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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	3 May 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	JOIN(2023) 13 final
Subject:	Joint Proposal for a COUNCIL REGULATION on restrictive measures against serious acts of corruption

Delegations will find attached document JOIN(2023) 13 final.

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RELEX.1

LIMITE

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EUROPEAN
COMMISSION

HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 3.5.2023
JOIN(2023) 13 final

2023/0146 (NLE)
SENSITIVE*

Joint Proposal for a

COUNCIL REGULATION

on restrictive measures against serious acts of corruption

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EXPLANATORY MEMORANDUM

- (1) On XXX the Council adopted Decision (CFSP) 2023/XXX, which establishes a framework to address serious acts of corruption worldwide in particular in order to safeguard the values, fundamental interests and security of the Union, to consolidate and support democracy, the rule of law and principles of international law. Notably, the Union and its Member States are parties to the United Nations Convention Against Corruption (“UNCAC”), according to which corruption poses serious threats to the stability and security of societies, undermining the institutions and values of democracy, ethical values and justice and jeopardizing sustainable development and the rule of law. UNCAC also recognises that corruption is no longer a local matter but a transnational phenomenon that affects all societies and economies. Corruption has a wide range of corrosive effects on States and societies. The Union is committed to fighting corruption both within the Union and worldwide and is ready to use all its policy instruments to that end. The political context and the policy reasons for establishing the restrictive measures are further set out in the recitals to Decision (CFSP) 2023/XXX.
- (2) The Council Decision provides for a travel ban, the freezing of funds and economic resources of and the prohibition to make funds and economic resources available to natural and legal persons, entities or bodies responsible for serious acts of corruption worldwide. Persons, entities and bodies subject to the restrictive measures are listed in the Annex to Decision (CFSP) 2023/XXX.
- (3) Having regard to the Treaty on the Functioning of the European Union, and in particular Article 215 thereof, further action by the Union is needed in order to implement Decision (CFSP) 2023/XXX.
- (4) The High Representative of the Union for Foreign Affairs and Security Policy and the European Commission should make a proposal for a Regulation concerning restrictive measures against serious acts of corruption.

Joint Proposal for a

COUNCIL REGULATION

on restrictive measures against serious acts of corruption

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 215 thereof,

Having regard to Decision (CFSP) 2023/XXX¹ concerning restrictive measures against serious acts of corruption

Having regard to the joint proposal of the High Representative of the Union for Foreign Affairs and Security Policy and of the European Commission,

Whereas:

- (1) On XXX the Council adopted Decision (CFSP) 2023/XXX, which establishes a framework to address serious acts of corruption worldwide in particular in order to safeguard the values, fundamental interests and security of the Union, to consolidate and support democracy, the rule of law and principles of international law. Notably, the Union and its Member States are parties to the United Nations Convention Against Corruption (“UNCAC”), according to which corruption poses serious threats to the stability and security of societies, undermining the institutions and values of democracy, ethical values and justice and jeopardizing sustainable development and the rule of law. Corruption has a wide range of corrosive effects on States and societies. The Union is committed to fighting corruption both within the Union and worldwide and is ready to use all its policy instruments to that end. The political context and the policy reasons for establishing the restrictive measures are further set out in the recitals to Decision (CFSP) 2023/XXX.
- (2) The Council Decision provides for a travel ban, the freezing of funds and economic resources of and the prohibition to make funds and economic resources available to natural and legal persons, entities or bodies responsible for serious acts of corruption worldwide. Persons, entities and bodies subject to the restrictive measures are listed in the Annex to Decision (CFSP) 2023/XXX.
- (3) These measures fall within the scope of the Treaty on the Functioning of the European Union and, therefore, notably with a view to ensuring their uniform application by economic operators in all Member States, regulatory action at the level of the Union is necessary in order to implement them.

¹ OJ L , , p. .

