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Joint Proposal for a

## **COUNCIL REGULATION**

**amending Council Regulation (EU) No 833/2014 concerning restrictive measures in view  
of Russia's actions destabilising the situation in Ukraine**

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## **EXPLANATORY MEMORANDUM**

Joint Proposal for a

## **COUNCIL REGULATION**

### **amending Council Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 215 thereof,

Having regard to Decision (CFSP) 2023/XXX<sup>1</sup>

Having regard to the joint proposal of the High Representative of the Union for Foreign Affairs and Security Policy and of the European Commission,

Whereas:

- (1) On 31 July 2014, the Council adopted Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.
- (2) Regulation (EU) No 833/2014 gives effect to certain measures provided for in Council Decision 2014/512/CFSP.
- (3) On XXX the Council adopted Decision (CFSP) 2023/XXX amending Decision 2014/512/CFSP.
- (4) Activities the object or effect of which is to circumvent prohibitions in Regulation (EU) 833/2014 undermine the purpose and the effectiveness of the Union's restrictive measures.
- (5) In order to minimise the risk of circumvention of the restrictive measures, Decision (CFSP) 2023/XXX prohibits the transit via the territory of Russia of goods and technology which might contribute to Russia's military and technological enhancement, to the development of the defence or security sector, goods and technology suited for use in aviation or space industry and jet fuel and fuel additives, exported from the Union.
- (6) The Union and third countries, as members of the international community, defend the principles of international law enshrined in the Charter of the United Nations and uphold the territorial integrity, sovereignty and independence of Ukraine.
- (7) The Union recognises the efforts made by national authorities in many third countries to stem the flow of goods, technology and services that are covered by the Union's restrictive measures against Russia. The Union should further support third countries in this endeavour.
- (8) In order to address the circumvention of the Union's restrictive measures through third country jurisdictions, the Union should focus its efforts on strengthening bilateral

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<sup>1</sup> OJ L [...], [...], p. [...].

cooperation through diplomatic engagement with, and the provision of technical assistance to, the third countries in question.

- (9) Further action should be taken where the Union's efforts made in the framework of bilateral cooperation do not yield the intended results of averting the circumvention of Union restrictive measures against Russia by persons or entities in third countries. Such action should be proportionate and solely aimed at depriving Russia of the resources which allow it to pursue its war of aggression against Ukraine.
- (10) To allow the Union to take the necessary last resort measures in cases referred to in the previous paragraph, Council Decision 2023/XXX has introduced the possibility to restrict the sale, supply, transfer or export of goods and technology whose export to Russia is prohibited under Regulation (EU) 833/2014, to third countries whose jurisdiction is demonstrated to be at continued and particularly high risk of being used for circumvention for the benefit of Russia.
- (11) Decisions to include a third country or a good or technology in the scope of this measure shall be based on the inclusion by the Council of the relevant country or product in Council Decision 2014/512/CFSP.
- (12) When deciding whether to include any third country on the list of countries concerned by this measure, as well as deciding on the targeted goods and technologies, the Council should take into account a thorough technical analysis by the Commission, including trade data, information about efforts carried out by the Union to address the matter with the third country in question, and a clear indication that such efforts were not successful.
- (13) Before including a third country on the list of countries concerned by this measure, the Union should inform and seek the views of the government of that country on the basis of the preliminary findings of the technical analysis and its intended remedial action.
- (14) The Council will review the content of Annexes XXXIII and XXXIV of Regulation (EU) No 833/2014 at regular intervals.
- (15) Decision (CFSP) 2023/XXX expands the list of entities directly supporting Russia's military and industrial complex in its war of aggression against Ukraine, on whom stricter export restrictions regarding dual-use goods and technology, as well as goods and technology which might contribute to the technological enhancement of Russia's defence and security sector, are imposed, by adding 35 new entities to that list. In particular, taking into account the direct connection between Iranian manufacturers of military Unmanned Aerial Vehicles and Russia's military and industrial complex, four additional entities in third countries involved in the manufacturing and provision of Unmanned Aerial Vehicles to Russia are added to the list. In addition, in view of the key enabling role of electronic components for use by Russia's military and industrial complex for supporting the war of aggression against Ukraine, it is also appropriate to include certain other entities in third countries involved in the circumvention of trade restrictions as well as certain Russian entities involved in the development, production and supply of electronic components for Russia's military and industrial complex.
- (16) Decision (CFSP) 2023/XXX expands the list of items which contribute to Russia's military and technological enhancement or the development of its defence and security sector, by adding items which have been used by Russia for its war of aggression against Ukraine and items that contribute to the development or production of those military systems, including electronic components, semiconductor materials,

