
STATUTORY INSTRUMENTS

2022 No. 801

**The Russia (Sanctions) (EU Exit)
(Amendment) (No. 12) Regulations 2022**

Other financial and investment restrictions

4. In Chapter 2 of Part 3 (Finance), after regulation 18A (provision of financial services relating to foreign exchange reserve and asset management) insert—

“Investments in relation to Russia

18B.—(1) A person (“P”) must not carry on an activity mentioned in paragraph (2) if P knows, or has reasonable cause to suspect, that P is carrying on such an activity.

(2) The activities in this paragraph are—

- (a) directly acquiring any ownership interest in land located in Russia;
- (b) indirectly acquiring any ownership interest in land located in Russia for the purpose mentioned in paragraph (3);
- (c) directly acquiring any ownership interest in or control over a person, other than an individual, connected with Russia;
- (d) indirectly acquiring any ownership interest in or control over a person, other than an individual, connected with Russia for the purpose mentioned in paragraph (3);
- (e) directly or indirectly acquiring any ownership interest in or control over a relevant entity for the purpose mentioned in paragraph (3);
- (f) directly or indirectly establishing any joint venture with a person connected with Russia;
- (g) opening a representative office or establishing a branch or subsidiary located in Russia; or
- (h) providing investment services directly related to an activity referred to in subparagraphs (a) to (g).

(3) The purpose mentioned in paragraph 2(b), (d) and (e) above is making funds or economic resources available—

- (a) directly or indirectly to a person connected with Russia; or
- (b) for the benefit of a person connected with Russia.

(4) For the purposes of paragraph (3)—

- (a) economic resources are made available to a person connected with Russia only if that person would be likely to exchange the economic resources for, or use them in exchange for, funds, goods or services;
- (b) making funds or economic resources indirectly available to a person connected with Russia includes, in particular, a reference to making them available to a person who is owned or controlled directly or indirectly (within the meaning of regulation 7) by a person connected with Russia; and

- (c) funds or economic resources are made available for the benefit of a person connected with Russia only if that person thereby obtains, or is able to obtain, a significant financial benefit, and “financial benefit” includes the discharge (or partial discharge) of a financial obligation for which the person connected with Russia is wholly or partly responsible.
- (5) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (6) A person who contravenes a prohibition in paragraph (1) commits an offence.
- (7) In this regulation, the reference to a person (“P”) directly or indirectly acquiring any ownership interest in or control over a person or entity means—
 - (a) P directly or indirectly acquiring any share in the person or entity;
 - (b) P directly or indirectly acquiring any voting rights in the person or entity;
 - (c) P directly or indirectly acquiring any right to appoint or remove a majority of the board of directors of the person or entity; or
 - (d) P directly or indirectly acquiring any means of ensuring that the affairs of the person or entity are conducted in accordance with the wishes of P where it is reasonable, having regard to all of the circumstances, to expect that P would (if P chose to) in most cases or significant respects, by whatever means, be able to do so.
- (8) In this regulation—
 - “branch” means, in relation to a person other than an individual, a place of business which forms a legally dependent part of that person and which carries out all or some of the transactions inherent in the business of that person;
 - “investment services” has the same meaning as it has in regulation 16 (dealing with transferable securities or money-market instruments);
 - “relevant entity” means a person, other than an individual, which has a place of business located in Russia but is not a person connected with Russia.”.