

# The Russian President signs counter-sanction measures decree

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On 28 February 2022, the Russian President signed [Decree No. 79](#) "On the Application of Special Economic Measures in Response to the Unfriendly Actions of the United States of America, Other Foreign States and International Organisations Involved in the Anti-Russia Sanctions"\* (the "Decree").

The following is a brief overview of the Decree's measures in the foreign currency and financial spheres.

## Foreign currency proceeds sale requirement

The Decree requires Russian currency residents, which engage in foreign economic activities (presumably legal entities incorporated in Russia), to sell 80% of the foreign currency proceeds received from those activities in their accounts with Russian banks on the basis of "foreign trade" export contracts with non-Russian currency residents.

From 28 February 2022, Russian exporters must complete such sales no later than three business days from the date of that proceeds were credited to their accounts. This obligation also extends to 80% of the foreign currency proceeds credited to the exporters' accounts from 1 January 2022 to 28 February 2022. These must be sold no later than three business days from the date the Decree goes into effect (i.e. 28 February 2022).

The obligation to sell foreign currency proceeds applies whether or not a contract is registered with a Russian bank for currency control purposes.

The specific procedure for selling foreign currencies will be established by the Central Bank of the Russian Federation (the "CBR").

## Other foreign currency-related restrictions

From 1 March 2022, the Decree prohibits Russian residents from carrying out foreign currency transactions related to granting foreign currencies to non-residents under loan agreements. According to the CBR's official comments cited by the Russian media, the prohibition will apply only to granting new loans and will not affect the servicing of existing debt. In addition, from 1 March 2022, Russian residents will not be able to credit foreign currencies to their accounts and deposits with foreign banks and other financial institutions.

## Ban on certain funds transfers

Starting from 1 March 2022, Russian residents cannot transfer funds through electronic payment instruments (e.g. e-wallets) issued by foreign payment service providers without opening bank accounts.

We will continue to monitor these developments and report on further changes.

If you have any questions on this eAlert, please, do not hesitate to contact [Konstantin Baranov](#) and [Elena Tchoubykina](#) at CMS Russia.

\*In Russian

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