manufacturing and testing equipment for electronic integrated circuits and printed circuit boards, precursors to energetic materials and precursors to chemical weapons, optical components, navigational instruments, metals used in the defence sector and marine equipment.

- (17) Decision (CFSP) 2023/... imposes further restrictions on exports of goods which could contribute to the enhancement of Russian industrial capacities. Additionally, that Decision introduces further restrictions on imports of goods which generate significant revenues for Russia, thereby enabling the continuation of its war of aggression against Ukraine.
- (18) Decision (CFSP) 2023/XXX prohibits the sale, license or transfer in any other way of intellectual property rights or trade secrets, as well as the granting of rights to access or re-use any material or information protected by means of intellectual property rights or constituting trade secrets, related to the goods and technology whose sale, supply, transfer or export, to a person, entity or body in Russia or for use in Russia is prohibited.
- (19) Decision (CFSP) 2023/XXX also extends the suspension of the broadcasting licences in the Union of two Russian media outlets under the permanent control of the Russian leadership, and the prohibition against broadcasting their content.
- (20) The Russian Federation has engaged in a systematic, international campaign of media manipulation and distortion of facts in order to enhance its strategy of destabilisation of its neighbouring countries and of the Union and its Member States. In particular, the propaganda has repeatedly and consistently targeted European political parties, especially during election periods, as well as civil society, asylum seekers, Russian ethnic minorities, gender minorities, and the functioning of democratic institutions in the Union and its Member States.
- (21) In order to justify and support its aggression against Ukraine, the Russian Federation has engaged in continuous and concerted propaganda actions targeted at civil society in the Union and neighbouring countries, gravely distorting and manipulating facts.
- (22) Those propaganda actions have been channelled through a number of media outlets under the permanent direct or indirect control of the leadership of the Russian Federation. Such actions constitute a significant and direct threat to the Union's public order and security. Those media outlets are essential and instrumental in bringing forward and supporting the aggression against Ukraine, and for the destabilisation of its neighbouring countries.
- (23) In view of the gravity of the situation, and in response to Russia's actions destabilising the situation in Ukraine, it is necessary, consistent with the fundamental rights and freedoms recognised in the Charter of Fundamental Rights, in particular with the right to freedom of expression and information as recognised in Article 11 thereof, to introduce further restrictive measures to suspend the broadcasting activities of such media outlets in the Union, or directed at the Union. The measures should be maintained until the aggression against Ukraine is put to an end, and until the Russian Federation, and its associated media outlets, cease to conduct propaganda actions against the Union and its Member States.
- (24) Consistent with the fundamental rights and freedoms recognised in the Charter of Fundamental Rights, in particular with the right to freedom of expression and information, the freedom to conduct a business and the right to property as recognised in Articles 11, 16 and 17 thereof, those measures do not prevent the media outlets and

their staff from carrying out activities in the Union other than broadcasting, such as research and interviews. In particular, those measures do not modify the obligation to respect the rights, freedoms and principles referred to in Article 6 of the Treaty on European Union, set out in the Charter of Fundamental Rights, and in Member States' constitutions, within their respective fields of application.

