

Swiss sanctions against Russia – SECO updates its "Frequently Asked Questions" (FAQ) document

The SECO has updated its "frequently asked questions" (FAQ) document, providing, in particular, enhanced clarity on specific aspects of Articles 16 and 20 of the Ordinance on measures in connection with the situation in Ukraine ("UKRO"). Additional transactional reporting requirement applicable to all entries in Annex 8, including pre-existing ones which were already reported to SECO (deadline to comply is 29 March 2024 for entries prior to 1st December 2023).

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1. Overview of Recent SECO Clarifications

On 7 December 2023, the Swiss State Secretariat for Economic Affairs (SECO) released an updated "Frequently Asked Questions" (FAQ) document.

1.1. New transactional reporting requirement

A key aspect of SECO's update is the clarification (*cf.* section 2.3.5 FAQ) relating to the implementation of Article 16 (1)^{bis} UKRO which entered in force on 29 March 2023 and provides for a 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 is that this reporting requirement applies to **all** listings on Annex 8, including those existing on 29 March 2023 and subsequently added listings.

Who is affected? Specifically, this means that all persons who previously reported any assets or economic resources of a sanctioned person pursuant to Article 16 UKRO should now perform an additional disclosure to SECO pursuant to the new Article 16 (1)^{bis} UKRO.

What is to be reported? The additional reporting covers all movements, transfers, changes, usage, access, or manipulation of assets belonging to a listed person which occurred within two weeks prior to the listing of that person in Annex 8. No additional investigations are required to be performed, but the requirement is to report what is already known and documented in the records of the reporting financial institution (e.g., account statements, transaction records, etc.).

How to report? The reporting process should be made exclusively through a specific transaction table, which may be obtained from SECO **by email (sanctions@seco.admin.ch)**.

What is the deadline for reporting? For all new entries to Annex 8 after 1st December 2023, the reporting is required without delay (i.e., at the same time as the reporting under Article 16 UKRO).

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

1.2. Other clarifications

As regards Article 20 UKRO, the FAQ document now explicitly states that not only reimbursements, but also payments from state services, as well as reimbursements and payments from pension funds, are not considered as "deposits" under Article 20 UKRO (cf. section 2.4.9 FAQ). Consequently, the deposit restrictions provided for in Article 20 UKRO do not apply to these types of transactions. This clarification provides a more precise framework for financial intermediaries, ensuring certain routine financial operations remain outside the scope of sanctions-related deposit restrictions.

2. Impact

Apart from the general ongoing clarifications in the most recent FAQ update by SECO, the key development is the application of the transaction reporting requirement retroactive to all previous entries to Annex 8. **Anyone who has previously reported assets of economic resources belonging to a sanctioned person listed in Annex 8 has until 29 March 2024 to perform the additional transactional reporting.**

3. 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.

4. 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:

4.1. Swiss Sanctions

UKRO, as amended on 16 August 2023

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

SECO clarifications on application of 12, 13, 14, 14a, 14c, 15, 16, 20, 21, 23, 25 28b, 28d and 28e
UKRO, as amended on 7 December 2023

- Official publication:
 - [German version](#)
 - [French version](#)
 - [Free English translation](#)
 - [Redline against the version of 2 October 2023 \(English\)](#)

4.2. 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 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.



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