

On behalf of the Proposed Administrators

A J Manson

Third witness statement

27 July 2022

Exhibit AJM3

Case number: CR-2022-002121

Company Registered No. 04343841

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF PETROPAVLOVSK PLC
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

EXHIBIT AJM3

This is the Exhibit marked “**AJM3**” referred to in the third witness statement of Allister Jonathan Manson dated 27 July 2022.

INDEX TO EXHIBIT AJM3

Tab	Document	Date	Pages
1.	VAT assessment notices of the periods from April 2011 – June 2018	1 October 2015 – 22 June 2022	4-51
2.	OFSI non-binding guidance	December 2020	52-90
3.	UK Government Announcement - UK announces new economic sanctions against Russia	15 March 2022	91-95
4.	UMMC ownership chart	6 May 2022	96
5.	Email chain between GPB and the Company	27 - 28 June 2022	97-98
6.	Letter from JHA to OFSI	29 June 2022	99-117
7.	Email chain between the Company and Nordic	29 June 2022	118
8.	Letter from JHA to OFSI	5 July 2022	119-120
9.	Letter from Hannam & Partners to the Administrators	8 July 2022	121-122
10.	Letter from the Administrator to UGC	12 July 2022	123-124
11.	Letter from JHA to OFSI	14 July 2022	125-126
12.	Email from JHA to OFSI	15 July 2022	127-128
13.	Letter from Mr Strukov to the Company	15 July 2022	129-130
14.	Notice from Nordic LLC to TEMI LLC demanding immediate repayment of sums due under the Facilities	15 July 2022	131-132
15.	Letter from Mr Strukov to the Administrators	18 July 2022	133
16.	Administration Order	18 July 2022	134-137
17.	Company Press Release - Appointment of Administrators	18 July 2022	138
18.	Minute for UMMC Board meeting held 19 July 2022	19 July 2022	139-144
19.	Administrator Press Release - Appointment of Administrators & Potential Sale of Assets	19 July 2022	145-147
20.	Letter from the Administrators to Mr Strukov	19 July 2022	148-149
21.	Letter from Administrator to Prosperity	19 July 2022	150-151
22.	Board resolution confirming Mr Ismagilov's appointment	20 July 2022	152-153
23.	FCA supervisory notice re cancellation of LSE listing	20 July 2022	154-155
24.	MOEX notice re cancellation of MOEX listing	20 July 2022	156
25.	Citibank notice of resignation as paying agent in respect of the Convertible Bonds	20 July 2022	157-158
26.	Ocorian Limited resignation notice	20 July 2022	159
27.	Extract of Russian trade register	22 July 2022	160-164
28.	Letter from the Administrators to UMMC	22 July 2022	165-166

Tab	Document	Date	Pages
29.	UMMC Press Release - Andrey Kozitsyn stepped down from his position as the General director (CEO) of JSC “UMMC” as of 19.07.2022	22 July 2022	167-168
30.	Estimate of Company liabilities	22 July 2022	169-170
31.	Citibank notice of resignation as trustee of the 2022 Notes	25 July 2022	171-172
32.	Letter from JHA to OFSI	25 July 2022	173-174
33.	Letter from JHA to Central Bank of Cyprus	25 July 2022	175-178
34.	Letter from JHA to UMMC	25 July 2022	179
35.	Letter from UMMC to the Administrators and JHA re Mr Kozitsyn	25 July 2022	180
36.	Letter from UMMC to the Administrators containing “ <i>final binding offer</i> ”	25 July 2022	181-182
37.	SIP 16 statement	27 July 2022	183-211
38.	Draft SPA	Undated	212-258
39.	Draft consent protocol	Undated	259-264



HM Revenue & Customs

FAO Irina Biletska
Petrovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

BP5002, Dunstanburgh House
Benton Park View,
Longbenton
Newcastle upon Tyne
NE98 1ZZ

Phone 03000 557429

Email andrew.welsh@hmrc.gsi.gov.uk

Web www.gov.uk

Date 29 June 2015
Our ref Welsh/LB/VAT/BP5002
Your ref 795 4224 03
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- It is unclear how the input tax incurred is linked to the economic activity of the business.
- We need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK.
- Services appear to have been received from abroad but no reverse charge has been accounted for.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
06/11	01/04/2011	30/06/2011	£247,570.00	

Summary

As a result of this assessment, the total VAT due is £247,570.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



Penalties for inaccuracies

Where there are inaccuracies in returns or documents we may charge a penalty.

Before we can decide whether to charge you a penalty, we need more information from you. We will contact you separately about the information we need.

You can find out more about penalties in our factsheet CC/FS7a, 'Penalties for inaccuracies in returns and documents'. Our factsheet CC/FS9, 'The Human Rights Act and penalties' tells you about your rights when we are considering penalties.

I enclose a copy of the following factsheets:

- CC/FS9, 'The Human Rights Act and penalties'
- CC/FS7a, 'Penalties for inaccuracies in returns and documents'
- CC/FS10, 'Suspending penalties for careless inaccuracies in returns or documents'

Please confirm that you have read and understood factsheet CC/FS9, because it contains important information about your rights and I need to be certain that you understand them.

If you have any questions about these factsheets, or you would like me to send you additional copies, please phone me on the number shown at the top of this letter.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **justice.gov.uk/tribunals/tax**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely

Andrew Welsh
VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to **www.gov.uk/hmrc/your-charter** and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

BP5002,
SO1250
Newcastle upon Tyne
NE98 1ZZ

Phone 03000 557429

Email andrew.welsh@hmrc.gsi.gov.uk

Web www.gov.uk

Date 31 March 2016
Our ref 795422403
Your ref WELSH/VAT/LB/BP5002
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we are still in discussions regarding the management charges made by Petrovavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
03/12	01/01/2012	31/03/2012	£253,078.00	

Summary

As a result of this assessment, the total VAT due is £253,078.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely

Andrew J Welsh
VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to **www.gov.uk/hmrc/your-charter** and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petropavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

BP5002,
SO1250
Newcastle upon Tyne
NE98 1ZZ

Phone 03000 557429

Email andrew.welsh@hmrc.gsi.gov.uk

Web www.gov.uk

Date 27 June 2016
Our ref 795422403
Your ref WELSH/VAT/LB/BP5002
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we are still in discussions regarding the management charges made by Petropavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
06/12	01/04/2012	31/06/2012	£240,293.00	

Summary

As a result of this assessment, the total VAT due is £240,293.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely

Andrew J Welsh
VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to **www.gov.uk/hmrc/your-charter** and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

SO1250
Large Business
BP5002, Dunstanburgh House
Benton Park View, Newcastle upon Tyne
NE98 1ZZ

Phone 03000 557429

Email andrew.welsh@hmrc.gsi.gov.uk

Web www.gov.uk

Date 29 September 2016
Our ref 795422403
Your ref WELSH/VAT/LB/BP5002
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we are still in discussions regarding the management charges made by Petrovavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
09/12	01/07/2012	31/09/2012	£163,239.00	

Summary

As a result of this assessment, the total VAT due is £163,239.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely

Andrew J Welsh
VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to **www.gov.uk/hmrc/your-charter** and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petropavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

SO1250

Large Business

BP5002, Dunstanburgh House
Benton Park View, Newcastle upon Tyne
NE98 1ZZ

Phone 03000 556801

Email linda.tiffin@hmrc.gsi.gov.uk

Web www.gov.uk

Date 15 December 2016
Our ref 795422403
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we still need further information on the management charges made by Petropavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limied and whether the place of supply of services to IRC is the UK.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
12/12	01/10/2011	31/12/2011	£213,723.00	

Summary

As a result of this assessment, the total VAT due is £213,723.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to www.gov.uk and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to www.gov.uk and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to www.gov.uk/tax-tribunal

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely



Linda Tiffin
VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

SO1250
Large Business
BP5002, Dunstanburgh House
Benton Park View, Newcastle upon Tyne
NE98 1ZZ

Phone 03000 556801

Email linda.tiffin@hmrc.gsi.gov.uk

Web www.gov.uk

Date 27 March 2017
Our Ref 795422403
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we still need further information on the management charges made by Petrovavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
03/13	01/01/2013	31/03/2013	£311,485.00	

Summary

As a result of this assessment, the total VAT due is £311,485.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely

Linda Tiffin

VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to **www.gov.uk/hmrc/your-charter** and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

SO1250

Large Business

BP5002, Dunstanburgh House
Benton Park View, Newcastle upon Tyne
NE98 1ZZ

Phone 03000 556801

Email linda.tiffin@hmrc.gsi.gov.uk

Web www.gov.uk

Date 26 June 2017
Our Ref 795422403
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we still need further information on the management charges made by Petrovavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
06/13	01/04/2013	30/06/13	£281,511	

Summary

As a result of this assessment, the total VAT due is £281,511. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely



Linda Tiffin
VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to **www.gov.uk/hmrc/your-charter** and have a look at 'Your Charter'



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

SO1250
Large Business
BP5002, Dunstanburgh House
Benton Park View, Newcastle upon Tyne
NE98 1ZZ

Phone 03000 557429

Email andrew.welsh@hmrc.gsi.gov.uk

Web www.gov.uk

Date 30 September 2017
Our Ref 795422403
Your Ref WELSH/VAT/LB/BP5002
VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we are still in discussions regarding the management charges made by Petrovavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
09/13	01/07/2013	30/09/2013	£118,645.00	

Summary

As a result of this assessment, the total VAT due is £118,645.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincerely

Andrew J Welsh
VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



**HM Revenue
& Customs**

FAO Irina Biletska
Petropavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business

SO1250

Large Business

BP5002, Dunstanburgh House

Benton Park View, Newcastle upon Tyne

NE98 1ZZ

Phone 03000 556801

Email linda.tiffin@hmrc.gsi.gov.uk

Web www.gov.uk

Date 06 December 2017

Our Ref 795422403

VAT number 795 4224 03

Dear Irina

Notice of VAT assessment

I believe that you have not declared or we have not assessed the correct amount of VAT due for the period shown below. This is because:

- Services appear to have been received from abroad but no reverse charge has been accounted for.
- Following the Larentia & Minerva judgement we still need further information on the management charges made by Petropavlovsk Plc.
- We still need further information with regards to the supplies made to IRC Limited and whether the place of supply of services to IRC is the UK.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
12/13	01/10/2013	31/12/2013	£193,367	

Summary

As a result of this assessment, the total VAT due is £193,367. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to www.gov.uk and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to www.gov.uk and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to www.gov.uk/tax-tribunal

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

Yours sincere



Linda Tiffin
VAT Tax Specialist

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'



HM Revenue & Customs

FTAO Irina Biletska
Petrovskiy Pld
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gsi.gov.uk

Date 20 April 2018
Our Ref 795422403
VAT number 795 4224 03

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 6 December 2017.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
03/14	01/01/2014	31/03/2014	£247,395.00	

Summary

As a result of this assessment, the total VAT due is £247,395.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 795 4224 03 and provide a daytime phone number.

Yours sincerely

Linda Tiffin

VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Bilestka
Petrovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gsi.gov.uk

Date 27 June 2018
Our Ref 795422403
VAT number 795 4224 03

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 6 December 2017.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
06/14	01/04/2014	30/06/2014	£208,097.00	

Summary

As a result of this assessment, the total VAT due is £208,097.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 795 4224 03 and provide a daytime phone number.

Yours sincerely

Linda Tiffin
VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Bilestka
Petrovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gsi.gov.uk

Date 27 September 2018
Our Ref 795422403
VAT number 795 4224 03

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 6 December 2017.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
09/14	01/07/2014	30/09/2014	£129,233.00	

Summary

As a result of this assessment, the total VAT due is £129,233.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 795 4224 03 and provide a daytime phone number.

Yours sincerely

Linda Tiffin

VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gsi.gov.uk

Date 21 December 2018
Our Ref 795 4224 03
VAT number 795 4224 03

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 6 December 2017.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
12/14	01/10/2014	31/12/2014	£369,295.00	

Summary

As a result of this assessment, the total VAT due is £369,295.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to www.gov.uk and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to www.gov.uk and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

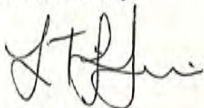
You can find out more about tribunals on the Tribunals Service website. Go to www.gov.uk/tax-tribunal

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 795 4224 03 and provide a daytime phone number.

Yours sincerely



Linda Tiffin
VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gsi.gov.uk

Date 25 March 2019
VAT number 795 4224 03

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 6 December 2017.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
03/15	01/01/2015	31/03/2015	£676,254.00	

Summary

As a result of this assessment, the total VAT due is £676,254.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 795 4224 03 and provide a daytime phone number.

Yours sincerely

Linda Tiffin

VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gsi.gov.uk

Date 25 June 2019
Our Ref HMRC/TIFF/OA0615
VAT number 795 4224 03

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 6 December 2017.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
06/15	01/04/2015	30/06/2015	£199,206.00	£0.00

Summary

As a result of this assessment, the total VAT due is £199,206.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 795 4224 03 and provide a daytime phone number.

Yours sincerely

Linda Tiffin

VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovks Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gsi.gov.uk

Date 13 September 2019
Our Ref HMRC/TIFF/OA/0915
VAT number 795 4224 03

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 6 December 2017.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
09/15	01/09/2015	30/09/2015	£85,460.00	

Summary

As a result of this assessment, the total VAT due is £85,460.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'paying HMRC'.

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, you need to write to us within 30 days of the date of this notice, telling us why you think our decision was wrong and we will look at it again. If you prefer, we will arrange for a review by an HMRC officer not previously involved in the matter. You will then have the right to appeal to an independent tribunal. Alternatively you can appeal direct to the tribunal within 30 days of this notice. If you choose to appeal to HM Courts and Tribunal Service you'll need to attach a copy of this letter with your appeal. If you don't then they may reject your appeal.

You can find more information about appeals and reviews in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'. You can get this factsheet from our website. Go to **www.gov.uk** and search 'what to do if you disagree' or you can phone our orderline on **0300 200 3610**.

You can find out more about tribunals on the Tribunals Service website. Go to **www.gov.uk/tax-tribunal**

More information

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 795 4224 03 and provide a daytime phone number.

Yours sincerely

Linda Tiffin

VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of HMRC services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



HM Revenue & Customs

FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gov.uk

Date 28 September 2020
Our Ref HMRC/227705996/0916
VAT number 227 7059 96

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my email dated 30 June 2020.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
09/16	01/07/2016	30/09/2016	£201,811.00	£0.00

Summary

As a result of this assessment, the total VAT due is £201,811.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to www.gov.uk and search 'How to pay your VAT bill'.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



VAT(LC)16

HMRC 02 20

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, then this letter is our offer to review that decision. You can:

- accept our offer of a review
- appeal to an independent tribunal

You cannot accept our offer of a review and appeal to the tribunal at the same time.

If you accept the offer of a review, an HMRC officer not previously involved in the matter will look at your case again. If you disagree with the outcome of the review, you can still appeal to the tribunal.

If you want a review, you need to:

- write to us within 30 days of the date of this letter telling us why you think our decision is wrong
- send us any new information that you want us to consider

If you need longer than 30 days to send us new information, please contact us to ask for this time limit to be extended. You should ask for any extension before the 30 day deadline.

We will only accept a request for a review outside this period of 30 days if there is a reasonable excuse for the request being late. The request must be made as soon as possible after the reason for the excuse has ended.

If you do not want a review, you can appeal to HM Courts and Tribunal Service, but you must do this within 30 days of the date of this letter.

If you choose to appeal to HM Courts and Tribunal Service, you will need to include a copy of this letter with your appeal. If you do not, then they may reject your appeal.

We will not take any action to collect the disputed tax while we review our decision. If that tax later becomes due when the appeal is settled, we will charge interest on it.

More information

You can find more information about:

- your appeal and review rights:
 - in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'
 - go to **www.gov.uk/tax-appeals**
- independent tribunals:
 - go to **www.gov.uk/tax-tribunal**
 - phone the Tribunals Service on 0300 123 1024

To get a copy of these factsheets, go to **www.gov.uk** and search for 'HMRC1' or phone us and we will send you a copy.

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 227 7059 96 and provide a daytime phone number.

Yours sincerely

Linda Tiffin
VAT Tax Specialist

If you need extra support, go to www.gov.uk/dealing-hmrc-additional-needs For example if you have a disability, a mental health issue, or do not speak English/Welsh.



FAO Irina Biletska
Petrovavlovsk Plc
11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556801

Fax 03000 553805

Email linda.tiffin@hmrc.gov.uk

Date 18 December 2020
Our Ref HMRC/227705996/1216
VAT number 227 7059 96

Web www.gov.uk

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 30 June 2020.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
12/16	01/10/2016	31/12/2016	£363,730.00	£0.00

Summary

As a result of this assessment, the total VAT due is £363,730.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to www.gov.uk and search 'How to pay your VAT bill'.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, then this letter is our offer to review that decision. You can:

- accept our offer of a review
- appeal to an independent tribunal

You cannot accept our offer of a review and appeal to the tribunal at the same time.

If you accept the offer of a review, an HMRC officer not previously involved in the matter will look at your case again. If you disagree with the outcome of the review, you can still appeal to the tribunal.

If you want a review, you need to:

- write to us within 30 days of the date of this letter telling us why you think our decision is wrong
- send us any new information that you want us to consider

If you need longer than 30 days to send us new information, please contact us to ask for this time limit to be extended. You should ask for any extension before the 30 day deadline.

We will only accept a request for a review outside this period of 30 days if there is a reasonable excuse for the request being late. The request must be made as soon as possible after the reason for the excuse has ended.

If you do not want a review, you can appeal to HM Courts and Tribunal Service, but you must do this within 30 days of the date of this letter.

If you choose to appeal to HM Courts and Tribunal Service, you will need to include a copy of this letter with your appeal. If you do not, then they may reject your appeal.

We will not take any action to collect the disputed tax while we review our decision. If that tax later becomes due when the appeal is settled, we will charge interest on it.

More information

You can find more information about:

- your appeal and review rights:
 - in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'
 - go to **www.gov.uk/tax-appeals**
- independent tribunals:
 - go to **www.gov.uk/tax-tribunal**
 - phone the Tribunals Service on 0300 123 1024

To get a copy of these factsheets, go to **www.gov.uk** and search for 'HMRC1' or phone us and we will send you a copy.

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 227 7059 96 and provide a daytime phone number.

Yours sincerely

Linda Tiffin
VAT Tax Specialist

If you need extra support, go to www.gov.uk/dealing-hmrc-additional-needs For example if you have a disability, a mental health issue, or do not speak English/Welsh.



Petropavlovsk Plc
10-11 Grosvenor Place
Belgravia
LONDON
SW1X 7HH

Large Business
Newcastle Upon Tyne
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556224

Fax 03000 553805

Web www.gov.uk

Date 12 March 2021
Our Ref HMRC/227705996/0317
VAT number 227 7059 96

Dear Irina

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my email dated 30 June 2020.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
03/17	01/01/2017	31/03/2017	£126,853.00	£0.00

Summary

As a result of this assessment, the total VAT due is £126,853.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we will write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. You can find more information about this on our website. Go to **www.gov.uk** and search 'How to pay your VAT bill'.

If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to www.gov.uk and search for 'get help from HMRC'.
Text Relay service prefix number – 18001

VAT(LC)16

HMRC 02 20

If you need to pay by post, please make your cheque payable to 'HM Revenue & Customs only' followed by your 9-digit VAT registration number. I have enclosed an extra copy of this notice and **you must send that with your payment** so that we can allocate the payment against this assessment.

If you pay by post, please send your cheque and the enclosed copy of this notice to:

HM Revenue & Customs
VAT Central Unit OAD
Alexander House
21 Victoria Avenue
SOUTHEND ON SEA
Essex
SS99 1BF

If you think you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our payment helpline on **0300 200 3822**.

What to do if you disagree

If you disagree with our decision, then this letter is our offer to review that decision. You can:

- accept our offer of a review
- appeal to an independent tribunal

You cannot accept our offer of a review and appeal to the tribunal at the same time.

If you accept the offer of a review, an HMRC officer not previously involved in the matter will look at your case again. If you disagree with the outcome of the review, you can still appeal to the tribunal.

If you want a review, you need to:

- write to us within 30 days of the date of this letter telling us why you think our decision is wrong
- send us any new information that you want us to consider

If you need longer than 30 days to send us new information, please contact us to ask for this time limit to be extended. You should ask for any extension before the 30 day deadline.

We will only accept a request for a review outside this period of 30 days if there is a reasonable excuse for the request being late. The request must be made as soon as possible after the reason for the excuse has ended.

If you do not want a review, you can appeal to HM Courts and Tribunal Service, but you must do this within 30 days of the date of this letter.

If you choose to appeal to HM Courts and Tribunal Service, you will need to include a copy of this letter with your appeal. If you do not, then they may reject your appeal.

We will not take any action to collect the disputed tax while we review our decision. If that tax later becomes due when the appeal is settled, we will charge interest on it.

More information

You can find more information about:

- your appeal and review rights:
 - in factsheet HMRC1, 'HM Revenue & Customs decisions – what to do if you disagree'
 - go to **www.gov.uk/tax-appeals**
- independent tribunals:
 - go to **www.gov.uk/tax-tribunal**
 - phone the Tribunals Service on 0300 123 1024

To get a copy of these factsheets, go to **www.gov.uk** and search for 'HMRC1' or phone us and we will send you a copy.

If you have any questions, please contact me using the phone number or address shown at the top of this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 227 7059 96 and provide a daytime phone number.

Yours sincerely

Denise Sant

VAT Tax Specialist

If Coronavirus (COVID-19) is affecting you or your business, you can find information online about the support that's available. Go to www.gov.uk and search for 'Coronavirus guidance and support'. To find out what service and standard of behaviour you can expect from us, go to www.gov.uk and search for 'HMRC Charter'.



PETROPAVLOVSK PLC
10-11 Grosvenor Place
LONDON
SW1X 7HH

Large Business
LB North East
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556224

Web www.gov.uk

Date 22 June 2022
Our Ref HMRC227705996/06/18
VAT number 227 7059 96

Dear Mr Wood

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 20 June 2020.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
06/18	01/04/2018	30/06/2018	£239,099.00	£0.00

Summary

As a result of this assessment, the total VAT due is £239,099.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we'll write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. For more information, go to www.gov.uk/pay-vat

If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to www.gov.uk and search for 'get help from HMRC'.
Text Relay service prefix number – 18001

Problems paying

If you think that you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our Payment Helpline on 0300 200 3835.

