

# The EU's 12th Sanctions Package – Continued Pressure

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On 18 December 2023, the European Union (“**EU**”) adopted its [12th package of sanctions](#) targeting Russia, in continued response to the Russian invasion of Ukraine (“the **Package**”). A timeline of the previous 11 sanctions packages can be found [here](#).

The Package introduces a number of new measures including:

- **Intra-group services:** An updated ban on intra-group services has been introduced, such that services including legal, finance and IT will not be able to be provided by an EU entity to its Russian subsidiary, unless a licence is obtained from the local EU Member State authority. This updated ban comes into effect on 20 June 2024, with a six-month transition period and could have far-reaching implications for business operations.
- **Counter-sanctions response:** Russia previously issued counter-sanctions which allowed them to take control of Western-owned entities based in Russia. The Package allows the European Commission to freeze the assets of such Russian entities, as well as the buyers and board members of these entities. Consensual sales will not be affected.
- **Trade sanctions:** Further trade sanctions have been introduced, including a new EU import ban on Russian diamonds, as well as raw materials for steel production, processed aluminium products and other metal goods. There is also a new prohibition on providing enterprise and design-related software to the Russian government or Russian companies.
- **Anti-circumvention:** In order to limit circumvention, Russian citizens are prohibited from owning, controlling or holding positions within the governing structures of organisations offering certain cryptoasset services to Russian individuals / residents.
- **Notification requirements:** The Package introduces a new measure that will require the notification of certain transfers of funds out of the EU, from EU entities directly / indirectly owned by more than 40% by Russians or entities established in Russia.

- **Additional designated persons / entities:** 29 new entities have been added to the list of those directly supporting Russia's military efforts against Ukraine. These entities will now be subject to tighter export restrictions. Over 140 new additional individuals and entities are also subject to asset freezes.

At this stage there is no end to the war in sight, so further sanctions should be expected from Western governments.

For further information, please reach out to [UKReg@proskauer.com](mailto:UKReg@proskauer.com).

#### Related Professionals

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- **John Verwey**  
Partner
- **Sulaiman I. Malik**  
Associate