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On 29th June 2022, the Swiss government implemented major provisions of the 6th EU sanctions package.

1 How does the 6th sanctions package impact Swiss and European service providers?

The prohibition of services applies generally to audit services, accounting, tax advice as well as consultancy and public relations advice for the Russian government, companies and other organisations in Russia. Not forbidden are legal advice as well as advisory services for individuals in Russia. Exemptions apply.

2 What trust services are forbidden?

Generally, it is forbidden to set up trusts for Russian nationals, residents or companies in Russia or entities belonging or controlled by these. This does not apply where nationals, residents or companies in Russia are incorporated or have a citizenship or residency right in Switzerland or the European Economic Area (EEA) – this means, the United Kingdom is excluded from this exemption. SECO may allow for certain exemptions upon application. On 24th June 2022, the EU issued guidelines that clarify implementation, especially in case of restricted and non-restricted beneficiaries. These apply also for Switzerland.

3 How are foundations impacted?

While it was disputed whether foundations are “similar legal arrangements” and fall under the prohibition of trust services, the EU clarified that foundations are exempt as they are legal entities. This corresponds to the interpretation in the anti-money-laundering directive. This is consistent as companies in Switzerland and the EEA can still be owned by nationals, residents and companies in Russia.

4 Which sanctions may be in violation of Swiss or European constitutions?

Most of the sanctions apply to persons that support the Russian government. However, a number of sanctions such as the prohibitions of trust services or opening of bank accounts apply for Russian nationals or residents simply because of their passport or domicile. All European constitutions forbid the discrimination based on origin, race or language. Courts will determine whether such sanctions are in line with our constitutions.

5 What can you do in case of doubt?

It is recommended to carefully analyse these new and previously existing sanction regulations to avoid unintended violations, which are subject to criminal prosecution, as well as unintended breaches of your contractual obligations which likewise may have serious legal consequences.

For questions and advice we invite you to contact us for further advice.

LINDEMANN LAW

Dr. iur. Alexander Lindemann
Dr. oec. publ. Jakob Schaad
Dr. Ariel Sergio Davidoff, LL.M.
Seefeldstrasse 33 (next to the Opera)

+41 44 570 73 51
+41 44 570 73 56
+41 79 922 22 57
8008 Zürich

alexander.lindemann@lindemannlaw.ch
jakob.schaad@lindemannlaw.ch
arielsergio.davidoff@lindemannlaw.ch
www.lindemannlaw.ch