What to do if you disagree

If you disagree with our decision, then this letter is our offer to review that decision. You can:

- accept our offer of a review
- appeal to an independent tribunal

You cannot accept our offer of a review and appeal to the tribunal at the same time.

If you accept the offer of a review, an HMRC officer not previously involved in the matter will look at your case again. If you disagree with the outcome of the review, you can still appeal to the tribunal.

If you want a review, you need to write to us within 30 days of the date of this letter. This is your chance to tell us why you think our decision is wrong and send us any new information that you want us to consider.

If you need longer than 30 days to send us new information, please contact us to ask for this time limit to be extended. You should ask for any extension before the 30 day deadline.

We will only accept a request for a review outside this period of 30 days if there is a reasonable excuse for the request being late. The request must be made as soon as possible after the reason for the excuse has ended.

If you do not want a review, you can appeal to HM Courts and Tribunal Service, but you must do this within 30 days of the date of this letter.

If you choose to appeal to HM Courts and Tribunal Service, you will need to include a copy of this letter with your appeal. If you do not, then they may reject your appeal.

We will not take any action to collect the disputed tax while we review our decision. If that tax later becomes due when the appeal is settled, we will charge interest on it.

More information

You can find more information about:

- your appeal and review rights:
 - in factsheet HMRC1, 'HM Revenue and Customs (HMRC) decisions – what you can do if you disagree'
 - go to www.gov.uk/tax-appeals
- independent tribunals:
 - go to www.gov.uk/tax-tribunal
 - phone the Tribunals Service on 0300 123 1024

To get a copy of the factsheet, go to www.gov.uk and search for 'HMRC1' or phone us and we will send you a copy.

Dealing with a tax agent

If you have a tax agent or accountant, please show them this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 227 7059 96 and give us your contact details.

Yours sincerely

Denise Sant

VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account Or you can use the HMRC app.

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



PETROPAVLOVSK PLC
10-11 Grosvenor Place
LONDON
SW1X 7HH

Large Business
LB North East
S1250
NEWCASTLE
NE98 1ZZ

Phone 03000 556224

Web www.gov.uk

Date 22 June 2022
Our Ref HMRC227705996/06/18
VAT number 227 7059 96

Dear Mr Wood

Notice of VAT assessment

I believe that you have not declared the correct amount of VAT due for the period shown below. I explained this in my letter dated 20 June 2020.

I have made an assessment of VAT due under section 73 of the VAT Act 1994. This letter is our notice of that assessment.

Details of assessment

Period	From	To	Net VAT due to HMRC for this period	Net VAT due from HMRC for this period
06/18	01/04/2018	30/06/2018	£239,099.00	£0.00

Summary

As a result of this assessment, the total VAT due is £239,099.00. Please pay this amount now. Details of how to pay are shown later in this letter.

Default interest

We may charge you default interest. If we do, we'll write to you separately to tell you how much interest is due.

How to pay

We recommend that you make all your payments to us electronically. For more information, go to www.gov.uk/pay-vat

If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to www.gov.uk and search for 'get help from HMRC'.
Text Relay service prefix number – 18001

Problems paying

If you think that you may have problems paying, you can find help on our website. Go to www.gov.uk/difficulties-paying-hmrc or you can phone our Payment Helpline on 0300 200 3835.

What to do if you disagree

If you disagree with our decision, then this letter is our offer to review that decision. You can:

- accept our offer of a review
- appeal to an independent tribunal

You cannot accept our offer of a review and appeal to the tribunal at the same time.

If you accept the offer of a review, an HMRC officer not previously involved in the matter will look at your case again. If you disagree with the outcome of the review, you can still appeal to the tribunal.

If you want a review, you need to write to us within 30 days of the date of this letter. This is your chance to tell us why you think our decision is wrong and send us any new information that you want us to consider.

If you need longer than 30 days to send us new information, please contact us to ask for this time limit to be extended. You should ask for any extension before the 30 day deadline.

We will only accept a request for a review outside this period of 30 days if there is a reasonable excuse for the request being late. The request must be made as soon as possible after the reason for the excuse has ended.

If you do not want a review, you can appeal to HM Courts and Tribunal Service, but you must do this within 30 days of the date of this letter.

If you choose to appeal to HM Courts and Tribunal Service, you will need to include a copy of this letter with your appeal. If you do not, then they may reject your appeal.

We will not take any action to collect the disputed tax while we review our decision. If that tax later becomes due when the appeal is settled, we will charge interest on it.

More information

You can find more information about:

- your appeal and review rights:
 - in factsheet HMRC1, 'HM Revenue and Customs (HMRC) decisions – what you can do if you disagree'
 - go to www.gov.uk/tax-appeals
- independent tribunals:
 - go to www.gov.uk/tax-tribunal
 - phone the Tribunals Service on 0300 123 1024

To get a copy of the factsheet, go to www.gov.uk and search for 'HMRC1' or phone us and we will send you a copy.

Dealing with a tax agent

If you have a tax agent or accountant, please show them this letter.

If you contact us, we can deal with you more quickly if you quote the VAT registration number 227 7059 96 and give us your contact details.

Yours sincerely

Denise Sant

VAT Tax Specialist

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account Or you can use the HMRC app.

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.



Office of Financial
Sanctions Implementation
HM Treasury

UK FINANCIAL SANCTIONS

General guidance for
financial sanctions under the
Sanctions and Anti-Money Laundering Act 2018

UK financial sanctions: general guidance (December 2020)

This guidance is produced by the Office of Financial Sanctions Implementation (OFSI), part of HM Treasury, which is the authority for the implementation of financial sanctions in the UK.

It outlines your obligations under financial sanctions as well as OFSI's approach to licensing and compliance issues. It takes into account relevant case law and guidance at the date of publication.

This guidance is general in nature so you should also refer to the relevant, up-to-date legislation as well as specific OFSI guidance where it is available.

Please note that each case will be considered on the facts and the specific legal requirements that apply. Please note that OFSI cannot issue definitive guidance on how a UK court might interpret these laws.

Finally, this guidance does not represent legal advice. If you are unsure about your obligations in a given case, you should consider taking independent legal advice.

Office of Financial Sanction Implementation

HM Treasury

1 Horse Guards Road

London SW1A 2HQ

ofsi@hmtreasury.gov.uk

General enquiries: 0207 270 5454

Contents

		Page
Chapter 1	Overview of financial sanctions	8
Chapter 2	Who is subject to financial sanctions	11
Chapter 3	Financial sanctions restrictions	14
Chapter 4	Ownership and control	17
Chapter 5	Your reporting obligations to OFSI	20
Chapter 6	Exceptions and licensing	26
Chapter 7	Compliance and enforcement	38
Chapter 8	Challenging designations	41
Chapter 9	Glossary	42

1 Overview of financial sanctions

1.1 Why do we have financial sanctions

Financial sanctions are restrictions put in place by the UN or UK to achieve a specific foreign policy or national security objective. They can:

- limit the provision of certain financial services
- restrict access to financial markets, funds and economic resources.

Financial sanctions are generally imposed to:

- **coerce** a regime, or individuals within a regime, into changing their behaviour (or aspects of it) by increasing the cost on them to such an extent that they decide to cease the offending behaviour;
- **constrain** a target by denying them access to key resources needed to continue their offending behaviour, including the financing of terrorism or nuclear proliferation;
- **signal disapproval**, stigmatising and potentially isolating a regime or individual, or as a way of sending broader political messages nationally or internationally; and/or
- **protect the value of assets** that have been misappropriated from a country until these assets can be repatriated.

1.2 Who is involved in making and implementing sanctions

The United Nations (UN) imposes financial sanctions and requires member states to implement them through Resolutions passed by the UN Security Council. You can read more about the UN's work on financial sanctions on their website:

<https://www.un.org/sc/suborg/en/sanctions/information>

The United Kingdom (UK) imposes financial sanctions. These are implemented through a combination of statutory instruments (UK regulations) and primary legislation:

- Sanctions and Anti-Money Laundering Act 2018 (Sanctions Act)
- Counter Terrorism Act 2008 (CTA 2008)
- Anti-Terrorism, Crime and Security Act 2001 (ATCSA 2001)

UK government departments and agencies involved in sanctions

Department	Role
Foreign, Commonwealth and Development Office (FCDO)	Responsible for the UK's international sanctions policy, including all international sanctions regimes and designations Negotiates all international sanctions
HM Treasury (Office of Financial Sanctions Implementation - OFSI)	OFSI is the authority responsible for implementing the UK's financial sanctions on behalf of HM Treasury
Department for International Trade (Export Control Joint Unit)	Implements trade sanctions and embargoes
Department for Transport	Implements transport sanctions, including controlling movement of ships and aircraft in UK waters and airspace
Home Office	Implements travel bans
HM Revenue & Customs (HMRC)	Enforces breaches of trade sanctions
National Crime Agency (NCA)	Investigates and enforces breaches of financial sanctions

1.3 Types of financial sanctions

Financial sanctions come in many forms as they are developed in response to a given situation. The most common types of financial sanctions used in recent years are:

- **Targeted asset freezes:** these apply to named individuals and entities restricting access to funds and economic resources. Someone subject to an asset freeze in the UK will be listed on OFSI's consolidated list:
<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>
- **Restrictions on a wide variety of financial markets and services:** these can apply to named individuals and entities, specified groups, or entire sectors. To date these have taken the form of:
 - investment bans
 - restrictions on access to capital markets
 - directions to cease banking relationships and activities

- requirements to notify or seek authorisation prior to certain payments being made or received
- restrictions on the provision of financial, insurance, brokering or advisory services or other financial services.
- **Directions to cease all business:** these will specify the type of business and can apply to a specific person, group, sector or country.

1.4 Who needs to comply with financial sanctions

UK financial sanctions apply to all persons within the territory and territorial sea of the UK and to all UK persons, wherever they are in the world. This means that:

- All individuals and legal entities who are within or undertake activities within the UK's territory must comply with UK financial sanctions that are in force.
- All UK nationals and legal entities established under UK law, including their branches, must also comply with UK financial sanctions that are in force, irrespective of where their activities take place.

'Without delay' implementation of UN listings

Under an autonomous UK sanctions regime, where listings are made under a new UN Security Council resolution or sanctions committee, they will have effect in UK law via regulations made under the Sanctions Act 2018. The FCDO will publicise UN listings. OFSI will add all those subject to financial sanctions to the Consolidated List.

2 Who is subject to financial sanctions

2.1 OFSI lists

OFSI maintains two lists of those subject to financial sanctions.

1. The 'consolidated list'

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>

This is a list of all asset freeze targets listed under UK autonomous financial sanctions legislation and UN sanctions ("the Consolidated List"). The individuals and entities listed are known as "designated persons". OFSI publishes the Consolidated List to help businesses and individuals comply with financial sanctions.

OFSI aims to update the Consolidated List within one working day for all new UN and UK listings coming into force in the UK, and within three working days for all other amendments.

If you have been de-listed but your name still appears on the Consolidated List, you should email OFSI (ofsi@hmtreasury.gov.uk) with evidence of your de-listing.

2. List of entities subject to capital market restrictions

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/ukraine-list-of-persons-subject-to-restrictive-measures-in-view-of-russias-actions-destabilising-the-situation-in-ukraine>

OFSI maintains a separate list of entities subject to specific capital market restrictions. These entities are not contained on the Consolidated List.

For more information on the restrictions that apply to these entities please see the Ukraine (Sovereignty and Territorial Integrity) regime page on GOV.UK:

<https://www.gov.uk/government/publications/financial-sanctions-ukraine-sovereignty-and-territorial-integrity>

2.2 Using the Consolidated List

The Consolidated List contains a range of information to aid the identification of designated persons. For an individual this can include their:

- aliases
- date of birth
- passport details
- nationality

- last known address
- employment or role.

You may find that the name of an individual or entity you are dealing with matches one or more entries on the Consolidated List. This is known as a **name match**. However, it does not necessarily mean that the individual or entity you are dealing with is the same one on the list. If you are satisfied that the person or entity is not the same as the one on the list, you do not need to take further action.

If the individual or entity you are dealing with matches all the information on the Consolidated List, this is likely to be a **target match**.

If having consulted the Consolidated List you are still unsure on whether you have a target match, you can contact OFSI for assistance.

Examples of name and target matches

Situation	Assessment
<p>You have a name match for a person who is listed as a Syrian general, commanding troops in Syria at the start of the civil war.</p> <p>However, the person you are dealing with is aged 15 and was born in the UK.</p>	Name match
<p>You have a name match for an official from the Government of North Korea.</p> <p>However, the man you are dealing with is a retired teacher with a different date of birth. You've also carried out business with him over the last ten years.</p>	Name match
<p>You have a close name match for a person subject to a terrorist asset freeze and they have a similar date of birth but a different address.</p>	<p>Potential target match. You may have identified a new alias being used to circumvent financial sanctions.</p> <p>You should contact OFSI immediately.</p>

What you are required to do next if you have a target match will depend on the specific sanctions that apply. For asset freezes, this is outlined in Section 3 of this guide.

2.2.2 Getting updates

OFSI publishes notices describing changes to financial sanctions on GOV.UK:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

OFSI notifies its subscribers by email whenever a new notice is published. To subscribe to our e-alerts, click here:

<https://public.govdelivery.com/accounts/UKHMTREAS/subscriber/new>

2.2.3 Proscription under the Terrorism Act 2000

An organisation may be proscribed ('banned') under the Terrorism Act 2000 if the Home Secretary believes it is involved in terrorism and it is proportionate to do so.

Because proscription involves different restrictions, and because not all proscribed organisations are subject to financial sanctions, the list of proscribed organisations is not included in OFSI's consolidated list.

The list of proscribed organisations is maintained by the Home Office and can be found on GOV.UK:

<https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>

3 Financial sanctions restrictions

You are prohibited from carrying out certain activities or behaving in a certain way if financial sanctions apply. You should always refer to the up-to-date version of the legislation imposing the specific financial sanctions which apply in your case to understand exactly what is prohibited.

OFSI interprets prohibitions widely. This means that while we will not seek to draw in activities that clearly fall outside of a prohibition, OFSI will consider a wide range of actions when assessing if a breach of financial sanctions has taken place.

This section provides an overview of asset freezing, which is the most common form of financial sanction.

3.1 Asset freezes

3.1.1 What do they do?

Where the financial sanction is an asset freeze, it is generally prohibited to:

- deal with the frozen funds or economic resources, belonging to or owned, held or controlled by a designated person
- make funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person
- engage in actions that, directly or indirectly, circumvent the financial sanctions prohibitions

The funds and economic resources are to be frozen immediately by the person in possession or control of them. An asset freeze does not involve a change in ownership of the frozen funds or economic resources, nor are they confiscated or transferred to OFSI for safekeeping.

3.1.2 What must you do?

If you know or have 'reasonable cause to suspect' that you are in possession or control of, or are otherwise dealing with, the funds or economic resources of a designated person you must:

- freeze them
- not deal with them or make them available to, or for the benefit of, the designated person, unless:
 - there is an exception in the legislation that you can rely on; or
 - you have a licence from OFSI
- report them to OFSI (see Chapter 5 of this guide).

Reasonable cause to suspect refers to an objective test that asks whether there were factual circumstances from which an honest and reasonable person should have inferred knowledge or formed the suspicion.

A breach of these requirements may result in a criminal prosecution or a monetary penalty.

3.1.3 Asset freezing terminology

Funds generally means financial assets and benefits of every kind, including but not limited to:

- cash, cheques, claims on money, drafts, money orders and other payment instruments
- deposits with financial institutions or other entities, balances on accounts, debts and debt obligations
- publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts
- interest, dividends or other income on or value accruing from or generated by assets
- credit, right of set-off, guarantees, performance bonds or other financial commitments
- letters of credit, bills of lading, bills of sale
- documents showing evidence of an interest in funds or financial resources
- any other instrument of export financing.

Economic resources generally means assets of every kind – tangible or intangible, movable or immovable – which are not funds, but may be used to obtain funds, goods or services. This includes but is not limited to:

- precious metals or stones
- antiques
- vehicles
- property

Goods generally means items, materials and equipment.

Crypto assets – Statutory definitions of “funds” and “economic resources” are wide, as referenced above. Crypto assets are considered to be covered by these definitions and are therefore caught by the financial sanctions restrictions.

Dealing with funds generally means moving, transferring, altering, using, accessing, or otherwise dealing with them in any way which would result in any change to their volume,

amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management.

Dealing with economic resources generally means using the economic resources to obtain funds, goods, or services in any way, including, but not limited to, by selling, hiring or mortgaging them. The everyday use by a designated person of their own economic resources for personal consumption is not prohibited.

Making available funds or economic resources, directly or indirectly, to a designated person - If funds are made available (directly or indirectly) to a designated person, or economic resources are made available (directly or indirectly) that would likely be exchanged, or used in exchange, for funds, goods, or services, this may constitute a criminal offence.

Making available funds or economic resources for the *benefit* of a designated person - If funds or economic resources are made available for the benefit of a designated person and they obtain, or are able to obtain, a 'significant financial benefit', this may constitute a criminal offence.

In this case, 'financial benefit' includes the discharge, in whole or in part, of a financial obligation for which the designated person is wholly or partly responsible.

3.2 Other financial restrictions

Financial sanctions regimes may include other restrictions in addition to asset freezes. Where these exist, they will be listed on the individual regime pages on GOV.UK:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

Financial assistance, financial services and processing payments:

For sanctions made under the Sanctions Act, the definition of financial assistance differs from the definition in regimes operating under EU law. Under the Sanctions Act, financial services covers the previously used 'financial assistance', and this does include processing payments.

Financial services means any service of a financial nature, including (but not limited to) payment and money transmission services, charge and debit cards, travellers' cheques and bankers' drafts. Section 61 of the Sanctions Act gives further examples of the meaning of 'financial services' and "financial products".

4 Ownership and control

If a person or entity is designated, their name will be recorded on the Consolidated List. An asset freeze and some financial services restrictions will apply to entities (meaning a body of persons corporate or unincorporated, or any organisation or association or combination of persons) that are owned or controlled, directly or indirectly, by a designated person. Those entities may not be designated in their own right, so their names may not appear on the Consolidated List. However, those entities are similarly subject to financial sanctions.

4.1 Ownership and Control

An entity is owned or controlled directly or indirectly by another person in any of the following circumstances:

- The person holds (directly or indirectly) more than 50% of the shares or voting rights in an entity;
- The person has the right (directly or indirectly) to appoint or remove a majority of the board of directors of the entity; or
- It is reasonable to expect that the person would be able to ensure the affairs of the entity are conducted in accordance with the person's wishes. This could, for example, include:
 - Appointing, solely by exercising one's voting rights, a majority of the members of the administrative, management or supervisory bodies of an entity, who have held office during the present and previous financial year;
 - Controlling alone, pursuant to an agreement with other shareholders in or members of an entity, a majority of shareholders' or members' voting rights in that entity;
 - Having the right to exercise a dominant influence over an entity, pursuant to an agreement entered into with that entity, or to a provision in its Memorandum or Articles of Association, where the law governing that entity permits its being subject to such agreement or provision;
 - Having the right to exercise a dominant influence referred to in the point above, without being the holder of that right (including by means of a front company);
 - Having the ability to direct another entity in accordance with one's wishes. This can be through any means, directly or indirectly. For example, it is possible that a designated person may have control or use of another person's bank accounts or economic resources and may be using them to circumvent financial sanctions.

If any of the above criteria are met, and the person who owns or controls the entity is also a designated person, then financial sanctions will also apply to that entity in its entirety (meaning these assets should also be frozen). The prohibitions on making funds or economic resources available directly or indirectly to a designated person, also prohibit making them available to an entity who is owned or controlled, directly or indirectly, by the designated person. The UK Government will look to designate owned or controlled entities/individuals in their own right where possible.

Box 4.A: Ownership and Control example relating to entities

For example, **Entity X** is not listed on OFSI's Consolidated List. However, your research shows that the majority owner of **Entity X** is designated **Entity Y**.

As the ownership and control criterion has been met, **Entity X** is also subject to the same restrictions as designated **Entity Y**.

Box 4.B: Ownership and Control example relating to individuals

For example, **Person A** (an individual) is not listed on OFSI's Consolidated List. However, your research shows that **Person A** is a family member or friend of designated **Person B** and there is evidence that **Person B** is using **Person A** to enter into transactions.

As **Person B** is in control of **Person A**, **Person A** is also subject to the same restrictions as designated **Person B**.

4.1.2 Minority interests

If a designated person has a minority interest in another entity, this does not necessarily mean that financial sanctions also apply to them as the ownership and control criteria may not have been met. It will be necessary to consider whether a designated person is in control e.g. because the affairs of the entity are conducted in accordance with the designated person's wishes. If they are, then the ownership and control criteria will be met.

You should remain vigilant to any changes in the stake held by the designated person in case it increases to greater than 50% (or they obtain a majority interest) at which point financial sanctions will also apply to that entity.

4.1.3 Joint Interests

For the purposes of the asset freeze a designated person will be taken to own funds/economic resources even if they are owned jointly with another person, or where the designated person only owns part of them. Additionally, a designated person is taken to own funds/economic resources where the designated person's ownership consists of any interest (whether legal or equitable).

If two or more persons hold shares or rights jointly, each of them will be treated as owning those shares or rights. This also applies to joint arrangements where all holders of shares or rights exercise their rights jointly. In this case, all parties subject to the joint arrangement are considered as owning those shares or rights.

You should consider the above when evaluating the shares or voting rights an individual may have in an entity.

Where the wording above applies, the jointly owned funds/economic resources should be frozen in their entirety.

4.1.4 Aggregation

When making an assessment on ownership and control, OFSI would not simply aggregate different designated persons' holdings in a company, unless, for example, the shares or rights are subject to a joint arrangement between the designated parties or one party controls the rights of another. Consequently, if each of the designated person's holdings falls below the 50% threshold in respect of share ownership **and** there is no evidence of a joint arrangement or that the shares are held jointly, the company would not be directly or indirectly owned by a designated person.

