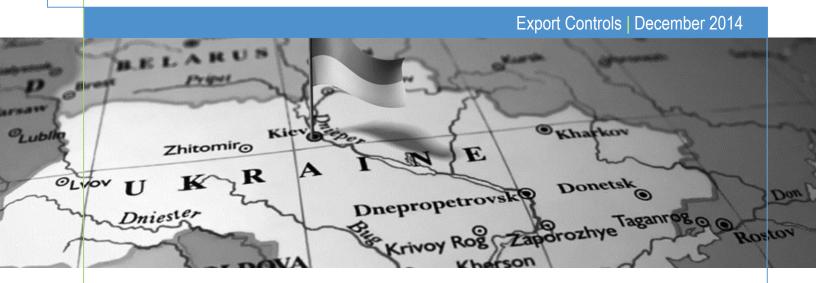


ALERT



New EU Sanctions Target Crimea and Sevastopol

The European Union (EU) adopted new sanctions Friday, Dec. 19, 2014, relating to the conflict situation in Ukraine. The sanctions specifically target Crimea and Sevastopol. The new measures confirm, once again that the EU does not recognize Russia's annexation of Crimea and Sevastopol, which occurred earlier this year.

Last summer the EU adopted a pack of sanctions relating to the conflict situation in Ukraine, including several measures that specifically targeted Crimea and Sevastopol. The Crimea and Sevastopol measures included, amongst other sanctions, a ban on the import of goods into the EU Member States from Crimea and Sevastopol, a ban on investments in the transport, telecommunications and energy sector of Crimea and Sevastopol, as well as a ban on providing brokering services related to those investment activities.

EU sanctions apply (i) within the territory of the EU, (ii) on board any aircraft or any vessel under the jurisdiction of an EU Member State, (iii) to any person inside or outside the territory of the EU who is a national of an EU Member State, (iv) to any legal person, entity or body, inside or outside the territory of the EU, which is incorporated or constituted under the law of an EU Member State, and (v) to any legal person, entity or body in respect of any business done in whole or in part within the EU.

On Dec. 19, the EU published the revised sanctions. Below is an outline of the main changes in the sanction regime.

1. Investments

Investments in Crimea and Sevastopol's economy are prohibited. This ban includes the prohibition to acquire any new or extend any existing participation in ownership or control of a Crimea or Sevastopol entity, to grant or be part of any arrangement to grant a loan, to create joint ventures and to provide

Council Regulation 692/2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol and Council Decision 2014/386/CFSP concerning restrictions on goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol. Both have been updated; find the consolidated versions on http://eur-lex.europa.eu/homepage.html.

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investments services related to such investments. In addition to that the EU prohibits acquiring any new or extending any existing participation in ownership of real estate located in Crimea or Sevastopol.

These prohibitions apply to contracts concluded after Dec. 20, 2014, and shall not apply to ancillary contracts necessary for the execution of such a contract.

2. Transport, communication, energy and the exploration of oil, gas and mineral resources

The sanctions prohibit the sale, supply, transfer or export of goods and technology for use in four key sectors to any natural or legal person in Crimea or Sevastopol or for use in Crimea or Sevastopol. These sectors are transport, telecommunications, energy and the prospection, exploration and production of oil, gas and mineral resources.

The sanctions also ban providing directly or indirectly, brokering services, technical assistance, financing or financial assistance to the goods and technology in the four key sectors. These prohibitions apply to contracts concluded after Dec. 20, 2014, and shall not apply to ancillary contracts necessary for the execution of such a contract.

3. Tourism

Tourism services related to tourism activities in Crimea and Sevastopol are no longer allowed. This ban particularly relates to any ship providing cruise services to enter into or call at any port situated in the Crimean Peninsula. This prohibition applies to any ship flying the flag of an EU Member State or any ship owned and under the operational control of an EU ship-owner or any ship over which an EU operator assumed overall responsibility. The prohibition does not apply in case the cruise ship needs to enter the prohibited ports for reasons of maritime safety in cases of an emergency.

4. Authorization

The authorities of the EU Member States may grant an authorization to waive the prohibition in specific cases. This authorization may only be provided if the goods or technology is (i) necessary for official purposes of consular missions or international organizations, (ii) related to projects exclusively in support of hospitals or public health institutions, or (iii) used as appliances or equipment for medical use.

The new measures are applicable as of Dec. 20, 2014.

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