

# Q&A on the EU sanctions against Russia

This note addresses frequently asked questions regarding the potential impact on international arbitrations seated in Sweden by the sanctions issued by the European Union in relation to the political situation between Ukraine and Russia.

The European Union has adopted restrictive measures “directed against certain persons, entities and bodies in view of the situation in Ukraine” and “in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine” (“the Regulations”)<sup>1</sup>

In essence, the Regulations target the economic activities of a number of individuals and companies.<sup>2</sup> The sanctions also apply to subsidiaries controlled by the listed companies.

## **Parties of any nationality may refer disputes to SCC**

The SCC is a non-political and non-profit organisation. As an impartial and independent venue for international commercial dispute resolution, the sanctions do not affect the impartial and equal treatment of parties irrespective of nationality. Russian parties will not be treated differently than other parties, and Russian parties are not prevented from agreeing on arbitration under the SCC Rules in Stockholm, or any other venue within the European Union.

## **The arbitral procedure remains the same**

The SCC arbitration procedure continues to be open for all parties, irrespective of nationality. In this respect, nothing has changed.

The Regulations do not affect the arbitration procedure as such.

## **New administrative measures**

The Regulations have resulted in the SCC adding a number of administrative steps in the SCC case management process.

In short, additional information regarding the parties’ ownership or control structure may be requested at any stage of the proceedings. Parties are therefore asked to provide the SCC with such information.

For additional information, contact Evelina Wahlström at [evelina.tw@sccarbitrationinstitute.com](mailto:evelina.tw@sccarbitrationinstitute.com).

<sup>1</sup> EC 208/2014 dated 5 March 2014 with amendments; EC 269/2014 dated 17 March 2014 with amendments.

<sup>2</sup> Updated list of the sanctioned entities and persons might be found here:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014D0145-20211213&qid=1646949458908>

### **Can a sanctioned party request arbitration at the SCC?**

A person or entity sanctioned in the Regulations can file a request for arbitration with the SCC.

Before so doing, the SCC urges that such a listed person or entity informs the SCC of the dispute prior to submitting the request for arbitration, so that the required administrative measures can be met.

For the purpose of facilitating the management of a potential request for arbitration involving a sanctioned party, the SCC maintains a dialogue with the relevant Swedish authority on the practical aspects of the administrative measures required by the Regulations.

The SCC has also issued General information for parties covered by the EU Sanctions, available on the SCC website.

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