- (25) In order to ensure consistency with the process stipulated in Decision 2014/512/CFSP for suspending broadcasting licences, the Council should exercise implementing powers to decide, following an examination of the respective cases, whether the restrictive measures are to become applicable, on the date specified in Regulation (EU) 833/2014, in respect of several entities listed in Annex XV of Regulation (EU) No 833/2014.
- (26) Decision (CFSP) 2023/XXX extends the prohibition to transport goods by road in the Union by trailers and semi-trailers registered in Russia, including when hauled by trucks registered outside of Russia.
- (27) Decision (CFSP) 2023/XXX prohibits the access to the ports and locks of the Union to any vessel transporting goods whose import, purchase or transfer into the Union is prohibited under Regulation (EU) 833/2014. This prohibition curtails risks of circumvention of the Union's import restrictions and ensures that EU operators do not support or facilitate the trade of goods which allow Russia to pursue its war of aggression against Ukraine.
- (28) Given the sharp increase in deceptive practices, and related environmental risks, by vessels transporting Russian crude oil and petroleum products in an effort to circumvent Union restrictive measures, Decision (CFSP) 2023/XXX prohibits the access to the ports and locks of the Union to vessels that are suspected or found in breach of the ban on importing seaborne Russian crude oil and petroleum products into the Union and of the G7 agreed price cap by engaging in ship-to-ship transfers.
- (29) Decision (CFSP) 2023/XXX also prohibits the access to the ports and locks of the Union to vessels that illegally interfere, switch off or otherwise disable their navigation system when transporting Russian crude oil and petroleum products in breach of SOLAS Regulation V/19 point 2.4. The prohibition does not apply in circumstances where this system can be legitimately turned off in accordance with international agreements, rules or standards that provide for the protection of navigational information, such as navigation through high security risk waters.
- (30) Appropriate exemptions are provided to allow such vessels access to Union ports and locks for maritime safety, including environmental concerns, and saving of life at sea.
- (31) Decision (CFSP) 2022/884 and Council Regulation (EU) 2022/879 of 3 June 2022 provide that Member States should take all necessary measures to obtain alternative supplies from imports by pipeline of crude oil from Russia so that these are made subject to the prohibitions as soon as possible. In line with this objective, the temporary derogation granted to Germany and Poland for the supply of crude oil by pipeline from Russia through the northern section of the Druzhba oil pipeline should end.
- (32) The price cap mechanism foresees that specific projects that are essential for the energy security of certain third countries may be exempted from the price cap. The exemption provided in relation to the Sakhalin-2 (Сахалин-2) Project, located in Russia, shall be extended until 31 March 2024 to ensure Japan's energy security needs.

- (33) Taking into account the need not to undermine critical energy supplies not otherwise prohibited to the Union from third countries, it is appropriate to guarantee the adequate maintenance and operation of the Caspian Consortium Pipeline (CPC) infrastructures, which enable the purchase, import or transfer of goods falling under CN 2709 00 originating in Kazakhstan which are only being loaded in, departing from or transiting through Russia. Derogations from the prohibitions on the sale, supply, transfer or export directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia of certain goods or technology, or on the provision of related financing or financial assistance, technical assistance, brokering services or other services, or on the provision of engineering services, which are strictly necessary for this purpose should be introduced, subject to strict conditions to avoid the risk of circumvention.
- (34) Decision (CFSP) 2023/... further clarifies the evidence required for importation of iron and steel products processed in a third country incorporating iron and steel products originating in Russia.
- (35) Decision (CFSP) 2023/XXXX introduced clarifications regarding the authorities competent to receive notifications of non-scheduled flights between Russia and the Union.
- (36) To expedite the divestment of Russian operators from the Union market, Decision (CFSP) 2023/XXXX introduces a temporary derogation from the prohibition on providing legal advisory services to legal persons, entities or bodies established in Russia. Competent authorities of the Member States may authorise until 31 December 2023 the provision of legal services which are mandatory, under the national legislation of the Member State, for such divestments to be completed, such as notary services.
- (37) In order to ensure full and uniform implementation of the restrictive measures, it is appropriate for Member States to inform the other Member States and the Commission of any authorisation denied under this Regulation, wherever not already provided; and to share information on requests for authorisation that they intend to grant where a denial has already been notified by another Member States, so as to avoid *forum shopping*.
- (38) It is also appropriate to enhance the exchange of information on the application and enforcement of export restrictions on sensitive items that may be used to support the Russian aggression against Ukraine, such as dual-use goods and goods in Annex VII of Regulation (EU) 833/2014, in order to counter the risk of circumvention by persons or entities involved in the procurement of prohibited EU goods for use in Russia, or the provision of prohibited services, in violation of Regulation (EU) 833/2014.
- (39) It is appropriate to further clarify the provisions on exchange of information between the authorities of a Member State and with the authorities of other Member States and the Commission.
- (40) Finally, Decision (CFSP) 2023/XXX makes certain technical amendments in the operative text and annexes, including by deleting transitional periods which have expired, renumbering paragraphs and reorganising the structure of certain annexes. As a consequence of the latter, the prohibition concerning coal imports is covered by Article 3i and Annex XXI of Regulation (EU) 833/2014; therefore Article 3j and Annex XXII of Regulation 833/2014 have become redundant and are deleted. The deletion of references to transition periods which have already expired is not intended

