

August 18, 2022

Outline of economic sanctions against Russia resulting from the situation in Ukraine (4)

[Kobayashi Eiji](#) / [Matsushima Kie](#) / [Kitamura Kenichi](#)

In response to Russia's invasion of Ukraine, the Japanese government has been imposing economic sanctions against Russia since February 26, 2022. Our newsletters dated March 10, March 24 and April 20, 2022, introduced an overview of the economic sanctions imposed by Japan as of April 12, 2022. Since then, additional economic sanctions have been imposed. In particular, the additional sanctions include those imposed on July 5, 2022, which prohibit the new provision of trust services, account and audit services, and management consulting services to Russia, developments which also merit the reader's attention. This newsletter provides an overview of these latter sanctions imposed on April 13 and later).

1. Expansion of Designated Persons Subject to an Asset Freeze

The sanctions imposed in 2022 as a consequence of Russia's military invasion of Ukraine added to the list of relevant persons and organizations within the Russian Federation and the Republic of Belarus that have been deemed Designated Persons subject to an asset freeze under the 2014 Sanctions imposed upon the Annexation of Crimea. The newly Designated Persons as of April 12, 2022 are described in our newsletters dated March 10 and 24, and April 20, 2022. The Japanese government has subsequently designated the additional four categories of organizations and individuals listed below as now being subject to an asset freeze (the first three of which entered into force on the date the designation was made):

- (1) 8 individuals, including the prime minister of Russia, Russian senior officials and members of the military, were designated on May 10.
- (2) 133 individuals, including members of the People's Council of the Donetsk People's Republic (self-proclaimed) and members of the People's Council of the Luhansk People's Republic (self-proclaimed), were designated on May 10.

(3) 2 Russian banks (Credit Bank of Moscow and Russian Agricultural Bank (Rosselkhozbank)) were designated on June 7 (effective from July 7).

(4) 1 Belarusian bank (Belinvestbank (Belarusian Bank for Development and Reconstruction)) was designated on June 7 (effective from July 7).

(5) 6 organizations of Russia, including JSC Almaz-Antey Air and Space Defence Corporation and the Strategic Culture Foundation, were designated on July 5.

(6) 57 individuals, including Russian senior officials and members of the military, and 5 individuals directly contributing to the destabilization of the Eastern part of Ukraine, were designated on July 5.

Please refer to the table at the end of this newsletter for the names of Designated Persons who are now subject to an asset freeze.

2. Export Ban

An export control has been imposed on the exportation of products and technologies to Designated Persons in Russia and Belarus, and the exportation of designated products and their related technologies (“**Designated Items**”) to Russia and Belarus. The Designated Persons and Designated Items as of April 12, 2022 are described in our newsletters dated March 24 and April 20, 2022. The Japanese government has subsequently designated the additional organizations and items listed below as now being subject to export ban. The following sanctions without an effective date took effect from the date of designation:

(1) 71 organizations, including JSC Almaz and Alagir Resistor Factory, were designated on May 10 (effective from May 17).

(2) Advanced articles (including catalysts for petroleum refining, quantum computers and other devices utilizing quantum characteristics, their accessories, and components, organic light-emitting diodes, organic field-effect transistors, and devices for manufacturing organic solar cells) and their related technologies were designated for export ban to Russia on May 13 (effective from May 20).

(3) Products that contribute to strengthening the industrial base (including wood and parts of its products, steel storage tanks and others, compatible tools for hand tools or processing machines, knives and blades for machinery or instruments, parts of machinery and related items, parts of electrical equipment and related items, railway locomotives, railway maintenance vehicles and related items, parts of transportation machinery and related items, and measuring and inspection equipment and parts thereof and related items) were designated for export ban to Russia on June 10 (effective from June 17).

(4) 65 Russian organizations, including AO Rubin and Branch of AO Company Sukhoi Yuri Gagarin Komsomolsk on Amur Aircraft Plant, were designated on July 5.

(5) 25 organizations from Belarus, including JSC 140 Repair Plant and JSC 558 Aircraft Repair Plant, were designated on July 5.

