

RUSSIAN COUNTER-SANCTIONS REGULATIONS: NEW DEVELOPMENTS

03 July 2025

On 1 July 2025, two new Presidential decrees dealing with counter-sanctions (Decree No. 435 On Amendments to Certain Decrees of the President of the Russian Federation and Decree No. 436 On Additional Guarantees of the Rights of Foreign Investors) were enacted with immediate effect.

Decree No. 435 softened, through introducing amendments to the existing regulatory framework, the restrictions applicable to gratuitous (nil consideration) transactions between spouses or close relatives (as defined in accordance with Russian family law), where at least one party is a national of an unfriendly state.

In particular:

- (i) in-scope transactions with real estate can now be completed without the approval of the Government Commission for Control over Foreign Investments (the **Government Commission**); previously, the exemption only applied if both parties were nationals of unfriendly state(s); and
- (ii) nil-consideration transfers of shares and other equity interests, direct or indirect, which were previously in the scope of Presidential Decree No. 520, do not require Presidential approval any longer.

In addition, if one party to a transaction (other than transactions of the type mentioned in para (ii) above) that requires, as a general rule, Presidential approval under Decree No. 520 is an individual, such transaction can now be closed if approved by the Government Commission, rather than the President.

Decree No. 436 explicitly exempted new investments made in Russia by foreign investors (including those associated with unfriendly states) from a significant portion of anti-sanctions restrictions and introduced a new type of accounts ('In' Type Accounts) which can be used by foreign investors.

'In' Accounts (which include ('depo') accounts) are to be opened with Russian banks and other financial institutions for their foreign clients for the purposes of making new investments.

'In' Accounts may be used to keep funds for investments in Russia (in both Roubles and other currencies), proceeds of such investments, as well as the securities and other assets in which such funds are invested.

Decree No. 436 also allows foreign exchange transactions using funds standing to the credit of such accounts, use of such funds for purchases in Russian IPOs and on-exchange trading, placement of such funds on deposit with Russian banks, investment in derivatives, as well as transfers of these funds outside of Russia. All of these are now allowed without the use of the Type 'C' Accounts or approval from the Government Commission – which approval was, in certain cases, required previously.

The measures introduced by Decree No. 436 are clearly aimed at easing foreign investment in the Russian economy in the present environment.

We will continue monitoring the situation.