to have any legal effects on past or on-going contracts or on the applicability of the those transition periods.

- (41) These measures fall within the scope of the Treaty on the Functioning of the European Union and therefore, in particular with a view to ensuring their uniform application in all Member States, regulatory action at the level of the Union is necessary.
- (42) Regulation (EU) No 833/2014 should therefore be amended accordingly.

HAS ADOPTED THIS REGULATION:

### *Article 1*

Regulation (EU) No 833/2014 is amended as follows:

- (1) in paragraph 2 of Articles 2, 2a, 2aa, 3, 3b, 3f, 3h, 3k, and in Article 3c, paragraph 4, point (c) is added:

‘(c) sell, license or transfer in any other way intellectual property rights or trade secrets as well as grant rights to access or re-use any material or information protected by means of intellectual property rights or constituting trade secrets related to the goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of those goods and technology, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia.’

- (2) in Article 2a the following paragraph is added:

‘1a. The transit via the territory of Russia of goods and technology which might contribute to Russia’s military and technological enhancement, or the development of the defence or security sector, as listed in Annex VII, exported from the Union shall be prohibited.’

- (3) paragraph 1 of Article 2d is replaced by the following:

‘1. The competent authorities shall exchange information on the application of Articles 2, 2a and 2b with the other Member States and the Commission, including on any authorisation granted or denied, and any request for authorisation received.

The competent authorities shall exchange information on the enforcement of Articles 2, 2a and 2b with the other Member States and the Commission, including on related infringements and penalties, as well as best practices of national enforcement authorities and the detection and prosecution of unauthorised exports. The exchange of information shall be carried out using the electronic system provided pursuant to Article 23(6) of Regulation (EU) 2021/821.’

- (4) in Article 3c, the following paragraph is added:

‘1a. The transit via the territory of Russia of goods and technology suited for use in aviation or the space industry, as listed in Annex XI, and of jet fuel and fuel additives as listed in Annex XX, exported from the Union, shall be prohibited.’

- (5) in Article 3d, paragraph 5 is replaced by the following:

‘5. Aircraft operators of non-scheduled flights between Russia and the Union, operated directly or via a third country, shall notify prior to their operation, and at least 48 hours in advance, all relevant information concerning the flight to the competent authorities of the Members State of departure or destination.’

- (6) Article 3ea, paragraph 5, point (e), Article 5aa, paragraph 3, point (c) and Article 5k, paragraph 2, point (f) are deleted ;



- (7) the following Articles are inserted:

*‘Article 3eb*

- 1 It shall be prohibited to provide access to ports and to locks in the territory of the Union, to any vessel transporting goods whose import, purchase or transfer into the Union is prohibited under this Regulation.
- 2 Paragraph 1 shall not apply in the case of a vessel in need of assistance seeking a place of refuge, of an emergency port call for reasons of maritime safety, or for saving life at sea.
- 3 Upon refusal of a port access call in accordance with paragraph 1, the Member State concerned shall immediately inform the other Member States and the Commission.

