

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, Luhansk, Zaporizhzhya and Kherson 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 9 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

Package 6 of June 3, 2022

- Ban on import of crude oil and refined petroleum products
- Ban on the provision of services (ban on insurance) for the transportation of oil
- Ban on the provision of business services and consulting (auditing, accounting, tax consulting, etc.)
- Exclusion of three other Russian banks and one Belarusian bank from SWIFT

- Suspension of broadcasting activities of three more Russian state media in the EU
- Extension of export restrictions to chemicals used in the production of chemical weapons
- Sanctions against another 65 individuals and 18 organizations. These are mainly active in the fields of electronics, communications, weapons, shipyards, engineering and scientific research.
- Sanctions against 24 Belarusian organizations

Package 7 of July 21, 2022

- Prohibition to directly or indirectly import, purchase or to bring gold originating in Russia to the EU
- Expansion of the current sanctions list to include an additional 50 items of goods and technologies that may contribute to Russia's military and technological strengthening or to the development of the defense and security sector
- Extending the ban on Russian ships' access to EU ports to include locks
- Clarifying the scope of the ban on awarding public contracts that are "related to Russia"
- Sanctions against an additional 54 individuals and 10 organizations, including the mayor of Moscow and Sberbank

Package 8 of September 6, 2022

- Oil price cap on crude oil and refined petroleum products
- Additional export restrictions based on the military and technological capabilities of Russia and the development of its defense and security sectors
- Bans on services to Russian government or Russian legal entities; these include IT consulting, legal consulting, and architectural and engineering services
- Additional import bans: this applies to certain categories of products originating in or exported from Russia (e.g., steel products, paper, cigarettes, plastics)
- Sanctions of an additional 30 individuals and 7 organizations (including employees of the Ministry of Defense and companies in the military sector)
- Extension of the geographical scope of the measures imposed on February 23, 2022 to the territories in the Zaporizhzhya and Kherson regions

Package 9 of December 16, 2022

- Listing of two more Russian banks (Credit Bank of Moscow, JSC Far Eastern Bank), as well as other legal entities and individuals
- New export bans. Affects additional dual-use items (e.g., aircraft engines, generators, laptops, hard drives, IT components, cameras, chemical substances)
- Ban on the provision of services for advertising, market and opinion research, and technical surveillance for Russia
- In addition, sanctions are imposed on another 141 individuals and 49 organizations, and

broadcasting licenses are suspended for four other Russian channels (e.g., Rossiya 1, Pervyi Kanal)

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, Luhansk, Zaporizhzhya and Kherson 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, January 30, 2023
University of Potsdam
Division of Finance and Procurement
Taxes, Customs and Foreign Trade Unit