



Russia's war in Ukraine: a review of legal acts relevant for business

July, 2022

Russia's war in Ukraine has prompted an unprecedented reaction of countries all over the world – economic sanctions and other restrictive measures to Russian and Belarusian entities. Lithuanian companies having business or other business relationships in those countries feel the impact of these measures, too. Currently, for such companies, various legal issues arise, such as termination of business or transfer of activities, performance of agreements etc., therefore this newsletter will help you follow the legislation or its amendments important for business in Europe, Lithuania, Ukraine, Russia and Belarus.

EU response to Russia's war in Ukraine

- The EU-Ukraine business matchmaking **platform** "Solidarity Corridors", initiated by the European Commission:
 - this platform aims to bring EU and Ukrainian businesses together quickly so that they may find pragmatic solutions to the export of agricultural produce from Ukraine starting immediately;
 - commissioner for Transport Adina Vălean said: "20 million tonnes of grains have to leave Ukraine in less than three months using the EU infrastructure. This is a gigantesque challenge, so it is essential to coordinate and optimise the logistic chains, put in place new routes, and avoid, as much as possible, the bottlenecks. Our communication addresses the emergency solutions but also medium and long time measures to better connect and integrate Ukraine's infrastructure with the EU one. For both short-term and long-term solutions, we will work with the Ukrainian authorities and in close collaboration, especially with the neighbouring Member States, who spared no effort in helping during this crisis.";

- the platform focuses on the following sectors: i) logistics industry; ii) production and recycling; iii) export and import of agricultural and food products; iv) export and import of raw materials;
 - this platform complements other European Commission supported business matchmaking platform that are helping address the disruption caused the war and that can be useful for business: The Enterprise Europe Network “Supply Chain Resilience” **platform**.
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- The European Commission has launched an ambitious €20 million **action** to support the Ukrainian innovation community:
 - the initiative will support at least 200 Ukrainian deep tech start-ups with up to €60,000 each;
 - the European Innovation Council will offer non-financial support, such as business advisory services and matchmaking;
 - this will enhance the capacity of Ukrainian innovators to interact with the European innovation ecosystem, enter new markets and benefit from the European financing instruments.
 - The European Commission published further **guidance** on the transit of goods from Russia:
 - the new guidelines allow the transportation of sanctioned goods by rail to and from the Kaliningrad region through the territory of the European Union, but only for the needs of this exclave;
 - the transit of sanctioned goods by road is not allowed under EU measures;
 - Member States shall check whether transit volumes remain within the historical averages of the last 3 years, in particular reflecting the real demand for essential goods at the destination;
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- also, shall check that there are no unusual flows or trade patterns that could give rise to circumvention;
 - the transit of sanctioned military and dual use goods and technology is fully prohibited in any event.
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In Lithuania

- The **announcement** of the Ministry of Social Security and Labour specifies the procedure for awarding compensations that will be available to residents and businesses that have accepted Ukrainians:
 - compensations can be used not only by residents and businesses, but also by the non-governmental sector: religious communities, public institutions, associations;
 - they are available free of charge to temporary hosts of Ukrainians, not only in dwellings, hotels, recreational, therapeutic or garden premises, but also in administrative, ancillary utility or other non-residential premises used for living purposes;
 - compensations are also available to tenants and leaseholders, unless the accommodation is owned by the state or municipalities.
 - On 12 July this year, Vilnius hosted the international **conference** "Rebuild Ukraine":
 - in Lithuania, business and social partners are discussing possible investments in upgrading Ukraine's infrastructure, appropriate funding models to ensure transparent and efficient use of funds;
 - the financial platform "Restored Ukraine Instrument" is being created, which combines all the support of Lithuania, international institutions and other EU member states for Ukraine.
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In Ukraine

- The Board of the National Bank of Ukraine adopted a [resolution](#) No 142, which:
 - all imports into Ukraine are allowed without exception (before resolution, the list of critical imports was determined);
 - resolution No 142 extends settlement deadlines under export and import transactions from 120 to 180 days;
 - resolution took force on 9 July 2022.

In Russia

- Russian lawmakers have passed a [law](#) expanding the definition of "foreign agents":
 - anyone "under foreign influence" or receiving any kind of support from abroad can now be declared a "foreign agent" in Russia;
 - such individuals will be prohibited from teaching in public schools and organizing public events, taking part in political campaigns and funding political parties, among other activities;
 - the foreign agent list currently numbers 167 individuals and legal entities such as nonprofits, news organizations and individual Russian citizens, including journalists and activists.

In Belarus

- The Council of Ministers of Belarus adopted [order](#) No 436, which aims to prevent capital outflow from the country:
 - 190 companies from "unfriendly countries" banned from leaving the country and selling their businesses without the permission of the Ministry of Finance;
 - the list also includes [Lithuanian companies](#) that have subsidiaries or links to companies based in that country;
 - according to Sigitas Besagirskas, President of the Vilnius Association of Industry and Business, "<...> they usually want to take those businesses that they can manage, i.e., businesses that are domestically oriented, such as supermarkets, certain businesses that deal with Eastern markets, etc."
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Daugiau informacijos:



Vilija Vaitkutė Pavan

Partnerė

vilija.vaitkute.pavan@ellex.legal

Tel. +370 698 82026



Rūta Jasilionė

Asocijuotoji teisininkė

ruta.jasilione@ellex.legal

Tel. +370 618 28304



Saulius Bareika

Jaunesnysis teisininkas

saulius.bareika@ellex.legal

Tel. +370 521 94632