

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Notice to Financial Services Licence Holders International Sanctions – RUSSIA & UKRAINE

The MFSA brings to the attention of all Financial Services Licence Holders the coming into effect of restrictive measures by virtue of Regulations that have been issued recently by the Council of the European Union in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine and in view of Russia's actions destabilising the situation in Ukraine as indicated hereunder.

These Regulations have immediate effect in Maltese Law and require no implementation measures. The full text can be viewed at the website of the Official Journal of the European Union or on the MFSA website - www.mfsa.com.mt - at "International Sanctions".

1. RUSSIA

[COUNCIL REGULATION \(EU\) No 1290/2014 of 4 December 2014 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, and amending Regulation \(EU\) No 960/2014 amending Regulation \(EU\) No 833/2014](#)

[COUNCIL REGULATION \(EU\) No 960/2014 of 8 September 2014 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#)

These two Regulation amend [COUNCIL REGULATION \(EU\) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#) by substituting some of the existing provisions and introducing new provisions.

Regulation (EU) No 960/2014 amended **REGULATION (EU) NO 833/2014** as follows:

- the following five articles of [Regulation \(EU\) No 833/2014](#) have been replaced: **(1)** Article 1, points (e) and (f) setting out the definition of "investment services" and "transferable securities" respectively; **(2)** Article 4(1), point (b); **(3)** Article 5; **(4)** Article 11(1), point (a); and **(5)** Article 12.
- two new articles – Article 2a and Article 3a - have been introduced which impose new prohibitions and restrictions; and
- three new Annexes – Annex IV, Annex V and Annex VI – have been introduced and indicate newly listed persons and entities in regard to whom specific prohibitions and restrictions under [Regulation \(EU\) No 833/2014 as amended](#) apply.

Regulation (EU) No 1290/2014 amended **REGULATION (EU) NO 833/2014 as amended by Regulation (EU) No 960/2014** as follows:

- the following six articles of *Regulation (EU) No 833/2014 as amended by Regulation (EU) No 960/2014* have been replaced: **(1)** Article 2(2), second sub-paragraph; **(2)** Article 2a, paragraph 3; **(3)** Article 3, paragraphs 1 to 5; **(4)** Article 3a, paragraphs 1 to 3; **(5)** Article 4, paragraphs 2 and 3; and **(6)** Article 5, paragraph 3;
- Article 5 of *Regulation (EU) No 833/2014 as amended by Regulation (EU) No 960/2014* has been amended by the addition of a new paragraph 4;
- Annex II of *Regulation (EU) No 833/2014 as amended by Regulation (EU) No 960/2014* has been amended;
- Annex IV of *Regulation (EU) No 833/2014 as amended by Regulation (EU) No 960/2014* has been replaced.

2. UKRAINE

[COUNCIL IMPLEMENTING REGULATION \(EU\) No 1270/2014 of 28 November 2014 implementing Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)

This Regulation adds eighteen (18) persons and entities to the list set out in Annex I to [COUNCIL REGULATION \(EU\) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#).

[COUNCIL IMPLEMENTING REGULATION \(EU\) No 961/2014 of 8 September 2014 implementing Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)

This Regulation adds twenty-four (24) persons and entities to the list set out in Annex I to [COUNCIL REGULATION \(EU\) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#).

[COUNCIL IMPLEMENTING REGULATION \(EU\) No 1225/2014 of 17 November 2014 implementing Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)

This Regulation replaces one (1) entry set out in Annex I [COUNCIL REGULATION \(EU\) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#).

All Licence Holders are required to **IMMEDIATELY** freeze all funds and economic resources belonging to, owned, held or controlled by these listed persons, entities or bodies and to ensure compliance with all provisions of the Regulations.

Frozen funds or economic resources may be released only with the prior authorisation of the Sanctions Monitoring Board being the competent authority in Malta. The freezing of funds and economic resources or the refusal to make funds or economic resources available, carried out in good faith shall not give rise to liability of any kind on the part of the natural or legal person, entity or body implementing it, or its directors or employees.

LICENCE HOLDERS OBLIGATIONS

The MFSA requires its licence holders to take note of all international sanctions as issued from time to time (including new designations of individuals and entities) and to exercise caution and vigilance in order to ensure that they do not in any way support activities, individuals or entities which are subject to sanctions or other restrictive measures. Licence holders have a legal obligation to comply with international sanctions and to take all steps as may be required for their immediate implementation. They are therefore required to monitor their business relationships and to verify their records on an on-going basis for any information or transactions known or suspected to be connected or related in any manner whatsoever with designated individuals and entities and to identify and freeze any funds, financial assets and economic resources in accordance with the requirements of the sanctions.

REPORTING

Licence holders are also required to report the findings of their verifications to the MFSA and to inform the MFSA of any action taken. In particular, licence holders are to report and give all relevant details to the MFSA about any funds, financial assets and economic resources which have been identified to be owned or controlled, directly or indirectly, by the designated individuals and entities and which they have frozen in terms of sanctions.

Any relevant reporting to the MFSA is to be made within ten (10) days from the publication of this notice. NIL reports are not required to be submitted.

Information may be sent by mail to Director - Enforcement Unit or via email on enforcement@mfsa.com.mt.

It is also required that any person who identifies, holds and freezes any such funds, financial assets or economic resources is required to without delay notify in writing the Sanctions Monitoring Board at the Ministry of Foreign affairs.

**Communications Unit
Malta Financial Services Authority
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