



26 July 2022

## **JOINT STATEMENT OF SCC, VIAC, FAI, DIS, CAM AND SWISS ARBITRATION CENTRE ON THE EU'S 7TH SANCTIONS PACKAGE**

Arbitral institutions play an essential and irreplaceable role in upholding the rule of law, ensuring access to justice, safeguarding the integrity of arbitral proceedings and guaranteeing the impartial and equal treatment of parties. In so doing, arbitral institutions render legal and administrative services to parties and arbitrators, in accordance with the applicable procedural law and arbitration agreements concluded by the parties.

Following the introduction of the EU sanctions regulations in 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, the arbitral institutions based in the EU established stringent compliance and sanctions checks and procedures in the administration of arbitrations to ensure compliance with the regulations.

Following the EU's 4<sup>th</sup> sanctions package ([Council Regulation \(EU\) 2022/428](#) amending Regulation No 833/2014) on 15 March 2022, parties, counsel and arbitrators at our respective institutions expressed concern regarding the scope of the Regulation's application and the potential negative repercussions on access to arbitral proceedings. There was a clear and urgent request from users to receive clarification as regards Article 5aa of the Regulation, as in disputes with parties falling under the sanction regime, the availability of arbitral proceedings is essential to safeguard access to justice.

In response to these concerns, the Arbitration Institute of the Stockholm Chamber of Commerce (SCC), Vienna International Arbitration Center (VIAC), Arbitration Institute of Finland Chamber of Commerce (FAI), Milan Chamber of Arbitration (CAM), German Arbitration Institute (DIS) and the Swiss Arbitration Centre quickly joined forces to provide the regulator with the industry's feedback and to seek clarification on the scope of the prohibition in Article 5aa of Regulation No 2022/428 and its implications on arbitral proceedings involving certain listed publicly controlled or owned Russian entities.

On 21 July 2022, the EU adopted a 7th package of sanctions ([Council Regulation \(EU\) 2022/1269](#)) which clarifies the scope of the prohibition in Article 5aa of Regulation No 2022/428, related to the listed companies. In particular, the Regulation No 2022/1269 exempts from the prohibition, transactions which are strictly necessary to ensure access to judicial, administrative or arbitral proceedings in a Member State, as well as for the recognition or enforcement of a judgment or an arbitration award rendered in a Member State, if such transactions are consistent with the objectives of this Regulation and Regulation (EU) No 269/2014.

As neutral fora for dispute resolution engrained in a well-functioning, safe and efficient system for international trade, we welcome this clarification which safeguards the rule of law and ensures access to justice for parties in these particularly challenging times.

Kristin Campbell-Wilson, Secretary General, SCC

Niamh Leinwather, Secretary General, VIAC

Sanna Kaistinen, Secretary General, FAI

Dr. Stefan Kröll, Chairman of the Board of Directors, DIS

Stefano Azzali, Director General, CAM

Korinna von Trotha, Executive Director, Swiss Arbitration Centre