



EBA calls on financial institutions to ensure compliance with sanctions against Russia following the invasion of Ukraine and to facilitate access to basic payment accounts for refugees

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The European Banking Authority (EBA) strongly condemns the recent developments that are taking a heavy toll on the Ukrainian state, society, and economy. Following the invasion of Ukraine, the Council of the EU has adopted restrictive measures against Russia and Belarus which require actions from the financial sector. The EBA is working with relevant authorities to ensure proper implementation by all financial institutions of these restrictive measures. As part of this, the EBA will collect and filter queries related to the scope of the restrictive measures as they apply to banks, and channel them to the EU Commission who will answer them. The EBA will continue to closely monitor and assess the situation to inform decisions and actions needed to mitigate short- and medium-term risks and stands ready to act under its competences.

The EBA underscores the need for European banks and other financial institutions to implement and comply with the restrictive measures adopted in response to the Ukrainian crisis. Financial institutions are required to assess the adequacy and effectiveness of internal controls and governance to ensure compliance with these measures and to adapt or enhance systems and processes as appropriate.

Competent authorities are working to ensure the adequacy of internal controls and governance in supervised entities. Competent authorities also collaborate closely with supervised institutions, Financial Intelligence Units (FIUs) and law enforcement to identify, monitor and raise awareness of fraud typologies and financial crime and prevent circumvention of the restrictive measures. This will help ensure the homogeneous implementation of the EU restrictive measures across the financial sector and preserve the well-functioning of the Single Market.

The EBA strongly encourages banks and other financial institutions to carefully consider the prudential and business impact of the short and longer-term risks they face in light of these geopolitical developments. This includes the broader impact of economic and political sanctions as well as the increased economic uncertainty and vulnerabilities arising from the current situation. Cyber risks are a particular area requiring continued attention. Against this background, banks and other financial institutions are encouraged to consider the appropriateness of their business continuity plans.

Relief measures for refugees

On 4 March 2022, EU Ministers activated the Temporary Protection Directive (2001/55/EC) introducing temporary protection and support to persons fleeing Ukraine as a consequence of the war. National competent authorities should ensure that, in line with the Payment Accounts Directive (2014/92/EU), displaced persons from Ukraine have access to open and use payment accounts with basic services.

Financial institutions should follow a risk-based approach when providing financial products in this situation and take advantage of the flexibility enshrined in EU anti-money laundering and countering the financing of terrorism (AML/CFT) law. The EBA Guidelines on money laundering and terrorist financing risk factors and the EBA Opinion on the Customer due diligence on asylum seekers should help financial institutions.

Queries on restrictive measures

The EU Commission will provide clarity and answer queries on the scope and implementation of the adopted restrictive measures. The EBA is supporting the European Commission in collecting and filtering such queries. Queries from competent authorities and credit institutions should be sent to Eba.sanctions.qa@eba.europa.eu

Notes to the editors

The EU Council has adopted several packages of restrictive measures. For more information, please consult the EU Council and EU Commission's dedicated webpages.

Press contacts

Franca Rosa Congiu

press@eba.europa.eu | +33 1 86 52 7052 | Follow @EBA_News