It should be noted that ownership and control *also* relates to holding more than 50% of voting rights, the right to appoint or remove a majority of the board of directors and it being reasonable to expect that a designated person would be able in significant respects to ensure that the affairs of a company are conducted in accordance with their wishes. If any of these apply, the company could be controlled by a designated person.

5 Your reporting obligations to OFSI

5.1 UK financial sanctions regimes made under the Sanctions Act

Under UK financial sanctions regimes, there is a reporting obligation that applies to firms in certain sectors.

5.1.1 Reporting Obligations

Reporting obligations apply to relevant firms (as defined in the UK regulations and referred to below). There is a requirement for relevant firms to inform OFSI as soon as practicable if it is known or reasonably suspected a person is a designated person or has committed offences under financial sanctions regulations, where that information is received in the course of carrying on their business.

This requirement applies to relevant firms in the UK or under UK jurisdiction including individuals working for them.

When reporting to OFSI you must include:

- the information or other matter on which the knowledge or suspicion is based, and
- any information you hold about the person or designated person by which they can be identified.

If you know or have reasonable cause to suspect that a person is a designated person and that person is a customer of your (relevant) firm, you must also state the nature and amount or quantity of any funds or economic resources held by you for that customer.

Examples of the kind of information that is required can be found in Table 5.A.

If you are unsure of your reporting obligations, you should seek independent legal advice.

5.1.2 Relevant firm

Definitions of relevant firms can be found in the 'Information and records' part of the statutory instrument for each sanctions regime, which can be found here:

<https://www.gov.uk/government/collections/uk-sanctions-regimes-if-theres-no-brexite-deal>

By way of example, relevant firms that are subject to specific reporting obligations as set out in UK regulations made under the Sanctions Act include:

- a person who has permission under Part 4A of the Financial Services and Markets Act 2000 (FSMA 2000) (permission to carry on regulated activity)
- an undertaking that by way of business operates a currency exchange office, transmits money (or any representations of monetary value) by any means, or cashes cheques which are made payable to customers
- a firm or sole practitioner that is a statutory auditor or local auditor

- a firm or sole practitioner that provides by way of business accountancy services, legal or notarial services, advice about tax affairs or certain trust or company services
- a firm or sole practitioner that carries out, or whose employees carry out, estate agency work
- the holder of a casino operating licence
- a person engaged in the business of making, supplying, selling or exchanging articles made from gold, silver, platinum, palladium or precious stones or pearls.

All regulations apply to a United Kingdom person or entity who is outside the United Kingdom.

5.2 Other UK financial sanctions regimes

The reporting obligations under ATCSA 2001 can be found in the Schedule to the Orders made under that act. The Orders can be found on GOV.UK:

<https://www.gov.uk/government/publications/financial-sanctions-uk-freezing-orders>

Designations made under the domestic regimes can be found in the following sections of the Consolidated List:

[UK Freezing Orders](#)

- which includes designations made under ATCSA 2001

If you are unsure of your reporting obligations, you should seek independent legal advice.

Examples of information to be reported

A designated person or entity	<p>A customer or client of yours is a known or suspected designated person or entity.</p> <p>As well as providing OFSI with any information you hold about the designated person or entity by which they can be identified, if the designated person is a customer or client you must also inform OFSI of the nature, amount, quantity of any funds or economic resources held on behalf of the customer or client, at the time this knowledge or suspicion arose.</p>
Offences	<p>Exact offences will depend on the relevant legislation, but can include:</p> <ul style="list-style-type: none"> • making funds or economic resources available to a designated person or entity (except where an exception applies or under licence) • dealing with frozen funds or economic resources (except where an exception applies or under licence) • activities that circumvent an asset freeze • breaching licensing conditions

Examples of information to be reported

A designated person or entity	<p>A customer or client of yours is a known or suspected designated person or entity.</p> <p>As well as providing OFSI with any information you hold about the designated person or entity by which they can be identified, if the designated person is a customer or client you must also inform OFSI of the nature, amount, quantity of any funds or economic resources held on behalf of the customer or client, at the time this knowledge or suspicion arose.</p>
Funds and economic resources ^a	<p>You must include details of the nature, amount or quantity of any funds and economic resources held.</p> <p>Types of funds or economic resources can include but are not limited to:</p> <ul style="list-style-type: none"> • cash • cheques • postal orders • crypto assets • bond futures • precious metals or stones • vehicles • antiques
Credits to frozen accounts ^b	<p>A relevant institution must inform OFSI immediately whenever it credits a frozen account:</p> <ul style="list-style-type: none"> • where it receives funds transferred to it for the purpose of crediting that account
<p>^a See Section 3.1.3 of this guide for a definition of what constitutes funds and economic resources.</p> <p>^b A relevant firm does not need to inform OFSI when it credits an account with interest or other earnings.</p>	

5.3 How to report

Reports of frozen funds and economic resources, information regarding a designated person, and notifications of credits to frozen accounts should be emailed to: ofsi@hmtreasury.gov.uk.

Reports regarding suspected breaches should be submitted to OFSI using the form on GOV.UK:

<https://www.gov.uk/guidance/suspected-breach-of-financial-sanctions-what-to-do>

OFSI will handle all information it receives in compliance with applicable data protection laws.

All reports to OFSI involving a designated person should include their 'Group ID' reference number. The Group ID is a unique identifier for a designated person which can be found in their entry on the Consolidated List available at:

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets>

5.4 Legal professional privilege

All UK regulations make it clear that the reporting requirements do not apply to information to which legal professional privilege is attached. However, OFSI expects legal professionals to carefully ascertain whether legal privilege applies, and which information it applies to. OFSI may challenge a blanket assertion of legal professional privilege where it is not satisfied that such careful consideration has been made.

5.5 Reporting offences

A relevant firm that fails to comply with its reporting obligations, as set out in the relevant legislation, will be committing an offence, which may result in a criminal prosecution or a monetary penalty.

5.6 OFSI's powers to require information from you

OFSI has statutory powers to require you to produce specified documents and provide information for the purpose of:

- establishing the nature and amount or quantity of funds or economic resources, owned, held or controlled by or on behalf of a designated person
- establishing the nature and amount or quantity of funds or economic resources made available directly or indirectly to, or for the benefit of, a designated person
- establishing the nature of any financial transactions entered into by a designated person

- monitoring compliance with or detecting evasion of any provision of financial sanctions regulations including licensing and reporting conditions and obligations
- detecting or obtaining evidence of the commission of an offence

For a complete list of OFSI's powers to request information, please refer to the legislation underpinning each particular financial sanctions regime.

When requesting information from you, OFSI will specify:

- the legislative basis for the request
- the time period within which the information is to be provided (although if no time period is specified, the information which has been requested must be provided within a reasonable time).

In some circumstances OFSI may specify the manner in which the information should be provided.

Failure to comply with a request for information, including by failing (without reasonable excuse) to provide the information within the specified time (or, if no time has been specified, within a reasonable time), providing false information, destroying documents or otherwise intentionally obstructing OFSI when exercising these powers is a criminal offence and may result in a criminal prosecution or a monetary penalty.

5.7 Other reporting obligations

Your obligation to report to OFSI is in addition to any other sanctions reporting obligations you may have. These could include reporting required by your regulator (if you have one), or submitting Suspicious Activity Reports (SARs) to the National Crime Agency (NCA) under the Proceeds of Crime Act 2002.

In some cases, you may have specific obligations to report under section 19 of the Terrorism Act 2000.

Please note that reporting to your regulator or submitting a SAR does not meet your reporting obligations under financial sanctions. If you have information to report regarding financial sanctions, this must be sent to OFSI: ofsi@hmtreasury.gov.uk.

If you are unsure of your reporting obligations, you should seek independent legal advice.

5.8 Onward disclosure

Information received by OFSI shall be disclosed to third parties in accordance with provisions set out in the Information and Records part of regulations pursuant to the disclosure of information regulation. Any such disclosure must be in compliance with applicable data protection laws.

6 Exceptions and licensing

Specific exceptions and licensing powers are contained in the sanctions regulations made under the Sanctions Act and can allow otherwise prohibited transactions and prohibited activity to take place in some circumstances.

A licence is a written permission from OFSI allowing an act that would otherwise breach prohibitions imposed by financial sanctions.

An exception to a prohibition applies automatically in certain defined circumstances as set out in the regulations and does not require you to obtain a licence from OFSI.

The following sections provide a general overview of the standard exceptions and licensing grounds found in financial sanctions legislation. The grounds may vary from regime to regime, so it is important that you check the relevant, up-to-date legislation. This guidance will be updated in due course to reflect the position for some of the sectoral regimes where additional provisions can apply.

6.1 Crediting frozen accounts

Asset freezing legislation permits without a licence:

- a relevant firm to credit a frozen account with interest or other earnings due on the frozen account, so long as those funds are frozen immediately.
- a person to transfer funds to a relevant firm for crediting a frozen account where the transfer is in order to discharge obligations that were concluded or arose before the date the person became sanctioned.
- a relevant firm to credit a frozen account with payments from a third party, provided that the incoming funds are also frozen and that it informs OFSI of the transaction immediately without delay (see Chapter 5 of this guide).

6.2 Independent person holding legal or equitable interest in frozen funds or economic resources

The legislation creates an exception to allow independent persons to transfer their legal or equitable interests in frozen funds or economic resources to another person, where immediately before the transfer all the provisions in 1-4 below are present:

1. The independent person is not a designated person;
2. The independent person holds the interest in the funds or economic resources;
3. The independent person doesn't hold the interest jointly with a designated person; and
4. The independent person isn't owned or controlled, directly or indirectly by a designated person (see Chapter 4 for meaning of owned or controlled).

6.3 Ring-fencing

From 1 January 2019, each large bank must separate core retail banking from the rest of its business, known as ring-fencing, to comply with the Financial Services (Banking Reform) Act 2013. UK sanctions regimes contain an exception permitting banks subject to the ring-fencing legislation to transfer funds from account A in a non ring-fenced body to account B in a ring-fenced body (as defined in the legislation) where accounts A and B are held or controlled (directly or indirectly) by a designated person.

6.4 Licensing overview

It is important to note that OFSI can only issue licences where there are specific and relevant licensing grounds enabling us to do so, and where the conditions in those grounds have been met. The available grounds can be found in the legislation underpinning each particular financial sanctions regime:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

OFSI will only consider licensing activities that fall within the licensing grounds set out in the legislation. When considering making an application, you may wish to seek legal advice.

See Table 6.A for more information on OFSI's approach to licensing grounds.

Licences cannot be issued retrospectively. If you have carried out an act that required a licence, without having obtained one beforehand, you may have breached financial sanctions and you should consult Chapters 5 and 7 of this guide immediately.

It is important to note that OFSI only issues licences in relation to its areas of competence; an OFSI licence does not confirm that a particular transaction as a whole is lawful under financial sanctions regulations (for example, in some cases a further licence, such as an export control licence, may be required).

A licence is a written permission from OFSI allowing an act that would otherwise breach prohibitions imposed by financial sanctions. It does not compel any party, including the financial institutions involved in the payment route, to take any action. It confirms, solely, that the act(s) specified in the licence are allowed by OFSI.

6.5 Licensing grounds: UK regimes

The following table sets out the licensing grounds commonly found in UK regulations as well as OFSI's approach to them. Some licensing grounds cannot be applied to persons designated by the United Nations. As noted above, the exact grounds available can be found in the legislation underpinning each particular financial sanctions regime. OFSI carefully scrutinises all applications made to assess whether they fall under the relevant licensing grounds.

OFSI's approach to licensing grounds

Licensing ground	OFSI's approach
Basic needs	<ul style="list-style-type: none">The legislation confirms that the ground is present to enable the basic needs of a designated person, or (in the case of an

	<p>individual) any financially dependent family member of such a person to be met.</p> <ul style="list-style-type: none"> • Expenditure to meet basic needs of an individual should be expenses which are necessary to ensure that designated persons or financially dependent family members are not imperilled. • In respect of a person other than an individual e.g. an entity, the legislation confirms that basic needs <i>includes</i>: <ul style="list-style-type: none"> ○ payment of insurance premiums ○ payment of reasonable fees for the provision of property management services ○ payment of remuneration, allowances or pensions of employees ○ payment of tax ○ rent or mortgage payments ○ utility charges • The list of basic needs detailed above is not exhaustive but is indicative of the type of basic needs intended to be caught. Therefore, expenditure to meet the basic needs of an entity should be expenses strictly necessary to ensure the continued existence of the designated entity. • Basic needs licences do not necessarily enable a designated person to continue the lifestyle or business activities they had before they were designated.
Fees for the provision of legal services	<ul style="list-style-type: none"> • Both legal fees and disbursements must be reasonable. It is for the applicant to demonstrate to OFSI that the legal fees and disbursements are reasonable. • In most cases, you can provide legal advice to or act for a designated person without an OFSI licence, however, you cannot receive any payment for that advice without first obtaining an OFSI licence. • OFSI can only authorise payment of reasonable legal fees and disbursements in relation to legal services provided to a designated person. You are strongly encouraged to apply for a licence in advance of providing substantive legal services in order for you to have certainty as to the fees that will be recoverable whilst the designated person remains listed. • In support of your application, you should: <ul style="list-style-type: none"> ○ provide an estimate of the anticipated fees and/or fees that have already been incurred; ○ provide a breakdown of how the fees will be charged and/or have been charged; and ○ identify any disbursements, such as payments for counsel and/or expert witnesses. • OFSI considers that the Supreme Court Cost Guides or the sums that could be expected to be recouped if costs were awarded, provide a useful starting point for assessing the reasonableness of legal fees and disbursements. • If you are seeking fees of a level in excess of those, you need to demonstrate why those increased fees are reasonable in the given case.

	<ul style="list-style-type: none"> Fees and disbursements must relate specifically to the provision of legal advice, involvement in litigation or in dispute resolution.
Routine maintenance of frozen funds and economic resources	<ul style="list-style-type: none"> The fees or service charges must be reasonable and result in the routine holding or maintenance of frozen funds or economic resources. The re-design, refurbishment or redevelopment in order to improve the value of a frozen economic resource is generally not covered, although each application will be considered on a case by case basis.
Extraordinary expenses	<ul style="list-style-type: none"> This must be extraordinary in nature (unexpected, unavoidable and not recurring). It cannot be used where other licensing grounds are more suitable or as a way of avoiding the clear limitations of those other grounds.
Pre-existing judicial decisions etc.	<ul style="list-style-type: none"> This enables the use of frozen funds or economic resources that are the subject of a judicial decision or lien which was established before the date of designation and enforceable in the UK. The use of the funds or economic resources must be to implement or satisfy in whole or in part the pre-existing judicial decision or lien and cannot be for the direct or indirect benefit of a designated person.
Humanitarian assistance activity etc.	<ul style="list-style-type: none"> This enables payments to facilitate: <ul style="list-style-type: none"> any humanitarian activity; or where applicable, any activity where its purposes are consistent with the objectives of UN Security Council Resolutions (which will be set out in the applicable Sanctions Act regulations). Humanitarian assistance includes the work of international and non-governmental organisations carrying out relief activities for the benefit of the applicable civilian population, which may include the delivery of humanitarian aid or peace-building programmes. A licence may still be required even if this activity is using government funds.
Diplomatic missions	<ul style="list-style-type: none"> This enables anything to be done in order that the proper functions of a diplomatic mission or consular post or an international organisation enjoying immunities in accordance with international law, may be carried out.
Extraordinary situations	<ul style="list-style-type: none"> This must be extraordinary in nature (unexpected, unavoidable and not recurring). This applies to non-UN designated persons and enables anything to be done to deal with an extraordinary situation. This will enable a situation which is extraordinary in nature but does not necessarily involve an expense. This may, for example, allow for funds to be released to support disaster relief or provide aid in extraordinary situations. It cannot be used where other grounds are more suitable or as a way of avoiding the clear limitations of other grounds.
Prior obligations	<ul style="list-style-type: none"> The obligation must have arisen prior to the date of designation and cannot relate to trade provisions (specified in the regulations). In addition, it cannot result in funds or economic resources being made available (directly or indirectly) to the designated person.

6.6 Further details

6.6.1 Legal advice

Generally, you won't be prohibited from providing legal advice under an asset freeze. However, the payment for legal services and the provision of legal services on credit do require an OFSI licence.

Also, where sanctions prohibit specific actions, e.g. restructuring of finance, you need to carefully consider whether your advice and support for the client is helping them comply with sanctions or is participating in or facilitating a breach. For example, if it is prohibited to raise capital on financial markets, providing advice on how this affects a business will be permitted. However, preparing documents to raise such capital may amount to an attempt to circumvent sanctions.

6.6.2 Court fees

OFSI's view is that both court fees and payments into court, for security for costs, can be licenced under the reasonable legal fees licensing ground. However, OFSI is of the view that a separate licensing ground needs to be identified to pay security for damages into court, depending on the specific circumstances of the case. Court fees which will be invoiced to a designated person client as a disbursement can be paid without a licence only if they are not 'significant'. Whether a court fee is 'significant' is to be considered on the facts.

6.6.3 Investments

Generally you cannot invest your frozen funds, the profits from frozen funds, or move frozen funds from one account to another.

The exceptions or existing licensing grounds found in UK regulations are unlikely to allow such activity to be permitted but OFSI will consider each application on a case-by-case basis.

Applications for licences in relation to asset freezes imposed by UK law will need to demonstrate that such activity is in line with the licensing policy for that regime.

OFSI's view is that, in a small number of circumstances, some asset management may be permitted, under the 'basic needs' licensing ground, to ensure that the existence of the business or the frozen assets is not imperilled. When considering licensing requests for asset management, OFSI will consider the nature and state of the assets at the time of any relevant designation. It is highly unlikely that requests for new or expanded activity will be permitted but OFSI deals with every application on a case-by-case basis.

6.7 Licensing grounds: other domestic regimes

The UK's other domestic financial sanctions regimes do not have specific licensing grounds and instead contain a general power to issue licences.

OFSI will exercise these powers according to the provisions of the domestic regime in question, taking into account any relevant law and the stated policy objectives of each regime.

The domestic regimes are set out in the following pieces of legislation:

- Anti-Terrorism Crime and Security Act 2001 (ATCSA 2001)
- Counter-Terrorism Act 2008 (CTA 2008)

6.8 General Licences

A general licence, issued by OFSI on behalf of HM Treasury, allows multiple parties to undertake specified activities which would otherwise be prohibited by sanctions legislation, without the need for a specific licence.

It is not however, a substitute for a specific licence. There is no legal basis for the issuance of a general licence in place of a specific licence.

In most cases, details of active general licences and accompanying guidance will be made available on OFSI's website.

OFSI does not accept applications for general licences. General licences are issued by OFSI under such conditions as HM Treasury deems appropriate and will usually be considered in response to unforeseen circumstances where it has been decided that issuing a general licence will best support the Government's policy priorities.

For example, a general licence could be used to respond to a situation where it may be necessary for persons to undertake otherwise prohibited financial activity because the Government has introduced an unrelated financial services policy that would otherwise be hindered by sanctions law, provided that it does not contradict the policy intent of the sanctions regime. A general licence is not limited to the derogations (licencing grounds) set out in the relevant legislation (except for UN sanctions regimes, in relation to which a general licence would be limited to the derogations set out in the relevant UN resolution). A general licence can be issued under the counter-terrorism regimes.

HM Treasury can vary, suspend or revoke general licences at any time. OFSI aims to engage with relevant stakeholders before taking such action.

Each general licence will include requirements for prior notification of use, record-keeping and reporting. Prior notification is an administrative exercise only, whereby users provide OFSI with contact information. Prior notification does not constitute any verification by OFSI of correct/incorrect usage of a general licence. Data collected under a general licence as a result of prior notification would be handled in accordance with applicable data protection law. In addition to these standard requirements, general licences may be subject to further requirements. These are determined on a case by case basis.

Requirements will be stated in each general licence. It is the responsibility of any party using a general licence to ensure the activities they undertake fall within the terms of the licence and that they comply with any conditions of the licence.

Breaching the terms of a general licence is a serious offence punishable by a maximum of seven years' imprisonment on conviction on indictment or a fine (or both) (applying to all of the UK) and, on summary conviction, a maximum of twelve months' imprisonment in England and Wales (or, in relation to offences committed before section 154(1) of the Criminal Justice Act 2003 (general limit on magistrates' court's power to impose imprisonment) comes into force, six months) or a fine (or both), a maximum of twelve months' imprisonment in Scotland or a fine (or both), and a maximum of six months' imprisonment in Northern Ireland or a fine (or both).

6.8.1 Counter-Terrorism General licences

In addition to issuing licences relating to a specific person designated under any of the Counter-Terrorism regimes, OFSI may also issue general licences, which authorise otherwise prohibited activity by a particular category of persons (who fall within the licence criteria). General licences can be used without making an application to OFSI, although they do carry a mandatory reporting requirement to OFSI if they are used.

These general licences can be found on GOV.UK:

<https://www.gov.uk/government/publications/counter-financing-of-terrorism-general-licences>

6.9 Applying for a specific licence

You must provide evidence to support an application and demonstrate that all criteria of the relevant licensing ground (where applicable) have been met. Incomplete applications will not be considered and will be returned to the applicant for re-submission.

OFSI will endeavour to assist applicants who contact us to understand the licensing process as well as our evidentiary requirements. However, we cannot provide legal advice and applicants should consider taking independent legal advice before applying, especially for complicated matters.

OFSI expects that legal and professional advisers will have fully considered the relevant law and formed a view about an application before approaching OFSI for guidance or submitting an application.

OFSI does not charge for licences.