- (4) This Regulation respects the fundamental rights and observes the principles recognised by the Charter of Fundamental Rights of the European Union, in particular the right to an effective remedy and a fair hearing, the right to defence, and the right to the protection of personal data. This Regulation should be applied in accordance with those rights.
- (5) Union restrictive measures do not prevent the delivery of humanitarian aid. In addition, this Regulation includes an exception to allow funds and economic resources to be made available to listed natural or legal persons, entities or bodies, when this is deemed necessary for humanitarian purposes and basic human needs.
- (6) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (7) The procedure for amending the list set out in Annex I to this Regulation should include providing designated natural or legal persons, entities or bodies with the grounds for listing, so as to give them an opportunity to submit observations.
- (8) For the implementation of this Regulation, and in order to ensure maximum legal certainty within the Union, the names and other relevant data concerning natural and legal persons, entities and bodies whose funds and economic resources are to be frozen in accordance with this Regulation should be made public. Any processing of personal data should comply with Regulation (EU) 2016/679² and (EU) 2018/1725³ of the European Parliament and of the Council.
- (9) Member States and the Commission should inform each other of the measures taken pursuant to this Regulation and of other relevant information at their disposal in connection with this Regulation.
- (10) Member States should lay down rules on penalties applicable to infringements of the provisions of this Regulation, including as appropriate criminal penalties, and make sure that they are implemented. Those penalties should be effective, proportionate and dissuasive,

HAS ADOPTED THIS REGULATION:

Article 1

For the purposes of this Regulation, the following definitions apply:

- (a) ‘claim’ means any claim, whether asserted by legal proceedings or not, made before or after the date of entry into force of this Regulation, under or in connection with a contract or transaction, and in particular:
 - (i) a claim for performance of any obligation arising under or in connection with a contract or transaction;
 - (ii) a claim for extension or payment of a bond, financial guarantee or indemnity of whatever form;
 - (iii) a claim for compensation in respect of a contract or transaction;

² OJ L 119, 4.5.2016, p. 1.

³ OJ L 295, 21.11.2018, p. 39.

- (iv) a counterclaim;
 - (v) a claim for the recognition or enforcement, including by the procedure of exequatur, of a judgment, an arbitration award or an equivalent decision, wherever made or given;
- (b) ‘contract or transaction’ means any transaction of whatever form and whatever the applicable law, whether comprising one or more contracts or similar obligations made between the same or different parties; for this purpose ‘contract’ includes a bond, guarantee or indemnity, particularly a financial guarantee or financial indemnity, and credit, whether legally independent or not, as well as any related provision arising under, or in connection with, the transaction;
- (c) ‘competent authorities’ refers to the competent authorities of the Member States as identified on the websites listed in Annex II;
- (d) ‘economic resources’ means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds, but may be used to obtain funds, goods or services;
- (e) ‘freezing of economic resources’ means preventing the use of economic resources to obtain funds, goods or services in any way, including, but not limited to, by selling, hiring or mortgaging them;
- (f) ‘freezing of funds’ means preventing any move, transfer, alteration, use of, access to, or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management;
- (g) ‘funds’ means financial assets and benefit of every kind, including, but not limited to:
- (i) cash, cheques, claims on money, drafts, money orders and other payment instruments;
 - (ii) deposits with financial institutions or other entities, balances on accounts, debts and debt obligations;
 - (iii) publicly and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts;
 - (iv) interest, dividends or other income on or value accruing from or generated by assets;
 - (v) credit, right of set-off, guarantees, performance bonds or other financial commitments;
 - (vi) letters of credit, bills of lading, bills of sale;
 - (vii) documents showing evidence of an interest in funds or financial resources;
- (h) ‘Public official’ means any of the following:

- (i) any person holding a legislative, executive, administrative or judicial office of a country, whether appointed or elected, whether permanent or temporary, whether paid or unpaid, irrespective of that person's seniority;
 - (ii) any other person who performs a public function, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of that relevant country and as applied in the pertinent area of law of that country;
 - (iii) any other person defined as a "public official" in the domestic law of a relevant country;
 - (iv) any international civil servant or any person who is authorized by a public international organisation to act on behalf of that organization.
- (i) 'territory of the Union' means the territories of the Member States to which the Treaty is applicable, under the conditions laid down in the Treaty, including their airspace.

Article 2

1. This Regulation applies to:

- (a) acts of bribery, including:
 - (i) active bribery, i.e. the promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties; and
 - (ii) passive bribery, i.e. the solicitation or acceptance by a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties;
- (b) acts of embezzlement, misappropriation or other diversion of property by a public official for his or her benefit or for the benefit of another person or entity, of any property, public or private funds or securities or any other thing of value entrusted to the public official by virtue of his or her position;

to the extent that those acts seriously affect or risk affecting the objectives of the common foreign and security policy as set out in Article 21 of the Treaty on European Union and are committed by persons entities or bodies listed in Annex I.

