Council Regulation (EU) No 692/2014 of 23 June 2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol

[[F1]COUNCIL REGULATION (EU) No 692/2014

of 23 June 2014

concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol**]**

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 Council Decision 2014/386/CFSP[(1)] concerning restrictions on goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol,

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) At its meeting of 20-21 March 2014, the European Council strongly condemned the annexation of the Autonomous Republic of Crimea ('Crimea') and the city of Sevastopol ('Sevastopol') to the Russian Federation and emphasised that it will not recognise the annexation. The European Council asked the Commission to evaluate the legal consequences of that annexation and to propose economic, trade and financial restrictions regarding Crimea for rapid implementation.

(2) In its Resolution of 27 March 2014, the United Nations General Assembly affirmed its commitment to the sovereignty, political independence, unity and territorial integrity of Ukraine within its internationally recognized borders, underscoring the invalidity of the referendum held in Crimea on 16 March, and called upon all States not to recognise any alterations in the status of Crimea and of Sevastopol.

(3) On 23 June 2014, the Council adopted Decision 2014/386/CFSP concerning restrictions on goods originating in Crimea or Sevastopol and on the provision, directly or indirectly, of financing or financial assistance, as well as insurance and reinsurance, related to the import of such goods, in response to the illegal annexation of Crimea and Sevastopol. In order to minimise the effect of such restrictive measures on economic operators, exceptions and transitional periods should be provided for in respect of trade in goods and related services for which transactions are required by a trade contract or ancillary contract, subject to a notification procedure.

(4) These measures fall within the scope of the Treaty on the Functioning of the European Union and, therefore, notably with a view to ensuring their uniform application in all

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Member States, regulatory action at the level of the Union is necessary in order to implement them.

(5) In order to ensure that the measures provided for in this Regulation are effective, it should enter into force on the day following that of its publication,

HAS ADOPTED THIS REGULATION:

Textual Amendments

F1 Substituted by Council Regulation (EU) No 825/2014 of 30 July 2014 amending Regulation (EU) No 692/2014 concerning restrictions on the import into the Union of goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol.

Article 1

For the purposes of this Regulation, the following definitions apply:

(a) 'claim' means any claim, whether asserted by legal proceedings or not, made before or after 25 June 2014, under or in connection with a contract or transaction, and includes in particular:

(i) a claim for performance of any obligation arising under or in connection with a contract or transaction;

(ii) a claim for extension or payment of a bond, financial guarantee or indemnity of whatever form;

(iii) a claim for compensation in respect of a contract or transaction;

(iv) a counterclaim;

(v) a claim for the recognition or enforcement, including by the procedure of *exequatur*, of a judgment, an arbitration award or an equivalent decision, wherever made or given;

(b) 'contract or transaction' means any transaction of whatever form, whatever the applicable law, and whether comprising one or more contracts or similar obligations made between the same or different parties; for this purpose 'contract' includes a bond, guarantee or indemnity, particularly a financial guarantee or financial indemnity, and credit, whether legally independent or not, as well as any related provision arising under, or in connection with, the transaction;

(c) 'goods originating in Crimea or Sevastopol' means goods which are wholly obtained in Crimea or in Sevastopol or which have undergone their last substantial transformation there, in accordance, mutatis mutandis, with Articles 23 and 24 of Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code[(2)];

(d) 'territory of the Union' means the territories of the Member States to which the Treaty is applicable, under the conditions laid down in the Treaty, including their airspace.

(e) 'competent authorities' means the competent authorities of the Member States as identified on the websites listed in the Annex[F1;]

(f) [F2'brokering services' means:

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(i) the negotiation or arrangement of transactions for the purchase, sale or supply of goods and technology or of financial and technical services, including from a third country to any other third country; or

(ii) the selling or buying of goods and technology or of financial and technical services, including where they are located in third countries for their transfer to another third country;

(g) 'technical assistance' means any technical support related to repairs, development, manufacture, assembly, testing, maintenance, or any other technical service, and may take forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services; technical assistance includes verbal forms of assistance**[**F3**;]]**

(h) **[**F4'entity in Crimea or Sevastopol' means any entity having its registered office, central administration or principal place of business in Crimea or Sevastopol, its subsidiaries or affiliates under its control in Crimea or Sevastopol, as well as branches and other entities operating in Crimea or Sevastopol;

(i) 'investment services' means the following services and activities:

(i) reception and transmission of orders in relation to one or more financial instruments,

(ii) execution of orders on behalf of clients,

(iii) dealing on own account,

(iv) portfolio management,

(v) investment advice,

(vi) underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis,

(vii) placing of financial instruments without a firm commitment basis,

(viii) any service in relation to the admission to trading on a regulated market or trading on a multilateral trading facility;

(j) 'Union shipowner' has the same meaning as a 'Community shipowner' as defined in Article 2(2)(a) and (b) of Council Regulation (EC) No 3577/92.**]**[3]

Textual Amendments

F1 Substituted by Council Regulation (EU) No 825/2014 of 30 July 2014 amending Regulation (EU) No 692/2014 concerning restrictions on the import into the Union of goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol.