Please refer to the table at the end of this newsletter for the names of Designated Persons and Designated Items which are now subject to export ban.

3. Import Ban

The Japanese government has restricted imports of goods from Ukraine with their origins in the Autonomous Republic of Crimea, the Special City of Sevastopol, the "Donetsk People's Republic" (self-proclaimed) and the "Luhansk People's Republic" (self-proclaimed), and imports of alcoholic beverages, timber, machinery and electric machinery from Russia.

In addition to such import bans, additional sanctions were issued on July 5, 2022 to ban the import of precious metal (gold). This import ban took effect on August 1, 2022.

4. Ban on the provision of certain services

The notification of the Ministry of Finance dated July 5, 2007 (the MOF Notification No. 180) made the provision of trust services, accounting and auditing services, and management consulting services conducted on or after September 5, 2022, subject to receiving permission from the Ministry.

Particularly, the following are subject to receiving such permission:

- (a) the provision of labor or benefits in relation to trust services between a Japanese resident and a non-resident, to the Russian government and other related organizations, legal entities or other organizations incorporated under the laws of Russia, or individuals domiciled or resident in Russia.
- (b) the provision of labor or benefits in relation to accounting services between a Japanese resident and a non-resident, to the Russian government and other related organizations, legal entities or other organizations incorporated under the laws of Russia.
- (c) the provision of labor or benefits in relation to consulting services in relation to management (analysis, guidance, education and training, and research and study) between a Japanese resident and a non-resident, to the Russian government and other related organizations, legal entities or other organizations incorporated under the laws of Russia.

However, permission from the Minister of Finance is not required in the following cases.

- (a) the provision of services by a resident to a corporation or organization in which said resident holds 10% or more of shares or capital contributions
- (b) the provision of services by a resident to a corporation or organization, with which said resident has a relationship entailing the dispatch of officers, the supply of raw materials or the buying and selling of products over a long period of time, or the provision of important manufacturing technologies.

It should be noted that the above exceptions do not apply in cases where a resident (service provider) provides the designated services to legal entities or organizations other than those in which it holds shares, for example, a legal entity held by another resident (a Russian subsidiary of a Japanese company), in which case, permission from the Minister of Finance is required.

[Appended Table]

Outline of Asset Freeze and Other Measures (as of July 29, 2022)			
Main Sanctions		Designated Organizations	Designated Individuals
Permission from MOF (or METI) is required for payments to the Designated Persons	Payment by a resident to a Designated Person, regardless of whether the payment is made from Japan or abroad	16 organizations subject to the 2014 Sanctions <ul style="list-style-type: none"> · Chernomorneftegaz · Self-proclaimed Donetsk People's Republic · Self-proclaimed Donbass People's Militia, etc. 1 bank subject to the Sanctions of 26 February 2022, and subsidiaries in which said bank holds 50% or more of equity interest (effective from March 28) <ul style="list-style-type: none"> · Bank Rossiya 	66 individuals subject to the 2014 Sanctions <ul style="list-style-type: none"> · Officials of the Crimean Republic · People associated with the self-proclaimed Donetsk People's Republic, etc. 24 individuals subject to the Sanctions of 26 February 2022 <ul style="list-style-type: none"> · People associated with the self-proclaimed Donetsk People's Republic · People associated with the self-proclaimed Luhansk People's Republic
	Payment by a non-resident to a Designated Person made overseas from Japan		
	Payments by a Designated Person made overseas from Japan		
Permission from MOF is required for capital transactions (deposits, trusts and loans) with the Designated Persons	Deposit contract between a resident and a non-resident who is a Designated Person (however, this does not apply where a resident receives deposits from a non-resident)	3 banks subject to the Sanctions of 1 March 2022, and subsidiaries in which said banks (excluding the Central Bank of the Russian Federation) hold 50% or more of equity interest <ul style="list-style-type: none"> · Central Bank of the Russian Federation (effective from March 1) · Promsvyazbank (effective from March 31) · Vnesheconombank (VEB RF) (effective from March 31) 4 banks subject to the Sanctions of 3 March 2022, and subsidiaries in which said banks hold 50% or more of equity interest (effective from April 2) <ul style="list-style-type: none"> · VTB Bank · Sovcombank · Novikombank · Otkritie 	6 individuals subject to the Sanctions of 1 March 2022 <ul style="list-style-type: none"> · President of Russia · Senior Russian officials 18 individuals of Russia subject to the Sanctions of 3 March 2022 <ul style="list-style-type: none"> · Senior Russian officials · CEO of Rosneft · CEO of Rostec, etc. 37 individuals of Belarus subject to the Sanctions of 3 March 2022
	Trust agreement between a resident and a non-resident who is a Designated Person (however, this does not apply where a resident is entrusted)		
	Transactions pertaining to the occurrence of claims based on a loan agreement by a resident to a non-resident who is a Designated Person		

