COMPLIANCE CIRCULAR	**40/2024 [CC 40_2024]**
To:	**ALL FIRMS AND ALL COMPLIANCE OFFICERS OF THE INSTITUTE**
Date:	**17 December 2024**
Subject:	**Fifteenth package of sanctions imposed by the EU against Russia**

The Institute of Certified Public Accountants (ICPAC) with the present circular draws the attention of its Members to the fifteenth package of sanctions imposed on 16 December 2024 by the European Union against Russia. For the official announcement please follow the link.

The fifteenth package of sanctions imposed provides, inter alia, for further 84 listings of persons adding 54 individuals and 30 entities to its sanctions list.

The list includes the military unit responsible for the striking of the Okhmadyt children hospital in Kyiv, senior managers in leading companies in the energy sector, individuals responsible for children deportation, propaganda and circumvention, as well as two senior DPRK officials. As to entities, the EU targeted primarily Russian defense companies and shipping companies responsible for the transportation of crude oil and oil products by the sea. It also listed a chemical plant, a civil Russian airline which is an important provider of logistical support to the Russian military. For the first time, it imposes fully-fledged sanctions (travel ban, asset freeze, prohibition to make economic resources available) on various Chinese actors supplying drone components and microelectronic components in support of Russia's war of aggression against Ukraine.

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Furthermore, the fifteenth package introduced sectoral measures on the following industries:

Anti- circumvention measures/ transport

Measures against specific vessels contributing to Russia's warfare against Ukraine, which are subject to a ban on port access and provision of services. Added further 52 vessels to the list of those subject to a port access ban and ban on provision of a broad range of services related to maritime transport. This measure is intended to target non-EU tankers that are part of Putin's shadow fleet circumventing the oil price cap mechanism or support the energy sector of Russia, or vessels that are responsible for transporting military equipment for Russia or involved in the transport of stolen Ukrainian grain.

Import-export controls and restrictions

Addition of 32 new entities to the list of those directly supporting Russia's military and industrial complex in its war of aggression against Ukraine. They will be subject to tighter export restrictions concerning dual use goods and technologies, as well as goods and technology which might contribute to the technological enhancement of Russia's defense and security sector. Some of these entities are located in third countries (China, India, Iran, Serbia and the United Arab Emirates) and have been involved in the circumvention of trade restrictions or have engaged in the procurement of sensitive items used for Russian military operations, like UAVs and missiles.

Protection of European companies

- The Council decided to prohibit the recognition or enforcement in the EU of those rulings issued by Russian courts based on Article 248 of the Arbitration Procedure Code of the Russian Federation.
- The Council introduced a derogation allowing the release of cash balances held by EU central securities depositories (CSDs). Thanks to this derogation CSDs will be able to request competent authorities of the Member States to unfreeze cash balances and use them to meet their legal obligations with their clients.

- The EU extended the deadlines applicable to certain derogations needed for divestments from Russia. The exceptional extension of the divestment derogations is necessary to enable EU operators to exit as swiftly as possible from the Russian market. The extended derogations are granted on a case-by-case-basis by member states and focused on allowing an orderly divestment process, which would not be possible without the extension of these deadlines.

For the updated Regulation (EU) 269/2014, please follow the link.

For the updated Regulation (EU) 833/2014, please follow the link.