F2 Inserted by Council Regulation (EU) No 825/2014 of 30 July 2014 amending Regulation (EU) No 692/2014 concerning restrictions on the import into the Union of goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol.

F3 Substituted by Council Regulation (EU) No 1351/2014 of 18 December 2014 amending Regulation (EU) No 692/2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.

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F4 Inserted by Council Regulation (EU) No 1351/2014 of 18 December 2014 amending Regulation (EU) No 692/2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.

Article 2

It shall be prohibited:

(a) to import into the European Union goods originating in Crimea or Sevastopol;

(b) to provide, directly or indirectly, financing or financial assistance as well as insurance and reinsurance related to the import of the goods referred to in point (a).

I[F3] Article 2a

1 It shall be prohibited to:

a acquire any new or extend any existing participation in ownership of real estate located in Crimea or Sevastopol;

b acquire any new or extend any existing participation in ownership or control of an entity in Crimea or Sevastopol, including the acquisition in full of such entity or the acquisition of shares, and other securities of a participating nature of such entity;

c grant or be part of any arrangement to grant any loan or credit or otherwise provide financing, including equity capital, to an entity in Crimea or Sevastopol, or for the documented purpose of financing such entity;

d create any joint venture in Crimea or Sevastopol or with an entity in Crimea or Sevastopol;

e provide investment services directly related to the activities referred to in points (a) to (d).

2 The prohibitions and restrictions in this Article do not apply to the conduct of legitimate business with entities outside Crimea or Sevastopol where the related investments are not destined to entities in Crimea or Sevastopol.

3 The prohibitions in paragraph 1 shall be without prejudice to the execution of an obligation arising from a contract concluded before 20 December 2014, or ancillary contracts necessary for the execution of such a contract, provided that the competent authority has been informed at least five working days in advance.

Textual Amendments

F3 Substituted by Council Regulation (EU) No 1351/2014 of 18 December 2014 amending Regulation (EU) No 692/2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.

Article 2b

1 It shall be prohibited to sell, supply, transfer, or export goods and technology as listed in Annex II:

a to any natural or legal person, entity or body in Crimea or Sevastopol, or

b for use in Crimea or Sevastopol.

Annex II shall include certain goods and technologies suited for use in the following key sectors:

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(i) transport;

(ii) telecommunications;

(iii) energy;

(iv) the prospection, exploration and production of oil, gas and mineral resources.

2 It shall be prohibited to:

a provide, directly or indirectly, technical assistance or brokering services related to the goods and technology as listed in Annex II, or related to the provision, manufacture, maintenance and use of such items to any natural or legal person, entity or body in Crimea or Sevastopol or for use in Crimea or Sevastopol;

b provide, directly or indirectly, financing or financial assistance related to the goods and technology as listed in Annex II to any natural or legal person, entity or body in Crimea or Sevastopol or for use in Crimea or Sevastopol.

3 The prohibitions under paragraphs 1 and 2, when related to point (b) of paragraph 1 do not apply where there are no reasonable grounds to determine that the goods and technology or the services under paragraph 2 are to be used in Crimea or Sevastopol.

4 The prohibitions in paragraphs 1 and 2 shall be without prejudice to the execution until 21 March 2015 of an obligation arising from a contract concluded before 20 December 2014, or by ancillary contracts necessary for the execution of such contracts, provided that the competent authority has been informed at least five working days in advance.

Textual Amendments

F3 Substituted by Council Regulation (EU) No 1351/2014 of 18 December 2014 amending Regulation (EU) No 692/2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.

Article 2c

1 It shall be prohibited to provide technical assistance, or brokering, construction or engineering services directly relating to infrastructure in Crimea or Sevastopol in the sectors referred to in Article 2b(1) as defined on the basis of Annex II, independently of the origin of the goods and technology.

2 The prohibition in paragraph 1 shall be without prejudice to the execution until 21 March 2015 of an obligation arising from a contract concluded before 20 December 2014, or by ancillary contracts necessary for the execution of such a contract.

3 It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in paragraphs 1 and 2.

Textual Amendments

F3 Substituted by Council Regulation (EU) No 1351/2014 of 18 December 2014 amending Regulation (EU) No 692/2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol.