

Newsflash – Switzerland announces further sanctions to be adopted against Russia and Belarus

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On 13 April 2022, the Swiss Federal Council adopted the fifth sanctions package against Russia and Belarus introduced by the European Union on 8 April 2022 in response to the war in Ukraine (see Swiss press release [here](#) and EU press release [here](#)).

The key updates to these sanctions are summarized below:

New Sanctions

 <p>Additional 217 sanctioned individuals and 18 entities (incl. family members of Russian president and numerous oligarchs)</p>	 <p>Ban on the purchase, import or transfer of coal and other solid fossil fuels from Russia</p>
 <p>A prohibition on providing high-value crypto-asset services</p>	 <p>A full ban on Russian and Belarusian freight road operators and entry ban on Russian-flagged vessels to ports (Not adopted in CH)</p>
 <p>A prohibition on providing trust services involving Russian individuals and entities</p>	 <p>Transaction ban on four major Russian banks</p>
 <p>A ban on the participation of Russian companies in public procurement</p>	 <p>Additional export bans in areas in which Russia is vulnerable due to its high dependency</p>
 <p>Restriction on support to Russian public entities under EU, Euratom and Member State programmes</p>	 <p>Ban on goods and technology generating significant revenues for Russia (incl. wood, cement, fertilizers, seafood, liquor, etc.)</p>
 <p>Prohibitions on the export of banknotes and on the sale of transferrable securities in all EU currencies</p>	 <p>Additional ban on export of goods for military and technological enhancement, or development of the defence and security sector</p>

The Swiss Ordinance on Measures in Connection with the Situation in Ukraine will be updated in the coming days to reflect these additions. However, the Swiss Federal Council adopted this most recent round of EU sanctions against Russia and Belarus with the exception of the bans on ports for Russian vessels and use of roads to transport goods by Russian and Belarussian undertakings, which were unnecessary given Switzerland's geographic location.

While the scope of these sanctions are far reaching, the sectoral sanctions are particularly relevant to the Swiss trust industry. In the case of trusts, the EU sanctions prohibit the provision of a registered office, business or administrative address as well as management services to a trust or any similar legal arrangement having a trustor or beneficiary that is a Russian national, Russian resident or legal persons, entities or bodies established in Russia.

The sanctions will also affect Switzerland's role as a hub for international trade. In light of the fact that 35% of the global coal trade transacts through Switzerland (see [here](#), p. 13), the trade restrictions relating to fossil fuels, in particular coal, will have a significant impact both locally as well in the global markets. As such, Switzerland plays an increasing role in preventing the circumvention of international sanctions.

LALIVE will continue to monitor these changing sanctions and their effects as the situation develops.

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