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## Obligations for insurance companies and intermediaries arising from EU restrictions against Russia

29 July 2024

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**IVASS has recently published a letter to the market clarifying obligations for insurance undertakings and intermediaries under Council Regulation (EU) No. 269/2014 concerning restrictive measures related to Ukraine's territorial integrity and, more in general, under Legislative Decree No. 109/2007 setting out measures to prevent, counter and suppress the financing of terrorism and the activities of countries threatening international peace and security.**

On 26 July 2024, the Italian insurance supervisory authority (IVASS) published a letter to the market – also addressed to EEA insurance undertakings operating in Italy under right of establishment or under freedom to provide services regimes as well as EU insurance intermediaries enrolled in the List attached to the Register of insurance and reinsurance intermediaries kept by IVASS (RUI) – aimed at clarifying the obligations incumbent on insurance undertakings and intermediaries pursuant to Council Regulation (EU) No. 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine and, in general, pursuant to the "Community Regulations" as defined in Article 1(1)(h) of Legislative Decree No. 109 of 22 June 2007<sup>1</sup>.

At the time of the adoption of the sanctioning measures against the Russian Federation, IVASS - together with the Bank of Italy, CONSOB and the Italian FIU - issued a press release (available [here](#), in Italian only) reminding supervised entities to comply with the restrictive measures adopted by the EU in response to the Russian military aggression in Ukraine, in which it also recalled that the restrictive measures adopted by the EU through Regulations and Decisions are binding in their entirety and are directly and immediately applicable in each of the Member States.

Therefore, all natural persons and all persons other than natural persons – who reside, are domiciled or otherwise operate in any capacity within the territory of the EU - are required to comply with the restrictive measures adopted by the EU. In particular, anyone must observe the general prohibition to "making funds or economic resources available, directly or indirectly, to natural or legal persons, entities or bodies or to any natural or legal persons, entities or bodies associated with them" which are subject to restrictive measures adopted by the EU or adopted on the basis of decrees of the Italian Minister of Economy and Finance, pursuant to Articles 4 and 4-bis of Legislative Decree 109/2007, pending inclusion in the list of persons subject to restrictive measures by the EU.

In this regard, IVASS recalled that **all Italian and foreign insurance companies and insurance intermediaries** (including Italian branches of foreign companies and intermediaries) operating in all classes of business (thus including non-life insurance classes) are required in particular to:

- implement procedures and controls necessary to identify funds and economic resources subject to freezing, by constantly monitoring, first and foremost, the updating of the list of persons against whom restrictive measures are applied;
- not to engage in any activity with such persons on the national territory, except for those authorised by the Financial Security Committee in accordance with the regulations in force;
- make the notifications introduced by Article 8 of Regulation (EU) No. 269/2014 concerning the existence of assets and economic assets traceable to the persons designated therein, in the context of the restrictive measures adopted as part of the sanctions regime against Russia. Such communications must be submitted to the Italian FIU through the appropriate form published on the FIU's website.

With specific reference to **insurance intermediaries**, the obligation to adopt **freezing measures** may arise in practice in the event that customers pay **insurance premiums** by crediting the separate current account, held in the name of the insurance intermediary, pursuant to Article 63 of IVASS Regulation No. 40/2018.

Therefore, although the regulations aimed at preventing the use of the financial system for the purpose of money laundering and terrorist financing exclusively apply to entities supervised by IVASS operating in the life insurance classes, **insurance companies and insurance intermediaries** (including Italian branches of foreign companies and intermediaries) **operating exclusively in the non-life classes** are now obliged to comply with the restrictive measures adopted at European or national level as listed above.

Authored by Silvia Lolli and Davide Valloni.

#### References

1 Legislative Decree setting out measures to prevent, counter and suppress the financing of terrorism and the activities of countries threatening international peace and security, implementing Directive 2005/60/EC.