

CIRCULAR 018/2022

2nd March 2022

To: GCBx/CBs/GFs/ICs

Dear Colleagues,

Crisis Russia - Ukraine

I am sure that we are all horrified by the human suffering that has been caused in Ukraine for days. War is always and under all circumstances a tragedy what we are made very aware of these days.

Please be informed that we have been in contact the Ukrainian Bureau. The Ukrainian Green Card Bureau is still operational for the time being. However, we invite all Members to consider that due to the volatility of the situation, the operational capabilities of the Bureau are not the same as in a normal setting. Please be in this respect informed that Group A, already has decided to refrain from asking late interest to the UA Bureau or to issue Guarantee Calls against them for the time being.

The refugee's crisis in Ukraine has resulted in a significant increase of border traffic, with a high number of Ukrainian registered vehicles entering the territory of neighbouring countries. During the last few days, the bordering countries have been faced with high requests for purchases of frontier insurance policies. Several measures, in solidarity with the situation and the Ukrainian refugees have been taken by these countries to ease the process of border checks on insurance and provision of frontier insurance policies. The Council of Bureaux is closely monitoring the situation and the short-term impact of these solutions.

The Member insurance companies of the Ukrainian Green Card Bureau are also operational for the time being and are issuing Ukrainian Green Cards. However, the Ukrainian Bureau informs that most people who seek refuge at the bordering countries do not have the possibility to acquire printed versions of the Green Card. For the moment these Green Cards can only be issued in PDF format, accessible on smart phones. The UA Bureau informs that the validity of UA green cards can currently be checked via the QR code in their national database.

Finally, the Council of Bureaux is in close contact with the UA Bureau to address the concerns of the Members as regards the interpretation of the UA national law on the conditions when the insurer is permitted to reject a third-party claim for damages caused by road traffic accidents resulting from military conflicts. A follow up to this Circular will be sent to the Membership on the interpretation of this law.

During the last few days, the Council of the European Union has issued two packages of sanctions targeting Russia, in response to the situation in Ukraine.

The EU measures amend the Russia specific sanctions regime which is set out in:

- COUNCIL DECISION 2014/145/CFSP of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014D0145-20211213> amended by Council Decision (CFSP) 2022/265 of 23 February 2022; Council Decision (CFSP) 2022/267 of 23 February 2022; Council

Decision (CFSP) 2022/329 of 25 February 2022; Council Decision (CFSP) 2022/331 of 25 February 2022; and Council Decision (CFSP) 2022/337 of 28 February 2022.

□ Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, amended by Council Regulation (EU) 2022/259 of 23 February 2022; and Council Regulation (EU) 2022/330 of 25 February 2022.

□ Council Decision 2014/512/CFSP of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, amended by Council Decision (CFSP) 2022/264 of 23 February 2022; Council Decision (CFSP) 2022/327 of 25 February 2022; and Council Decision (CFSP) 2022/335 of 28 February 2022; and Council Decision (CFSP) 2022/346 of 1 March 2022.

In addition, new measures are introduced via:

□ Council Decision (CFSP) 2022/266 of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas

□ Council Regulation (EU) 2022/263 of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those area.

So far, the list of Russian sanctioned individuals and entities is continuously being updated, including some Russian Banks and/or shareholders of some Russian Banks.

A prohibition of transactions related to the management of reserves as well as of assets of the Central Bank of Russia, including transactions with any legal person, entity or body acting on behalf of it, or at the direction of the Central Bank of Russia, is in place as of 28 February 2022 following the Council Decision (CFSP) 2022/335 of 28 February https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2022.057.01.0004.01.ENG&toc=OJ%3AL%3A2022%3A057%3ATO

On 1st March 2022 the Council adopted Decision (CFSP) 2022/346, amending Decision 2014/512/CFSP as well as Council Regulation (EU) 2022/345, imposing further restrictive measures with regard to the provision of specialised financial messaging services to certain Russian credit institutions and their Russian subsidiaries, which are relevant for the Russian financial system and which are already the subject of restrictive measures imposed by the Union or by partner countries and, subject to certain exceptions, with regard to engagement with the Russian Direct Investment Fund. It also prohibits, subject to certain exceptions, the supply of euro banknotes to Russia. The list of entities subject to these restrictive measures can be found in Annex XIV of Council Regulation (EU) 2022/345.

The Council of the European Union has announced further sanctions to be imposed on Russia.

Moreover, the Council of the European Union has announced further sanctions as regards Belarus.

The Council of Bureaux is following closely the publication of sanctions in the Official Journal of the European Union, and will inform the Membership accordingly on them, as well as on possible impacts in the functioning of the system.

Further information will be provided to the Membership following the publication of the third and fourth set of sanctions.

We are convinced that everyone in this situation wants to receive as much information as possible, also

in order to be able to communicate to the markets. And we understand that everyone would like to have this information as soon as possible. Please be assured that we will inform you as soon as more information or instructions can be given.

Most of all, we hope that peace will be restored as soon as possible and that people won't have to suffer from the international developments.