*Article 3ec*

- 1 It shall be prohibited to provide access to ports and to locks in the territory of the Union, to any vessel performing ship-to-ship transfers in breach of, or suspected to be in breach of, the prohibitions set out in Article 3m, paragraphs 1 and 2, and Article 3n paragraphs 1 and 4.
- 2 The national competent authorities shall not grant access if the vessel did not notify the national competent authority at least 48 hours in advance about a scheduled ship-to-ship transfer occurring in the exclusive economic zone of the Member State as required in Annex I of the International Convention for the Prevention of Pollution from Ships (MARPOL), Regulation 42.
- 3 Paragraphs 1 and 2 shall not apply in the case of a vessel in need of assistance seeking a place of refuge, of an emergency port call for reasons of maritime safety, or for saving life at sea.
- 4 Upon refusal of a port access call in accordance with paragraph 1, the Member State concerned shall immediately inform the other Member States and the Commission.

*Article 3ed*

- 1 It shall be prohibited to provide access to ports and to locks in the territory of the Union, to any vessel that illegally interferes, switches off or otherwise disables, its automatic identification system in breach of SOLAS Regulation V/19 point 2.4 when transporting crude oil or petroleum products subject to the prohibitions set out in Article 3m, paragraphs 1 and 2, and Article 3n, paragraphs 1 and 4.
- 2 Paragraph 1 shall not apply in the case of a vessel in need of assistance seeking a place of refuge, of an emergency port call for reasons of maritime safety, or for saving life at sea.
- 3 Upon refusal of a port access call in accordance with paragraph 1, the Member State concerned shall immediately inform the other Member States and the Commission.’

- (8) Article 3g is amended as follows:

- (a) In paragraph 1, letter (d) is replaced by the following:

‘(d) to import or purchase, as from 30 September 2023, directly or indirectly, iron and steel products as listed in Annex XVII when processed in a third country incorporating iron and steel products originating in Russia as listed in Annex XVII; with regard to products listed in Annex XVII processed in a third country incorporating steel products originating in Russia of CN codes 7207 11 or 7207 12 10 or 7224 90, this prohibition shall apply as of 1 April 2024 for CN code 7207 11 and as of 1 October 2024 for CN codes 7207 12 10 and 7224 90;

For the purposes of the application of this paragraph, at the moment of importation, importers shall provide evidence of the country of origin of the iron and steel inputs used for processing of the product in a third country.'

(b) paragraphs 2 and 3 are deleted.

(9) Article 3h is amended as follows:

(a) Paragraph 2 is replaced by:

'2. It shall be prohibited to:

(a) provide technical assistance, brokering services or other services related to the goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of those goods and technology, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia.

(b) provide financing or financial assistance related to the goods and technology referred to in paragraph 1 for any sale, supply, transfer or export of those goods and technology, or for the provision of related technical assistance, brokering services or other services, directly or indirectly to any natural or legal person, entity or body in Russia or for use in Russia.'

(b) Paragraph 2 is renumbered as paragraph 2a and amended as follows:

'2a. The prohibitions referred to in paragraphs 1 and 2 shall apply to luxury goods listed in Annex XVIII insofar as their value exceeds EUR 300 per item unless otherwise specified in the Annex.'

(10) Article 3i is amended as follows:

(a) paragraphs 3 and 3b are deleted;

(b) paragraph 3a is renumbered as paragraph 3;

(c) paragraph 3ba is renumbered as paragraph 3b and amended as follows:

'3b. With regard to goods falling under CN code 2905 11 as listed in Annex XXI, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until 18 June 2023 of contracts concluded before 7 October 2022, or of ancillary contracts necessary for the execution of such contracts.'

(d) paragraph 3d is amended as follows:

'3d. With regard to the goods falling under CN codes 2712, 2713, 2714 and 2715 of Annex XXI, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until 27 May 2023 of contracts concluded before 26 February 2023, or of ancillary contracts necessary for the execution of such contracts.'

(11) Article 3j is deleted.

(12) Article 3k is amended as follows:

(a) paragraphs 3 and 3a are deleted.

