) To be deposited to another type C securities account or securities sub-account opened at the same depositary; (ii) To be deposited to another type C securities account or securities sub-account opened at another depositary; (iii) Due to their cancellation; (iv) Due to corporate actions;	Resolution on Type C Accounts	

	(v) Due to their transfer to a securities account of another type (customer account) in the event enforced recovery of such securities; (vi) to be deposited pursuant to an issued authorisation to securities accounts of another type (customer accounts) or accounts opened at a foreign organisation that registers titles to securities.		
(f)	The regime of other Type C Accounts is determined by the BoD of the Russian CB	Resolution on Type C Accounts	

PART 2 – SALE OF FOREIGN CURRENCIES / TRANSFERS BETWEEN ACCOUNTS

	Sanction	Regulation	Comments
SALE OF FOREIGN CURRENCIES / TRANSFERS BETWEEN ACCOUNTS			
11.	Residents are required to sell foreign currency		
11.1.	Currency subject to sale		
	80% of the foreign currency received by Residents from the sale of goods, services or IP under contracts with Non-Residents must be sold.	clauses 1 and 2, Decree No. 79	Banks as currency control agents provide information to the Russian CB regarding violations by Residents of foreign currency sale requirements (see clause 1.7 of Guidance No. 3-OR).
(a)	<ul style="list-style-type: none"> Any foreign currency, including the one placed in a deposit, shall be subject to sale. A market exchange rate shall be applied. Foreign currency may be sold in parts (but within 3 business days applicable to the sale). A Resident shall calculate the 80% threshold on its own from the balance of foreign currency from its export business in the Resident's accounts (including in transit accounts) as of 28 February 2022. The information showing the balance of export revenues shall be submitted to the authorised bank. The sale requirement is also applicable to residents of the special economic zone in Kaliningrad Region. 	https://www.cbr.ru/explan/support_measures_fin/	
	<ul style="list-style-type: none"> Foreign currency must be sold irrespective of whether a foreign trade contract is registered pursuant to Instruction No. 181-I of the Russian Central Bank dated 16 August 2017. 	clause 1.1, Guidance No. 3-OR	
	<ul style="list-style-type: none"> The foreign currency obtained under the contracts for which the repatriation requirement has been abolished since 1 July 2021 is subject to sale. 	clause 1.3, Guidance No. 3-OR	

	<ul style="list-style-type: none"> The revenues from export activities under contracts between a Resident and a Non-Resident and stipulating the sale and purchase of goods include only the revenues received from a Non-Resident under foreign trade contracts providing for the export of goods from Russia. 	clause 1.4, Guidance No. 3-OR	
	<ul style="list-style-type: none"> The requirement to sell foreign currencies also applies to Residents being sole traders and privately practising individuals. 	clause 1.5, Guidance No. 3-OR	
	<ul style="list-style-type: none"> Any method of foreign currency sale may be chosen (at the Resident's bank; through on-exchange trading, at another authorised bank). 	clause 1.6, Guidance No. 3-OR	
(b)	The sale of foreign currencies in any other amount (i.e. not 80%) is subject to the Government Commission's consent.	clause 9, Decree No. 126	
11.2.	Time limits for the sale of foreign currency		
(a)	Any foreign currency received starting from 28 February 2022 must be sold within 3 business days of the date when such foreign currency is credited.	clause 2, Decree No. 79	Any foreign currency received since 1 January 2022 should have been sold not later than 3 March 2022.
(b)	Another time for sale is subject to consent of the Russian CB.	clause 4, Decree No. 126	
11.3.	Exceptions from the obligation to sell foreign currency		
(a)	The requirement to sell foreign currency does not apply to the entities executing projects to produce liquefied natural gas in the Arctic Zone of the Russian Federation if such a currency is earned from the execution of relevant projects.	clause 6, Decree No. 126	
12.	Transfers to accounts		
12.1.	No foreign currency transfers to accounts outside the Russian Federation		
(a)	Residents are not allowed to transfer foreign currency to their accounts outside the Russian Federation (money transfers without opening a bank account with the use of foreign payment methods).	clause 3(b), Decree No. 79	

