

Newsletter

Russian counter-sanctions update - Decree No. 252 of the Russian President re. Sanctioned Persons

May 4, 2022

Dear Ladies and Gentlemen,

As a matter of very important update which may impact business activities of foreign investors in Russia, please be advised that on May 3, 2022 the President of the Russian Federation has signed Decree No. 252 "On Application of Retaliatory Special Economic Measures in response to Unfriendly Acts by Certain Foreign States and International Organizations" ("**Decree No. 252**").

According to Decree No. 252, as response to unfriendly and unlawful (contrary to the international law) actions of foreign states and organizations, aimed at termination and/or limitation of ownership rights of the Russian Federation, Russian citizens, and Russian legal entities, and in order to protect the national interests of the Russian Federation:

1. Within 10 days from the date of Decree No. 252 (which is May 3, 2022), the Russian Government shall draw up and approve:
 - A list of sanctioned persons (i.e. sanctioned by the Russian Federation), which will include legal entities, individuals, and their controlled organizations to which the special economic measures will apply (prescribed by Decree No. 252) ("**Sanctioned Persons**"); and
 - Additional criteria for determination of the transactions that will be prohibited in accordance with sections 2.A and 2.B below.

Please note that the list of Sanctioned Persons and additional criteria are not approved yet, but we monitor this situation closely on a constant basis. In addition to that, please note that as per literal interpretation of Decree No.

252 the term "Sanctioned Persons" will also cover Russian subsidiaries owned or controlled by the Sanctioned Persons.

2. All Russian state and municipal authorities, individuals, and legal entities within the jurisdiction of the Russian Federation will be prohibited from any of the following:
 - entering into transactions (including foreign trade contracts) with any Sanctioned Persons;
 - performing new or outstanding obligations (if any, including partial performance) towards any Sanctioned Person in existing transactions;
 - performing financial transactions if their beneficiary is a Sanctioned Person.
3. Export of products and/or raw materials, produced or mined in the territory of the Russian Federation will be prohibited if such products and/or raw materials are exported and/or supplied (i) to any Sanctioned Person; and/or (ii) by any Sanctioned Persons to any other party.
4. Ministry of Finance of the Russian Federation is authorized to provide further interpretation of regulations imposed by Decree No. 252, except for regulations provided in section 2.C above.

We note that Decree No. 252 is effective immediately (starting from May 3, 2022) until revoked. In addition to that, please note that Decree No. 252 does not provide for any exceptions (e.g., by way of obtaining consent / approval of a state authority) that would allow to avoid the imposed restrictions.

We hope that the information provided herein will be useful for you. If any of your colleagues would like to receive our newsletters, please send them the link to complete a [Subscription Form](#).

Note: Please be aware that all information provided in this letter was taken from open sources. Neither ALRUD Law Firm, nor the author of this letter bear any liability for consequences of any decisions made in reliance upon this information.

If you would like to learn more about our [Crisis Management, Economic Sanctions and Compliance Practice](#), please let us know. We will be glad to provide you with our materials.

Sincerely,

ALRUD Law Firm



Andrey Zharskiy

Partner, Co-Head of Crisis Management, Economic Sanctions and Compliance Practice, Corporate / M&A, Energy, Natural Resources & Infrastructure, Real Estate

E: andrey.zharskiy@alrud.com



Anton Dzhuplin

Partner, Co-Head of Crisis Management, Economic Sanctions and Compliance Practice, Corporate/ M&A, Financing (Banking & Finance), Capital & Equity markets

E: adzuplin@alrud.com



German Zakharov

Partner, Crisis Management, Economic Sanctions and Compliance Practice, Competition/Antitrust, Foreign Direct Investments

E: gzakharov@alrud.com