



How is your business affected by the Ukrainian crisis?

Sanctions and employment law indications

KPMG Legal Tóásó Law Firm

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| Current EU sanctions against Russia



The EU adopted two packages of sanctions on the 23rd and 25th of February that include the below measures.



Import ban and restrictions on trade and investments – prohibition to finance the Russian Federation, its government and Central Bank.



Measures targeting high profile individuals and entities – asset freeze, prohibition from making funds available and travel ban.



Export ban covering dual-use items, goods and technology in oil refining, aviation & space, defence & security industries and related services.



Shutting down EU airspace for Russian aircrafts.



The adopted measures also cover Belarus.



Further, EU leaders committed to ensuring that selected Russian banks are removed from the SWIFT messaging system. The concerned banks are yet to be confirmed.



List of the sanctioned individuals and entities:

- I. [By the package adopted on 23](#)
- II. [By the package adopted on 25 – L048-L054](#)

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| Additional Hungarian measures



Hungary recognises people fleeing from Ukraine as persons eligible for temporary protection.

As of 1 March, Magyar Nemzeti Bank (MNB) has withdrawn the licence of Sberbank Hungary and initiated its dissolution.

The decision follows the Single Resolution Board's action to wind-up the European parent company, Sberbank Europe AG.

From 2 March, MNB has limited to HUF 7 million per customer for 30 days the amount of deposits and other repayable funds payable by the Hungarian Sberbank.

From 28th February, MNB appointed a Supervisory Commissioner to the bank who will take over the management of the credit institution from its Board of Directors to ensure its proper functioning.

MORE UPDATES REGARDING SBERBANK WILL FOLLOW SOON.



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Employment considerations

If you have employees living in Ukraine take into consideration the below factors:

Since the invasion of Ukraine, military operations are ongoing country-wide. The number of civilian casualties is expected to rise.

Martial Law was imposed on 24th of February for a period of 30 days, which mean constitutional rights of natural and legal persons may be restricted.

Ukraine has **started conscripting reservists** aged 18-60. Failure to appear may result in criminal liability.

Many places in Ukraine a curfew has been imposed.

We advise you to take immediate steps to receive information about your colleagues' whereabouts and whether they are affected by the invasion.



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| What can you do?



Check whether you might be directly affected by the restrictions.



Make sure to follow the relevant geopolitical and regulatory advice.



Develop **emergency process plans** to minimise business disruption.



Monitor whether your supply chain is depending on Russian resources. Look at **out-of-country resource options** should they be required.



As banks are targeted by the sanctions, you might experience difficulties accessing your assets or it might be difficult for other parties to pay you. **Consider alternatives and requesting pre-payment.**



If your business is severely disrupted by the ongoing situation and unable to fulfill contractual obligations you might want to **declare force majeure and re-evaluate your contracts.**



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