(b)	The prohibition for Residents to transfer foreign currency to their accounts outside the Russian Federation (make similar payments without opening a bank account) does not apply:		
	(i) to Russian credit institutions;	https://www.cbr.ru/explan/support_measures_fin/	
	(ii) if funds are transferred outside of Russia to accounts of diplomatic missions, consular offices of Russia, permanent missions of Russia at international organisations, other official representative offices of Russia and government authorities, legal entities – Residents outside Russia and their employees.	clause 6(a), Decree No. 126	A similar view is found in the resolution of the Government Commission's subcommission dated 10 March 2022 as regarding financing of branches and representative offices outside Russia. As opposed to Decree No. 126, the subcommission's resolution clarifies that the transfer amount must not exceed the amount of financing for the previous year. https://minfin.gov.ru/ru/press-center/?id_4=37806-rezidenty-smogut-zachislyat-valyutu-na-svoi-scheta-v-inostrannykh-bankakh-dlya-finansirovaniya-tekushchei-dveyat-elnosti
(iii) It is allowed to transfer to individuals' accounts at foreign banks the foreign currency received from Non-Residents as salary, rent, coupons and dividends from securities and other interest payments; (iv) Russian citizens will be able to transfer funds in a foreign currency from their foreign accounts opened at foreign banks prior to 1 March 2022 to their other foreign accounts disclosed to Russian tax authorities.	Minutes of the Government Commission's subcommission meeting dated 10 March 2022 https://minfin.gov.ru/ru/press-center/?id_4=37806-rezidenty-smogut-zachislyat-valyutu-na-svoi-scheta-v-inostrannykh-bankakh-dlya-finansirovaniya-tekushchei-dveyat-elnosti		

		ovaniya tekushchei dy eyatelnosti	
(c)	<p>The BoD of the Russian CB determines the maximum amounts of the following transactions:</p> <p>(a) Money transfers from accounts opened in Russia:</p> <ul style="list-style-type: none"> from Hostile Persons (legal entities) to Foreign Persons (legal entities); from Foreign Persons (legal entities) to accounts opened in Hostile States. <p>(b) Transfers (without opening accounts) of money, including e-money:</p> <ul style="list-style-type: none"> from Hostile Persons (legal entities) to Foreign Persons (legal entities); from Foreign Persons (legal entities) to banks and other organisations of the financial market located in Hostile States. <p>The transactions listed above may be made in excess of the limits set by the BoD of the Russian CB subject to the Government Commission's consent.</p>	clauses 1 and 9, Decree No. 126	
12.2.	Transfers between accounts		
(a)	<p>No transfers (with effect from 31 March 2022 for 6 months):</p> <p>(i) It is prohibited to make transfers from Russia from accounts of Hostile Persons (both natural persons and legal entities) to accounts opened outside Russia (and money transfers without opening bank accounts) and money transfers without opening bank accounts, including electronic funds abroad;</p> <p>(ii) Transfers from Russia from accounts of non-resident natural persons (other than Foreign Persons) without opening an account abroad are limited to \$5,000 (per month).</p>	<p>Compliance Order No. 03-12-4/2559 of the Central Bank of Russia dated 31 March 2022</p>	<p>Previously, the Compliance Order of the Central Bank of Russia dated 1 March 2022 (text not published) was in effect in relation to the period from 1 March 2022 to 31 March 2022 (inclusive).</p> <p>https://www.forbes.ru/finansy/457719-cb-zapretil-grazdanam-ob-avivsih-sankcii-stran-vyvodit-den-gi-iz-rossii</p>
(b)	<p>No transfers (with effect from 31 March 2022 for 6 months):</p> <p>(i) Transfers from Russia from accounts of Hostile Persons (individuals) employed in Russia and receiving salaries to their accounts in Russia:</p> <ul style="list-style-type: none"> from accounts in Russia to accounts outside Russia – limited to \$10,000 (or its equivalent in another currency) per month; 	<p>Compliance Order No. 03-12-4/2559 of the Central Bank of Russia dated 31 March 2022</p>	

