

LEGAL MEMO

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THE EU SANCTIONS AGAINST RUSSIAN ENTITIES AND THEIR EFFECTS ON COMMERCIAL RELATIONS IN ITALY

Following the Russian aggression of Ukraine, the European Union and certain other States (such as the United States and Great Britain) have adopted sanctions against the Russian Federation and related entities, aimed at striking, among other things, the ability of persons and corporations to execute commercial transactions in such countries. These sanctions are in addition to those already imposed since 2014 following the illegitimate annexation of Crimea by Russia.

In summary, the measures adopted vary from the seizure of assets of entities of Russian nationality located in one of the said countries to the limitation in the use of international payment systems, passing through the limitations on imports and exports and any financial flow.

From private international law the point of view, the sanctions constitute mandatory rules of international origin with the effect of rendering commercial transactions concluded with entities of Russian nationality, null and / or ineffective.

The issue of protection of third parties' rights and interests having previously in good faith (validly) entered a transaction with the said entities, arises. This concerns the rights already accrued, with respect to which the right to the request for contractual execution remains.

Different forms of protection are available depending on the location and the law applicable from time to time to specific frozen goods and/or the commercial relationship; also depending on dispute resolution contractual provisions.

The involvement of Courts of different nationality and/or the contractual provision of arbitration in countries other than the one where the frozen goods/funds are located, can affect the outcome of a case.

The aggression against Ukraine has led to the adoption of sanctions against Russia and its related entities

Frozen assets cannot be the subject of any act of transfer, disposal or use

International transactions are null and/or ineffective

The competent Authority may authorize the release or the availability of frozen funds for specific needs (payment of leases, mortgage guarantees, insurance premiums, etc.)

Basically, legal provisions prior to the freezing order can be considered unprejudiced

Solutions available under Italian law may overlap with those under different applicable legislation



Under Italian law it may be possible the recourse to the national Courts in relation to specific freezing orders as well as to the competent Authority managing the frozen assets/goods.

**Possible recourse to the administrative
Authority managing the frozen goods / assets**

Adequate and timely professional advice is essential to effectively consider those available administrative and extrajudicial available solutions based on flexible and concrete approach aimed at better protecting the contractual position of the party directly or indirectly affected by the sanctions.

For any clarifications or further information, please contact:

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