



Circular on Reporting Obligation under article 5r of Council Regulation 833/2014

The Sanctions Monitoring Board refers to Article 5r of Council Regulation 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. Under this provision, the EU has introduced a requirement which will allow the Sanctions Monitoring Board better visibility on the flow of funds related to Russian-owned entities outside of the EU, without jeopardising the activities of entities that are (partly) Russian-owned and operating legitimately in the EU.

Article 5r of Council Regulation 833/2014 sets out a reporting obligation which applies to:

- Legal persons, entities and bodies established in the Union whose proprietary rights are directly or indirectly owned for more than 40 % by a legal person, entity or body established in Russia; a Russian national; or a natural person residing in Russia and;
- Credit and financial institutions.

The first reporting for obliged operators under paragraph 1 of Article 5r should cover the period from January 1 to March 31, 2024. However, reporting needs to be submitted by May 1, 2024. After that, reports are due two weeks after each quarter ends: July 15 for Q2, October 15 for Q3, January 15 2025 for Q4, and April 15 2025 for Q1 2025.

For credit and financial institutions initiating funds transfers under Article 5r(2), reporting starts on July 1 2024, right after the first semester ends. Therefore the first report is due by July 15 2024 and for the second semester, it is due by January 15, 2025.

Obliged operators and credit and financial institutions are expected to use the [template](#) created by the EU Commission¹ and adhere to the respective deadlines for submission to the Sanctions Monitoring Board.

Submissions to the Sanctions Monitoring Board should be sent to reporting.smb@gov.mt with a clear subject line referencing obligations under Article 5r. In the absence of any updates, please submit NIL reports via email to the Sanctions Monitoring Board. To consult the FAQs issued by the Commission on the implementation of Article 5r please click [here](#).²

¹ [faqs-sanctions-russia-outgoing-transfer-article-5r-reporting-template_en.xlsx \(live.com\)](#)

² [FAQs on sanctions against Russia and Belarus, with focus on the following provision: Article 5r of Council Regulation \(EU\) No 833/2014. \(europa.eu\)](#)