		<p>2 organizations subject to the Sanction of 3 March 2022 and subsidiaries in which said organizations hold 50% or more of equity interest</p> <ul style="list-style-type: none"> · State Authority for Military Industry of the Republic of Belarus · Minsk Wheel Tractor Plant <p>2 Russian organizations subject to the Sanctions of 8 March 2022 and subsidiaries in which said organizations hold 50% or more of equity interest</p> <ul style="list-style-type: none"> · Internet Research Agency · Private Military Company Wagner <p>10 organizations of Belarus subject to the Sanctions of 8 March 2022 and subsidiaries in which said organizations hold 50% or more of equity interest</p> <ul style="list-style-type: none"> · Beltechexport · Sinesis Group, etc. <p>3 banks of Belarus subject to the Sanctions of 11 March 2022, and subsidiaries in which said banks hold 50% or more of equity interest (effective from April 10)</p> <ul style="list-style-type: none"> · Belagroprombank · Bank Dabrabyt · Development Bank of the Republic of Belarus <p>9 Russian organizations subject to the Sanctions of 18 March 2022 and subsidiaries in which said organizations hold 50% or more of equity interest</p> <ul style="list-style-type: none"> · Rosneft Aero 	<ul style="list-style-type: none"> · President of Belarus · Senior Belarusian officials · People associated with the self-proclaimed Donetsk People's Republic · People associated with the self-proclaimed Luhansk People's Republic <p>20 individuals of Russia subject to the Sanctions of 8 March 2022</p> <ul style="list-style-type: none"> · Senior Russian officials · Gas pipe construction company owners · CEO of Transneft, etc. <p>12 individuals of Belarus subject to the Sanctions of 8 March 2022</p> <ul style="list-style-type: none"> · Belarusian officials · Belarusian logistics company owners, etc. <p>17 individuals of Russia subject to the Sanctions of 15 March 2022</p> <ul style="list-style-type: none"> · Representatives of Russia · Business oligarchs, etc. <p>15 individuals of Russia subject to the Sanctions of 18 March 2022</p> <ul style="list-style-type: none"> · Senior Russian officials · A relative of Rosneft's CEO, etc.
--	--	--	---

