



2022-FS-001  
13 May 2022

# Sanctions against Russia and Belarus

Important information for FundSettle clients

## Target audience

- All FundSettle clients

## Effective date

Immediately

## Highlights

In the context of the comprehensive sanctions regimes issued by relevant authorities of, amongst others, the European Union, the United Kingdom and the United States against Russia and Belarus within the last weeks, fund management companies are particularly concerned by the provisions of article 5f of the amended EU Council Regulation 833/2014 (Russia) and article 1y of the amended EU Regulation 765/2006 (Belarus), together referred to as the **12 April 2022 Selling Restrictions**.

## Sanctions against Russia and Belarus

Article 5f(1) of EU Council Regulation 833/2014 prohibits the sale of transferable securities denominated in any official currency of a Member State issued after 12 April 2022 or units in collective investment undertakings providing exposure to such securities, to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia (“Russian Person”). Article 5f(2) provides that this prohibition shall not apply to nationals of a Member State or natural persons having a temporary or permanent residence permit in a Member State.

Article 1y(1) of EU Council Regulation 765/2006 prohibits the sale of transferable securities denominated in any official currency of a Member State issued after 12 April 2022 or units in collective investment undertakings providing exposure to such securities, to any Belarusian national or natural person residing in Belarus or any legal person, entity or body established in Belarus (“Belarusian Person”). Article 1y(2) provides that this prohibition shall not apply to nationals of a Member State or natural persons having a temporary or permanent residence permit in a Member State.

At Euroclear Bank, we are committed to ensuring compliance with all relevant regulatory and legal obligations, including those related to Sanctions (as defined in the [Terms and Conditions governing use of Euroclear](#)).



## What does this mean for you?

In addition to our own actions and measures, we expect you as a Euroclear Bank Participant to take adequate measures to ensure compliance with Sanctions as described in [Newsflash - Compliance with Sanctions in the custody chain](#). In particular, in the context of your FundSettle activity, and to ensure compliance with the 12 April 2022 Selling Restrictions, such measures should at least include:

- having an adequate and effective client identification process enabling you to identify end-investors that are Russian Persons or Belarusian Persons
- having the necessary control systems in place to prevent Russian Persons and Belarusian Persons from purchasing funds through your FundSettle account(s) as of 12 April 2022
- ensuring that you do not market, make available, offer, or sell Funds to Russian Persons or Belarusian Persons as of 12 April 2022 through your FundSettle account
- providing reporting to us where you are aware of any underlying investors currently holding Fund(s) through your FundSettle account(s) who are Russian Persons or Belarusian Persons
- requesting your clients to establish due diligence programs that are designed to ensure that the end investor is identified and that they comply with Sanctions including the 12 April 2022 Selling Restrictions

## Managing due diligence requests from fund management companies

In the context of the 12 April 2022 Selling Restrictions, we may be requested by fund management companies to provide additional due diligence information on end investors holding funds through FundSettle. If so, we will notify you by means of corporate actions notifications (DACE notices) so that you provide, when requested, the necessary confirmation(s) to be relayed to the fund management company.

If a fund management company requests information on ultimate beneficial owners, we will contact you. In such a case, you should provide the requested information as soon as possible to allow us to perform the necessary checks, with a view to avoiding:

- delays in the account opening process
- your instructions ultimately being rejected and/or suspended
- the account(s) opened on your behalf on the Fund Register being blocked

Once received, we will pass the information you provided as soon as possible to the fund management company.

We will not take any liability for any damage or loss resulting from delay in processing your instruction due to the processing of such due diligence request.

## Latest status on our link for Russia

For the most up-to-date date information on our link with Russia, please visit our [Current status of our link with Russia](#) webpage.

## Who to contact?

Contact	Contact details
Account Management	<ul style="list-style-type: none"><li>• <a href="#">Taskize</a>: in the <b>Add parties</b> section &gt; <b>Organisation</b>: select <b>Euroclear Bank</b> &gt; <b>Function</b>: select <b>Account Management</b></li><li>• +32 2 326 2812</li></ul>