2. For the purposes of applying paragraph 1, regard should be had, inter alia, to ascertaining if the act of serious corruption is committed in or can be linked to a third-country jurisdiction that:

- (a) is on the list contained in the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes⁴;

⁴ <https://www.consilium.europa.eu/en/press/press-releases/2022/02/24/taxation-council-reviews-list-of-non-cooperative-countries-for-tax-purposes/>

- (b) suffers from strategic deficiencies in its national regimes on anti-money laundering and countering terrorism financing and that pose significant threats to the financial system of the Union within the meaning of Article 9 of Directive (EU) 2015/849⁵;
 - (c) is targeted by other restrictive measures adopted under Article 29 of the Treaty on European Union.
3. When establishing or amending the list set out in Annex I and assessing the seriousness of the acts of corruption the Council shall take into account in particular the following specific elements:
- (a) the objectives of the common foreign and security policy as set out in Article 21 of the Treaty on European Union;
 - (b) the specific context of the relevant third country or countries in which the targeted acts occur, including, for example, whether:
 - (i) corruption is a systemic issue at the root of economic, social, humanitarian or political crisis in a third country and actors involved in corruption acts, or who benefit from them, bear a major responsibility for that crisis;
 - (ii) the relevant third country is party to the United Nations Convention Against Corruption (UNCAC) or has adhered to other international instruments fighting corruption;
 - (iii) the relevant third country has consistently failed to take sufficient effective measures to fight corruption;
 - (iv) the judicial or administrative authorities in charge of fighting corruption in the relevant jurisdictions are uncooperative, are not independent from the political authorities, or are involved in or affected by the acts of corruption;
 - (c) the gravity, scale and/or impact of the acts of corruption, having regard, for example, to;
 - (i) the value of the bribe(s) or assets embezzled, misappropriated or otherwise diverted;
 - (ii) the prominence of the public function held by the official(s) or other persons involved;
 - (iii) if such acts have been committed in a systematic manner or through complex schemes;
 - (iv) whether the acts are directed to or anyway threaten the interests of the Union or of one or more of its Member States or neighbouring countries of the Union;

⁵ Directive EU 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (“AML Directive”).

- (v) whether the acts concern the use of Union funds or Union agreements or projects, including cooperation and financing agreements or projects for developing countries;
- (d) whether the persons in question are subject to judicial proceeding in respect of the conduct for which the Council intends to list them (or maintain the listing);
- (e) if the acts are committed by individuals having a leadership role in legal persons or entities subject to EU restrictive measures.

Article 3

1. All funds and economic resources belonging to, owned, held or controlled by any natural or legal person, entity or body as listed in Annex I shall be frozen.
2. No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies listed in Annex I.
3. Annex I shall include:
 - (a) natural or legal persons, entities or bodies, who are responsible for acts described in Article 2(1);
 - (b) natural or legal persons, entities or bodies, who provide financial, technical, or material support for or are otherwise involved in acts described in Article 2(1), including by planning, directing, ordering, assisting, preparing, facilitating, or encouraging such acts, or laundering their proceeds;
 - (c) natural or legal persons, entities or bodies, who are associated with the natural or legal persons, entities or bodies covered by points (a) and (b).

Article 4

1. By way of derogation from Article 3, the competent authorities of the Member States may authorise the release of certain frozen funds or economic resources, or the making available of certain funds or economic resources, under such conditions as they deem appropriate, after having determined that the funds or economic resources concerned are:
 - (a) necessary to satisfy the basic needs of the natural or legal persons, entities or bodies listed in Annex 1 and dependent family members of such natural persons, including payments for food, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
 - (b) intended exclusively for the payment of reasonable professional fees or the reimbursement of incurred expenses associated with the provision of legal services;
 - (c) intended exclusively for the payment of fees or service charges for the routine holding or maintenance of frozen funds or economic resources;
 - (d) necessary for extraordinary expenses, provided that the relevant competent authority has notified the competent authorities of the other Member States and the Commission of the grounds on which it considers that a specific

authorisation should be granted, at least two weeks prior to the authorisation;
or

- (e) to be paid into or from an account of a diplomatic or consular mission or an international organisation enjoying immunities in accordance with international law, insofar as such payments are intended to be used for official purposes of the diplomatic or consular mission or international organisation.
2. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 1 within two weeks of the authorisation.