		<p>· JSC Rosoboronexport, etc.</p> <p>26 Russian organizations subject to the Sanctions of 12 April 2022 and subsidiaries in which said organizations hold 50% or more of equity interest</p> <p>· JSC Tactical Missiles Corporation</p> <p>· JSC Ryazanskoe Konstruktorskoe Bjuro Globus, etc.</p> <p>2 banks of Belarus subject to the Sanctions of 12 April 2022, and subsidiaries in which said banks hold 50% or more of equity interest (effective from May 2)</p> <p>· Sberbank</p> <p>· Alfa Bank</p> <p>2 banks of Russia subject to the Sanctions of 7 June 2022, and subsidiaries in which said banks hold 50% or more of equity interest (effective from July 7)</p> <p>· Credit Bank of Moscow</p> <p>· Russian Agricultural Bank (Rosselkhozbank)</p> <p>1 bank of Belarus subject to the Sanctions of 7 June 2022, and subsidiaries in which said banks hold 50% or more of equity interest (effective from July 7)</p> <p>· Belinvestbank (Belarusian Bank for Development and Reconstruction)</p> <p>6 Russian organizations subject to the Sanctions of 5 July 2022 and subsidiaries in which said organizations hold 50% or more of equity interest</p> <p>· JSC Almaz-Antey Air and Space</p>	<p>25 individuals of Russia subject to the Sanctions of 25 March 2022</p> <p>· Chairman of Severstal and Severgroup</p> <p>· Main shareholder of Bank Rossiya</p> <p>· Relatives of the officers of the Designated Organisations, etc.</p> <p>398 individuals of Russia subject to the Sanctions of 12 April 2022</p> <p>· Members of the State Duma of Russia</p> <p>· Military members</p> <p>· Relatives of the president of Russia</p> <p>· Relatives of the Minister of Foreign Affairs of Russia, etc.</p> <p>8 individuals of Russia subject to the Sanctions of 10 May 2022</p> <p>· Prime Minister of Russia</p> <p>· Russian senior official</p> <p>· Military members, etc.</p> <p>133 individuals of the "Donetsk People's Republic" (self-proclaimed) and the "Luhansk People's Republic" (self-proclaimed) subject to the Sanctions of 10 May 2022</p> <p>· Members of the People's Council of the Donetsk</p>
--	--	--	--

		<p>Defence Corporation</p> <ul style="list-style-type: none"> · The Strategic Culture Foundation, etc. 	<p>People's Republic (self-proclaimed)</p> <ul style="list-style-type: none"> · Members of the People's Council of the Luhansk People's Republic (self-proclaimed), etc. <p>57 individuals and 5 individuals directly contributing to the destabilization of the Eastern part of Ukraine</p> <ul style="list-style-type: none"> · Russian senior officials · Military members, etc.
--	--	---	---

Outline of Export Related Measures (as of July 29, 2022)		
	Ban on exports and provision of services to Designated Organizations	Designated Organizations
Approval from MOF or permission from METI is required.	Exports and provision of technologies to Designated Organizations of Russia	<p>49 Russian organizations subject to the Sanctions of 1 March 2022</p> <ul style="list-style-type: none"> · Communication Center of the Ministry of Defense · International Center for Quantum Optics and Quantum Technologies · Rocket and Space Center - Progress · Moscow Institute of Physics and Technology · Rostec (Russian Technologies State Corporation) · Uniform Engine Corporation, etc. <p>81 Russian organizations subject to the Sanctions of 25 March 2022</p> <ul style="list-style-type: none"> · Shipbuilding companies, including PJSC Amur Shipbuilding Factory · Research institutions, including Microelectronic Research and Development Center Novosibirsk, etc. <p>71 Russian organizations subject to the Sanctions of 10 May 2022 (effective from May 17)</p> <ul style="list-style-type: none"> · JSC Almaz · Alagir Resistor Factory, etc.

		<p>65 Russian organizations subject to the Sanctions of 5 July 2022</p> <ul style="list-style-type: none"> · AO Rubin · Branch of AO Company Sukhoi Yuri Gagarin Komsomolsk on Amur Aircraft Plant, etc.
	Exports and provision of technologies to Designated Organizations of Belarus	<p>2 organizations of Belarus subject to the Sanctions of 8 March 2022</p> <ul style="list-style-type: none"> · Ministry of Defense · Integral <p>25 organizations of Belarus subject to the Sanctions of 5 July 2022</p> <ul style="list-style-type: none"> · JSC 140 Repair Plant · JSC 558 Aircraft Repair Plant, etc.
	Ban on exports of, and provision of services related to, Designated Items	Designated Items
	Exports and provision of services to Russia	<p>Goods subject to the Sanctions of 15 March 2022</p> <ul style="list-style-type: none"> · Weapons and products subject to the International Export Control Regime (machine tools, carbon fibers, high-performance semiconductors, etc.) · General-purpose products that are seen as capable of contributing to the military capabilities of Russia (common semiconductors, computers, communication equipment, etc.) · Oil refining equipment <p>Goods subject to the Sanctions of 13 May 2022 (effective from May 20)</p> <ul style="list-style-type: none"> · Advanced articles (catalysts for oil refining, quantum computers and other devices utilizing quantum characteristics and their accessories, and components thereof, organic light-emitting diodes, organic field-effect transistors, and devices for manufacturing organic solar cells, etc.)
	Exports to Russia	<p>Goods subject to the Sanctions of 29 March 2022</p> <ul style="list-style-type: none"> · Luxury goods (luxury cars, notebook computers, technical goods, jewelry, liquor, leather goods, etc.) · Bills, gold coins, gold bullion, etc. <p>Goods subject to the Sanctions of 20 June 2022 (effective from June 17)</p> <ul style="list-style-type: none"> · Products that contribute to strengthening the industrial base (including wood and parts of its products, steel storage tanks and others, compatible tools for hand tools or processing machines, knives and blades for machinery or instruments, parts of machinery and others, parts of electrical equipment and others, railway locomotives,

