

SINGAPORE'S SANCTIONS AGAINST RUSSIA

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Speaker's Profile



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Nathanael advises banks and commodity traders on trade finance disputes, sanctions, commodities disputes, trade finance documentation, commodity fraud, and shipping matters.

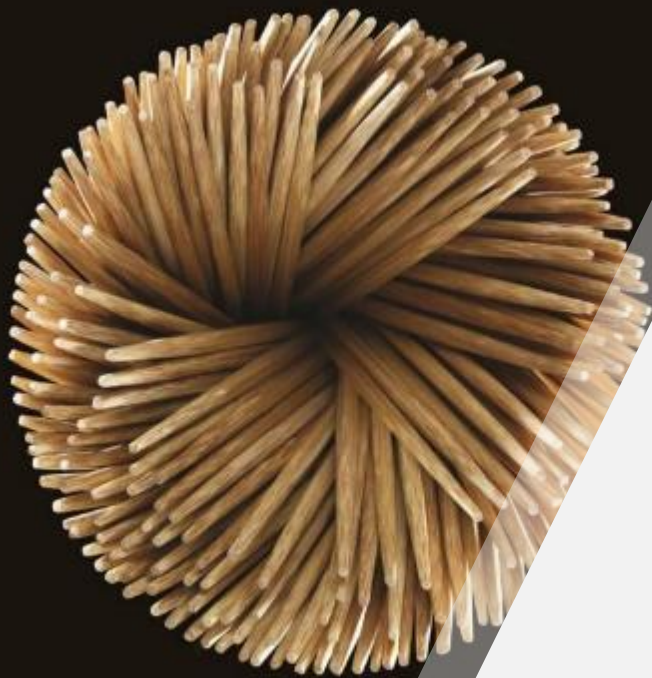
Nathanael has also been appointed as an external investigator for alleged sanctions breaches, filing representations and disclosure reports to the UN, OFAC, and local authorities.

As in-house counsel, he was the Head of Group Legal & Sanctions Compliance at one of Southeast Asia's largest vertically-integrated shipping, oil trading, bunkering and oil storage groups, where his responsibilities included managing the insurance portfolio of a fleet of more than 160 vessels, and making direct representations to the UN regarding alleged sanctions breaches.

From 2019 – 2020, he was a member of the Singapore War Risks Mutual Class Committee, Singapore's national war risks mutual insurer.

Nathanael was named as one of Singapore's 70 most influential lawyers aged 40 and under by the Singapore Business Review in 2016.

SCOPE



- 1 • Singapore's Implementation of Sanctions
- 2 • Singapore's Sanctions Against Russia
- 3 • Comparing Singapore's Sanctions Against Others'
- 4 • Q&A

Singapore's Implementation of Sanctions

SINGAPORE'S SANCTIONS REGIME

- Traditionally: limited to recognition of multilateral sanctions imposed by UN Security Council Resolutions
 - E.g., North Korea, Iran, Libya, Somalia

- Requirement: enactment into law by Singapore's Parliament:-
 - United Nations Act 2001
 - Regulation of Imports and Exports Act 1995
 - MAS Act 1970



SINGAPORE'S SANCTIONS REGIME

- Typically, wholesale adoption of UN Security Council Resolutions
 - Import / transshipment / import ban on designated items
 - Asset freeze
 - Travel ban



Singapore's Sanctions Against Russia

SINGAPORE'S SANCTIONS AGAINST RUSSIA

- Announced in Parliament on 28 February 2022
- Rationale: “principled” position to international law, i.e., respect for sovereign States’ territorial integrity
- Failure of United Nations Security Council to pass Resolution: Russia vetoed draft Resolution on 25 February 2022



SINGAPORE'S SANCTIONS AGAINST RUSSIA

- Details set out in MFA Press Release dated 5 March 2022
- 2 broad categories:-
 - 1) Export Controls
 - 2) Financial Measures



EXPORT CONTROL MEASURES

- Restrictions imposed under the Strategic Goods (Control) Order 2021 (“SGCO”)
- Prohibition against the export, transit, and/or transshipment of specified categories of controlled goods to Russia from, or through, Singapore.
- Specific categories are set out in the SGCO:-
 - 1) Military Goods List
 - 2) Electronics Goods
 - 3) Computers
 - 4) Telecommunications and Information Security Goods



EXPORT CONTROL MEASURES

- Singapore Customs will not approve export permits for such goods bound for Russia.
- Criminal liability for false declarations:-
 - 1) Fine not exceeding S\$50,000; and/or
 - 2) Imprisonment for a term not exceeding 12 months



FINANCIAL MEASURES

- Financial measures which apply to “financial institutions” in Singapore
- Enforced by MAS
- Includes:-
 - 1) Banks
 - 2) Underwriters
 - 3) E-commerce platforms



FINANCIAL MEASURES

- MAS Notice SNR-01 dated 14 March 2022
- Prohibition against dealing with, and freezing of assets of, 4 Russian banks:-
 - 1) VTB Bank
 - 2) VEB Bank (Vnesheconombank)
 - 3) PSB Bank (Promsyazbank)
 - 4) Bank Rossiya
- As-yet unpublished list of “Designated Entities”



FINANCIAL MEASURES

- Prohibition against financing of any Controlled Goods:-
 - 1) Military Goods List
 - 2) Electronics Goods
 - 3) Computers
 - 4) Telecommunications and Information Security Goods
- Prohibition extends to export from, transshipment in or transit through, Singapore or any other jurisdiction, to Russia



FINANCIAL MEASURES

- Restrictions against assisting:-
 - 1) the Russian Government;
 - 2) Russian Central Bank; or
 - 3) any person owned or controlled by, directly or indirectly, or acts on behalf or under the direction of either (1) or (2)
- Prohibition against providing financial services for issuance of, or dealing with, securities or certificates of deposit issued by any of the above
- Prohibition against making or being part of any arrangement to make any new loans or credit to any of the above
 - Exception: where trades do not involve export from, transshipment in or transit through, Singapore or any other jurisdiction, to Russia of Controlled Goods



FINANCIAL MEASURES

- 7 March 2022: SGX suspends Gazprom's shares on basis that Russian Government is ultimate controlling party of Gazprom, and has controlling interest of over 50% in it
- Prohibition against entering into, or facilitating, financing of any transaction involving any activity, including sale, transfer or export of goods or technology, relating to "specific sectors" in Donetsk or Luhansk
 - "Specific Sectors":-
 - 1) Transport
 - 2) Telecommunications
 - 3) Energy
 - 4) Prospecting, exploration, and production of oil, gas, and mineral resources

FINANCIAL MEASURES

- Prohibition against entering into, or facilitating, digital payment token transactions where proceeds or benefits of such transactions may be used to facilitate any of the above
- Duty to furnish MAS with information



Comparative Scope

COMPARATIVE SCOPE

- Singapore's sanctions regime: generally limited
- Price cap?
- Import ban?
- Sectoral ban: Oil & gas? Shipping?
- A proportionate response reflecting Singapore's principled stand

Questions?

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