6.9.1 Submitting an application

Applicants should use the form available on GOV.UK to apply for a licence from OFSI:

<https://www.gov.uk/guidance/licences-that-allow-activity-prohibited-by-financial-sanctions>

Applicants will generally be required to provide:

- the licensing ground(s) being relied upon in the application including supporting arguments
- full information on the parties involved in the proposed transaction, e.g. the:
 - designated person(s)
 - any financial institution(s) involved (e.g. remitter, correspondent, beneficiary)
 - ultimate beneficiary of the transaction
- the complete payment route including account details
- the amount (or estimated amount) of the proposed transaction

You should always refer to the up-to-date version of the legislation for the relevant sanction regime. Links to these can be found on the relevant financial sanctions regime pages:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

Box 6.A: Tips for applicants

- 1 Read this guide and the up-to-date version of the relevant legislation
- 2 Identify the appropriate licensing ground
- 3 Use the licence application form on our website (you may wish to seek legal advice to support this process)
- 4 Provide a clear description of the payment chain and all parties involved
- 5 Ensure that all relevant information and supporting evidence is included with the application
- 6 Apply for the licence at least four weeks in advance
- 7 Be available to fully engage with OFSI on your application
- 8 Where applicable, make sure your bank is aware of the situation

6.9.2 Specificity in licensing

In line with international best practice, OFSI's view is that compliance with financial sanctions is generally best served through specificity in licensing about the transactions authorised. Licence applicants should therefore be prepared to provide full details of transactions relevant to their application(s), including all parties, sums and payment routes involved directly or indirectly in the proposed transaction(s) as well as any other relevant information which will assist OFSI in considering an application.

6.9.3 Counter-terrorism regimes

If you are seeking a licence under either the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) regime, the Counter-Terrorism (International Sanctions) (EU Exit) regime, or the Counter-Terrorism (Sanctions) (EU Exit) regime, you should email OFSI (ofsi@hmtreasury.gov.uk) setting out the full details of the proposed transaction.

For further details, consult the Counter-Terrorism licensing policy page on GOV.UK

Knowingly or recklessly providing false or misleading information in any licence application is taken very seriously. Doing so may result in a criminal prosecution or a monetary penalty.

6.10 Licensing timeframes

OFSI aims to engage with applicants on the substance of completed applications for specific licences within four weeks. This does not mean that a licence will necessarily be issued within four weeks.

A completed application is one where OFSI has received all the information we need to enable us to make a decision about whether there is a legal basis to grant a licence. We will send back incomplete applications or ask you for additional information until we are satisfied that your application can be considered complete.

Please note that failure to submit all the necessary information requested by OFSI will result in delays to your application being processed.

You should not assume that a licence will be granted or engage in any activities prohibited by financial sanctions until you have received an appropriate licence from OFSI.

6.10.1 Urgent and humanitarian cases

OFSI will prioritise urgent and humanitarian cases, i.e. cases that involve a risk of harm or a threat to life.

If a request is urgent, please say so when submitting your application and explain why.

6.10.2 Notification and approvals

Please note OFSI may need to notify, or in some cases seek approval from, the relevant United Nations Sanctions Committee before issuing a licence. These requirements are set out in the relevant UN Security Council Resolutions.

These requirements will lengthen the processing time for such licence applications and may in some cases prevent a licence from being issued.

6.11 Amending licences

Requests for an amendment, variation or extension of a licence should be submitted to OFSI by email as soon as it is apparent that a change is required. Full supporting information and arguments should be provided.

If multiple amendments need to be made to a single licence you should group these together into a single request to OFSI.

OFSI cannot extend a licence that has expired. If you hold a licence that has expired you cannot apply for its extension, you will instead have to apply for a replacement licence. In such a scenario, as with any new licence application, OFSI will require full supporting information and a rationale for each proposed payment. As a licence holder, it is your responsibility to identify any amendments to a licence that may be deemed necessary and submit an application or amendment request accordingly.

OFSI aims to engage with applicants on the substance of completed amendment requests within four weeks. This does not mean that an amended licence will necessarily be issued within four weeks. Nor can OFSI guarantee that last-minute amendments, variations or extensions will be authorised within the requested timeframe.

You must not carry out any action(s) which are not authorised by a valid licence. For example, if a licence has expired or you have reached a cap on permitted spending, further activity may not be lawful.

Any such actions will be considered a breach of financial sanctions and may result in a criminal prosecution or monetary penalty.

6.12 Refusal of a licence

If OFSI refuses to issue a licence, the proposed transaction or activities may not be lawful. OFSI will write to you giving reasons for refusing your application.

We may also refuse your application if you do not require a licence for the proposed transaction or activities.

If you have had an application for a licence refused you have the following options:

- ask OFSI to review the decision
- re-apply with new or supplementary evidence or new supporting arguments
- re-apply under a different derogation (where applicable)
- seek to challenge the decision in court

Under the Sanctions Act, there is a specific provision which means that if you intend to challenge the decision in the courts you need to apply to the High Court, or Court of Session in Scotland, for a review of the decision (Section 38 of the Sanctions Act).

You may wish to seek independent legal advice before taking the matter further.

6.13 Other jurisdictions

Licences issued by OFSI only apply to actions subject to UK jurisdiction. If the prohibited activity engages another jurisdiction you should consider what provisions you may need to comply with within their requirements. For instance, if a payment will pass through several jurisdictions you may need to apply for a licence from each of those countries' competent authorities.

When considering licensing requests, OFSI will conduct whatever investigation it deems appropriate in the circumstances, which may include consulting with international partners with an interest.

6.14 Complying with a licence

Specific licences issued by OFSI are not published. However, OFSI expects licence holders to share licences with other parties to the transaction. If you are unsure on whether the action you propose to undertake is within the terms of a licence you can seek clarification from OFSI. We aim to respond to such queries within two weeks of receipt.

If you are unsure about the validity of a licence that a designated person or their representative has shown to you, you should email a copy of the licence to OFSI: ofsi@hmtreasury.gov.uk.

You should not assume that OFSI agrees with your interpretation of the licence until you receive a response from us.

Any conduct outside the terms of the licence, such as use of a different payment route or payments in excess of a specific payment cap, is a breach of financial sanctions, and may result in a criminal prosecution or monetary penalty.

6.15 Reporting conditions

Licences issued by OFSI come with conditions that often require information to be reported to OFSI within a specific time frame. A failure to comply with these reporting requirements may result in the revocation, suspension or termination of a licence or further restrictions being included in it. It may also result in a criminal prosecution or monetary penalty.

Legal advisors should proactively engage with their clients about the need to provide information to meet the reporting requirements in licences.

6.16 Existing licences issued under previous regimes

Specific licences issued by OFSI which were in effect immediately prior to the entry into force of Regulations made under the Sanctions Act ("Sanctions Act Regulations") will continue to have effect after the entry into force of the Sanctions Act Regulations. Such existing licences will be treated as if they had been issued under the relevant Sanctions Act Regulations. This means that you can continue to rely on existing licences issued by OFSI, until they expire.

Any applications for new specific licences and for amendments to existing specific licences which have been validly made before the entry into force of Sanctions Act Regulations, but which have not been determined by OFSI by that date, will be treated as applications made under the relevant Sanctions Act Regulations. This means that you will not be required to submit a new application.

6.17 Travel to the UK

Designated persons who are not subject to a travel ban and who are planning to visit the UK should apply to OFSI for an appropriate licence authorising any proposed use of funds or economic resources to support themselves while in the country.

If a visa application is also required, the licence application should include a request for permission to pay any visa application fees. The granting of a licence does not guarantee that the person will be granted a visa.

The requirement to obtain a licence before travelling also applies to non-designated persons visiting the UK who are funded, in whole or in part, by a designated person.

Anyone dealing with funds that should be frozen, or who makes economic resources available to a designated person without an appropriate licence will be committing an offence, which may result in a criminal prosecution or a monetary penalty.

If you are a designated person, you must hold a valid licence for the duration of your stay to allow the use of or access to funds or economic resources, while in the UK.

If no valid licence is held, you may be in breach of sanctions regulations.

6.18 Directions

Directions can be issued by OFSI in respect of a statutory requirement and can provide an exception to the requirements.

For example, if the regulations require a UK credit or financial institution to close a bank account it has with a finance institution domiciled in the Democratic People's Republic of Korea, a valid direction from OFSI could provide an exception to this requirement.

Directions can contain certain conditions as OFSI deems appropriate. They may be of definite or indefinite duration, and can be varied, suspended or revoked at any time.

Directions are applied for using the licence application form on the OFSI website. Applications for directions are subject to the same timeframes as licence applications. OFSI also makes the same considerations when assessing a licence application.

Directions do not apply to all regimes. The relevant regulations detail in which regimes directions are applicable. You may wish to seek legal advice to support the application process.

6.19 Export licences

If you import or export goods, you need to consider if financial sanctions apply to you. You may need a licence from OFSI as well as from the UK's Export Control Joint Unit (ECJU):

<https://www.gov.uk/government/organisations/export-control-organisation>

7 Compliance and enforcement

OFSI is responsible for monitoring compliance with financial sanctions and for assessing suspected breaches. It also has the power to impose monetary penalties for breaches of financial sanctions and to refer cases to law enforcement agencies for investigation and potential prosecution.

OFSI works with other parts of government, supervisory bodies and regulators to consider all cases reported to it, sharing relevant information accordingly.

OFSI may share information as prescribed by the relevant sanctions legislation and wider UK legislation, including the Data Protection Act 2018.

7.1 OFSI's approach to compliance

OFSI's assessment of breaches is informed by our overall approach to financial sanctions compliance. This approach covers the whole lifecycle of compliance in respect of financial sanctions. We take a holistic approach to ensure compliance rather than simply waiting until the law is broken and responding to the breach.

Our approach is summarised by our compliance and enforcement model: promote, enable, respond, and change.

- We will **promote** compliance, publicising financial sanctions and engaging with the private sector
 - an effective compliance approach promotes compliance by reaching the right audiences, through multiple channels, with messages they respond to
- We will **enable** compliance by making it easier to comply, and providing customers with guidance and alerts to help them fulfil their own compliance responsibilities
 - an effective compliance approach enables cost-effective compliance, makes it easy to comply and minimises by design the opportunities for non-compliance
- We will **respond** to non-compliance by intervening to disrupt attempted breaches and by tackling breaches effectively
 - an effective compliance approach responds to non-compliance consistently, proportionately, transparently and effectively, taking into account the full facts of the case, and learning from experience to continuously improve our response
- We do these things to **change** behaviour, directly preventing future non-compliance by the individual and more widely through the impact of compliance and enforcement action.

While a decision to pursue a criminal prosecution for breaches of financial sanctions ultimately lies with the prosecuting authorities, OFSI will consider the following when initially considering the course of action to take:

- whether the breach was self-disclosed fully and promptly
- the level of cooperation with any inquiries
- action being taken to improve future compliance.

7.2 Reporting a suspected breach of financial sanctions

Your reporting obligations to OFSI are set out in Chapter 5 of this guide. Where you know or have reasonable cause to suspect that a breach has occurred this must be reported to OFSI as soon as practicable.

A form is available on GOV.UK to report suspected breaches to OFSI:

<https://www.gov.uk/guidance/suspected-breach-of-financial-sanctions-what-to-do>

7.3 Penalties for breaches of financial sanctions

Breaches of financial sanctions are a serious criminal offence. The level of penalties for breaches of financial sanctions have been expanded and, for custodial sentences, uplifted by the Policing and Crime Act 2017.

7.3.1 Custodial sentences

Offences relating to the principal prohibitions under UK financial sanctions carry a maximum of 7 years' imprisonment on indictment (applying to all of the UK) and, on summary conviction, a maximum of 12 months' imprisonment in England and Wales (or, in relation to offences committed before section 154(1) of the Criminal Justice Act 2003 comes into force, 6 months), 12 months in Scotland, and 6 months in Northern Ireland.

Custodial sentences for ATCSA 2001 and CTA 2008 have been similarly uplifted.

For exact penalties, particularly those relating to different parts of the UK, please consult the relevant legislation.

7.3.2 Deferred Prosecution Agreements (DPAs)

Breaches of financial sanctions legislation are included on the list of offences for which a Deferred Prosecution Agreement (DPA) can be made. DPAs are court-approved agreements between an organisation (a corporate body or unincorporated association, but not an individual person) and a prosecutor who is considering prosecuting the organisation for an offence. They only apply to persons in England and Wales.

In order for a DPA to be entered into, the prosecutor must be satisfied that there is sufficient evidence to prove beyond reasonable doubt that a criminal offence has been committed by the organisation. A DPA can be entered into once the organisation is charged with that offence, with the effect that proceedings are automatically suspended subject to certain conditions. If the conditions of the DPA are breached, the prosecution may resume.

7.3.3 Serious Crime Prevention Orders (SCPOs)

Breaches of financial sanctions are included on the list of offences for which a Serious Crime Prevention Order (SCPO) may be imposed.

SCPOs are imposed by a court on the civil standard of proof and are designed to prevent an individual or organisation from further engaging in serious crime.

A SCPO does not levy financial penalties but may contain targeted prohibitions, restrictions or requirements that the court considers appropriate for the purpose of restricting or disrupting further involvement in serious crime.

7.3.4 Monetary penalties

OFSI has the power to impose monetary penalties for breaches of financial sanctions under powers in the Policing and Crime Act 2017. The maximum value of a monetary penalty may range from 50% of the total breach up to £1m – whichever is the greater value. OFSI takes several factors into account when considering a proportionate penalty value. The value will be based on the facts of each case, with reductions being applied particularly in cases that have been voluntarily disclosed to OFSI.

Please see our guidance on monetary penalties for more information:

<https://www.gov.uk/government/publications/financial-sanctions-faqs>

8 Challenging designations

Those who are subject to financial sanctions can request a reassessment of their listing. The financial sanctions will remain in place while the reassessment is taking place.

8.1 UN listings

If you are a designated person who is named in a UN list, you, or a person acting on your behalf, have the right to request the UK Government use its best endeavours to secure the removal of your name from the relevant UN list. You may wish to request such an action if you believe that the reasons for your designation are incorrect.

8.2 UK listings

If you are a designated person (other than a person designated under a UN list), you, or a person acting on your behalf, have the right to request a revocation or variation of your designation. You may wish to request a revocation, for instance, if you believe that the reasons for your designation are incorrect, or a variation if, for instance, particular information associated with your designation, such as your date of birth, is incorrect. Other reasons for seeking a revocation could include if you believe your designation is inappropriate having regard to the purpose of the regime, or the likely significant effects of the designation, or it is incompatible with the Human Rights Act 1998.

For further information, including eligibility to apply for a variation or revocation of a designation, submitting a sanction challenge form and other information, [consult the Foreign, Commonwealth and Development Office guidance](#).

8.3 Submitting a request

If you have been designated or listed and wish to request the revocation, variation or review of your designation or the removal of your listing, you should complete a review request form. This covers requests for reviews, revocations, variations or removals. There is also further guidance available on the process.

By properly and fully completing the form, you will ensure that you meet the requirements for a valid request. This form can also be completed by another person on the behalf of the designated or listed person, if confirmation of authority is provided.

9 Glossary

Disclaimer – The following is a general description of terms used throughout this guide. For exact terms used in context, please see the up-to-date version of the relevant legislation. If you are in doubt about any of the below, please contact OFSI or seek independent legal advice.

Asset freeze – A type of financial sanction. Under an asset freeze it is generally prohibited to:

- deal with the frozen funds or economic resources, belonging to or owned, held or controlled by a designated person
- make funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person
- engage in actions that, directly or indirectly, circumvent the financial sanctions prohibitions.

Consolidated list – list maintained by OFSI containing designated persons subject to financial sanctions.

Dealing with economic resources – generally means using economic resources to obtain funds, goods, or services in any way, including (but not limited to) by selling, hiring or mortgaging them.

Dealing with funds – generally means moving, transferring, altering, using, accessing or otherwise dealing with funds in any way which would result in any change to their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management.

Designated person (DP) – a person subject to financial sanctions.

Economic resources – generally means assets of every kind – tangible or intangible, movable or immovable – which are not funds, but may be used to obtain funds, goods or services.

Exception – generally found in financial sanctions legislation.

Funds – generally means financial assets and benefits of every kind, including but not limited to:

- cash, cheques, claims on money, drafts, money orders and other payment instruments
- deposits with financial institutions or other entities, balances on accounts, debts and debt obligations
- publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives
- interest, dividends or other income on or value accruing from or generated by assets
- credit, right of set-off, guarantees, performance bonds or other financial commitments
- letters of credit, bills of lading, and bills of sale

- documents showing evidence of an interest in funds or financial resources
- any other instrument of export financing.

Goods – generally means items, materials and equipment.

Licence – a written authorisation from OFSI permitting an otherwise prohibited act.

Name match – the situation where a person you are dealing with partially matches the details of a designated person on the Consolidated List. Unlikely to be a target match.

OFSI – Office of Financial Sanctions Implementation, which is part of HM Treasury.

Ownership – the possession of more than 50% of the proprietary rights of an entity or having a majority interest in it. Includes both direct and indirect ownership.

Person – can be a natural person (an individual), or a legal person, body or entity.

Proscription – The Home Secretary's power to proscribe (ban) an organisation under the Terrorism Act 2000.

Reasonable cause to suspect – refers to an objective test that asks whether there were factual circumstances from which an honest and reasonable person should have inferred knowledge or formed the suspicion.

Statutory instruments (SIs) – a form of legislation which allow the provisions of an Act of Parliament to be subsequently brought into force or altered without Parliament having to pass a new Act. They are also referred to as secondary, delegated or subordinate legislation.

Target Match – the situation where the person you are dealing with matches the details of a designated person on the Consolidated List. Likely to be a confirmed match for that person.

UK regulations – See Statutory instruments.

UK Sanctions List – list maintained by FCDO of all designated persons subject to sanctions by the UK.

[Home](#) > [Embargoes and sanctions](#)

Press release

UK announces new economic sanctions against Russia

The UK Government has today announced a ban on exports to Russia of high-end luxury goods, while also hitting hundreds of key products with new import tariffs.

From:

[Department for International Trade \(/government/organisations/department-for-international-trade\)](/government/organisations/department-for-international-trade), [HM Treasury \(/government/organisations/hm-treasury\)](/government/organisations/hm-treasury), [The Rt Hon Anne-Marie Trevelyan MP \(/government/people/anne-marie-trevelyan\)](/government/people/anne-marie-trevelyan), and [The Rt Hon Rishi Sunak MP \(/government/people/rishi-sunak\)](/government/people/rishi-sunak)

Published

15 March 2022



- UK to deny Russia and Belarus access to Most Favoured Nation tariff for hundreds of their exports, depriving both nations key benefits of WTO membership
- UK government publishes initial list of goods worth £900 million - including vodka - which will now face additional 35 percent tariff, on top of current tariffs.
- UK to ban exports of luxury goods to Russia alongside G7 allies.

The UK Government has today announced a ban on exports to Russia of high-end luxury goods, while also hitting hundreds of key products with new import tariffs that represent a 35 percentage point hike on current rates.

Russian vodka is one of the iconic products affected by the tariff increases, while the export ban will likely affect luxury vehicles, high-end fashion and works of art.

The measures will cause maximum harm to Putin's war machine while minimising the impact on UK businesses as G7 leaders unite to unleash a fresh wave of economic sanctions on Moscow.

The export ban will come into force shortly and will make sure oligarchs and other members of the elite, who have grown rich under President Putin's reign and support his illegal invasion, are deprived of access to luxury goods.

Denying Russia access to Most Favoured Nation tariff treatment for key imports and applying additional tariffs will restrict Russian exports to the UK. The UK is working with our international partners and is supporting the World Trade

Organization to prevent those who fail to respect the rules-based international order from reaping its benefits.

International Trade Secretary Anne-Marie Trevelyan said:

“ The UK stands shoulder to shoulder with our international partners in our determination to punish Putin for his barbaric actions in Ukraine, and we will continue our work to starve his regime of the funds that enable him to carry them out.

“ The World Trade Organization is founded on respect for the rule of law, which Putin has shown he holds in contempt. By depriving his government of key benefits of WTO membership, we are denying him further resource for his invasion.”

Chancellor of the Exchequer Rishi Sunak said:

“ Our new tariffs will further isolate the Russian economy from global trade, ensuring it does not benefit from the rules-based international system it does not respect.

“ These tariffs build on the UK’s existing work to starve Russia’s access to international finance, sanction Putin’s cronies and exert maximum economic pressure on his regime.”

These new measures will further tighten the growing economic pressure on Russia and ensure the UK acts in line with sanctions imposed by our allies.

Last week, we imposed asset freezes and travel bans on seven leading oligarchs and 386 members of the Russian Duma. The UK has also provided humanitarian aid to Ukraine totalling almost £400 million and provided defensive weapons, including more than 3,600 anti-tank missiles, and essential civilian supplies like generators and medicines.

Background:

- DIT has expanded its Export Support Service (ESS) to act as a single point of enquiry for businesses and traders with questions relating to the situation in Ukraine and Russia.
- Any business that has questions about trading with Ukraine or Russia can call our helpline using the number 0300 303 8955 for support or visit [our support page \(https://www.gov.uk/ask-export-support-team\)](https://www.gov.uk/ask-export-support-team)
- DIT will continue to support business and traders during this period. Having a dedicated export support team ready to help at the end of the phone will ensure business can access the information they need at any time.

- Further details on the export ban will follow in due course; previous export bans have included items such as high-end fashion, works of art and luxury vehicles.
- Russian imports of the following products will face an additional tariff increase of 35 percentage points, over and above any existing tariff rate under the terms of the move.
- These products have been selected to inflict maximum damage on the Russian economy while minimising the impact on the UK: Iron, steel, fertilisers, wood, tyres, railway containers, cement, copper, aluminium, silver, lead, iron ore, residue/food waste products, beverages, spirits and vinegar (this includes vodka), glass and glassware, cereals, oil seeds, paper and paperboard, machinery, works of art, antiques, fur skins and artificial fur, ships and white fish
- These tariff increases will be legislated for by using our powers under the Taxation (Cross-border Trade) Act (2018), and operationalised in the UK's customs systems CHIEF and CDS, next week.