		<p>railway maintenance vehicles and others, parts of transportation machinery and others, and measuring and inspection equipment and parts thereof and others)</p>
	Exports and provision of services to Belarus	<p>Goods subject to the Sanctions of 15 March 2022</p> <ul style="list-style-type: none"> · Products subject to the International Export Control Regime (machine tools, carbon fibers, high-performance semiconductors, etc.) · General-purpose products that are seen as capable of contributing to the military capabilities of Belarus (common semiconductors, computers, communication equipment, etc.)
	Ban on exports to Designated Areas	Designated Area
	Exports to Designated Areas of Ukraine	<p>Areas subject to the Sanctions of 15 March 2022</p> <ul style="list-style-type: none"> · The "Donetsk People's Republic" (self-proclaimed) in Donetsk Oblast and the "Luhansk People's Republic" (self-proclaimed) in Luhansk Oblast in Ukraine

Outline of Import Related Measures (as of July 29, 2022)		
	Ban on imports	Designated Items
Approval from METI is required	Imports of Designated Items from Ukraine	<p>Goods subject to the Sanctions of 2014</p> <ul style="list-style-type: none"> · Goods with their origins in the Autonomous Republic of Crimea and the Special City of Sevastopol <p>Goods subject to the Sanctions of 26 February 2022</p> <ul style="list-style-type: none"> · Goods with their origins in the "Donetsk People's Republic" (self-proclaimed) and the "Luhansk People's Republic" (self-proclaimed).
	<p>Import of the Designated Items from Russia (effective from April 19)</p> <p>* There is a grace period of three months after the taking effect thereof (April 19) that allows imports based on contracts concluded before said date to benefit from a transition period.</p>	<p>Goods subject to the Sanctions of 12 April 2022</p> <ul style="list-style-type: none"> · Alcoholic beverages, timber, machinery and electric machinery <p>Goods subject to the Sanctions of 5 July 2022 (effective from August 1)</p> <ul style="list-style-type: none"> · Precious metal (gold)

Outline of Measures Concerning Issuance and Trading of Securities (as of July 29, 2022)	
Main Sanctions	Designated Organizations
<p>Permission from MOF is required for the issuance and offering of new securities in Japan by the Designated Persons.</p> <p>* This applies to securities with a maturity period exceeding 30 days in relation to the Designated Persons subject to the 2014 Sanctions (Sberbank, VTB Bank, etc.).</p> <p>* The maturity period is irrelevant in relation to the Designated Persons subject to the Sanctions of 26 February 2022 (the Russian government, the Central Bank, etc.).</p>	<p>5 banks subject to the 2014 Sanctions, and subsidiaries in which said banks have 50% or more equity interest</p> <ul style="list-style-type: none"> · Sberbank · VTB Bank · Vnesheconombank (VEB RF) · Gazprombank · Russian Agricultural Bank <p>3 organizations subject to the Sanctions of 26 February 2022</p> <ul style="list-style-type: none"> · Government of the Russian Federation · Government agencies of the Russian Federation · Central Bank of the Russian Federation
<p>Permission from MOF is required for services by a resident pertaining to the issuance and offering of new securities by the Designated Persons subject to the 2014 Sanction (Sberbank, VTB Bank, etc.) and the Sanctions of 26 February 2022 (the Russian government, the Central Bank, etc.)</p>	
<p>Permission from MOF is required when (1) a resident acquires from a non-resident securities issued by the Designated Persons subject to the Sanctions of 26 February 2022 (the Russian government, the Central Bank, etc.) on and after February 26, 2022 and (2) a resident transfers such securities to a non-resident.</p>	

