



Newsletter

Switzerland adopts sanctions imposed by the EU against Russia

As Switzerland adopts the new sanctions imposed by the European Union careful analysis is recommended to avoid unintended violations that may be subject to criminal prosecution.

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1. General updated sanctions notification

On February 28, 2022, the Federal Council decided to adopt the EU sanctions packages of February 23 and 25. To do so, it amended the Ordinance of 27 August 2014 on Measures to Prevent the Circumvention of International Sanctions in Connection with the Situation in Ukraine (SR 946.231.176.72) (the "Ordinance").

In its communication of 28 February 2022, the Federal Council informed about its decision to adopt the sanctions imposed by the European Union against Russia on 23 and 25 February and to immediately freeze the assets of the persons and companies listed in Annex 3 to the Ordinance. The opening of new business relations with these persons remains prohibited as before. The Federal Department of Economic Affairs, Education and Research (EAER) has therefore adjusted the sanctions database SESAM (SECO Sanctions Management), which is relevant for Switzerland, and published the adjustment on its website. The amendment has entered into force at 6 p.m. on February 28, 2022.

2. Freeze of assets and ban on business relationship with persons and entities listed in Annex 3

Banks and other financial intermediaries are requested to immediately block the relevant assets and not to open any new business relationships in accordance with the provisions of the Ordinance, as well as to report such business relationships to SECO in accordance with the provisions of the ordinance.

The notification to SECO does not exempt a financial intermediary from immediately filing a report with the Money Laundering Reporting Office pursuant to Art. 9 of the Money Laundering Act.

You can find banks and entities listed in [Annex 3](#) provided by SECO.

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3. Issuance of financial instruments, loans, trade with financial instruments is prohibited with respect to banks and entities listed in Annex 2
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3. Issuance of financial instruments, loans, trade with financial instruments is prohibited with respect to banks and entities listed in Annex 2

It is prohibited to issue financial instruments by banks and other entities that are specified in Annex 2 or by banks and entities that are controlled by or act on behalf of the banks or entities specified in Annex 2. The assistance in the issuance or the issuance of financial instruments by the Russian Federation, its government or the Central Bank and any persons, entities or bodies that act on their behalf is prohibited.

Granting loans to, trading in financial instruments issued by such banks and entities listed in Annex 2 as well as the Russian Federation or the Central Bank are also prohibited, subject to limited exceptions.

You can find banks and entities listed in [Annex 2](#) provided by SECO.

4. Financing, participation and certain services with companies, organizations and real estate in designated areas (Crimea, Sevastopol, Oblast of Donetsk and Luhansk)

The sale, supply, export or transit of goods to persons or entities in designated territories, provision of technical assistance, construction, engineering services, granting of loans to enterprises in the designated territories and the acquisition and expansion of interests in enterprises and real estate in the designated territories and establishment of joint ventures together with organization in the designated areas, provision of investment services, tourism services in the designated areas are prohibited. Goods originating from the designated areas may be imported to Switzerland only if a certificate of origin issued by the Ukrainian authorities is available.

5. What are consequences of violation

Anyone who violates the restrictions listed in the Ordinance shall be punished in accordance with Article 9 of the Federal Act on the Implementation of International Sanctions (Embargo Act), which ranges from imprisonment of up to three months or fine of a maximum of CHF 100,000 in negligence cases to imprisonment of up to five years and a fine of a maximum of CHF 1 million in serious cases.

It is recommended to carefully analyze these new sanction regulations to avoid unintended violations that may be subject to criminal prosecution. Please contact your lawyers for further advice.