Published 15 March 2022

Related content

[Additional duties on goods originating in Russia and Belarus \(/guidance/additional-duties-on-goods-originating-in-russia-and-belarus\)](/guidance/additional-duties-on-goods-originating-in-russia-and-belarus)

[Notice to Importers 2953: Russia import sanctions \(/government/publications/notice-to-importers-2953-russia-import-sanctions\)](/government/publications/notice-to-importers-2953-russia-import-sanctions)

[Trading under sanctions with Russia \(/guidance/trading-under-sanctions-with-russia\)](/guidance/trading-under-sanctions-with-russia)

[Reference Documents for Customs \(Additional Duty\) \(Russia and Belarus\) Regulations 2022 \(/government/publications/reference-documents-for-customs-additional-duty-russia-and-belarus-regulations-2022\)](/government/publications/reference-documents-for-customs-additional-duty-russia-and-belarus-regulations-2022)

[Russia sanctions: guidance \(/government/publications/russia-sanctions-guidance\)](/government/publications/russia-sanctions-guidance)

Invasion of Ukraine

[UK visa support for Ukrainian nationals \(https://www.gov.uk/guidance/support-for-family-members-of-british-nationals-in-ukraine-and-ukrainian-nationals-in-ukraine-and-the-uk\)](https://www.gov.uk/guidance/support-for-family-members-of-british-nationals-in-ukraine-and-ukrainian-nationals-in-ukraine-and-the-uk)

[Move to the UK if you're coming from Ukraine \(https://www.gov.uk/guidance/move-to-the-uk-if-youre-from-ukraine\)](https://www.gov.uk/guidance/move-to-the-uk-if-youre-from-ukraine)

[Homes for Ukraine: record your interest \(https://www.gov.uk/register-interest-homes-ukraine\)](https://www.gov.uk/register-interest-homes-ukraine)

[Find out about the UK's response \(https://ukstandswithukraine.campaign.gov.uk/\)](https://ukstandswithukraine.campaign.gov.uk/)

Explore the topic

[Embargoes and sanctions \(/business-and-industry/embargoes-and-sanctions\)](/business-and-industry/embargoes-and-sanctions)

Topical events

[Russian invasion of Ukraine: UK government response \(/government/topical-events/russian-invasion-of-ukraine-uk-government-response\)](/government/topical-events/russian-invasion-of-ukraine-uk-government-response)

World locations

[Russia \(/world/russia/news\)](/world/russia/news)

[Ukraine \(/world/ukraine/news\)](/world/ukraine/news)

OGL

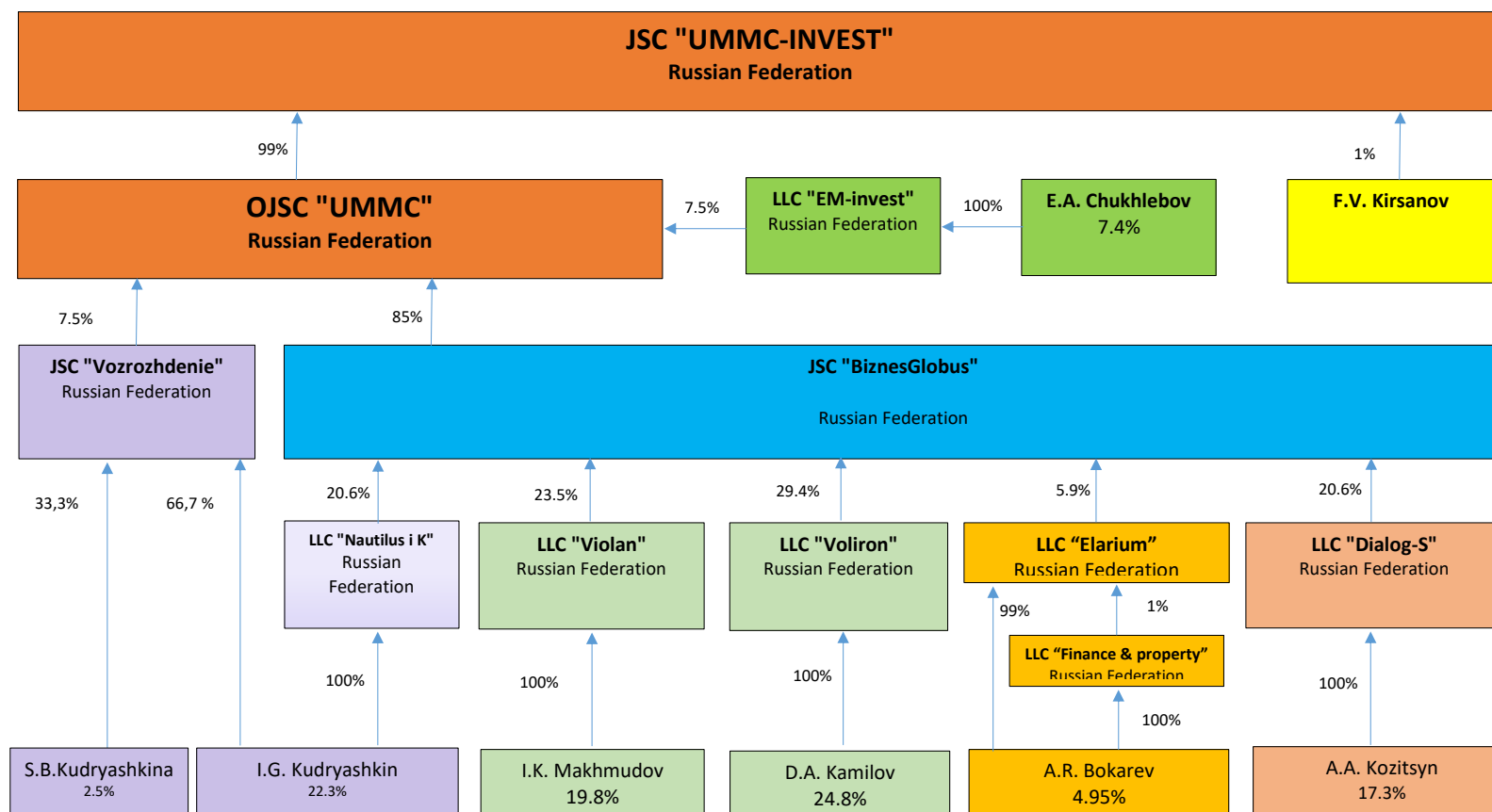
All content is available under the [Open Government Licence v3.0](#), except where otherwise stated

[© Crown copyright](#)

Strictly Private and Confidential

Joint Stock Company "UMMC-INVEST", Main State Registration Number: 1156658096143
address - Russian Federation, Sverdlovsk region, Verkhnyaya Pyshma, Pertova street 1B, room 14

Details of personal holdings at JSC "UMMC-INVEST" (as of 06.05.2022)*



*Rules of rounding apply

From: Nataliya A Matyunina <Natalia.Matyunina@gazprombank.ru>
Sent: Tuesday, June 28, 2022 3:33 pm
To: 'Mikhail Irzhevsky' <irzhevsky@gmail.com>
Cc: Michelle Duncan <MDuncan@jha.com>
Subject: RE: [External Email] Petropavlovsk PLC

Dear Mr. Irzhevsky,

I'm writing on behalf of Gazprombank (Joint Stock Company) ("GPB").

In response to your letter below please be informed of the following:

We refer to:

The Committed Term Facility Agreement dated 28 July 2021 between Petropavlovsk Plc ("Petropavlovsk") (as Borrower) and GPB (as Arranger, Original Lender and Agent) relating to a committed US\$ 200,000,000 term loan facility (the "Term Loan") and the relevant Assignment Agreement as of 19 April 2022 by which GPB has assigned its rights under the Term Loan to JSC "UMMC-INVEST" ("Assignment 1"); and

The Facility Agreement No. 133/21-R dated 10 November 2021 between Albynsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 134/21-R dated 10 November 2021 between Malomyrsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 39/21-R dated 21 April 2021 and the Facility Agreement No. 132/21-R dated 10 November 2021 between Pokrovsky Rudnik JSC (as Borrower) and GPB (as Lender)

(together, the "Facilities") and the relevant Assignment Agreements No. 1, 2, 3 as of 12 May 2022 by which GPB has assigned its rights under the Facilities to LLC "Nordic" ("Assignment 2")

We hereby confirm to you the following:

- 1). GPB no longer holds any rights under either the Term Loan or the Facilities, and that no further consideration (including contingent consideration) is or might become due to GPB from any party as a result of the Assignment 1 or Assignment 2.
- 2) GPB does not currently hold, and has no interest in, any debt or other security relating to Petropavlovsk or other members of its corporate group.

Best regards,

Natalia Matyunina

From: Mikhail Irzhevsky <irzhevsky@gmail.com>
Sent: Monday, June 27, 2022 9:00 AM
To: Матюнина Наталия Анатольевна <Natalia.Matyunina@gazprombank.ru>; Michelle Duncan <mduncan@jha.com>
Subject: [External Email] Petropavlovsk PLC

Dear Ms. Matyunina,

I am writing to you on behalf of Petropavlovsk PLC ("**Petropavlovsk**").

We refer to:

The Committed Term Facility Agreement dated 28 July 2021 between Petropavlovsk (as Borrower) and Bank GBP (JSC) ("**GBP**") (as Arranger, Original Lender and Agent) relating to a committed US\$ 200,000,000 term loan facility (the "**Term Loan**"); and

The Facility Agreement No. 133/21-R dated 10 November 2021 between Albynsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 134/21-R dated 10 November 2021 between Malomyrsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 39/21-R dated 21 April 2021 and the Facility Agreement No. 132/21-R dated 10 November 2021 between Pokrovsky Rudnik JSC (as Borrower) and GPB (as Lender) (together, the "**Facilities**").

By a letter dated 19 April 2022 from JSC UMMC-Invest ("**UMMC**"), UMMC informed us that GPB had assigned all its rights under the Term Loan to UMMC. By a letter dated 12 May 2022, Nordic LLC ("**Nordic**") informed us that GPB had assigned all its rights under the Facilities to Nordic.

We should be grateful for GPB's confirmation that:

GPB no longer holds any rights under either the Term Loan or the Facilities, and that no further consideration (including contingent consideration) is or might become due to GPB from any party as a result of the assignments referred to above.

GPB does not currently hold, and has no interest in, any debt or other security relating to Petropavlovsk or other members of its corporate group.

Best regards,

Mikhail Irzhevsky

Independent board member of Petropavlovsk PLC

JOSEPH HAGE AARONSON LLP

Joseph Hage Aaronson LLP
280 High Holborn
London WC1V 7EE

+44 (0)20 7851 8888

29 June 2022

Office of Financial Sanctions Implementation
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

By email [ofsi@hmtreasury.gov.uk] and courier

CONFIDENTIAL

Dear Sir or Madam

Introduction

- 1 We are instructed on behalf of the majority of the directors of the Company ("**Applicants**") of Petropavlovsk Plc ("**Company**") and Trevor Binyon, Allister Manson and Jo Rolls of Opus Restructuring LLP ("**Proposed Administrators**") in respect of:
 - 1.1 an application to the High Court which is intended to be issued shortly on behalf of the Applicants for an administration order in respect of the Company and the appointment of the Proposed Administrators as administrators ("**Administration Application**");
 - 1.2 an intended application by the Proposed Administrators (to be formally issued following their appointment as administrators) for directions under paragraph 63 of Schedule B1 to the Insolvency Act 1986 ("**Paragraph 63**"), which it is proposed should be considered by the Court at the same time as the Administration Application ("**Directions Application**"); and
 - 1.3 the intended pre-packaged sale by the Proposed Administrators (if and when appointed, and subject to the outcome of the Directions Application) of the Company's operating subsidiaries to UMMC-INVEST (JSC) ("**UMMC-INVEST**") on the terms of a draft sale and purchase agreement which has been negotiated with UMMC-INVEST ("**SPA**") (or substantially on those terms) as described in more detail below ("**Proposed Transaction**").
- 2 The primary purpose of this letter is to bring certain aspects of the Proposed Transaction to your attention in the context of the Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) ("**Regulations**"¹).
- 3 For the avoidance of doubt, neither the Applicants nor the Proposed Administrators consider that an OFSI licence ("**Licence**") pursuant to regulation 64 is needed for the Proposed Transaction to proceed. In particular, we would point out that the Proposed Transaction does not involve any

¹ References below to statutory material are to the corresponding provisions of the Regulations unless otherwise stated.

dealing with funds or economic resources for the benefit of a designated person. As explained in more detail below, however, a small number of discrete sanctions-related issues have been identified as arising in relation to aspects of the Proposed Transaction, and the further steps that will be necessary in the course of the conduct of the administration after the Proposed Transaction has been concluded. In the circumstances, and erring on the side of caution, the Applicants and the Proposed Administrators consider that the main features of the Proposed Transaction, and those specific issues, ought to be brought to your attention in advance of the Proposed Transaction taking place.

- 4 Whilst neither the Applicants nor the Proposed Administrators consider that a Licence is required, if you are of a different view then we would welcome the opportunity to discuss this with you as a matter of urgency. It goes without saying that the Applicants and the Proposed Administrators would wish to comply with any applicable requirements under the Regulations. At all events, the Proposed Administrators intend to seek confirmation from the Court, pursuant to the Directions Application, that the Proposed Transaction does not involve any contravention of the Regulations. They also reserve the right, if appointed as administrators, to seek further directions from the Court under Paragraph 63 as appropriate.
- 5 The remainder of this letter addresses the following matters:
 - 5.1 The background to the Administration Application and the Proposed Transaction.
 - 5.2 Overview of the Company and the Group.
 - 5.3 The terms of the Proposed Transaction.
 - 5.4 The potential relevance of UK sanctions to the Proposed Transaction.
 - 5.5 Conclusion.

The background to the Administration Application and the Proposed Transaction

- 6 The Company is the parent company of a group of gold mining and exploration companies operating in the far east of Russia (the Company and its subsidiaries are referred to collectively as the “Group”). As a result of international sanctions and other restrictions relating to Russia’s invasion of Ukraine earlier this year, the Group’s ability to operate its business has been seriously impaired and the Company is now unable to pay its debts as they fall due. More particularly this is because, in summary:
 - 6.1 Until recently, the Company’s main lender was Bank GPB (JSC) (“GPB”), one of Russia’s largest commercial banks. GPB provided a US\$ 200 million term loan to the Company (“Term Loan”) and credit facilities of c. US\$ 86.7 million to certain of the Company’s subsidiaries in Russia (“Facilities”). The Company also had a significant commercial relationship with GPB and its subsidiaries, who were major buyers of the gold produced by the Group.
 - 6.2 On 24 March 2022 the UK government announced the imposition of 65 new sanctions targeting strategic industries, banks and business elites. GPB was one of six Russian banks which became subject to asset-freezing measures under the Regulations.
 - 6.3 As a result, the Company and its subsidiaries were unable to make payments to GPB and so defaulted on the Term Loan and the Facilities, which were in turn accelerated by GPB on 18 April 2022. The Group was also unable to sell gold to GPB (with which it had a contractual relationship of exclusivity).

- 6.4 In addition, the Company is the guarantor of a US\$ 500 million note due in November 2022 ("**Notes**") and US\$ 125 million in convertible bonds due in 2024 ("**Bonds**") issued by one of its subsidiaries. Default under the Term Loan and Facilities triggered cross-defaults under the terms of those instruments.
- 6.5 During the course of April and May 2022 GPB assigned the Term Loan and the Facilities to unrelated third parties which are not sanctioned persons (and to which the Group could therefore, at least theoretically, make payments). Consequently, the Group has no current financial or commercial connection with any entity which is a designated person under the Regulations. However, ongoing sanctions and banking restrictions (as well as a general reluctance on the part of Western financial institutions to accept Russia-related business) have made it difficult for the Company's Russian subsidiaries to move funds to the Company to enable the Company to service its debts, such that it remains practically unable to meet its obligations to its creditors.
- 7 Once the impact of the UK sanctions regime on the Company's business and financial position started to become apparent in late February 2022, the Company sought to refinance its debt but this proved impossible. Consequently, from late March 2022 the Company began to explore a possible sale of its subsidiaries.
- 8 Following a marketing process and receipt of competitive bids, the Company and the Proposed Administrators have negotiated the terms of a sale of the Company's operating subsidiaries to UMMC-INVEST. UMMC-INVEST is one of the investment arms of the UMMC Group, and a major producer in Russia of copper, zinc, and precious metals and of coal. UMMC-INVEST had already expressed an interest in purchasing the Company or its business in late 2021/early 2022 but negotiations were interrupted by Russia's invasion of Ukraine in February 2022. Following the Company's default under the Term Loan, UMMC-INVEST purchased that debt from GPB as part of what is understood to be a "loan to own" strategy (in which, to be clear, the Company had no involvement and of which it had no prior knowledge). It is further understood that UMMC-INVEST will be purchasing Notes in the market.
- 9 The main terms of the Proposed Transaction are outlined below. In essence, it is hoped that the consideration which it is envisaged that the Company will receive will enable it to meet its obligations to creditors in full although without there being any surplus for shareholders. Given the difficult circumstances in which the Company now finds itself and the continuing deterioration of its business and financial position, this is considered to be a better outcome than would be achieved if the Company were to be put into liquidation. The Applicants are therefore seeking to put the Company into administration so that the Proposed Administrators, once appointed, can enter into the Proposed Transaction.

Overview of the Company and the Group

- 10 The Company is incorporated and registered in England and Wales with company registration no. 04343841. Its registered office is 11 Grosvenor Place, Belgravia, London SW1X 7HH, which is also its main administrative headquarters.
- 11 The Company is listed on the premium listing segment of the Official List of the Financial Conduct Authority ("**FCA**") and admitted to trading on the main market for listed securities of the London Stock Exchange ("**LSE**"). Until a dramatic fall in its share price in March 2022 following the invasion of Ukraine, the Company was also a constituent of the FTSE 250, FTSE 350 and FTSE All Share indices. The Company was removed from all FTSE indices with effect from 21 March 2022. The Company also has a secondary listing on the Moscow Stock Exchange ("**MOEX**").

- 12 The Company has numerous subsidiaries. We attach a structure chart for the Group as at 28 April 2022. Its operating subsidiaries are based near its assets in Russia. Previously, almost all the gold produced by the Group was sold in Russia.
- 13 As a result of its premium listing on the Official List of the FCA, the Company is subject to, among other things, ongoing obligations under the Listing Rules, the Disclosure Rules and Transparency Guidance issued by the FCA.
- 14 As regards the Company's creditor profile, it has the following financial debts, all of which are unsecured.

(i) The Term Loan

- 15 As mentioned above, the Company is the borrower in respect of the Term Loan, a US\$ 200 million committed term loan facility, in respect of which the original lender was GPB. The Term Loan is guaranteed by four of the Company's key operating subsidiaries. There are payments due of (i) US\$ 66 million on 31 December 2022; (ii) US\$ 66 million on 31 March 2023; and (iii) US\$ 68 million on 30 June 2023. Interest is payable on the 25th of each month. The Term Loan is governed by English law, with disputes to be referred to arbitration in Hong Kong.
- 16 On 25 March 2022, an interest payment of US\$ 560,000 became due under the Term Loan. As GPB was subject to UK financial sanctions the Company could not make this payment. In consequence, on 18 April 2022 GPB gave notice to accelerate the Term Loan. On 19 April 2022, GPB gave further notice that it had assigned its rights in respect of the Term Loan to UMMC-INVEST ("**UMMC-INVEST Assignment**"). Further interest payments under the Term Loan have since fallen due which are also unpaid.
- 17 The Company had no involvement in or prior knowledge of the UMMC-INVEST Assignment, but understands from subsequent discussions with UMMC-INVEST that:
 - 17.1 After the Company announced on 25 March 2022 that it was unable to service its debt to GPB due to UK sanctions, UMMC-INVEST (which, as noted above, had already started exploring an acquisition of the Company or its assets some months before) approached GPB with a view to purchasing the Term Loan. UMMC-INVEST wanted to acquire the Company's debt with a view to converting that debt to equity (a "loan to own" strategy, as referred to above). GPB was, as UMMC-INVEST understood it, motivated to sell the Term Loan because it recognised that the Company was prevented by the Regulations from making ongoing interest payments or repaying the principal, and so hoped thereby to realise some value rather than keeping a bad debt on its books or having to take steps to enforce against the Company and/or its subsidiaries.
 - 17.2 The consideration paid by UMMC-INVEST to GPB for the assignment was the face value of the debt without any discount. This has been paid in full and no further sums are due to GPB. There are no provisions that would allow the assignment of the Term Loan to be unwound.

(ii) The Facilities

- 18 Separately from the Term Loan, as mentioned above GPB also made the Facilities (c. US\$ 86.7 million in credit facilities) available to certain of the Company's subsidiaries in Russia. The Facilities are not a liability of the Company but are nonetheless relevant to the marketing of the Company's subsidiaries, because any sale would be subject to the subsidiaries' liabilities in respect of the

Facilities.

- 19 On 18 April 2022, GPB gave notice to accelerate the Facilities (as referred to in more detail below). On 12 May 2022, GPB notified the relevant subsidiaries that it had assigned the Facilities to Nordic LLC ("**Nordic**") which is understood to be an investor in distressed debt ("**Nordic Assignment**"). It is assumed that Nordic became aware of the Company's difficulties from public sources.

(iii) The Notes

- 20 In addition, the Company is a guarantor in respect of a US\$ 500 million note (of which c. US\$ 304 million remains outstanding) due 14 November 2022 and issued by one of the Company's Jersey subsidiaries, Petropavlovsk 2016 Limited ("**Notes**", as defined above). The Notes are further guaranteed by three of the Company's key operating subsidiaries in Russia. Interest is payable semi-annually on 14 May and 14 November of each year. The Notes are listed on the GEM in the Republic of Ireland. Approximately 40% of the Notes are held by Western (non-Russian) entities.
- 21 An interest payment of approximately US\$ 12.36 million was due on the Notes on 14 May 2022. As discussed further below, the Company was unable to make this payment because the Group does not have sufficient funds available and because the acceleration of the Term Loan means that the Company cannot pay all of its due debts.

(iv) The Bonds

- 22 The Company is also the guarantor in respect of US\$ 125 million convertible bonds (of which c. US\$ 32 million plus interest remains outstanding) due in 2024, issued by one of the Company's Jersey subsidiaries, Petropavlovsk 2010 Limited ("**Bonds**", as defined above). Interest is payable quarterly on 3 January, 3 April, 3 July and 3 October. (The Company will take appropriate steps to ensure that the interest which falls due imminently, on 3 July 2022, is not paid.) The Bonds are listed on the Official List of the LSE. They are currently held by two Western (non-Russian) hedge funds.
- 23 An interest payment of approximately US\$ 688,000 in respect of the Bonds fell due on 3 April 2022. Although the directors of the Company had given instructions that this payment should not be made in light of the Company's financial position, the payment was processed on 31 March 2022 due to an internal administrative error.