Article 5

1. By way of derogation from Article 3, the competent authorities of the Member States may authorise the release of certain frozen funds or economic resources, provided that the following conditions are met:
- (a) the funds or economic resources are the subject of an arbitral decision rendered prior to the date on which the natural or legal person, entity or body referred to in paragraph 3 of Article 3 was listed in Annex 1, or of a judicial or administrative decision rendered in the Union, or a judicial decision enforceable in the Member State concerned, prior to or after that date;
 - (b) the funds or economic resources will be used exclusively to satisfy claims secured by such a decision or recognised as valid in such a decision, within the limits set by applicable laws and regulations governing the rights of persons having such claims;
 - (c) the decision is not for the benefit of a natural or legal person, entity or body listed in Annex 1; and
 - (d) recognition of the decision is not contrary to public policy in the Member State concerned.
2. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 1 within two weeks of the authorisation.

Article 6

Article 3 shall not prevent a natural or legal person, entity or body listed in Annex 1 from making a payment due under a contract or agreement entered into, or an obligation that arose, prior to the date on which such natural or legal person, entity or body was listed therein, provided that the Member State concerned has determined that the payment is not, directly or indirectly, received by a natural or legal person, entity or body referred to in paragraph 3 of Article 3.

Article 7

1. Paragraph 2 of Article 3 shall not prevent the crediting of frozen accounts by financial or credit institutions that receive funds transferred by third parties onto the account of a listed natural or legal person, entity or body, provided that any additions

to such accounts will also be frozen. The financial or credit institution shall inform the relevant competent authority about any such transaction without delay.

2. Paragraph 2 of Article 3 shall not apply to the addition to frozen accounts of:
 - (a) interest or other earnings on those accounts;
 - (b) payments due under contracts, agreements or obligations that were concluded or arose prior to the date on which those accounts became subject to the measures provided for in Article 3; or
 - (c) payments due under judicial, administrative or arbitral decisions rendered in the Union or enforceable in the Member State concerned, provided that any such interest, other earnings and payments remain subject to the measures provided for in paragraph 1 of Article 3.

Article 8

1. By way of derogation from Article 3, the competent authorities in the Member States may authorise the release of certain frozen funds or economic resources, or the making available of certain funds or economic resources, under such conditions as they deem appropriate, after having determined that the provision of such funds or economic resources is necessary for humanitarian purposes and activities that support basic human needs, such as delivering or facilitating the delivery of assistance, including medical supplies, food, or the transfer of humanitarian workers and related assistance or for evacuations.
2. The Member State concerned shall inform the other Member States and the Commission of any authorisations granted under this Article within four weeks following the authorisation.

Article 9

1. Natural persons listed in Annex I shall be prevented from entering into, or transiting through, the territory of a Member State.
2. Paragraph 1 shall not oblige a Member State to refuse its own nationals entry into its territory.

Article 10

1. By way of derogation from Article 9, the competent authorities may authorise, under such conditions as they deem appropriate, the entry into or transit through the territory of a Member State of the natural persons listed in Annex I provided that:
 - (a) such entry or transit is required by an obligation of international law binding on the Member State in question:
 - (i) as a host country of an international intergovernmental organisation;
 - (ii) as a host country to an international conference convened by, or under the auspices of, the United Nations;
 - (iii) under a multilateral agreement conferring privileges and immunities; or

- (iv) pursuant to the 1929 Treaty of Conciliation (Lateran Pact) concluded by the Holy See (Vatican City State) and Italy.
 - (b) the Member State is host country of the Organization for Security and Co-operation in Europe (OSCE).
- 2. The Member State concerned shall inform the other Member States and the Commission of any authorisation granted under paragraph 1 within two weeks of the authorisation .
- 3. An authorisation granted pursuant to this Article shall be strictly limited to the purpose for which it is given and to the natural persons directly concerned thereby.

