

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Ukraine (European Union Financial Sanctions) (No.3) Regulations 2014 (S.I. 2014/2054) (“the 2014 Regulations”). The 2014 Regulations make provision relating to the enforcement of Council Regulation (EU) No. 833/2014 of 31st July 2014 concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p.1) (“the First Council Regulation”). The First Council Regulation has previously been amended by Council Regulation (EU) No. 960/2014 of 8th September 2014 (OJ L 271, 12.9.2014, p.3) (“the Second Council Regulation”). The 2014 Regulations were amended by the Ukraine (European Union Financial Sanctions) (No.3) (Amendment) Regulations 2014 (S.I. 2014/2445) to reflect the measures included in the Second Council Regulation.

The restrictive measures in the First Council Regulation include prohibitions on the buying, selling, providing investment services relating to, or assistance in the issuance of, or otherwise dealing in transferable securities and money market instruments and making or being part of an arrangement to provide loans or credits to certain specified persons, entities or bodies. In addition to having been amended by the Second Council Regulation, the First Council Regulation has been further amended by Council Regulation (EU) No. 1290/2014 of 4th December 2014 (OJ L 1290, 5.12.2014, p.20) (“the Amending Regulation”). The Amending Regulation includes new measures which extend the circumstances in which the prohibition on making or being part of any arrangement to make loans or credits with certain specified persons, entities or bodies will not apply.

These Regulations amend the 2014 Regulations to reflect the amendments made to the First Council Regulation by the Amending Regulation and to ensure that the 2014 Regulations more closely reflect the terms of the First Council Regulation.

Regulations 2(1) and 2(2)(a) amend the 2014 Regulations to more closely reflect the terms of the prohibition on dealing with transferable securities and money market instruments and the prohibition on making or being part of an arrangement to provide loans or credits provided for in the First Council Regulation.

Regulation 2(2)(b) amends the exemption from the prohibition on being part of any arrangement to make new loans or credit to include circumstances where there is a specific or documented objective to provide financing for trade and non-financial services.

Regulation 3 introduces a new exemption from the prohibition on being part of any arrangement to make new loans or credit in circumstances where a new drawdown or disbursement is due on a loan or credit arrangement which was agreed before 15th September 2014 and certain other conditions are met.

A list of major credit institutions or other major institutions and legal persons, entities or bodies listed in Annexes III, V and VI to the Council Regulation is available on the internet via: (<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>) or can be obtained from Financial Sanctions, H.M. Treasury, 1 Horse Guards Road, London, SW1A 2HQ.

Further information is available from Financial Sanctions, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and on the H.M. Treasury website ([www.gov.uk/government/organisations/hm-treasury](http://www.gov.uk/government/organisations/hm-treasury)).