(v) Cross-default

- 24 The acceleration of the Facilities and/or the Term Loan caused a cross-default under the terms of the Notes and the Bonds. Accordingly, on 21 April 2022 the Company sent event of default notices to the Trustee for the Notes (Citibank, N.A., London Branch ("**Citi**")) and the Trustee for the Bonds (Apex Corporate Trustees (UK) Limited ("**Apex**")).
- 25 Apex and Citi emailed the Company to confirm receipt of the event of default notices on 26 and 27 April 2022 respectively. Apex has since confirmed that it has notified the holders of the Bonds. On 15 May 2022, the Company also gave notice of the events of default to the holders of the Notes.

(vi) Intragroup arrangements

- 26 There are also a number of intragroup arrangements entered into for treasury purposes, in which the Company acts as both a lender and a borrower. As at 31 March 2022 the Company had aggregate claims against subsidiaries of approximately US\$ 1,392.32 million (total principal and accrued interest) and aggregate liabilities to subsidiaries of approximately US\$ 1,409.38 million (total principal and accrued interest).

The terms of the Proposed Transaction

- 27 In summary, the UMMC-INVEST offer is of an amount estimated to be sufficient to pay all creditors in full, subject to a limit of US\$ 675 million, with any balance to be returned to UMMC-INVEST. The overall structure of the Proposed Transaction is that on completion:
- 27.1 UMMC-INVEST will, in exchange for the Company's shares in certain of its subsidiaries, provide:
- 27.1.1 cash consideration of c. US\$ 375 million less the value of any Notes which it may hold (as discussed further below);
- 27.1.2 consideration of US\$ 206 million, being equal to the amount outstanding on the Term Loan from time to time, to be discharged by way of set-off or similar against UMMC-INVEST's claims under the Term Loan (which is to be subordinated to all other creditors pending the set-off);
- 27.1.3 an additional sum of up to c. US\$ 20 million to fund the remuneration and expenses of the administration and to meet the estimated amount of additional identified contingent and uncertain liabilities, with any residual funds not expended in meeting these obligations being returned to UMMC-INVEST; and
- 27.1.4 contingency funding of US\$ 4 million for the purpose of funding the defence of any challenges brought in relation to the Proposed Transaction, with any residual funds being returned to UMMC-INVEST; and
- 27.2 UMMC-INVEST will transfer such Notes as it may have purchased to the Company for cancellation, subject to an assessment of whether it is appropriate for the Company to accept Notes in this manner, as discussed in more detail below.
- 28 If and when an administration order has been made, it is intended that the Company's shares and the Bonds will be delisted from the LSE and the Notes will be delisted from the GEM (if the listing on the GEM is not automatically suspended or cancelled as a result of the Company's administration) before the Proposed Transaction is entered into, since they will be paid in full following completion of the Proposed Transaction.

The potential relevance of UK sanctions to the Proposed Transaction

- 29 Careful consideration has been given to whether any aspect of the Proposed Transaction could give rise to a breach of the Regulations such that a Licence would be required for the Proposed Transaction lawfully to proceed. In particular, the Applicants and the Proposed Administrators have considered whether there could be any breach of the Regulations by reason of:
- 29.1 the Company's past relationship with GPB (which, as mentioned above, has been subject to asset-freezing measures under the Regulations since 24 March 2022), the UMMC-INVEST Assignment and/or the Nordic Assignment ("**GPB Sanctions Issue**");
- 29.2 the provisions of the Regulations prohibiting the export of luxury goods to Russia, bearing in mind that certain of the Company's subsidiaries produce and sell products which contain gold ("**Export of Luxury Goods Sanctions Issue**");
- 29.3 the fact that a minority (indirect) shareholder in UMMC-INVEST, Mr Andrei Bokarev, has since 13 April 2022 been a designated person under the Regulations ("**Bokarev Sanctions**");

Issue"); and/or

- 29.4 certain matters relating to the current ownership, and potential acquisition by UMMC-INVEST, of the Notes ("**Notes Sanctions Issue**").
- 30 Having undertaken a careful and rigorous analysis of these matters, the Applicants and the Proposed Administrators have concluded that none of them involves any breach of the Regulations for the reasons outlined below.
- 31 Before dealing briefly with each of those matters in turn, we observe that the SPA contains various provisions which are designed to eliminate any risk that the Proposed Transaction could give rise to any breach of the Regulations. In particular:
- 31.1 By clause 16.7, UMMC-INVEST as Buyer warrants that *"no Sanctioned Person exists in the Buyer's Group save for any Disclosed Sanctioned Person"* (those terms being defined in clause 1.1 of the SPA²) and that *"the Buyer shall use its best endeavours and shall take all possible steps to ensure that, as result of the sale of the Shares, no funds or economic resources will be made available, directly or indirectly, to or for the benefit of any Sanctioned Person in the Buyer's Group, for the duration of the period in which they remain a Sanctioned Person, including, without limitation, by preventing the payment of any sums where such payment (directly or indirectly) would be in breach of Sanctions (if the Buyer were required, as a matter of law, to comply with such Sanctions)"*.
- 31.2 Clause 28.1 of the SPA permits the Seller (i.e. the Company) and the Administrators (i.e. the Proposed Administrators) to terminate the SPA immediately upon notice to the Buyer upon the occurrence of a "Buyer Sanctions Event" (as defined in clause 1.1³), and clause 28.2 permits the Buyer (i.e. UMMC-INVEST) to terminate in the event of a "Seller Sanctions Event" (also defined in clause 1.1⁴).

² "**Sanctioned Person**" is defined as *"an individual or entity ("**Person**") that is: (a) listed on, or directly or indirectly owned or controlled by a Person listed on, or acting on behalf of a Person listed on, any Sanctions List; or (b) located in, incorporated under the laws of, or directly or indirectly owned or controlled by, or acting on behalf of, a Person located in or organised under the laws of a Sanctioned Country."* "**Buyer's Group**" means *"the Buyer and any other person who: (i) owns (directly, indirectly, beneficially, wholly or partly) any interest in the Buyer; or (ii) controls the Buyer."* "**Disclosed Sanctioned Person**" means *"Andrei Bokarev and any other Sanctioned Person disclosed by the Buyer to the Seller in writing prior to the Completion Date, in each case for so long as they remain a Sanctioned Person."*

³ "**Buyer Sanctions Event**" is defined as *"(i) the imposition of any Sanctions on the Buyer; or (ii) the imposition of any or any further Sanctions on any other person or entity connected in any way with the transactions contemplated hereby, or (iii) any formal request by a Sanctions Authority to the Seller to cease, delay, defer, pause or withhold performance of any of the obligations in this Deed for whatever reason; or (iv) any other event occurring after the date of this Deed (including, without limitation, the issuance of any further guidance in relation to existing or future Sanctions by any Sanctions Authority, or intervention with respect to the transactions contemplated hereby by any Sanctions Authority) as a result of which the Seller reasonably considers based on a legal opinion of a reputable and qualified legal consultant or following an order or direction of the court that it would be in violation of any Sanctions if it were to perform or continue to perform its obligations under clause 6 (Completion) and clause 1 (Completion: 2022 Notes)."*

⁴ "**Seller Sanctions Event**" is defined as *"(i) the imposition of any Sanctions on the Seller; or (ii) the imposition of any or any further Sanctions on any other person or entity connected in any way with the transactions contemplated hereby, or (iii) any formal request by a Sanctions Authority to the Buyer to cease, delay, defer, pause or withhold performance of any of the obligations in this Deed for whatever reason; or (iv) any other event occurring after the date of this deed (including, without limitation, the issuance of further guidance in relation to existing Sanctions by any Sanctions Authority, or intervention with respect to the transactions contemplated hereby by any Sanctions Authority) as a result of which the Seller reasonably considers based on a legal opinion of a reputable and qualified*

(i) GPB Sanctions Issue

- 32 As mentioned above: (i) the original lender in respect of the Term Loan was GPB; (ii) GPB also made the Facilities available to certain of the Company's subsidiaries; (iii) since 24 March 2022 GPB has been a designated person under the Regulations; (iv) on 18 April 2022, GPB gave notice to accelerate the Term Loan on the basis of the Company's failure to pay the interest payment of US\$ 560,000 which became due on 25 March 2022, and which the Company could not lawfully make; (v) on the same date it gave notice of acceleration to the relevant Group subsidiaries in respect of the Facilities; on (vi) 19 April 2022 GPB gave notice of the UMMC-INVEST Assignment; and (vii) the Nordic Assignment took place on 12 May 2022.
- 33 In light of these facts, the Applicants have carefully considered whether there is any risk that the Proposed Transaction might give rise to a breach of the asset-freeze provided for in regulations 11-15 by reason of GPB's status as a designated person under regulations 5 and 10, and have concluded that there is no such risk.
- 34 In broad terms, the effect of the asset-freeze provisions of the Regulations is that persons subject to UK jurisdiction are prohibited from dealing with funds or economic resources owned, held or controlled by a designated person, and prohibited from making funds or economic resources available (directly or indirectly) to or for the benefit of a designated person. More particularly, the Regulations provide as follows:

34.1 Regulation 11(4) provides that a person deals with funds if that person:

- "(a) uses, alters, move, transfers or allows access to the funds,*
- (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or*
- (c) makes any other change, including portfolio management, that would enable use of the funds."*

34.2 Regulation 11(5) provides that a person deals with economic resources if that person:

- "(a) exchanges the economic resources for funds, goods or services; or*
- (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise)."*

34.3 As regards making funds available for the benefit of a designated person, regulation 13(4) provides that:

- "(a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and*
- (b) 'financial benefit' includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible."*

legal consultant or following an order or direction of the court, that it would be in violation of any Sanctions if it were to perform its obligations under clause 6 (Completion) and clause 7 (Completion: 2022 Notes)."

35 Regulation 19 prohibits circumvention of the asset-freeze provisions, providing, so far as material for present purposes, as follows:

"(1) A person must not intentionally participate in activities knowing that the object or effect of them is (whether directly or indirectly) –

(a) to circumvent any of the prohibitions in regulations 11 to 18A, or

(b) to enable or facilitate the contravention of any such prohibition.

(2) A person who contravenes the prohibition in paragraph (1) commits an offence."

36 By reason of the UMMC-INVEST Assignment and the Nordic Assignment, as referred to above, GPB is no longer a creditor of the Company. The Proposed Transaction cannot, therefore, give rise to any breach of the asset-freeze provisions by reason of GPB's status as a designated person.

37 Further, it is understood that the UMMC-INVEST Assignment and the Nordic Assignment have had the effect of removing and extinguishing all of GPB's rights against the Company under the Term Loan and the Facilities. Each of UMMC-INVEST and Nordic was asked to confirm, and each of them has confirmed, that the consideration for their respective assignments from GPB has been paid in full, and that no further obligations are owed to GPB in connection therewith. There cannot, therefore, be any suggestion that GPB has any subsisting rights under the Term Loan or the Facilities, or that the Proposed Transaction would have the effect of making funds or economic resources available (even indirectly) to GPB in breach of the asset-freeze provisions.

38 Nor is there any basis for suggesting that the Company has attempted or is attempting to circumvent any provisions of the Regulations, in breach of regulation 19. As previously stated, the Company was not involved in the UMMC-INVEST Assignment or the Nordic Assignment and nor did it have any knowledge of those transactions before they were entered into. On the contrary, UMMC-INVEST and Nordic entered into the UMMC-INVEST Assignment and the Nordic Assignment with GPB for their own commercial reasons, without any involvement, encouragement or knowledge on the part of the Company. Further, so far as the UMMC-INVEST Assignment is concerned, this took place during the currency of the General Licence, which permitted any person to *"wind down any transactions to which it is a party, [involving GPB] ... including the closing out of any positions"* prior to 23 April 2022.

39 In the circumstances, we do not consider that, when properly analysed, the GPB Sanctions Issue gives rise to any obstacle in terms of the Company's intended entry into and/or completion of the Proposed Transaction.

(ii) Export of Luxury Goods Sanctions Issue

40 As considered in more detail below, the Regulations prohibit the export of luxury goods into Russia. The Proposed Transaction clearly does not involve any export of luxury goods into Russia. It is concerned with the sale of shares in various subsidiary companies which own gold-producing assets, not with the sale of luxury assets or of gold; it does not involve a transfer in ownership of those companies' underlying assets to UMMC-INVEST; and any materials which those companies hold will have been produced in Russia and will remain in Russia.

41 The Company's operating subsidiaries based in Russia include LLC Malomyrskiy Rudnik (**"Malomyrskiy"**), which operates the Malomir mine; LLC Albynskiy Rudnik (**"Albynskiy"**), which operates the Temi mine; JSC Pokrovskiy Mine (**"Pokrovskiy"**), which operates the Pioneer mine and

a pressure oxidation ("POX") hub which is also used by Malomyrskiy to treat the concentrate which it produces, as outlined below; and LLC TEMI, which is engaged in exploration.

- 42 In very brief summary, rock containing gold ore is mined and then undergoes multiple rounds of treatment depending on its refractory qualities. Non-refractory ore undergoes several stages of crushing and chemical treatment with reagents followed by electrolysis (a resin-in-pulp or RIP process). A refractory ore (ore with sulphur encapsulating gold) goes through various stages of enrichment resulting in a gold concentrate, a liquid form of rock containing around 30 grams of gold per tonne (and less than 35 grams of gold per tonne). The gold concentrate (essentially, as mentioned, a liquid form of rock, which is brown in colour and looks rather like liquid concrete) is then transported to the POX hub, where the gold/metal content is extracted from sulphides under high pressure and temperature and the resulting pulp undergoes a similar RIP treatment as the non-refractory ore, both processes converging, resulting in a cathode deposit, which is then smelted to produce a substance known as "doré", a metallic mix containing copper, gold and silver and other metals, and consisting of more than 75% by weight of gold. The doré produced at the POX hub is in the form not of regular gold bars but of fairly rough grey/brown lumps. The doré is then transported to a regulated refinery (i.e. a refinery regulated by the Russian state) where it is smelted to remove impurities and where the gold content is affirmed, and then melted into the form requested by the customer and/or formed into gold bars. The processes involved are summarised in the attached "Petropavlovsk Gold Production Process" flowchart. These operating subsidiaries currently remain in operation such that there are quantities of doré present and/or stored at their premises and there are gold bars owned by the mines present and/or stored at one or more regulated refineries.
- 43 Regulation 46B is headed "Luxury goods" and contains provisions which prohibit the export of luxury goods to, or for use in, Russia. So far as material for present purposes, those provisions are as follows:
- "(1) The export of luxury goods to, or for use in, Russia is prohibited.
 - (2) A person must not directly or indirectly –
 - (a) supply or deliver luxury goods from a third country to a place in Russia;
 - (b) make luxury goods available to a person connected with Russia;
 - (c) make luxury goods available for use in Russia."
- 44 Regulation 21, so far as material, provides that a person is to be regarded as connected with Russia if the person is:
- "(a) an individual who is, or an association or combination of individuals who are, ordinarily resident in Russia,
 - (b) an individual who is, or an association or combination of individuals who are, located in Russia,
 - (c) a person, other than an individual, which is incorporated or constituted under the law of Russia, or
 - (d) a person, other than an individual, which is domiciled in Russia."
- 45 It is accepted that UMMC-INVEST, as "a person, other than an individual, which is incorporated or

constituted under the law of Russia" and/or "a person, other than an individual, which is domiciled in Russia", would appear to fall within the scope of regulation 21(c) and/or (d). For the reasons outlined below, however, it is clear that the Proposed Transaction does not involve making luxury goods available to UMMC-INVEST within the meaning of regulation 46B(2)(b) or making luxury goods available for use in Russia within the meaning of regulation 46B(2)(c), and accordingly there can be no breach of the Regulations by virtue of the Export of Luxury Goods Sanctions Issue.

- 46 Regulation 21 ("Interpretation of this Part"), dealing with the interpretation of Part 5 of the Regulations ("Trade"), also provides that:

"(1) In this Part –

...

"luxury goods" means any thing specified in Schedule 3A, other than any thing for the time being specified in –

- (a) Schedules 2 or 3 to the Export Control Order 2008,
- (b) Annex 1 of the Dual-Use Regulation, or
- (c) Schedule 2A ...".

- 47 Paragraph 11 of Schedule 3A specifies that "Pearls, precious and semi-precious stones, articles of pearls, jewellery, gold- or silversmith articles falling within the commodity codes set out in the following table" constitute "luxury goods".

- 48 Further, pursuant to paragraph 1 of Schedule 3A (and paragraph 1 of Schedule 3), Schedule 3A refers to a table which, among other things, contains certain commodity codes as specified in the Goods Classification Table in Annex I in Part 3 of the Tariff of the United Kingdom in order to identify what constitutes "luxury goods". The table includes the following details:

<i>"Commodity code"</i>	<i>Description</i>
...	...
7108 00 00	Gold (including gold plated with platinum), unwrought or in semi-manufactured forms, or in powder form".

- 49 As appears from the UK Integrated Online Tariff, commodity code 7108 includes "Gold ..., unwrought or in semi-manufactured forms ...".⁵

- 50 Notwithstanding the reference in the table in Schedule 3A to commodity code 7108 00 00 and to "Gold ..., unwrought or in semi-manufactured forms ...", it is, in our view, clear that neither the doré nor the gold bars produced and/or held by operating subsidiaries of the Company fall within the scope of "luxury goods" in regulation 46B. In particular:

- 50.1 Regulation 46B appears under the heading "Luxury Goods". It is appropriate to have regard to that heading for the purposes of interpreting the relevant provisions.

⁵ Further, an explanatory note adopted by the World Customs Organisation in respect of the International Convention on the Harmonised Commodity Description and Coding System states in respect of the heading 7108: "The alloy called "doré" or "bullion doré" consisting mainly of silver and copper falls in this heading when it contains 2% or more, by weight, of gold. It is obtained from certain cupriforous pyrites or from residues derived from the processing of blister copper and is subsequently refined to separate its constituent metals."

- 50.2 The other items specified in Schedule 3A as constituting luxury goods are primarily goods intended for personal and/or domestic use by an individual end user, as distinct from industrial materials requiring one or more further processes to turn them into goods suitable for personal and/or domestic use.
- 50.3 More particularly, as mentioned above, paragraph 11 of Schedule 3A specifies that *"Pearls, precious and semi-precious stones, articles of pearls, jewellery, gold- or silversmith articles falling within the commodity codes set out in the following table"* constitute luxury goods. Irrespective of whether the doré and the gold bars produced and/or held by operating subsidiaries of the Company fall within the scope of the commodity code and description given in the table referred to above, they are self-evidently industrial materials and not *"gold- or silversmith articles"*. A goldsmith producing, say, items of jewellery for personal use would not do so using gold bars, but would instead use gold granules or smaller, thinner gold rods or gold sheets which are obviously easier to work, and in any event we understand that the gold bars produced and/or held by the Company's operating subsidiaries would not be of a suitable size to be worked on by a goldsmith. Neither the doré nor the gold bars produced by the Company's operating subsidiaries therefore constitute luxury goods for the purposes of regulation 46B.
- 50.4 Consistently with the matters referred to above, the Government's announcement of the relevant restrictions⁶ makes it clear that the primary intention of the provisions in question is to introduce an export ban for the purpose of depriving certain categories of individuals (namely *"oligarchs and other members of the elite, who have grown rich under President Putin's reign and support his illegal invasion"*) of access to luxury goods:

"The UK Government has today announced a ban on exports to Russia of high-end luxury goods, while also hitting hundreds of key products with new import tariffs.

...

- *UK to ban exports of luxury goods to Russia alongside G7 allies.*

The UK Government has today announced a ban on exports to Russia of high-end luxury goods, while also hitting hundreds of key products with new import tariffs that represent a 35 percentage point hike on current rates.

Russian vodka is one of the iconic products affected by the tariff increases, while the export ban will likely affect luxury vehicles, high-end fashion and works of art.

The measures will cause maximum harm to Putin's war machine while minimizing the impact on UK businesses as G7 leaders unite to unleash a fresh wave of economic sanctions on Moscow.

The export ban will come into force shortly and will make sure oligarchs and other members of the elite, who have grown rich under President Putin's reign and support his illegal invasion, are deprived of access to luxury goods."

...

⁶ <https://www.gov.uk/government/news/uk-announces-new-economic-sanctions-against-russia>.

Background:

...

- *Further details on the export ban will follow in due course; previous export bans have included items such as high-end fashion, works of art and luxury vehicles. ..."*

50.5 That announcement serves to emphasise that the relevant restrictions are clearly intended to prevent the influx of luxury goods into Russia, whereas, as mentioned above, the Proposed Transaction does not involve any influx of luxury goods into Russia, being concerned with the sale of shares in various subsidiary companies which own gold-producing assets, not with the sale of luxury assets or of gold. Nor does the Proposed Transaction involve a transfer in ownership to UMMC-INVEST of those companies' underlying assets, such as doré or gold bars which they may produce or hold. Further, any doré, gold bars or other materials which those subsidiaries may hold will have been produced in Russia and will remain in Russia.

51 Regulation 55 prohibits circumvention of the trade restrictions (including those restrictions concerning luxury goods) in similar terms to the circumvention provision in regulation 19 referred to above. It is not considered that there is any basis for suggesting that the Proposed Transaction involves any such circumvention or attempted circumvention.

(iii) Bokarev Sanctions Issue

52 Mr Bokarev is understood to hold an indirect shareholding in UMMC-INVEST, albeit one of less than 5%. The Applicants have considered (i) whether Mr Bokarev's shareholding and involvement in UMMC-INVEST are or could be such as to meet the ownership and/or control tests laid down in the Regulations (i.e. whether UMMC-INVEST is owned or controlled by Mr Bokarev and, therefore, should be considered to be sanctioned), and (ii) whether the Proposed Transaction could breach the asset-freeze provisions of the Regulations by making funds or economic resources available (directly or indirectly) to or for the benefit of Mr Bokarev. They have come to the view that the ownership test is plainly not satisfied and that there is nothing whatsoever to suggest that the control test is satisfied (as, in the light of Mr Bokarev's very modest shareholding, is entirely unsurprising).