(b) a new paragraph 3 is inserted as follows:

'3. With regard to the goods of a value not exceeding EUR 50 000 per unit falling under CN codes 870323, 870324, 870332, 870333, 870340, 870350, 870360, 870370, 870380, 870390 or 8903, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until [*OJ: please insert date 1 month after entry into force of this Regulation*] of contracts concluded before [*OJ: please insert date of entry into force of this Regulation*], or of ancillary contracts necessary for the execution of such contracts.'

(c) a new paragraph 3a is inserted as follows:

‘3a. With regard to the goods falling under CN codes 271012, 290960, 390599, 400219, 400270, 401011, 401012, 401120, 401290, 480593, 481029, 482390, 721661, 840211, 845430, 847710, 847720, 847759, 847780, 847790, 851432, 851440, 852589, 870421, 902490, 903110, 903141, 903149, 903180, 903190 or 940620, the prohibitions in paragraphs 1 and 2 shall not apply to the execution until [OJ: please insert date 1 month after entry into force of this Regulation] of contracts concluded before [OJ: please insert date of entry into force of this Regulation], or of ancillary contracts necessary for the execution of such contracts.’

(d) paragraphs 3b and 3c are deleted.

(e) Paragraph 5b is replaced by the following:

‘5b. By way of derogation from paragraphs 1 and 2, the competent authorities may authorise, under such conditions as they deem appropriate, the sale, supply, transfer or export of the goods falling under CN codes of chapters 72, 84, 85 and 90 as listed in Annex XXIII, or related technical assistance, brokering services, financing or financial assistance, after having determined that it is strictly necessary for the production of titanium goods required in the aeronautic industry, for which no alternative supply is available.’

(13) Article 3l is amended as follows:

(a) the following paragraph is added:

‘1a. The prohibition in paragraph 1 shall apply to the transport of goods within the territory of the Union by road transport undertakings, carried out by means of trailers or semi-trailers registered in Russia, including if those trailers or semi-trailers are hauled by trucks registered in other countries.’

(b) the following paragraph is added:

‘3a. The prohibition in paragraph 1a shall not apply until [OJ: please insert date 7 days after the adoption] to the transport of goods that started before [OJ: please insert the date 1 day after the adoption], provided that the trailer or semi-trailer:

(a) was already in the territory of the Union on [OJ: please insert date 1 day after the adoption], or

(b) needs to transit through the Union in order to be returned to Russia.’

(14) in Article 3m, the following paragraph is added:

‘3a. The exemption in paragraph 3, point (d), shall stop applying to Germany and Poland on [OJ: please insert date of the adoption].’

(15) in Article 5k, the first indent of paragraph 1 is replaced by the following:

‘1. It shall be prohibited to award or continue the execution of any public or concession contract falling within the scope of the public procurement Directives, as well as Article 10(1), (3), (6) points (a) to (e), (8), (9) and (10), Articles 11, 12, 13 and 14 of Directive 2014/23/EU, Article 7, points (a) to (d), and Article 8, Article 10 points (b) to (f) and (h) to (j) of Directive 2014/24/EU, Article 18, Article 21 points (b) to (e) and (g) to (i), Articles 29 and 30 of Directive 2014/25/EU and Article 13 points (a) to (d), (f) to (h) and (j) of Directive 2009/81/EC, to or with:’

(16) the following Article is inserted:

‘Article 5q

1. By way of derogation from Articles 2, 2a, 3k and 3f, the competent authorities may authorise the sale, supply, transfer or export of the goods and technology referred to in those Articles, or the provision of related technical or financial assistance, for the operation and maintenance of the Caspian Pipeline Consortium (CPC) pipelines and associated infrastructure necessary for the transport of goods falling under CN 2709 00 originating in Kazakhstan and which are only being loaded in, departing from or transiting through Russia, under such conditions as they deem appropriate, after having determined that:

- (a) such a sale, supply, transfer or export, and the provision of related technical and financial assistance, is necessary for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure;
- (b) no alternative supply of the same goods is available;
- (c) the type of goods requested does not go beyond those previously exported from the Union to Russia for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure;
- (d) the requested volumes are commensurate with those used for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure; and
- (e) such goods and technology shall be used for the essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure by, or under the responsibility of, a natural or legal person subject to Article 13.

