

## Crypto-assets

### FREQUENTLY ASKED QUESTION – AS OF 11 April 2022

**1. Are crypto-assets and in particular cryptocurrencies covered by these sanctions?**

In [Council Regulation \(EU\) No 269/2014](#), the non-exhaustive definition of ‘funds’ covers crypto-assets, including cryptocurrencies, and the definition of ‘economic resources’ may also extend to certain crypto-assets. As such, crypto-assets are covered by the relevant provisions on the asset freeze and prohibition to make funds or economic resources available to listed persons.

For its part, [Council Regulation \(EU\) No 833/2014](#) clarifies that ‘transferable securities’ include crypto-assets, but it adds ‘with the exception of instruments of payment’.

To summarise, all transactions prohibited in the Regulations are also prohibited if carried out in crypto-assets, and all transactions allowed in the Regulations remain allowed if carried out in crypto-assets.

In addition, crypto-assets should not be used to circumvent any EU sanctions.

**2. Article 5b(2) of [Council Regulation \(EU\) No 833/2014](#) states that “it shall be prohibited to provide crypto asset wallet, account or custody services to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of crypto assets of the natural or legal person, entity or body per wallet, account or custody provider exceeds EUR 10 000.” Given that the value of crypto-assets can fluctuate enormously, and over a short period of time, how should a service provider interpret this prohibition?**

EU service providers would breach the prohibition in Article 5b(2) if they were to hold crypto assets or the keys to crypto assets on behalf of Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, with a total value exceeding EUR 10 000 per wallet, account or custody provider. EU crypto asset wallet, account or custody services providers should therefore put in place the appropriate safeguards and remedies to avoid ending up servicing clients in the conditions laid down by Article 5b(2). These safeguards and remedies should duly take into account the fact that the value of crypto-assets can fluctuate substantially over a short period of time.