53 As regards the first of those issues, regulation 7 provides as follows:

"(1) A person who is not an individual ("C") is "owned or controlled directly or indirectly" by another person ("P") if either of the following two conditions is met (or both are met).

(2) The first condition is that P –

(a) holds directly or indirectly more than 50% of the shares in C,

(b) holds directly or indirectly more than 50% of the voting rights in C, or

(c) holds the right directly or indirectly to appoint or remove a majority of the board of directors of C.

(3) Schedule 1 contains provision applying for the purpose of interpreting paragraph (2).

- (4) *The second condition is that it is reasonable, having regard to all the circumstances, to expect that P would (if P chose to) be able, in most cases or in significant respects, by whatever means and whether directly or indirectly, to achieve the result that affairs of C are conducted in accordance with P's wishes."*

54 Schedule 1 contains further guidance on the interpretation of these tests. In addition, general non-binding guidance on the concepts of ownership and control has been published⁷ which states, at paragraph 4.1:

"An entity is owned or controlled directly or indirectly by another person in any of the following circumstances:

- *The person holds (directly or indirectly) more than 50% of the shares or voting rights in an entity;*
- *The person has the right (directly or indirectly) to appoint or remove a majority of the board of directors of the entity; or*
- *It is reasonable to expect that the person would be able to ensure the affairs of the entity are conducted in accordance with the person's wishes. This could, for example, include:*
 - o *Appointing, solely by exercising one's voting rights, a majority of the members of the administrative, management or supervisory bodies of an entity, who have held office during the present and previous financial year;*
 - o *Controlling alone, pursuant to an agreement with other shareholders in or members of an entity, a majority of shareholders' or members' voting rights in that entity;*
 - o *Having the right to exercise a dominant influence over an entity, pursuant to an agreement entered into with that entity, or to a provision in its Memorandum or Articles of Association, where the law governing that entity permits its being subject to such agreement or provision;*
 - o *Having the right to exercise a dominant influence referred to in the point above, without being the holder of that right (including by means of a front company);*
 - o *Having the ability to direct another entity in accordance with one's wishes. This can be through any means, directly or indirectly. For example, it is possible that a designated person may have control or use of another person's bank accounts or economic resources and may be using them to circumvent financial sanctions."*

55 It is clear, in the circumstances, that Mr Bokarev's limited, indirect shareholding does not meet the

⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/961516/General_Guidance_-_UK_Financial_Sanctions.pdf.

basic ownership test applicable under the Regulations. Nor is there anything to suggest that any of the control tests outlined above is satisfied. Accordingly, it is appropriate to proceed on the basis that UMMC-INVEST is neither owned nor controlled by Mr Bokarev and is not, therefore, subject to an asset-freeze by reason of Mr Bokarev's status as a designated person under the Regulations.

- 56 Nor is it considered arguable that the Proposed Transaction would involve the Company or the Potential Administrators making funds or economic resources available (whether directly or indirectly) to or for the benefit of Mr Bokarev. It does not follow from the fact that Mr Bokarev holds shares in UMMC-INVEST that funds or economic resources will be made available to him or for his benefit pursuant to the Proposed Transaction; for that, some additional agreement or arrangement would be required, and none exists. (As to this, it is understood that as a matter of Russian law the existence of any such "corporate agreement" between Mr Bokarev and UMMC-INVEST and/or other shareholders and relating to the exercise of rights arising from Mr Bokarev's ownership of shares would have had to be notified to UMMC-INVEST, and it has been confirmed that no such notification has been received.) Further, as mentioned, the SPA contains in clause 16.7(e) a warranty by UMMC-INVEST that it *"shall use its best endeavours and shall take all possible steps to ensure that, as result of the sale of the Shares, no funds or economic resources will be made available, directly or indirectly, to or for the benefit of any Sanctioned Person in the Buyer's Group, for the duration of the period in which they remain a Sanctioned Person, including, without limitation, by preventing the payment of any sums where such payment (directly or indirectly) would be in breach of Sanctions (if the Buyer were required, as a matter of law, to comply with such Sanctions)." Thus there is not considered, in the circumstances, to be any material risk that the Regulations will be infringed by reason of Mr Bokarev's indirect shareholding in UMMC-INVEST.*

(iv) Notes Sanctions Issue

- 57 It is understood that, without reference to the Company and without any involvement on the part of the Company, UMMC-INVEST has been purchasing Notes in the market. In practical terms, it is understood that UMMC-INVEST may do so either by purchasing them bilaterally or by doing so on an exchange. We return to the potential significance of this distinction below.
- 58 As mentioned above, one element of the consideration payable by UMMC-INVEST to the Company for the shares under the terms of the Proposed Transaction will be cash consideration of approximately US\$ 375 million, but the SPA recognises the possibility that UMMC-INVEST may acquire Notes and provides for the cash consideration payable to be reduced accordingly on a dollar for dollar basis at completion by (i) the face value and unpaid interest on any Notes acquired by UMMC-INVEST and then transferred to the Company prior to completion ("**Buyer 2022 Notes**" as defined in the SPA) or (ii) the amount due on the Notes, if greater, with UMMC-INVEST being free to seek to acquire Notes prior to completion of the Proposed Transaction (though under no obligation to do so). It is envisaged that the Company will cancel the Buyer Notes in accordance with their terms following completion of the share transfer pursuant to the SPA and the delivery of the Buyer 2022 Notes to the Company.

- 59 The SPA contains the following provisions in this regard:

59.1 Clause 7.1 provides:

"The Buyer shall, six Business Days prior to the Completion Date (or as early as possible if the information with respect to any Proposed Buyer 2022 Notes (as defined below) is available earlier):

- (a) provide the Seller with such evidence as the Seller may reasonably require of:*

(i) (A) the identity of the immediately prior legal and beneficial owner(s) of any Buyer 2022 Notes it intends to deliver to the Seller pursuant to clause 7.7 (the "**Proposed Buyer 2022 Notes**"); and (B) proof of such identity; and

(i) to the extent available following the Buyer's best endeavours to procure such information: (A) the identity of all previous legal and beneficial owner(s) of any Proposed Buyer 2022 Notes it intends to deliver to the Seller pursuant to clause 7.7 since 19 April 2022; and (B) proof of such identity."

59.2 Clause 7.2 provides:

"For the purposes of clause 7.1, the Seller acknowledges that it may not be possible for the Buyer to provide details (and/or proof) of the identity of the prior legal or beneficial owner(s) of any Buyer 2022 Notes acquired by the Buyer via an exchange. In relation to any such notes, and notwithstanding clause 7.1(a)(i) above, the Buyer shall provide the Seller with details of: (i) when the Buyer acquired the relevant notes; and (ii) from which exchange the Buyer acquired the relevant notes."

59.3 Clause 7.3 provides:

"The Buyer agrees and undertakes that: (i) it will not, directly or indirectly, seek to acquire (and will not knowingly acquire or permit any other person to acquire) any Buyer 2022 Notes from any Sanctioned Person; and (ii) will take all reasonable steps (including, to the extent possible, verifying the identity of all previous legal and beneficial owner(s) of any Buyer 2022 Notes it may seek to acquire) to ensure that it does not do so."

59.4 Clause 7.4 provides:

"Following receipt by the Seller of the proof delivered by the Buyer pursuant to clause 7.1, the Seller shall be entitled to refuse to accept from the Buyer any Proposed Buyer 2022 Notes which the Buyer has acquired:

- (a) in breach of clause 7.3; and/or
- (b) from a Sanctioned Person; and/or
- (c) if, following an application for directions made by the Administrators pursuant to paragraph 63 of Schedule B1 to the Insolvency Act 1986 on notice to the Buyer, an order of the High Court of England & Wales declares that acceptance of the relevant Proposed Buyer 2022 Notes gives rise to a breach of Sanctions and/or any other liability on the part of the Seller and/or Administrators.

In respect of any application identified in clause 7.4(c), the Seller will promptly notify the Buyer of any matter or event occurring after the date of this deed that might give rise to an application to the Court for directions and shall endeavour to bring the application before the Court at the earliest opportunity and on an urgent basis."

59.5 Clause 7.5 provides:

"The Seller shall, two Business Days after receiving all evidence and information

required by clause 7.1, notify the Buyer in writing of any Proposed Buyer 2022 Notes which it has refused to accept under clause 7.4."

59.6 By clause 7.6:

"The Buyer acknowledges and agrees that any Proposed Buyer 2022 Notes acquired in breach of clause 7.3 or 7.13 or refused by the Seller and notified to the Buyer in accordance with clause 7.5 may not be delivered to the Seller pursuant to clause 7.7."

59.7 Clause 7.7 provides that:

"The Buyer shall, at least three Business Days before the Completion Date:

- (a) transfer the Buyer 2022 Notes to an account within a depository in Russia designated by the Seller ("Seller Depository") and shall transfer full and unencumbered title to the Buyer 2022 Notes to the Seller;*
- (b) advise the Seller and the Administrators in writing of when it has transferred the Buyer 2022 Notes to the Seller Depository (noting the transfer will only be deemed effective once receipt is confirmed by the Seller Depository); and*
- (c) provide the Seller and the Administrators with such evidence as they may reasonably require of the transfer of the Buyer 2022 Notes to the Seller Depository."*

59.8 Clause 7.8 provides:

"The transfer of the Buyer 2022 Notes to the Seller shall include the transfer of all right, title and interest in the Buyer 2022 Notes and shall include all outstanding rights to conversion, interest, dividends and other distributions whether declared before or after the date of this deed in respect of the Buyer 2022 Notes and all other rights belonging to or accruing on the Buyer 2022 Notes on or after that date."

59.9 Clause 7.9 provides:

"If after the Completion Date one or more of the Co-Guarantors makes a payment pursuant to the Deed of Guarantee, there is provision at clause 2.1.5 of the Deed of Guarantee for the relevant Co-Guarantor to be subrogated to the rights of the Trustee."

59.10 Clause 7.10 provides:

"The final and irrevocable transfer of the Buyer 2022 Notes to the Seller Depository shall satisfy in full and final discharge the Buyer's requirement to pay the 2022 Note Consideration Amount."

59.11 Clause 7.11 provides:

"In the event that the Buyer fails to transfer to the Seller any of the Buyer 2022 Notes on or prior to the Completion Date, the Buyer shall not make any claims in respect of those 2022 Notes, and shall not take, seek or instruct the Trustee or any other party to take, any enforcement action against the Seller in respect of

the 2022 Notes, and shall hold any payment it receives on trust for the Seller and transfer it to the Seller within five Business Days of receipt. The Buyer irrevocably agrees that, notwithstanding anything to the contrary in the terms and conditions of the 2022 Notes, it shall not transfer any 2022 Notes unless the proposed transferee acknowledges and agrees in writing by deed to the Seller and the Administrators to be bound by, and that it will comply with, the terms of this clause 7.11 and clause 7.12."

59.12 Clause 7.12 provides:

"For the avoidance of doubt, the Buyer shall not make any claims in respect of any 2022 Notes it holds from time to time after the Completion Date, and shall not take, seek or instruct the Trustee or any other party to take, any enforcement action in respect of the 2022 Notes, for any action or proceedings relating to any claims for any breach of the 2022 Notes arising out of the terms of this deed or any transactions contemplated herein. For the avoidance of doubt, this Clause 7.12 shall not apply if this deed is rescinded and terminated in accordance with Clause 11."

59.13 By clause 7.13:

"The Buyer warrants that, to the best of its knowledge, none of the Buyer 2022 Notes are acquired or will be or have been acquired by it (or on its behalf), directly or indirectly, from any from Sanctioned Persons."

59.14 And clause 7.14 provides:

"Following the acknowledgment by the Seller and the Buyer of the Transfer Success Date in accordance with clause 9.2, the Seller shall seek to have the Buyer 2022 Notes cancelled in accordance with their terms and to the extent permitted by law."

60 Thus under the terms of the SPA, the Company is entitled to refuse to accept any Notes which have been acquired by UMMC-INVEST from a sanctioned person, and stringent obligations are imposed with a view to establishing the current/recent ownership of any Notes which may be tendered in partial satisfaction of the purchase price under the SPA so as to ensure that Notes previously held by a designated person are not accepted. Whilst it seems that it may not be practicable to verify the identity of the prior legal and beneficial owner of any particular Notes where they have been acquired via an exchange, the terms of the SPA are designed to ensure, so far as possible, that there is no risk of the Company having to accept Notes previously owned by a designated person, although, given the Company's lack of involvement in any such arrangements, we do not consider there to be any risk of such arrangements leading to a breach by the Company of the Regulations in any event.

61 In this regard we should add that it recently came to light that GPB was, or may have been, holding not more than 0.5% of the Notes as at mid-May 2022. Accordingly, we wrote to GPB on 26 June 2022 asking, among other things, for confirmation that GPB no longer holds or has any interest in any debt or other security relating to the Company or any other members of the Group. GPM has confirmed by an email dated 28 June 2022 that it no longer holds any rights under either the Term Loan or the Facilities, that no further consideration (including contingent consideration) is or might become due to GPB from any party as a result of the UMMC-INVEST Assignment or the Nordic Assignment, and that it does not currently hold, and has no interest in, any debt or other security relating to Petropavlovsk or other members of its corporate group.

- 62 As regards the proposal that in due course the Company will cancel the Buyer Notes in accordance with their terms following completion of the share transfer and the delivery of the Buyer Notes to the Company pursuant to clause 7.14 of the SPA, it is understood that in practical terms this may be dealt with most efficiently by way of a scheme of arrangement or similar procedure, although this would be a matter for the Proposed Administrators in due course. Were there to be any issue in relation to, for example, GPB's holding Notes, it could be addressed by the Proposed Administrators at that stage, including, insofar as necessary, by their seeking a Licence in relation to such scheme of arrangement or alternative procedure (insofar as it might be considered to involve dealing in the funds of a UK asset-freeze target) or by seeking further directions from the Court. In this regard we would draw your attention specifically to clause 7.4(c) of the SPA, which expressly provides for the Proposed Administrators to seek directions pursuant to Paragraph 63 as to whether acceptance of any particular Proposed Buyer 2022 Notes gives rise to a breach of Sanctions and/or any other liability on the part of the Company and/or the Proposed Administrators.

Conclusion

- 63 For the reasons outlined above, neither the Applicants nor the Proposed Administrators consider that the Proposed Transaction would involve any breach of the Regulations. We would be grateful for your confirmation that you agree, not least so that we can communicate this to the Court on the hearing of the Administration Application and the Directions Application. We will let you know when the Administration Application is to be heard once it has been issued.
- 64 If, however, you consider that the Proposed Transaction would or might give rise to a breach of the Regulations, we should be grateful if you would inform us as soon as possible, with a view to ensuring that any such issues are resolved, to the extent possible, before the Administration Application and the Directions Application are heard or can be raised with the Court at the hearing of the Administration Application and the Directions Application.
- 65 Equally, if you have any queries regarding the Proposed Transaction (or the Administration Application or the Directions Application), please let us know at your earliest convenience so that we can endeavour to answer them.

Yours faithfully



Joseph Hage Aaronson LLP

Enc. Structure chart as at 28 April 2022
Petrovavlovsk Gold Production Process flowchart

From: Kazantsev Maxim <Maxim.Kazantsev@onebaltic.com>
Sent: 29 June 2022 16:24
To: Mikhail Irzhevsky <irzhevsky@gmail.com>
Cc: Michelle Duncan <MDuncan@jha.com>
Subject: RE: Petropavlovsk PLC

Dear Mikhail, Michelle

In response to your request, please be advised as follows:

As we informed you earlier, Arbat Capital indeed provided to us a certain portion of the funds that we used to acquire the debt under the Assignments. Arbat Capital have not had any connections with negotiations, execution and performance of the Assignments. The only role of the Arbat group had in connection with the Assignments was - a lender.

We confirm that no conduct in relation to the Assignments took place in the UK or involved any UK nationals or companies.

Sincerely yours,
Maxim

From: Mikhail Irzhevsky [<mailto:irzhevsky@gmail.com>]
Sent: Wednesday, June 29, 2022 3:48 PM
To: Kazantsev Maxim
Cc: Michelle Duncan
Subject: Petropavlovsk PLC

Dear Maxim,

We refer to your letter dated 12 May 2022 in which you informed us that GPB had assigned all of its rights under Loan Agreement No. 39/21-R dated 21 April 2021 and Credit Agreement No. 133/21-R dated 10 November 2021 between JSC "Pokrovky Mine" and GPB to you ("Assignments").

We understand that Arbat Capital may have provided funding to you in connection with the Assignments. In these circumstances we would be grateful for your explanation regarding Arbat Capital's role in relation to the Assignments and in particular whether any conduct in relation to the Assignments took place in the UK and/or involved any UK nationals or companies.

Regards,

Mikhail

JOSEPH HAGE AARONSON LLP

Joseph Hage Aaronson LLP
280 High Holborn
London WC1V 7EE

+44 (0)20 7851 8888

5 July 2022

Office of Financial Sanctions Implementation
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

By email [ofsi@hmtreasury.gov.uk] and courier

CONFIDENTIAL

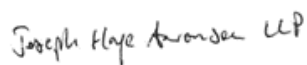
Dear Sir or Madam

Introduction

- 6 We refer to our letter dated 29 June 2022 ("**29 June Letter**"), to which we have yet to receive a response. Terms defined in the 29 June Letter have the same meanings in this letter. Kindly acknowledge receipt of the 29 June Letter and this letter by return.
- 7 First, we write to provide an update to the matters set out in the 29 June Letter. In this regard we refer to paragraph 1 of the 29 June Letter, in which we explained that we were instructed in respect of:
- 3.1 an intended application to the High Court to be issued shortly on behalf of the Applicants for an administration order in respect of the Company and the appointment of the Proposed Administrators as administrators (i.e. the **Administration Application**);
 - 3.2 an intended application by the Proposed Administrators (to be formally issued following their appointment as administrators) for directions under Paragraph 63, which it was proposed should be considered by the Court at the same time as the Administration Application (i.e. the **Directions Application**); and
 - 3.3 the intended pre-packaged sale by the Proposed Administrators (if and when appointed, and subject to the outcome of the Directions Application) of the Company's operating subsidiaries to UMMC-INVEST (JSC) as described in the 29 June Letter (i.e. the **Proposed Transaction**).
- 8 As to this, by way of update:
- 8.1 As things stand, it is still expected that the Administration Application will be issued shortly.
 - 8.2 If they are appointed as administrators, the Proposed Administrators intend to explore the possible sale of the Company's operating subsidiaries to UMMC-INVEST as outlined in the 29 June Letter. They are currently considering whether to seek the Court's guidance in this regard at the hearing of the Administration Application (and to enter into a pre-packaged sale transaction shortly after appointment) or to seek such guidance at a later date.

- 8.3 As indicated in paragraph 63 of the 29 June Letter, once the Administration Application has been issued we will let you know when it is to be heard.
- 9 Secondly, we refer to paragraphs 17 and 38 of the 29 June Letter, where we indicated that the Company had no involvement in or prior knowledge of the UMMC-INVEST Assignment or the Nordic Assignment. In fact, we now understand as follows:
- 9.1 On or about 16 April 2022, shortly before the UMMC-INVEST Assignment took place on 19 April 2022, the Company was informed of the proposed assignment. This was because the UMMC-INVEST Assignment involved the replacement of GPB as Agent under the facility agreement by UMMC-INVEST, which the Company as Borrower would be required to acknowledge. Accordingly, the Company was informed of the proposed assignment shortly before it was executed in the context of being asked to comment on the draft form of acknowledgement. For the avoidance of doubt, the Company had no involvement in the negotiations between GPB and UMMC-INVEST, and it remains the Applicants' position that GPB and UMMC-INVEST entered into the UMMC-INVEST Assignment for their own commercial reasons and without any involvement or encouragement by the Company. Further, as mentioned in the 29 June Letter, the UMMC-INVEST Assignment took place during the currency of the General Licence.
- 9.2 The Company was aware of GPB's intention to assign the debt due under the Facilities before that assignment (i.e. the Nordic Assignment) took place, in that the Company was informed on or about 9 May 2022 that it should expect to receive notification of an intended assignment shortly although the identity of the counterparty was still not known. On or about 12 May 2022 the Company received notice that the Nordic Assignment, as referred to in paragraph 19 of the 29 June Letter, had taken place.
- 10 Thirdly, we refer to paragraph 57 of the 29 June Letter, in which we stated: *"It is understood that, without reference to the Company and without any involvement on the part of the Company, UMMC-INVEST has been purchasing Notes in the market."* In fact, our current understanding is that although UMMC-INVEST may seek to purchase Notes in the market, as at the date of the 29 June Letter it had not done so. At all events, the Company has had no involvement in UMMC-INVEST's decision to acquire Notes.
- 11 The Applicants and the Proposed Administrators remain of the view that a sale to UMMC-INVEST on the terms of the SPA would not involve any breach of the Regulations. We would again invite you to confirm your position in this regard. If you have any queries, please let us know at your earliest convenience so that we can address them.

Yours faithfully



Joseph Hage Aaronson LLP

H&P Advisory Ltd
3rd Floor
7-10 Chandos Street
London
W1G 9DQ
United Kingdom

STRICTLY PRIVATE & CONFIDENTIAL

8 July 2022

Dear Ben,

Please see below the answers to your questions.

