



30 March 2023

CIRCULAR 011/2023

Suspension of membership of the Russian Bureau

To : All COB organisations

Dear Colleagues,

We would like to inform you that the Supervisory Board in their yesterday's meeting decided to suspend the membership of the Russian Bureau. The decision is to be confirmed by the General Assembly and will take effect from 30 June 2023.

The decision was not easy for anyone but had to be taken in the general interest of the system. It is mainly based on the impact on the continuation of the relation between RAMI and COB in light of the EU sanctions.

COB is obliged to comply with EU sanctions because their seat is registered in Belgium, and it functions and operates under the laws of Belgium. The sanctions against Russia and their impact on our activities in relation to the Russian Association of Motor Insurers (RAMI) have been under the continuous scrutiny of COB together with external legal advisers.

Article 5n of Council Regulation 833/2014, as amended, has introduced a prohibition to directly or indirectly provide to the Russian Government and legal persons, entities or bodies established in Russia, an important range of services, including IT consultancy services and legal advisory services. This prohibition has been thoroughly analysed by the legal advisers of COB and a high risk was identified in relation to the continuation of the relations of COB with RAMI.

The high risk derives from the provision of any services of an IT consultancy or legal advisory nature which is provided to RAMI as member of COB, taking into consideration that RAMI is a legal person established in Russia.

The provision of access to and services deriving from the COB Collaboration Platform as well as any legal advice including interpretation of Articles of Associations, Standard Operating Procedures, Internal Regulations and other legal instruments of COB provided to RAMI place COB under high risk of non-compliance with the EU sanctions regime. Any situation whereby non-compliance is proven, can result in repercussions to COB and their activities.

The Supervisory Board has come to the conclusion that continued membership of the Russian Bureau in the sense of exercising all the rights and duties of a member and providing the same service to all members could be considered a breach of sanctions. Consequently, suspension of membership was the only alternative.

Therefore, as part of its responsibility for COB, the Supervisory Board decided to exercise their competence under urgent and exceptional circumstances, as provided for under Article 8.3.2 of the COB's Articles of Association and decided to suspend the membership.

We hope we could manage to give you some background information for the decision that has been taken. Further communication about practical consequences will follow.

Yours sincerely,

**On behalf of the Presidential College,
Sandra Schwarz**

President



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