

Swiss sanctions against Russia – Further implementation of the EU 14th Sanctions Package

In a continued effort to align with European Union ("EU") sanctions, on 16 October 2024, the Swiss Federal Council implemented most of the outstanding measures from the EU 14th sanctions package, with certain adjustments reflecting Switzerland's own legal and economic considerations. Notably, Switzerland chose not to implement EU equivalent measures related to foreign subsidiaries of Swiss companies, a key point of divergence from the EU framework. The new restrictions, which primarily focus on export controls, financial services and maritime regulations came into force on 17 October 2024.

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1. Introduction

On 16 October 2024, the Swiss Federal Council adopted further sanctions against Russia with a view to mirroring the latest measures imposed by the EU on 24 June 2024. The corresponding amendments to the Ordinance on measures in connection with the situation in Ukraine ("**UKRO**") entered into force **on 17 October 2024**.

A free English translation of UKRO as of 17 October 2024 and a redline against the previous version of 27 August 2024 are available, respectively [here](#) and [here](#).

2. Key elements

The new measures include the following:

- **Prohibitions on goods for LNG projects (Article 10a UKRO)**

Switzerland introduced restrictions under Article 10a UKRO, prohibiting the sale, export, transit, and transportation of goods destined for the completion of liquefied natural gas ("LNG") projects in Russia. Additionally, services related to these goods, including financial, technical and brokerage services, are also banned. This measure aims to prevent further development of strategic Russian energy projects reliant on foreign technologies.

- **Prohibitions on certain Russian vessels (Article 12d UKRO)**

Article 12d UKRO prohibits the purchase, import, transit and operation of certain Russian vessels listed in Annex 33 UKRO. This includes restrictions on providing services such as financial assistance, technical support and crew deployment to these vessels. Engaging in ship-to-ship transfers or any other transfer of cargo with, or procuring any services from, such vessels is also prohibited. Humanitarian exemptions apply under strict conditions, ensuring that essential maritime activities like search and rescue are not impeded.

- **Restrictions on LNG trade and transshipment (Articles 12e UKRO and 12f UKRO)**

Under Article 12e UKRO, the purchase, import, transit and transportation of LNG originating from Russia through EU LNG terminals that are not connected to the interlinked gas network is now prohibited.

Article 12f UKRO extends this restriction to the transshipment of Russian LNG in EU territories, with exemptions for emergencies, humanitarian activities and energy supply needs confirmed by EU member states. These measures aim to cut off Russia's ability to exploit European energy infrastructure for LNG exports

- **Cultural goods protection (Article 14e^{bis} UKRO)**

Article 14e^{bis} UKRO prohibits the trade, transport and export of cultural goods from Ukraine that have been unlawfully removed from the country in order to protect Ukraine's cultural heritage. This includes items of significant archaeological, historical, cultural or religious value.

- **Exemptions from asset freezes (Articles 15 (2)^{bis} and 16 (1)^{ter} UKRO)**

Under the newly introduced 15 (2)^{bis} UKRO, Swiss banks are permitted to receive and credit payments from Russian sanctioned banks – provided these payments are directed to non-sanctioned clients of such banks – **without requiring prior authorization** from SECO. However, these banks are still obligated to submit **quarterly reports** to SECO, detailing such transactions, as specified in Article 16 (1)^{ter} UKRO.

These provisions are in line with the simplified procedure outlined in SECO's frequently asked questions document ("**SECO's FAQ**") (section 1.4), which foresees a simplified procedure for such transactions.

- **Prohibition on transactions involving arbitration claimants (Article 24b UKRO)**

Article 24b UKRO introduces a ban on transactions with claimants involved in certain Russian arbitration procedures listed in Annex 15a UKRO. The prohibition applies to both direct and indirect participation in such transactions. Exceptions are allowed for the purchase of essential goods, such as pharmaceuticals and food, or for legal proceedings in Switzerland or the European Economic Area ("**EEA**").

- Prohibition on transactions related to crypto asset services (Article 24c UKRO)

Article 24c UKRO imposes a prohibition on transactions with individuals or entities providing crypto asset services, in particular those listed in Annex 15b UKRO, or acting on behalf of sanctioned parties. This measure restricts Russia's ability to use cryptocurrencies to evade sanctions. However, exemptions are provided for transactions necessary for the supply of essential goods such as food and medicines, as well as for humanitarian activities or legal processes in Switzerland or the EEA.

- Ban on accepting donations from Russian entities (Article 28g UKRO)

Article 28g UKRO prohibits political parties, non-governmental organizations and media organizations in Switzerland from accepting donations or financial support from, *inter alia*, Russian government entities or state-controlled organizations. This measure seeks to safeguard Switzerland's political and media institutions from potential Russian influence.

- Exemptions for liquidation activities in Russia (Article 30c^{bis} UKRO)

Article 30c^{bis} UKRO allows SECO to grant, until 31 December 2024, exemptions to the prohibition under Article 30 (b) UKRO on honouring claims of Russian individuals, companies or entities. These exemptions are permitted if necessary for asset transfers or the liquidation of activities in the Russian Federation. This exemption aims at facilitating withdrawal of Swiss companies from the Russian market.

- Right to compensation for claims impacted by sanctions (Article 30f UKRO)

Article 30f UKRO introduces a provision allowing Swiss citizens, residents and Swiss legal entities to claim damages, including legal costs, incurred due to sanctions-related disputes in third-country jurisdictions, when claims are initiated by entities or persons under Article 30 UKRO. This provision provides protection for Swiss actors facing legal actions that arise from the enforcement of Swiss or international sanctions if no effective legal recourse is available in the relevant jurisdiction.

3. No additional measures in relation to foreign subsidiaries

A key aspect of Switzerland's implementation of the EU 14th package is the decision not to adopt the EU "best efforts" obligation concerning foreign subsidiaries to ensure the latter do not take part in activities undermining EU sanctions. Indeed, Swiss law already provides for the adequate mechanisms prohibiting actions taken from Switzerland with the aim or effect of circumventing sanctions through foreign subsidiaries. In particular, if decisions in breach of Swiss sanctions are made in Switzerland, or by Swiss residents, and then executed through subsidiaries abroad, the responsible parties in Switzerland may be directly prosecuted for breach of Swiss sanctions.

4. 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.

5. 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:

5.1. Swiss Sanctions

UKRO, as of 17 October 2024

- Official publication:
 - [UKRO German version](#)
 - [UKRO French version](#)
 - [Unofficial English translation](#)
 - [Redline against the version of 27 August 2024 \(English\)](#)

SECO FAQ, as amended on 27 August 2024

- Official publication:
 - [German version](#)
 - [French version](#)
 - [Unofficial English translation](#)
 - [Redline against the version of 13 June \(English\)](#)

5.2. 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 if you have any further questions on this subject.

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.



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