	<ul style="list-style-type: none"> – transfers without opening bank accounts from Russia – limited to \$5,000 (or its equivalent in another currency) per month. <p>(ii) Transfers from Russia from accounts of Foreign Persons (individuals):</p> <ul style="list-style-type: none"> – from accounts in Russia to accounts outside Russia – limited to \$10,000 (or its equivalent in another currency) per month; – transfers without opening bank accounts from Russia – limited to \$5,000 (or its equivalent in another currency) per month. <p>(iii) Transfers from Russia from accounts of Residents (individuals):</p> <ul style="list-style-type: none"> – to their own accounts or accounts of other individuals (both Residents and Non-Residents) outside Russia – limited to \$10,000 (or its equivalent in another currency) per month; – transfers to individuals (both Residents and Non-Residents) without opening bank accounts from Russia – limited to \$5,000 (or its equivalent in another currency) per month. 		
(c)	<p>The limitations on transfers to accounts do not apply to:</p> <p>(i) Replenishment by Russian credit institutions of their correspondent accounts at foreign banks;</p> <p>(ii) Payments following clearance of transactions carried out through national payment instruments by Russian credit institutions using correspondent accounts at foreign banks and opened by foreign banks at Russian credit institutions.</p>	clause 1.4, Guidance No. 2-OR	
13.	Purchase of foreign currencies		
13.1.	Limitations on currency purchases		
(a)	Prohibition for Hostile Persons (legal entities) to purchase foreign currencies in the Russian domestic market.	Resolution of the BoD of the CB dated 1 April 2022 to set the amount for specific transactions by residents and non-residents	

		https://www.cbr.ru/about_dir/rsd_2022-04-01_01/	
(b)	<p>The BoD of the Russian CB sets limits on the purchase of foreign currency in Russia by legal entities – Foreign Persons or Hostile Persons.</p> <ul style="list-style-type: none"> The purchase of any foreign currency in excess of the limits set by the BoD of the Russian CB is subject to consent of the Government Commission. 	clauses 1 and 9, Decree No. 126	
13.2.	Currency purchase fee		
(a)	<p>When discharging instructions of physical persons to purchase a foreign currency (US dollars, Euro, British pounds), brokers are required to charge a 12% fee.</p> <p>Such a fee of 12% of the transaction amount was also introduced for legal entities.</p>	<p>Compliance Order of the Central Bank of Russia dated 4 March 2022</p> <p>https://www.cbr.ru/pres/pr/?file=03032022_232829SUP_MEAS03032022_232925.htm</p>	Originally, the Compliance Order of the Central Bank of Russia dated 02 March 2022 fixed the fee at no less than 30% and only in respect of instructions from natural persons.
14.	Foreign cash		
14.1.	No export of foreign cash		
(a)	Starting from 2 March 2022, it is prohibited to export foreign cash and/or cash instruments in foreign currency in any amount exceeding the equivalent of \$10,000 (at the exchange rate of the Central Bank of Russia at the date of export).	clause 1(h), Decree No. 81	
14.2.	Withdrawal of foreign cash		
(a)	<p>Procedures of withdrawal of cash from foreign currency deposits or accounts by individuals from 9 March 2022 to 9 September 2022:</p> <p>(i) The cash withdrawal is limited to \$10,000 (at an already opened account), the remaining funds can be withdrawn in Russian roubles at the market exchange rate on the day of withdrawal.</p>	<p>Разъяснения ЦБ РФ от 09.03.2022</p> <p>https://www.cbr.ru/pres/event/?id=12738</p>	No fee shall be charged on withdrawals of foreign cash by individuals until 9 September 2022 (Resolution of the BoD of the Russian CB dated 11 March 2022).

	<ul style="list-style-type: none"> (ii) During the above period, all foreign currencies can be withdrawn only in the US dollars regardless of the account currency. Other foreign currencies will be converted into US dollars at the market exchange rate on the day of withdrawal. (iii) As for new foreign currency accounts, foreign currency can be withdrawn in Russian roubles at the market exchange rate on the day of withdrawal. (iv) No foreign cash will be sold to individuals during the above period. (v) Foreign currency can be exchanged into Russian roubles at any time and in any amount. 		<p>См. https://www.cbr.ru/about_br/dir/rsd_2022-03-11_1/</p>
(b)	<p>Withdrawal of foreign cash for businesses until 9 September 2022</p> <ul style="list-style-type: none"> (i) Russian legal entities or sole traders may withdraw up to \$5,000 in cash or an equivalent of this amount in euro, British pounds or Japanese yens to pay or compensate the travel allowance of employees traveling abroad; (ii) Where an amount in excess of \$5,000 needs to be withdrawn, consent of the Russian CB will be required. (iii) Foreign cash may only be received from bank's cash desks. (iv) Foreign companies and non-resident businessmen cannot withdraw any foreign currency until 9 September 2022. (v) The limit of \$5,000 is set for the entire period of restriction. 	<p>Compliance Order of the Central Bank of Russia dated 10 March 2022 https://www.rbc.ru/finances/10/03/2022/6229db7d9a79475d03ee02bc</p>	<p>The compliance order is not publicly available. Also see guidance of the Russian Central Bank: https://www.cbr.ru/fag/w_fin_sector/</p>