Article 11

- 1. By way of derogation from Article 9, the competent authorities may authorise, under such conditions as they deem appropriate, the entry into or transit through the territory of a Member State of the natural persons listed in Annex I provided that such entry or transit is:
 - (a) justified on the grounds of urgent humanitarian need, or on grounds of attending intergovernmental meetings or meetings promoted or hosted by the Union, or hosted by a Member State holding the Chairmanship in office of the OSCE, where a political dialogue is conducted that directly promotes the policy objectives of the restrictive measures, including the adoption of rules and regulations aimed at tackling corruption, including in its most serious forms; or
 - (b) necessary for the fulfilment of a judicial process.
- 2. The Member State concerned shall notify the other Member States and the Commission in writing of its intention to grant an authorisation under this Article. If a Member State or the Commission raise an objection in writing within two working days of receiving the notification, the Council, acting by a qualified majority, may decide to grant the proposed authorisation.
- 3. An authorisation granted pursuant to this Article shall be strictly limited to the purpose for which it is given and to the natural persons directly concerned thereby.

Article 12

- 1. Notwithstanding the applicable rules concerning reporting, confidentiality and professional secrecy, natural and legal persons, entities and bodies shall:
 - (a) supply immediately any information which would facilitate compliance with this Regulation, such as information on accounts and amounts frozen in accordance with Article 2(1) or information held about funds and economic resources within Union territory belonging to, owned, held or controlled by natural or legal persons, entities or bodies listed in Annex I and which have not been treated as frozen by the natural and legal persons, entities and bodies obliged to do so, to the competent authority of the Member State where they are resident or located, and transmit such information, directly or through the Member State, to the Commission; and

- (b) cooperate with the competent authority in any verification of the information referred to in point (a).
- 2. Any additional information received directly by the Commission shall be made available to the Member States.
- 3. Any information provided or received in accordance with this Article shall be used only for the purposes for which it was provided or received.
- 4. The competent authorities of the Member States, including enforcement authorities and administrators of official registers where natural persons, legal persons, entities and bodies as well as immovable or movable property are registered, shall process and exchange information including personal data, with other competent authorities of the Member States and the European Commission.
- 5. Any processing of personal data shall be carried out in accordance with the present Regulation, Regulation (EU) 2016/679 and Regulation (EU) 2018/1725 only in so far as necessary for the application of the present Regulation and to ensure effective cooperation between Member States as well as with the European Commission in the application of this Regulation.

Article 13

- 1. It shall be prohibited to participate, knowingly and intentionally, in activities the object or effect of which is to circumvent the measures referred to in Articles 3 and 9.
- 2. Natural or legal persons, entities or bodies listed in Annex I, shall:
 - (a) report within 6 weeks from the date of listing in Annex I funds or economic resources within the jurisdiction of a Member State belonging to, owned, held or controlled by them, to the competent authority of the Member State where those funds or economic resources are located; and
 - (b) cooperate with the competent authority in any verification of such information.
- 3. Failure to comply with paragraph 2 shall be considered as participation, as referred to in paragraph 1, in activities the object or effect of which is to circumvent the measures referred to in Article 3.
- 4. The Member State concerned shall inform the Commission within two weeks of the information received pursuant to paragraph 2(a).
- 5. Any information provided or received in accordance with this Article shall be used only for the purposes for which it was provided or received.
- 6. Any processing of personal data shall be carried out in accordance with this Regulation, Regulation (EU) 2016/679 and Regulation (EU) 2018/1725 of the European Parliament and of the Council and only in so far as necessary for the application of this Regulation.

Article 14

- 1. The freezing of funds and economic resources or the refusal to make funds or economic resources available, carried out in good faith on the basis that such action is in accordance with this Regulation, shall not give rise to liability of any kind on

the part of the natural or legal person or entity or body implementing it, or its directors or employees, unless it is proved that the funds and economic resources were frozen or withheld as a result of negligence.

2. Actions by natural or legal persons, entities or bodies shall not give rise to any liability of any kind on their part if they did not know, and had no reasonable cause to suspect, that their actions would infringe the measures set out in this Regulation.

Article 15

1. No claims in connection with any contract or transaction the performance of which has been affected, directly or indirectly, in whole or in part, by the measures imposed under this Regulation, including claims for indemnity or any other claim of this type, such as a claim for compensation or a claim under a guarantee, notably a claim for extension or payment of a bond, guarantee or indemnity, particularly a financial guarantee or financial indemnity, of whatever form, shall be satisfied, if they are made by:
 - (a) natural or legal persons, entities or bodies listed in Annex I;
 - (b) any natural or legal person, entity or body acting through or on behalf of one of the natural or legal persons, entities or bodies referred to in point (a).
2. In any proceedings for the enforcement of a claim, the onus of proving that satisfying the claim is not prohibited by paragraph 1 shall be on the natural or legal person, entity or body seeking the enforcement of that claim.
3. This Article is without prejudice to the right of the natural or legal persons, entities and bodies referred to in paragraph 1 to judicial review of the legality of the non-performance of contractual obligations in accordance with this Regulation.

