

Swiss sanctions against Russia – Approaching deadlines for renewing declarations of assets and transactions reporting

The SECO has updated its "frequently asked questions" (FAQ) document, notably revising its section 1.5, which addresses reporting requirements for frozen assets under Article 16 of the Ordinance on measures in connection with the situation in Ukraine ("UKRO").

Publié: 15 janvier 2024

Auteurs	Hikmat Maleh Fedor Poskriakov Alexander Greter Marina Voloshinovskaya	Partner Deputy Managing Partner, Head of Fintech Partner Associate
EXPERTISE	Banking and Finance	

Overview of recent SECO's clarifications

On 21 December 2023, the Swiss State Secretariat for Economic Affairs (SECO) released an updated "frequently asked questions" (FAQ) document.

Renewal of the reporting to SECO – Deadline 16 February 2024

A significant update in SECO's FAQ is the requirement for financial institutions to provide updated information on previously reported frozen assets in accordance with Article 16 of the Ordinance on measures in connection with the situation in Ukraine ("UKRO") (cf. section 1.5 FAQ). This updated reporting must include the total value of assets frozen under Article 15 UKRO as of 31 December 2023, with a submission deadline to SECO by 16 February 2024.

Who is affected? All financial institutions who performed the freeze of assets of a sanctioned

person should now proceed to an additional disclosure to SECO on top of the declaration they have already provided under Article 16 UKRO.

What is to be reported? This updated reporting covers the total value of all assets frozen under Article 15 UKRO. There is no need for additional investigations, however, financial institutions are obligated to report the specific figures representing the frozen assets **as of 31 December 2023**.

What is the deadline for reporting? For all assets frozen prior to 31 December 2023, the reporting must be made **by 16 February 2024**.

Other minor clarifications

Concerning declarations related to the freeze of assets in the event of a change in value of the assets under freeze, there are no alterations. The FAQ has revised the previous language to elucidate that the current statement of assets must be submitted to SECO upon its request. This revision does not introduce any substantive changes to the existing rule, whereby, following the initial declaration, continuous communication about assets is unnecessary unless specifically requested by SECO.

Reminder: Transactional reporting requirement – Compliance by 29 March 2024

As a reminder, the previous SECO's update related to the mandatory reporting of transactions which occurred within two weeks preceding the listing of a sanctioned person in Annex 8. The key aspect of the SECO's clarification was that this reporting requirement applies to **all** listings in Annex 8, including those existing on 29 March 2023 and subsequently added listings.

For pre-existing entries in Annex 8 prior to 1st December 2023, the deadline for compliance with the additional transactions reporting requirement is until **29 March 2024**.

Key deadlines

All financial institutions who previously reported assets or economic resources belonging to a sanctioned person listed in Annex 8 must now provide two types of updates to SECO:

- **Renewal of asset declarations:** Update the total value of all assets frozen under Article 15 UKRO as of 31 December 2023, with a submission deadline of **16 February 2024**.
- **Transactional reporting for Annex 8:** For entries existing before 1st December 2023, compliance with the additional transaction reporting requirement is due by **29 March 2024**.

Other developments

On 21 December 2023, the DEFR expanded its sanctions to include 61 individuals and 86 entities, targeting members of the Belarusian armed forces, leaders in the Russian military-industrial sector, and members of Russia's Central Election Commission. On 22 December 2023, the Federal



Council announced its intention to address the possibility of adopting the other measures as part of the EU's 12th package. Of note, the EU's 12th package provides for various measures, including a phased ban on imports of diamonds from or originating in Russia. Imports of diamonds of Russian origin to Switzerland have in any case fallen sharply since the onset of Russia's military aggression against Ukraine. At this stage, there are no longer any direct imports of natural or synthetic diamonds from Russia to Switzerland.

Future developments

Sanctions are amended and adapted on an ongoing basis. Given the importance of the topic and the potentially serious legal and reputational consequences of a breach, it is essential to keep abreast of the latest measures and any guidance issued by the Swiss government. We are monitoring these developments closely.

At this juncture, the introduced restrictions raise a number of interpretation and implementation questions. Some of those questions are expected to be clarified based on EU sanctions guidance and FAQs, if any, whereas other issues will require formal confirmation from SECO. We are working with our clients to clarify the expectations of competent authorities and to find practical solutions for an efficient operational implementation of the sanctions framework.

Useful links

Given the fluid nature of the sanctions, we enclose some relevant resources which we trust will be of assistance for monitoring the developments:

Swiss Sanctions

UKRO, as amended on 21 December 2023

- Official publication:
 - [UKRO German version](#)
 - [UKRO French version](#)
 - [Unofficial English translation](#)

SECO FAQ, as amended on 21 December 2023

- Official publication:
 - [German version](#)
 - [French version](#)
 - [Unofficial English translation](#)
 - [Redline against the version of 7 December 2023 \(English\)](#)

EU Sanctions

- Consolidated texts of sanctions regulations
 - [Consolidated text of Regulation \(EU\) No 833/2014 \(Russia\)](#)



- Consolidated text of Regulation (EU) No 269/2014 (Ukraine territorial integrity)
- Compilation of frequently asked questions regarding EU sanctions available here: [link](#).

Please do not hesitate to contact us in case of any questions.

You may reach out to your usual contact at our firm or direct any sanction-specific queries to our dedicated task force at sanctions@lenzstaehelin.com.

Shelby R. du Pasquier	Partner, Head of Banking and Finance, Geneva shelby.dupasquier@lenzstaehelin.com Tel: +41 58 450 70 00
Fedor Poskriakov	Deputy Managing Partner, Head of Fintech, Geneva fedor.poskriakov@lenzstaehelin.com Tel: +41 58 450 70 00
Valérie Menoud	Partner, Co-head of Investigations, Head of ESG, Geneva valerie.menoud@lenzstaehelin.com Tel: +41 58 450 70 00
Hikmat Maleh	Partner, Geneva hikmat.maleh@lenzstaehelin.com Tel: +41 58 450 70 00
Martin Burkhardt	Senior Counsel, Zurich martin.burkhardt@lenzstaehelin.com Tel: +41 58 450 80 00
Alexander Greter	Partner, Zurich alexander.greter@lenzstaehelin.com Tel: +41 58 450 80 00
Astrid Waser	Partner, Zurich astrid.waser@lenzstaehelin.com Tel: +41 58 450 80 00
