

**RUSSIAN
COUNTER-SANCTIONS REGULATIONS:
NEW DEVELOPMENTS**

April 27, 2023

On 25 April 2023, a new Presidential decree on counter-sanctions (Decree No. 302 On Temporary Administration of Certain Assets, *the Decree*) was enacted with immediate effect, arguably as a response of the Russian Government to the freezing of certain Russian energy-related assets located in the unfriendly states.

The Decree provides that if the Russian Federation or any Russian legal entities or natural persons are deprived of ownership rights or other property rights in any assets located in the territories of the unfriendly states, or if limitations on such rights are imposed, or if there arises a threat of such deprivation or limitations, or if there arises a threat to the national, economic, energy or any other security of the Russian Federation or its defence, temporary administration may be introduced in relation to certain Russian assets owned by parties associated with the unfriendly states or companies controlled by them (collectively, *unfriendly parties*). Such assets, the specific list of which is to be approved by the President, may include:

- unfriendly parties' movable or immovable property located in Russia;
- securities or equity interests in Russian legal entities owned by unfriendly parties; or
- property rights owned by unfriendly parties.

The Russian Federal Agency for the Management of State-Owned Property is for now appointed as the competent authority in charge of the temporary administration, although the President may appoint another entity to act as such. The administrator may exercise the rights of the owner of the relevant assets, except for the right to sell them. The attendant costs are to be covered from the operating proceeds of the assets concerned. The administration will terminate if and when so decided by the President.

Attached to the Decree is a list of the assets already in scope, namely: 83.73% of the shares in Uniper's Russian subsidiary PAO Unipro held by Uniper SE, 69.8807% of the shares in Fortum's Russian subsidiary PAO Fortum held by Fortum Russia BV and 28.3488% of the shares in PAO Fortum held by Fortum Holding BV.

The practical implications of the Decree for the affected entities are not yet clear. Nor is it clear whether further assets could shortly become in scope. In any event, the Decree is of utmost importance for foreign businesses operating in Russia and we will continue monitoring the situation.