Ban on New Investments and Long-term Loans to Russia (as of July 29, 2022)		
	Target Actions	Target Businesses
<p>Permission from MOF is required (effective</p>	<p>Outward Direct Investment by residents pertaining to said Target Businesses</p> <p>For example:</p> <p>Acquisition of securities pertaining to the acquisition of</p>	<p>Businesses conducted in Russia</p>

from May 12)	<p>shares or capital contributions that constitute 10% or more of a foreign legal entity.</p> <p>Acquisition of securities issued by a foreign legal entity, 10% or more of the shares or capital contributions of which it holds.</p> <p>Provision of a monetary loan (limited to a loan with a term of more than one year) to a foreign legal entity, 10% or more of the shares or capital contributions of which it holds</p> <p>Payment to establish or expand a branch, factory or any other locale in a foreign country</p>	<p>Businesses concluded outside Russia by a Russian legal entity (*) or a legal entity which is effectively controlled by a Russian legal entity</p> <p>*Branches, sub-branches and other offices located outside Russia are included.</p>
	<p>Payment by a resident made abroad from Japan for said Target Businesses</p>	<p>Business activities in Russia conducted by a partnership or other organization with a third party with which it has established a joint enterprise relationship</p> <p>Business activities outside Russia conducted by a partnership or other organization with which it has established a joint enterprise relationship together with either:</p> <p>(i) an individual domicile or resident in Russia; or</p> <p>(ii) a Russian legal entity or organization; or</p> <p>(iii) a legal entity or organization effectively controlled by (i) or (ii) above</p>
Permission from METI is required (effective from May 12)	Target Actions	Target Businesses
	<p>The specified category of capital transactions (i.e., a long term (more than one year) loan contract concluded as a settlement method of a price of an import/export or the transfer of industrial property rights, or a guarantee contract for obligations pertaining to an import/export, among others) that fall under the Outward Direct Investment for the said Target Businesses</p>	<p>Businesses conducted in Russia</p> <p>Businesses concluded outside Russia by a Russian legal entity (*) or a legal entity which is effectively controlled by a Russian legal entity</p> <p>*Branches, sub-branches and other offices located outside Russia are included.</p>

Ban on Provision of Certain Services to Russia (as of July 29, 2022)		
Permission	Designated Services	Exception
from MOF is required (effective	The provision of trust services by a Japanese resident to the Russian government and other related organizations, legal entities or other organizations	The provision of the designated services to a corporation or organization in which said resident holds 10% or more of the shares or capital

from September 5)	incorporated under the laws of Russia, or individuals domiciled or resident in Russia.	contributions
	The provision of auditing services and services related to finance by a Japanese resident to the Russian government and other related organizations, legal entities or other organizations incorporated under the laws of Russia	The provision of the designated services to a corporation or organization, with which said resident has the relationship of the dispatch of officers, the supply of raw materials or the buying and selling of products over a long period of time, or the provision of important manufacturing technologies.
	The provision of services in relation to management (analysis, guidance, education and training, and research and study) by a Japanese resident to the Russian government and other related organizations, legal entities or other organizations	

- This newsletter is published as a general service to clients and friends and does not constitute legal advice. Should you wish to receive further information or advice, please contact the authors as follows.

- The authors of this newsletter are as follows.
Eiji Kobayashi (eiji.kobayashi@amt-law.com)
Kie Matsushima (kie.matsushima@amt-law.com)
Kenichi Kitamura (kenichi.kitamura@amt-law.com)

- If you wish to unsubscribe from future publications, kindly contact us at [General Inquiry](#).

- Previous issues of our newsletters are available [here](#).