2. By way of derogation from Article 5n, the competent authorities may authorise the provision of engineering services for the operation and maintenance of the Caspian Pipeline Consortium (CPC) pipelines and associated infrastructure necessary for the transport of goods falling under CN 2709 00 originating in Kazakhstan and which are only being loaded in, departing from or transiting through Russia after having determined that:

- (a) the provision of engineering services is necessary for the operation, essential maintenance, repair or replacement of components of the CPC pipeline and associated infrastructure; and
- (b) such services are provided by, or under the responsibility of, a natural or legal person subject to Article 13.

3. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraphs 1 and 2 within two weeks of the authorisation.

4. The natural or legal person mentioned in paragraphs 1(e) and 2(b) shall report to the competent authority, within 2 months of the completion of the essential maintenance, repair or replacement, which goods and technology have effectively been used and which services have effectively been provided, and shall certify that no such goods, technology or services were diverted from their intended purpose during the relevant works.

(17) Article 6, paragraph 1, is amended as follows:

- (a) point (a) is replaced by the following:

‘(a) authorisations granted or denied under this Regulation’

- (b) in point (d), the word ‘including’ is added before ‘through the use of crypto-assets’.

(18) the following Articles are inserted:

*‘Article 6a*

1. The Member State or Member States concerned shall inform the other Member States and the Commission of any authorisation denied under Articles 3, 3a, 3b, 3c, 3d, 3ea, 3f, 3g, 3h, 3i, 3k, 3n, 3m, 5a, 5c, 5d, 5k, 5m, 5n, 5p and 12b within two weeks of the denial.

2. Before a Member State grants an authorisation in accordance with Articles 3, 3a, 3b, 3c, 3d, 3ea, 3f, 3g, 3h, 3i, 3k, 3n, 3m, 5a, 5c, 5d, 5k, 5m, 5n, 5p and 12b for a transaction which is essentially identical to a transaction which is the subject of a still valid denial issued by another Member State or by other Member States, it shall first consult the Member State or Member States which issued the denial. If, following such consultations, the Member State concerned decides to grant an authorisation, it shall inform the other Member States and the Commission thereof, providing all relevant information to explain the decision.

#### *Article 6b*

1. Notwithstanding the applicable rules concerning reporting, confidentiality and professional secrecy, natural and legal persons, entities and bodies shall:

(a) supply immediately any information which would facilitate compliance with this Regulation, to the competent authority of the Member State where they are resident or located, and shall transmit such information, directly or through the Member State, to the Commission; and

(b) cooperate with the competent authority in any verification of such information.

2. Any additional information received directly by the Commission shall be made available to the Member States.

3. Any information provided to or received by the competent authorities of the Member States in accordance with this Article shall be used by those authorities only for the purposes for which it was provided or received.

(19) in Article 12a, paragraphs 2 and 3 are replaced by the following:

‘2. For the purposes of this Regulation, the Commission is designated as ‘controller’ within the meaning of Article 3(8) of Regulation (EU) 2018/1725 in relation to the processing activities necessary to accomplish the tasks referred to in paragraph 1.

3. The competent authorities of the Member States, including enforcement authorities, customs authorities within the meaning of Regulation (EU) 952/2013, competent authorities in the meaning of Regulation (EU) 575/2013, Directive (EU) 2015/849 and Directive (EU) 2014/65 as well as administrators of official registers where natural persons, legal persons, entities and bodies as well as immovable or movable property are registered, shall process and exchange without delay information including personal data, with other competent authorities of their Member State, of other Member States and the Commission, in particular when they detect instances of breach, circumvention and attempts at breach or circumvention of the prohibitions set out in this Regulation.’

