

Seizure of Russian State Assets and Support for Ukraine Bill

[AS INTRODUCED]

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[AS INTRODUCED]

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Require the Secretary of State to lay before Parliament proposals for the seizure of Russian state assets to provide support for Ukraine; and for connected purposes.

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Duty to lay proposals

- (1) Within 60 days of the coming into force of this Act, the Secretary of State must lay before Parliament proposals for a Bill to provide for the seizure of Russian state assets for the purpose of offering support to Ukraine and the Ukrainian people. 5
- (2) Proposals laid under this Act must have the purpose of—
 - (a) promoting international peace and security;
 - (b) promoting compliance with international obligations;
 - (c) promoting the resolution of armed conflict in Ukraine and the protection of civilians in Ukraine; 10
 - (d) encouraging the Russian Federation to cease actions threatening the territorial integrity, sovereignty or independence of Ukraine;
 - (e) bringing the Russian Federation to account for gross violations of international humanitarian law and international human rights law;
 - (f) providing financial support to Ukraine and its people to resist the Russian Federation's military action and to rebuild the country; 15
 - (g) promoting respect for democracy, the rule of law and transparent governance.
- (3) In preparing proposals under this Act, the Secretary of State must consider—
 - (a) the types of Russian state assets that should be seized; 20
 - (b) who determines which assets should be subject to seizure;
 - (c) for what purposes the seized assets could be applied; and
 - (d) who should hold and manage the application of seized assets.

2 Powers to request information about Russian state assets in the UK

- (1) Proposals laid under this Act must include provision to give Ministers the power to require any person to provide information about assets, reserves or any other property (including real property) held by them, directly or indirectly, for or on behalf of the Russian Federation. 5
- (2) Proposals under subsection (1) must provide that the power applies in respect of such information as a Minister may reasonably require for the purpose of establishing which assets, reserves or property of the Russian Federation may be confiscated, including information about –
- (a) the nature and amount or quantity of any funds, economic resources or other property owned, held or controlled by or on behalf of, or made available to the Russian Federation within the United Kingdom; or 10
 - (b) the nature of any financial transactions entered into by or on behalf of the Russian Federation giving rise to a right to any funds, economic resources or other property. 15
- (3) In this section, “the Russian Federation” includes –
- (a) the Central Bank of the Russian Federation;
 - (b) the National Wealth Fund of the Russian Federation;
 - (c) the Ministry of Finance of the Russian Federation; 20
 - (d) a person owned or controlled directly or indirectly (within the meaning of regulation 7 of The Russia (Sanctions) EU Exit Regulations 2019) by a person mentioned in paragraphs (a) to (c); or
 - (e) a person acting on behalf of or at the direction of a person mentioned in paragraphs (a) to (c). 25
- (4) In this section, “assets or reserves” includes –
- (a) money market instruments (including cheques, bills and certificates of deposit);
 - (b) foreign exchange and currency;
 - (c) derivative products (including futures and options); 30
 - (d) exchange rate and interest rate instruments (including products such as swaps and forward rate agreements);
 - (e) transferable securities (including shares and bonds);
 - (f) other negotiable instruments and financial assets (including bullion);
 - (g) special drawing rights. 35
- (5) Proposals under this section must include provision about –
- (a) the circumstances in which the power may be exercised by Ministers;
 - (b) the period within which information must be provided;
 - (c) continuing obligations to keep the relevant Minister informed as circumstances change, or on such regular basis as the relevant Minister may specify; and 40
 - (d) penalties for failure to provide a timely or accurate response.

3 Appointment of a trustee for Russian state assets

- (1) Proposals under this Act must include provision about the appointment of a trustee for Russian state assets (“a trustee”), including provision about the remuneration and removal of such a trustee.
- (2) The trustee for Russian state assets is a person appointed by a Minister to apply seized Russian state assets. 5
- (3) Proposals under subsection (1) must include provision about the functions of the trustee, including that—
 - (a) the trustee must secure the detention, custody or preservation of any property vested in the trustee, and 10
 - (b) in the case of property other than money, the trustee must realise the value of the property in the manner best calculated to maximise the amount payable to the trust.

