

Circular 22/003

Sanctions relating to the Russian invasion of Ukraine

Category

Regulations

Attachments

None

As a consequence of the Russian invasion of Ukraine, various sanctions have been imposed by governmental authorities around the world. Sanctions lists and legislation published by HM Treasury, the EU and OFAC are available at the following links set out below. Other jurisdictions and authorities have separate sanctions requirements in place which may be of relevance to Members. Members should review all applicable sanctions lists and ensure that they have taken all necessary steps to maintain compliance with these restrictions.

- **United Kingdom - HM Treasury and Office of Financial Sanctions Implementation ("HM Treasury"):**
<https://www.gov.uk/government/publications/financial-sanctions-ukraine-sovereignty-and-territorial-integrity>
- **European Union - European Commission:**
https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions_en
See also:
[https://eur-lex.europa.eu/eli/dec/2014/145\(1\)](https://eur-lex.europa.eu/eli/dec/2014/145(1))
- **The United States - Department of the Treasury Office of Foreign Assets Control ("OFAC"):**
<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>

The above list is a non-exhaustive list of those authorities applying sanctions in relation to the Russian invasion of Ukraine at this time. The Exchange would also like to advise Members that UAE Targeted Financial Sanctions lists and further information are available to view at the following link below:

- **United Arab Emirates - Committee for Goods and Material Subjected to Import and Export Control ("UAEIEC")**
<https://www.uaieic.gov.ae/en-us/un-page>

In light of these developments, this Circular is intended to remind Members of their obligations under ICE Futures Abu Dhabi Regulations and ICE Clear Europe Rules. In particular:

- Under ICE Futures Abu Dhabi Rule A.11.1(e)¹,
*"Without prejudice and in addition to any other specific requirement in these Rules regarding systems and controls, each Member and non-Member Sponsored Principal shall be responsible for making adequate arrangements, systems and controls to ensure that:

...any business conducted by it, or by or through any of its Member's Representatives shall not cause the Member, any Member's Representative or the Exchange to be in breach of any Applicable Laws..."*
- Under ICE Clear Europe Rule 202(a)(ii)², each clearing member is required to:
"...comply with all Applicable Laws relating to its status and performance as a Clearing Member".

¹ See: <https://www.theice.com/futures-abu-dhabi/regulation>

² See: https://www.theice.com/publicdocs/clear_europe/rulebooks/rules/Clearing_Rules.pdf

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- Under ICE Clear Europe Rule 405(a)(xi)³, when clearing for customers, clearing members are required to represent their compliance with applicable laws each time they enter into a contract and acknowledge compliance with Applicable Laws:

"In relation to each Contract, the Clearing House will, and will be entitled to, rely on representations and warranties, deemed automatically to arise pursuant to these Rules from each Buying Counterparty and Selling Counterparty proposing to become or becoming party to any Contract, that:

...if it is a Clearing Member, where the Contract is to be recorded in one of its Customer Accounts or is otherwise related to a Customer-CM Transaction, it acknowledges its obligation in Rule 202(a)(ii) and that compliance with Applicable Laws in the context of entering into Customer transactions includes compliance with Applicable Laws relating to customer due diligence in respect of its Customer and Applicable Laws relating to Sanctions affecting the Customer or any of its Customer's assets..."

To comply with these provisions, Members should therefore ensure that neither they nor any of their customers (nor any of their respective senior officers/employees/controllers) are subjected to applicable sanctions measures. The situation should be monitored by Members as further sanctions are introduced in the future.

ICE is not responsible for the contents or accuracy of external or linked websites or for updating the above if new sanctions are put in place.

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:



Jamal Oulhadj
President

For more information, please contact:

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³ Ibid

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