(20) Article 12b is amended as follows:

(a) the following paragraph is added:

‘2b. By way of derogation from Article 5n paragraph 2, the competent authorities may authorise the provision, until 31 December 2023, of legal advisory services which are legally required for the completion of a sale or transfer of proprietary rights directly or indirectly owned by legal persons, entities or bodies established in Russia in a legal person, entity or body established in the Union’

(b) paragraph 3 is replaced by the following:

‘3. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraphs 1, 2, 2a or 2b within two weeks of the authorisation.’

(21) the following Article is added:

*‘Article 12f*

1. It shall be prohibited to sell, supply, transfer or export, directly or indirectly, goods and technology as listed in Annex XXXIII, whether or not originating in the Union, to any natural or legal person, entity or body in a third country listed in Annex XXXIV or for use in any such third country.

2. It shall be prohibited to:

(a) provide technical assistance, brokering services or other services related to the goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of these goods and technology, directly or indirectly to any natural or legal person, entity or body in a third country listed in Annex XXXIV or for use in any such third country;

(b) provide financing or financial assistance related to the goods and technology referred to in paragraph 1 for any sale, supply, transfer or export of those goods and technology, or for the provision of related technical assistance, brokering services or other services, directly or indirectly to any natural or legal person, entity or body in a third country listed in Annex XXXIV or for use in any such third country;

(c) sell, license or transfer in any other way intellectual property rights or trade secrets as well as grant rights to access or re-use any material or information protected by means of intellectual property rights or constituting trade secrets related to the goods and technology referred to in paragraph 1 and to the provision, manufacture, maintenance and use of those goods and technology, directly or indirectly to any natural or legal person, entity or body in a third country listed in Annex XXXIV or for use in any such third country.

3. Annex XXXIII shall include goods and technology whose export to Russia is prohibited under this Regulation and that present a high risk of being sold, supplied, transferred or exported from third countries to Russia after being sold, supplied, transferred or exported from the Union to the third countries listed in Annex XXXIV, in particular dual-use goods and technologies and goods and technology that might contribute to Russia’s military and technological enhancement, or the development of the defence and security sector.

4. Annex XXXIV shall include third countries that have been identified by the Council as having systematically failed to prevent the sale, supply, transfer or export to Russia of goods and technology listed in Annex XXXIII exported from the Union.

5. If the sale, supply, transfer or export of a good or technology listed in Annex XXXIII to a natural or legal person, entity or body in Russia or for use in Russia is not prohibited under certain exemptions stipulated in this Regulation, its sale, supply, transfer or export to a natural or legal person, entity or body in a third country listed in Annex XXXIV or for use in any such third country is not prohibited, provided the same conditions applicable under this Regulation for export to Russia or for use in Russia are fulfilled.

If the sale, supply, transfer or export of a good or technology listed in Annex XXXIII to a natural or legal person, entity or body in Russia or for use in Russia can be exceptionally authorised by the competent authorities in accordance with this Regulation, its sale, supply, transfer or export to a natural or legal person, entity or body in a third country listed in Annex XXXIV or for use in any such third country can be exceptionally authorised by the competent

authorities under the same conditions applicable to derogations for exports to Russia or for use in Russia.’

(22) Annex IV is amended in accordance with Annex I of this Regulation.

(23) Annex VII is amended in accordance with Annex II of this Regulation.

(24) Annex XV is amended in accordance with Annex III of this Regulation.

This point shall apply in respect of one or several of the entities referred to in Annex III to this Regulation as from [*OJ: please insert date 6 weeks after entry into force of this amending Regulation*] and provided that the Council, having examined the respective cases, so decides by implementing act.

(25) Annex XVII is amended in accordance with Annex IV of this Regulation.

(26) Annex XVIII is amended in accordance with Annex V of this Regulation.

(27) Annex XXI is amended in accordance with Annex VI of this Regulation.

(28) Annex XXII is deleted.

(29) Annex XXIII is amended in accordance with Annex VII of this Regulation.

(30) Annex XXIX is amended in accordance with Annex VIII of this Regulation.

(31) Annex XXXIII is added in accordance with Annex IX of this Regulation.

(32) Annex XXXIV is added in accordance with Annex X of this Regulation.

## *Article 2*

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council*  
*The President*