



SANCTIONS AGAINST RUSSIA: TRIANGULATIONS AND INTERMEDIATIONS



The sanctioning measures adopted against Russia and Belarus ban the direct or indirect import or export of certain goods, as well as the knowingly also intentionally participation, in activities aimed at circumventing such prohibitions.

The European Union has recently issued a notice (2022/C 145 I/01) to economic operators clarifying the sanctioning measures adopted.

In particular, with this notice, the European Union is targeting cases of triangulation of supplies and advising Community economic operators to take adequate due diligence measures aimed at preventing circumvention of the sanctioning measures:

1. through **exports to third countries** from where such goods can be resold in Russia and Belarus, such as the countries of the Eurasian Economic Union (EAEU composed, in addition to Russia and Belarus, of Armenia, Kazakhstan and Kyrgyzstan), in view of the fact that goods imported into any one EAEU state are in free circulation throughout all other EAEU states;
2. through **imports from third countries** from where goods can be diverted to the EU, in particular when such

countries do not apply restrictions on imports from Russia and Belarus, such as the above-mentioned EAEU countries, Turkey and China.

To this end, it is advisable to introduce specific statements and/or safeguard clauses in contracts, such as:

- a. statements to specify that the imported or exported goods are not covered by the restrictions;
- b. statements acknowledging that compliance with EU sanctions regulations is an essential element of the contract, the breach of which entails the immediate termination of the same and/or possible compensation for damages;
- c. clauses committing the importer located in third countries not to resell the goods under reference in Russia or Belarus and/or to resell such goods only to third parties who expressly undertake not to (re-)export the same to Russia or Belarus.

Bacciardi Partners remains available to assist interested companies by providing the following services:

- Support in the drafting and review of corporate contracts;
- Due diligence on subjects, entities and products to verify the application of sanctions;
- Risk analysis of company operations towards sanctioned countries;
- Support for the development of an Internal Compliance Program.