4 Vesting of Russian Central Bank reserves in the trustee for Russian state assets

- (1) Proposals under this Act must include provision about the vesting of Russian Central Bank reserves in the trustee for Russian state assets.
- (2) Proposals under subsection (1) must include provision—
 - (a) to give the appropriate Minister the power to issue a certificate (a “Seized Russian Central Bank assets certificate”) declaring the vesting of the Russian Central Bank reserves in the trustee for Russian state assets, and 20
 - (b) to require a Minister, before issuing a Seized Russian Central Bank assets certificate, to take such steps as are reasonably necessary to establish— 25
 - (i) the amount of the Russian Central Bank reserves located in the UK; and
 - (ii) who holds such reserves.
- (3) Proposals under subsection (1) must also include provision about the content of a Seized Russian Central Bank assets certificate, including that— 30
 - (a) a Seized Russian Central Bank assets certificate must identify the amount and location of the Russian Central Bank reserves which are to be vested in the trustee for Russian state assets; and
 - (b) a Seized Russian Central Bank assets certificate may also identify— 35
 - (i) proposed candidates for the appointment as trustee for Russian state assets; and
 - (ii) proposed candidates for the appointment to the advisory committee to the trustee for Russian state assets.

5 Vesting of other Russian state assets in the trustee for Russian state assets

- (1) Proposals under this Act must include provision about the vesting in the trustee for Russian state assets of Russian state assets, not covered by a Seized Russian Central Bank assets certificate, which, in the opinion of the appropriate 40

Minister are held in the UK, directly or indirectly, for or on behalf of the Russian Federation.

- (2) Proposals under subsection (1) must include provision to give the appropriate Minister the power to issue a certificate (a “Seized Russian Federation Assets certificate”) declaring the vesting of such assets in the trustee for Russian state assets. 5
- (3) Proposals under subsection (1) must also include provision about the content of a Seized Russian Federation Assets certificate, including that it must identify –
 - (a) the amount, value and location of the Russian state assets, reserves or property specified in the certificate; and 10
 - (b) the basis upon which the Minister believes those to be held, directly or indirectly, on behalf of the Russian Federation.

6 Application of assets vested in the trustee for Russian state assets

- (1) Proposals under this Act must include provision about the application of assets vested in the trustee for Russian state assets, including – 15
 - (a) sums vested in the trustee by a Seized Russian Central Bank assets certificate;
 - (b) sums vested in the trustee by a Seized Russian Federation Assets certificate; 20
 - (c) sums which represent the realised proceeds of property which was vested in the trustee by a Seized Russian Central Bank assets or a Seized Russian Federation Assets certificate or any court order.
- (2) Proposals under subsection (1) must include a requirement that the trustee must apply the sums held – 25
 - (a) first, to satisfy the payment of any court fees, proper and reasonable expenses incurred by the trustee or court orders as to the trustee’s remuneration; and
 - (b) next, to make any payments required for the following purposes –
 - (i) the support of temporarily displaced Ukrainian civilians seeking refuge in the United Kingdom from Russian military action; 30
 - (ii) funding the ongoing needs for repair of Ukrainian civilian buildings, facilities and infrastructure;
 - (iii) supporting the Ukrainian government’s response to Russian military action threatening the territorial integrity, sovereignty or independence of Ukraine; 35
 - (iv) establishing legal mechanisms for determining liability and responsibility for providing compensation and providing compensation to any person who suffered damage, as a result of Russian military action threatening the territorial integrity, sovereignty or independence of Ukraine; 40
 - (v) making payments due to Ukraine or any person pursuant to any final, outstanding and unpaid order of an international court or tribunal;

(vi) for any other purposes in support of Ukraine.

- (3) Proposals under subsection (1) should include a mechanism for transparent decision-making by the trustee in accordance with the recommendations of the committee referred to in section 7.

7 Committee to advise the trustee for Russian state assets 5

- (1) Proposals under this Act must include provision about the appointment, composition and functions of a committee to advise the trustee for Russian state assets about the application of the proceeds of the trust assets, which should consist of up to nine members who between them shall have professional expertise to advise the trustee on legal, public procurement, financial and wider economic issues. 10
- (2) Proposals under subsection (1) should include provision for the committee to be appointed by –
- (a) the Director of the Office of Financial Sanctions Implementation; or
 - (b) such other person as may be designated by the appropriate Minister, following consultation with the appropriate Minister. 15

8 Victims of theft

- (1) Proposals laid under this Act must also include provision about the treatment of a person who claims that any property alleged to be Russian state assets, reserves or property, or any part thereof, belongs to them. 20
- (2) Proposals under subsection (1) must include a process by which such a person may, by application to a court, seek a declaration that –
- (a) the person was deprived of the property, or of property which it represents, by unlawful conduct (as defined in section 241 of the Proceeds of Crime Act 2002) taking place before 24 February 2022, and 25
 - (b) the property belongs to them.
- (3) Proposals under subsection (1) must provide that any property to which a declaration under subsection (2) applies cannot be confiscated.

9 Extent, commencement and short title 30

- (1) This Act extends to England and Wales, Scotland and Northern Ireland.
- (2) This Act comes into force on the day on which it is passed.
- (3) This Act may be cited as the Seizure of Russian State Assets and Support for Ukraine Act 2023.

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