

Embargo and Sanction Status with Regard to Russia, Parts of Ukraine as Well as Belarus

In response to the invasion of Ukraine by Russia, the European Union, the United States of America, and their allies have adopted far-reaching sanctions with regard to the Russian Federation, the Donetsk and Luhansk oblasts in Ukraine as well as Belarus. For the most part, the sanctions have been coordinated among the allies and have already gone into effect. The sanctions imposed by the European Union are currently based on 5 packages. Depending on how the conflict develops, the sanctions can be expected to change and expand rapidly. Some of the sanctions may be directly related to the areas of activity of the University of Potsdam, which is why close attention must be paid to this issue. After performing a case by case assessment, it may be necessary to restrict or refrain from these activities.

Contents of the individual packages:

Package 1 of February 23, 2022

- Sanctions against 351 members of the Russian State Duma
- Sanctions against 27 other persons and entities
- Restriction of access of the Russian state and government to EU capital and financial markets as well as EU services
- Restrictions on economic relations with Donetsk and Luhansk oblasts: Import ban for goods and products, trade and investment restrictions for certain economic sectors, prohibition to supply tourism services, export bans for certain goods and technologies into these areas

Package 2 of February 25/26, 2022

- Sanctions (freezes of Russian assets) against Vladimir Putin, Mikhail Mishustin, Sergey Lavrov, Dmitry Medvedev
- Restrictive measures against the members of the National Security Council and members of the State Duma
- Restrictions against the Ministry of Defense and the Foreign Intelligence Service (SVR)
- Visa facilitation has been fully discontinued
- Companies in the defense sector, as well as shipbuilding and aircraft construction, are subject to a ban on supplying equipment and technologies to Russia, as well as providing financial support
- Deliveries to Russia of machinery, equipment, and technology for the modernization of oil refineries, as well as aerospace machinery and equipment, and dual-use goods are prohibited.
- As of February 28, 2022, the bilateral visa facilitation agreement has been discontinued. (This concerns: diplomats, members of delegations, judges of the Constitutional Court and Supreme Court, and representatives of regional governments and parliaments).

Package 3 of February 28, 2022

- Partial ban of Russia from international payment system SWIFT
- Sanctions against the Russian Central Bank

In the meantime, Russia has also imposed counter-sanctions, which further restrict foreign currency payments. It appears that payment obligations can only be settled in rubles, and certain account requirements also apply.

Package 4 of March 9, 2022

- Three Belarusian banks were also excluded from the SWIFT system, which makes money transfers almost impossible. Transactions with the central bank have been banned, and Belarusian shares may no longer be traded. Financial transfers to the EU are severely restricted; euros may no longer be delivered to Belarus.
- There are now sanctions on the export to Russia of maritime goods and radio communications technology. Another 160 individuals have also been added to the sanction list. This includes 14 oligarchs and high-profile businessmen who are active in key sectors of the economy that are a major source of revenue for the Russian Federation, as well as 146 members of Russia's Federation Council

Package 5 of April 8, 2022

- Ban on imports of coal and other solid fossil fuels from Russia
- Entry ban for Russian and Belarusian road transport companies into the EU
- Import ban on other goods such as wood, cement, seafood, and alcoholic beverages
- Export ban on jet fuel and other goods to Russia

Consequences of the embargo measures for the University of Potsdam

In addition to measures relating to individuals, particular attention must be paid to import and export restrictions. The export of military equipment and dual-use goods is explicitly prohibited with immediate effect.

The transfer and provision of technical support (= transfer of knowledge) of technology and software relevant to military equipment and dual-use is also prohibited.

Where relevant, the transfer of goods, technology, and technical support from the defense, shipbuilding, aircraft, aerospace, and oil refining sectors is not permitted, either directly or indirectly, to the Russian Federation. Cooperation in these areas with Russian universities and research institutions is prohibited.

The provision of funds and economic resources to the sanctioned individuals is prohibited.

Visa facilitation for Russian citizens has been discontinued. It is likely that entry into the European Community will be made very difficult or impossible for Russian academics and scientists.

If still permitted, the restrictions on the use of the international payment system SWIFT make it considerably more difficult or perhaps impossible to transfer funds to the Russian Federation.

As a result of Russia's counter-sanctions, payments for any services or cooperation contributions to Russian clients and partners are no longer possible.

Furthermore, EU airspace is currently closed for flights to and from Russia. The blocking of transport routes disrupts the movement of goods between the EU and Russia, which is why direct shipments of goods and items to and from Russia is difficult or even impossible.

However, it must also be explicitly stated that neither the European Community nor its allies have imposed total embargo measures. The embargo measures of the European Union do not prescribe a general termination of any cooperation relations in the non-sanctioned sectors of social and economic life with universities and research institutions of the Russian Federation. In this regard, it is important to act in accordance with the guidelines of the university management. In any case, prior to further cooperation, consultation with Division 4's Taxes, Customs, and Foreign Trade Unit should be undertaken to examine the aforementioned embargo measures. Please contact Ms. Zsuzsanna Schulz, Phone: 124 443. Guidance can be provided on how to handle the measures in place on issues such as establishing contacts, cooperation agreements, publications, export and import of goods, transfer of technical information and know-how.

By way of precaution, it should be noted that the EU has called for the prevention of circumvention of the restrictive measures that have been adopted. The EU emphasized the need to fulfill due diligence requirements. Consequently, the University of Potsdam is also under obligation to ensure that the measures in place are observed and implemented.

Information for employees with citizenships other than German

As a general rule, the laws and regulations of the European Union and its member states apply on the territory of the European Union. Regulations of other countries are therefore not applicable. U.S. export control laws and regulations are an exception to this rule. These regulations require all U.S. citizens not residing in the U.S. and U.S. companies not located in the U.S. and their affiliates to comply with U.S. export control regulations.

University members with U.S. citizenship should therefore fully comply with their home country's policies.

The current EU sanctions are largely in line with the US sanctions imposed on Russia and the Donetsk and Luhansk oblasts. A separate review for violation of U.S. export control laws would currently be dispensable due to the prior review of EU export control law, but this could change. The extent to which other countries may impose sanctions on their citizens is to be determined independently and on an individual basis.

We will keep you informed about the development of the sanctions and further findings through this channel.

Potsdam, May 5, 2022
University of Potsdam
Division of Finance and Procurement