Article 16

1. The Commission and Member States shall inform each other of the measures taken under this Regulation and share any other relevant information at their disposal in connection with this Regulation, in particular information in respect of:
 - (a) funds frozen under Article 3 and authorisations granted under this Regulation;
 - (b) violation and enforcement problems and judgments handed down by national courts.
2. The Member States shall immediately inform each other and the Commission of any other relevant information at their disposal which might affect the effective implementation of this Regulation.

Article 17

1. The Commission shall be empowered to:
 - (a) amend Annex I on the basis of decisions taken by the Council in respect of the Annex to Council Decision (CFSP) 2023/XXX; and
 - (b) amend Annex II on the basis of information supplied by Member States.

2. The Commission shall communicate the decision referred to in paragraph 1(a), including the grounds for the listing, to the natural or legal person, entity or body concerned if the address is known or, if the address is not known, make known the decision to the natural or legal person, entity or body concerned through the publication of a notice in the *Official Journal of the European Union*, in either case providing such natural or legal person, entity or body with an opportunity to submit observations.
3. Where observations are submitted or where substantial new evidence is presented, the Commission shall review its decision in light of the observations or new evidence submitted and any other relevant information, and as a result may amend Annex I following the empowerment procedure in paragraph 1(a). The natural or legal person shall be informed of the outcome of the review.

Article 18

1. Annex I shall include the grounds for the listing of natural or legal persons, entities or bodies concerned.
2. Annex I shall contain, where available, the information necessary to identify the natural or legal persons, entities or bodies concerned. With regard to natural persons, such information may include: names and aliases; date and place of birth; nationality; passport and identity card numbers; gender; address, if known; and function or profession. With regard to legal persons, entities or bodies, such information may include names, place and date of registration, registration number and place of business.

Article 19

1. Member States shall lay down the rules on penalties, including as appropriate criminal penalties, applicable to infringements of the provisions of this Regulation and shall take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive. Member States shall also provide for appropriate measures of confiscation of the proceeds of such infringements.
2. Member States shall notify the Commission of the rules referred to in paragraph 1 without delay after the entry into force of this Regulation and shall notify it of any subsequent amendment.

Article 20

1. The Commission shall process personal data in order to carry out its tasks under this Regulation. These tasks include:
 - (a) preparing and making amendments to Annex I;
 - (b) adding the contents of Annex I to the electronic, consolidated list of persons, groups and entities subject to Union financial sanctions and to the interactive sanctions map, both publicly available;

- (c) processing information on the impact of the measures of this Regulation such as the value of frozen funds and information on authorisations granted by the competent authorities.
- 2. For the purposes of this Regulation, the Commission is designated as ‘controller’ within the meaning of Article 3(8) of Regulation (EU) 2018/1725 of the European Parliament and the Council⁶) in relation to the processing activities necessary to accomplish the tasks referred to in paragraph 1.

Article 21

- 1. Member States shall designate the competent authorities referred to in this Regulation and identify them on the websites listed in Annex II. Member States shall notify the Commission of any changes in the addresses of their websites listed in Annex II.
- 2. Member States shall notify the Commission of their competent authorities, including the contact details of those competent authorities, without delay after the entry into force of this Regulation, and shall notify it of any subsequent amendment.
- 3. Where this Regulation sets out a requirement to notify, inform or otherwise communicate with the Commission, the address and other contact details to be used for such communication shall be those indicated in Annex II.

Article 22

Any information provided to or received by the Commission in accordance with this Regulation shall be used by the Commission only for the purposes for which it was provided or received.

Article 23

This Regulation shall apply:

- (a) within the territory of the Union, including its airspace;
- (b) on board any aircraft or vessel under the jurisdiction of a Member State;
- (c) to any natural person inside or outside the territory of the Union who is a national of a Member State;
- (d) to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State;
- (e) to any legal person, entity or body in respect of any business done in whole or in part within the Union.

⁶ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

Article 24

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President