- How was the initial marketing done to broadcast the proposed sale? Was there any marketing emails to any databases of contacts, or marketed online? If the potential sale was only sent to the potentially interested parties listed in the Investor Tracker document, then please confirm how it was decided to only send the marketing to these parties?
 - It was calls and emails with a teaser and a process letter to a database of contacts. The list of investors was agreed with the Company.
- In the Process Letter dated 20 April 2022, it states that due diligence would be done by the company on any parties that submitted an Indicative Offer. Can you please confirm what due diligence was completed by the company and whether you have any copy documentation?
 - It was primarily KYC to identify any red flags / sanctioned individuals. We ran our internal KYC check using special software, and Weil and Alix Partners did the same. We also had a DD questionnaire for Russian entities.
- I note that GeoProMining submitted a higher offer, \$750m, but proof of funding was not received, and FAS approval was not received, according to the Investor Tracker. Can you please confirm if any further correspondence was sent or received to or from them after their offer? Any additional information relating to this offer is much appreciated.
 - After receiving their offer we had various discussions on the deal structuring, and proof of funding and they had one meeting with the management. However, on the binding offer submission deadline date, they said that they weren't able to secure financing for this deal and they won't be able to participate in the process further.
- Can you please provide a detailed timeline of what was done and when, and confirm when the marketing process began and ended?
 - Marketing process 20/04/2022 – 27/04/2022
 - Non-binding Indicative Offers were submitted by 29/04/2022
 - Data room granted to GPM and UMMC 04/05/2022 – 16/05/2022
 - Cash Confirmation, Offer structuring, SPA negotiation sessions, Q&A sessions 05/05/2022 – 13/05/2022
 - Submission of Final Binding Offer by UMMC on 16/05/2022
- In your opinion, given the nature of the business and current worldwide political matters, those that could purchase the assets, would be in limited jurisdictions?
 - This is correct, we focused primarily on non-sanctioned Russian / CIS / EM buyers. Due to the need for government approval (takes at least 6 months) when more than 25% is acquired in strategic assets (e.g. gold) in Russia, only a Russian entity is able to complete the deal in such a short period.
 - Clifford Chance review of the Russian strategic investment law (<https://globalcompetitionreview.com/guide/foreign-direct-investment-regulation-guide/first-edition/article/russia#footnote-002>)
 - Clifford Chance legal review of foreign investment in Russia's "strategic" sectors (rule on government approval for more than 25% control ownership for foreigners in gold assets) https://www.cliffordchance.com/content/dam/cliffordchance/briefings/2020/05/2005_Client%20Briefing%20-

[%20A%20Legal%20Overview%20of%20Foreign%20Investment%20in%20Russia%27s%20Strategic%20Sectors.pdf](#)

- Can you also please confirm who your PI cover is with and what are the qualifications you hold? This is for our file.
 - [PI cover \(Please see attached\).](#)
 - [Please see H&P credentials attached.](#)
- Did you receive any response from the majority shareholder UGC? If so, please provide a copy of any correspondence held.
 - [No](#)
- Did you contact any possible financing companies regarding the potential to refinance? Do you have any contacts that may be willing to discuss refinancing of this company?
 - [H&P haven't contacted anyone. The Company was approached by Credit Bank of Moscow \(sanctioned\), before the sale process was initiated. In our and Company's opinion, all institutions who would refinance the company are sanctioned, and western institutions wouldn't work with the Company due to the current situation.](#)
- Please provide a copy of Arbat Capital's offer and any correspondence held with them. The same for NMMC as well.
 - [Please see attached.](#)
- How did you find Arbat as a potential purchaser, and how were they initially approached?
 - [They have approached the Company themselves. Arbat Capital came into the process late and when they saw our BO deadline, they decided not to participate. Arbat Capital is a financial sponsor and there is not much information available on them. They also didn't come back after receiving our DD questionnaire.](#)
- In your opinion, can you please confirm if you feel that the marketing completed previous, still feels valid and sufficient now, and that it is likely that no further offer would be received would be received if the marketing process was done now? Is there anything that you believe you could do now that would have provided a different outcome or result?
 - [As the current situation is not getting better \(e.g. G7 sanctioned gold exports from Russia\), we believe that the appetite to acquire a Russian gold producer still remains low \(<https://www.ft.com/content/76e52790-7d3d-4303-a8c4-441da2aa39a8>\).](#)

Yours sincerely,
Hannam & Partners

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
10	Letter from the Administrator to UGC	12 July 2022	123-124

JOSEPH HAGE AARONSON LLP

Joseph Hage Aaronson LLP
280 High Holborn
London WC1V 7EE

+44 (0)20 7851 8888

14 July 2022

Office of Financial Sanctions Implementation
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

By email [ofsi@hmtreasury.gov.uk] and courier

CONFIDENTIAL

Dear Sir or Madam

Introduction

- 1 We refer to our letters dated 29 June 2022 ("**29 June Letter**") and 5 July 2022 ("**5 July Letter**"), to which we have yet to receive a response. Terms defined in the 29 June Letter and the 5 July Letter have the same meanings in this letter. Kindly acknowledge receipt of the 29 June Letter, 5 July Letter and this letter by return.
- 2 As we anticipated in both the 29 June Letter and the 5 July Letter, the Administration Application was issued on 11 July 2022. The Administration Application is currently scheduled to be heard on 18 July 2022. The Court has not yet confirmed the time at which the hearing will commence, but we will let you know when it does so (which we would expect to be in the afternoon of 15 July 2022).
- 3 Further, we write to confirm the approach currently intended to be taken by the Company and the Proposed Administrators at the hearing of the Administration Application. We stated in the 5 July Letter that the Proposed Administrators intended to seek the guidance of the Court as to the entry into the Proposed Transaction, if that is the course they choose to take, by way of the Directions Application, and they were considering whether to do so at the hearing of the Administration Application or subsequently. Their present intention is not to seek that guidance at the hearing of the Administration Application on 18 July 2022. Instead, it is now proposed that the Directions Application will be issued and listed after the Proposed Administrators have been appointed and determined the most appropriate course of action in the interests of the Company.
- 4 Therefore, the Court will not be asked at the hearing on 18 July 2022 to make declarations or issue directions as to the effect of the Regulations on the Proposed Transaction, or to declare that the Proposed Transaction would not breach the Regulations. However, to the extent that you have a position on the matters raised in the 29 June Letter, it would nevertheless be of significant assistance to the Court if this were to be stated in advance of the hearing of 18 July 2022. As we said in the conclusion at paragraphs 63-65 of the 29 June Letter, if you agree with our detailed analysis that the Proposed Transaction would not involve any breach of the Regulations, we would wish to communicate this to the Court at the hearing of the Administration Application; similarly, if you consider that there may be a potential breach of the Regulations or if you have any other comment

or questions, we would wish to resolve those in advance of the hearing to the extent possible, or raise them with the Court.

5 We look forward to hearing from you as soon as possible.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JHA', written in a cursive, stylized script.

Joseph Hage Aaronson LLP

From: [Ian McKim](#)
Sent: 15 July 2022 19:27
To: [Michelle Duncan](#); 'ofsi@hmtreasury.gov.uk'
Cc: [Dara Barkhordar](#)
Subject: RE: Petrovpavlovsk PLC: Confidential

Dear Sir or Madam,

Further to the below correspondence, we confirm that the hearing of the application will be heard at 2.00 p.m. in Court 4 at the Rolls Building, Fetter Ln, London EC4A 1NL.

Yours faithfully,

Ian McKim
Partner
Joseph Hage Aaronson LLP

From: Michelle Duncan <MDuncan@jha.com>
Sent: 14 July 2022 12:34
To: 'ofsi@hmtreasury.gov.uk' <ofsi@hmtreasury.gov.uk>
Cc: Ian McKim <IMcKim@jha.com>; Dara Barkhordar <DBarkhordar@jha.com>
Subject: RE: Petrovpavlovsk PLC: Confidential

Dear Sir or Madam,

Please see the attached letter.

Kind regards,

Michelle Duncan
Partner | Joseph Hage Aaronson LLP

D: +44 (0)20 7851 8818
M: +44 (0)7701 326 510
T: +44 (0)207 851 8888

From: Michelle Duncan
Sent: 05 July 2022 12:35
To: ofsi@hmtreasury.gov.uk
Cc: Ian McKim <IMcKim@jha.com>; Dara Barkhordar <DBarkhordar@jha.com>
Subject: RE: Petrovpavlovsk PLC: Confidential

Dear Sir or Madam,

Please see the attached letter.

Kind regards,

Michelle Duncan

From: Michelle Duncan

Sent: 29 June 2022 19:59

To: 'ofsi@hmtreasury.gov.uk' <ofsi@hmtreasury.gov.uk>

Cc: Ian McKim <IMcKim@jha.com>; Dara Barkhordar <DBarkhordar@jha.com>

Subject: Petrovpavlovsk PLC: Confidential

Dear Sir or Madam,

Please see the attached letter.

Kind regards

Michelle Duncan

Partner | Joseph Hage Aaronson LLP

D: +44 (0)20 7851 8818

M: +44 (0)7701 326 510

T: +44 (0)207 851 8888

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
13	Letter from Mr Strukov to the Company	15 July 2022	129-130

Общество с ограниченной ответственностью

«Нордик»

121471, г.Москва, ул. Бориса Галушкина, дом 19, кор. 2, кв. 971 ИНН 7729456940, КПП 772901001, ОГРН 1157746329553

ООО «ТЭМИ»

975004, Амурская область, г.
Благовещенск, ул. Ленина, д. 140/1

«15» сентября 2022
О погашении задолженности

ДОСУДЕБНАЯ ПРЕТЕНЗИЯ-ТРЕБОВАНИЕ о погашении задолженности

Настоящим письмом, ООО «Нордик» уведомляет ООО «ТЭМИ» о нижеследующем:

В связи с заключением договора об уступке требований №3 от 12.05.2022 г., права требования по Кредитному соглашению от 10.11.2021 № 132/21-Р, а также акцессорные обязательства в виде договоров поручительства (в том числе ДП от 10.11.2021 № 132/21-Р-П), перешли от «Газпромбанк» (АО) (далее – Банк) к ООО «Нордик» (далее – Новый кредитор).

Между Банком ГПБ (АО) (далее – Банк) и АО «Покровский рудник» (далее – Заемщик) было заключено Кредитное соглашение об открытии кредитной линии от 10.11.2021 № 132/21-Р (далее – Кредитное соглашение), в соответствии с которым Банк открыл Заемщику кредитную линию с лимитом задолженности (максимальный размер единовременной задолженности по кредитной линии) в сумме 4 000 000 000,00 (Четыре миллиарда, 00/100) ¹ рублей, со сроком возврата Кредита не позднее 30.06.2026.

Дополнительно, между Банком и ООО «ТЭМИ» (далее – Поручитель) был заключен договор поручительства от 10.11.2021 № 132/21-Р-П (далее – Договор поручительства), в соответствии с условиями которого Поручитель обязался солидарно с Заемщиком отвечать перед Банком за исполнение Заемщиком обязательств, возникших из Кредитного соглашения.

В рамках Кредитного соглашения, Заемщику были предоставлены следующие Транши:

- (а) 09.12.2021 в размере 5 500 000,00 (Пять миллионов пятьсот тысяч, 00/100) долларов США, срок возврата транша и начисленных процентов – 07.06.2022;
- (б) 22.03.2022 в размере 3 500 000,00 (Три миллиона пятьсот тысяч, 00/100) долларов США, срок возврата транша и начисленных процентов – 20.06.2022.

В нарушение принятых на себя обязательств, Заемщик, в установленные сроки погашение траншей и начисленных процентов не произвел.

В соответствии с условиями Кредитного соглашения, в связи с нарушением Заемщиком принятых обязательств, Банк 18.04.2022 направил Заемщику требование выполнить денежные обязательства по Кредитному соглашению в полном объеме и в срок не позднее «26» апреля 2022 года погасить всю имеющуюся задолженность по Кредитному соглашению (копия требования является Приложением к настоящей претензии-требованию).

Впоследствии, 12.05.2022, Банком, совместно с Новым кредитором в адрес ООО

¹ Эквивалент задолженности по основному долгу в долларах и евро определяется по курсу Банка России, установленному на дату перерасчета (п. 6.1 Кредитного договора).

Погашение задолженности по траншу осуществляется в той же валюте, в которой производилась выдача транша (п. 6.3 Кредитного договора).

«Албынский рудник», ООО «Маломырский рудник», АО «Покровский рудник», ООО «ТЭМИ» были направлены уведомления об уступке прав требований с указанием надлежащих реквизитов для погашения задолженности в пользу ООО «Нордик».

По состоянию на 13.07.2022, Заемщик требование об исполнении своих обязательств не исполнил, задолженность по Кредитному договору не погасил.

В связи с изложенным выше, руководствуясь с п.2.1. Договора поручительства, ООО «Нордик» информирует ООО «ТЭМИ» о неисполнении Заемщиком обязательств по Кредитному соглашению.

Учитывая вышеизложенное, согласно п.2.2., 4.5. Договора поручительства, настоящим ООО «Нордик» требует от ООО «ТЭМИ» исполнить за Должника обязательства по Кредитному соглашению в полном объеме в течение 30 (Тридцати) рабочих дней от даты направления настоящей претензии.

На 13.07.2022, задолженность Заемщика перед ООО «Нордик» по Кредитному соглашению в части основного долга составляет 9 000 000,00 (Девять миллионов, 00/100) долларов США, а также начисленные проценты и неустойки.

Обращаем внимание, что Вам необходимо произвести перерасчет суммы начисленных процентов за пользование Кредитом и неустоек в соответствии с условиями Кредитного соглашения, подлежащих к уплате на дату фактического погашения задолженности по Кредитному соглашению.

Реквизиты для перечисления денежных средств:

- a) Адрес: 129301, Российская Федерация, город Москва, ул. Бориса Галушкина, дом 19, кор. 2, кв. 97
- b) Адрес для почтовых отправлений и иных уведомлений: 129301, Российская Федерация, город Москва, ул. Бориса Галушкина, дом 19, кор. 2, кв. 97
- c) Реквизиты счёта в рублях:
Расчётный счёт: 40702810800330001144
ПАО «БАНК УРАЛСИБ», по адресу 119048, г. Москва, ул. Ефремова, дом 8
ИНН 0274062111, КПП 770401001, ОГРН 1020280000190
Корр. счёт: 30101810100000000787, БИК: 044525787, код ОКПО Банка: 32020814
- d) Реквизиты счёта в долларах США:
Расчётный счёт: 40702840300330018173, Транзитный счёт: 40702840200330118173
ПАО «БАНК УРАЛСИБ», по адресу 119048, г. Москва, ул. Ефремова, дом 8
ИНН 0274062111, КПП 770401001, ОГРН 1020280000190
- e) Иные реквизиты:
ИНН: 7729456940, КПП: 771701001, ОГРН: 1157746329553

Настоящее требование также следует рассматривать как претензию, направляемую ООО «ТЭМИ» в соответствии со ст. 4 АПК РФ и п. 4.5. Договора поручительства для принятия мер по досудебному урегулированию в порядке, предусмотренном Договором поручительства.

В случае неисполнения ООО «ТЭМИ» настоящего требования в добровольном порядке, ООО «Нордик» будет вынужден обратиться за защитой своих прав и законных интересов в арбитражный суд.

Приложения:

1. Претензия-требование Заемщику о досрочном погашении задолженности.
2. Уведомление об уступке.

Ген. Директор ООО «Нордик»

 Казанцев М.П.

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
15	Letter from Mr Strukov to the Administrators	18 July 2022	133



Claim No.: CR-2022-002121

IN THE HIGH COURT OF JUSTICE

THE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST (Ch D)

CR-2022-002121

Before: His Honour Judge Milwyn Jarman QC sitting as a Judge of the High Court

Dated: 18 July 2022

**IN THE MATTER OF PETROPAVLOVSK PLC (company registration no. 04343841)
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

B E T W E E N :

- (1) JAMES WILLIAM CAMERON JR.**
- (2) CHARLOTTE BERTHA ELISABETH PHILIPPS**
- (3) MIKHAIL PETROVICH IRZHEVSKY**
- (4) ROMAN VALENTINOVICH DENISKIN**

Applicants

-and-

PETROPAVLOVSK PLC

Respondent

ADMINISTRATION ORDER

UPON THE APPLICATION of the Applicants, comprising the majority of the board of directors of Petropavlovsk PLC of 11 Grosvenor Place, Belgravia, London SW1X 7HH (“**the Company**”), presented to the Court on 11 July 2022 in respect of the Company

AND UPON HEARING leading counsel for the Applicants, Mark Phillips QC, and leading counsel for Mr Allister Jonathan Manson, Mr Trevor Binyon and Ms Jo Rolls, the proposed administrators of the Company (“**the Proposed Administrators**”), Peter Arden QC

AND UPON THE COURT HAVING READ the witness statements of Charlotte Bertha Elisabeth Philipps dated 11 July 2022 and of Allister Jonathan Manson dated 11 July 2022 and any other documents on the court file marked as having been read

AND UPON THE COURT HAVING RECEIVED AND READ an email from Roger Crawford and an email from Tony Lawson, both shareholders of the Company

AND UPON THE COURT BEING SATISFIED on the evidence before it that the EU Regulation as it has effect in the law of the United Kingdom does apply and these proceedings are COMI proceedings

AND UPON THE PROPOSED ADMINISTRATORS' undertaking through counsel to file a further witness statement addressing recent developments relating to the Proposed Administrators' insolvency estate bank accounts

IT IS ORDERED that:

1. Mr Allister Jonathan Manson, Mr Trevor Binyon and Ms Joanne Rolls, each of Opus LLP, Fourth Floor, Euston House, 24 Eversholt Street, London NW1 1DB, be appointed Joint Administrators of the Company.
2. Any act required or authorised under any enactment to be done by an administrator may be done by any one, any two or all of the Joint Administrators.
3. Subject to paragraph 4, during the period for which this Order is in force the affairs, business and property of the Company be managed by the Joint Administrators.
4. During the period for which this Order is in force the powers of the Joint Administrators shall not extend to the management of affairs, business and property of any of the subsidiaries of the Company.
5. In managing the affairs, affairs, business and property of the Company, the Joint Administrators may, without limitation:
 - a. cause the Company to appoint the Joint Administrators as foreign representatives of the Company as part of any recognition proceedings;
 - b. open insolvency estate bank accounts in their names with any suitable commercial bank in order to transact as agents of the Company. Further, the Joint Administrators may seek permission from the Insolvency Service to use the Insolvency Services Account for operational banking in the administration of the Company in the event that UK commercial banks will not offer commercial banking facilities.
 - c. maintain and manage the Company's current banking arrangements, including with Citigroup;
 - d. obtain insurance for the Company's assets and the conduct of the Company's business (including public liability insurance and employer's insurance) during the period for which this Order is in force; and

- e. pursuant to paragraph 64 of Schedule B1 to the Insolvency Act 1986 (“**Schedule B1**”), consent to the exercise of management powers by the directors of the Company.
6. Costs of and associated with the application be treated as an expense in the administration of the Company.

AND IT IS FURTHER ORDERED AND DECLARED THAT:

7. The powers of the Joint Administrators during the period for which this Order is in force shall include but will not be limited to, pursuant to paragraph 60, Schedule B1, the powers specified in Schedule 1 to the Insolvency Act 1986, which include but are not limited to:
- a. Power to take possession of, collect and get in the property of the company and, for that purpose, to take such proceedings as may seem to him expedient.
 - b. Power to sell or otherwise dispose of the property of the company by public auction or private contract or, in Scotland, to sell, hire out or otherwise dispose of the property of the company by public or private bargain.
 - c. Power to raise or borrow money and grant security therefor over the property of the company.
 - d. Power to appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions.
 - e. Power to bring or defend any action or other legal proceedings in the name and on behalf of the company.
 - f. Power to refer to arbitration any question affecting the company.
 - g. Power to effect and maintain insurances in respect of the business and property of the company.
 - h. Power to use the company’s seal.
 - i. Power to do all acts and to execute in the name and on behalf of the company any deed, receipt or other document.
 - j. Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company.
 - k. Power to appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and power to employ and dismiss employees.
 - l. Power to do all such things (including the carrying out of works) as may be necessary for the realisation of the property of the company.
 - m. Power to make any payment which is necessary or incidental to the performance of his functions.

- n. Power to carry on the business of the company.
- o. Power to establish subsidiaries of the company.
- p. Power to transfer to subsidiaries of the company the whole or any part of the business and property of the company.
- q. Power to grant or accept a surrender of a lease or tenancy of any of the property of the company, and to take a lease or tenancy of any property required or convenient for the business of the company.
- r. Power to make any arrangement or compromise on behalf of the company.
- s. Power to call up any uncalled capital of the company.
- t. Power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the company and to receive dividends, and to accede to trust deeds for the creditors of any such person.
- u. Power to present or defend a petition for the winding up of the company.
- v. Power to change the situation of the company's registered office.
- w. Power to do all other things incidental to the exercise of the foregoing powers.



18 July 2022

Petropavlovsk PLC

Appointment of Administrators

Petropavlovsk PLC ("Petropavlovsk" or the "Company" and, together with its subsidiaries, the "Group") announces that the court has today made an administration order appointing Allister Manson, Trevor Binyon and Jo Rolls of Opus Business Advisory Group (the "Administrators") as administrators of the Company. In administration, the existing Board of Directors cease to have decision-making powers with immediate effect. These powers transfer to the Administrators who are responsible for the day-to-day running of the Company.

The Company has requested that:

- its ordinary shares; and
- the guaranteed convertible 8.25% bonds due 2024 issued by Petropavlovsk 2010

are cancelled from listing on the Official List of the FCA and from trading on the London Stock Exchange following the appointment of the Administrators. A request has also been made for the cessation of trading of ordinary shares on the Moscow Exchange in due course.

For more information

Please contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

+44 (0) 20 7201 8900
TeamIR@petropavlovskplc.com



**Протокол
о результатах заочного голосования Совета директоров
Открытого акционерного общества «Уральская горно-металлургическая компания»
(ОГРН 1026600727713, ИНН 6606013640, далее ОАО «УГМК» или Общество)**

Форма проведения Совета директоров ОАО «УГМК»: заочное голосование.

Дата окончания приема опросных листов для заочного голосования: «19» июля 2022 года до 15 часов 00 минут.

Способ отправки заполненных опросных листов для заочного голосования: почтовым отправлением и по E-mail: V.krasnov@ugmk.com.

Адрес для направления заполненных опросных листов для заочного голосования: 624091, Свердловская область, г. Верхняя Пышма, проспект Успенский – I, УКО.

Дата составления протокола: «19» июля 2022 года.

Место составления протокола: г. Верхняя Пышма Свердловской области, проспект Успенский, I.

Приняли участие в заочном голосовании:

Члены Совета директоров Общества, представившие заполненные опросные листы для заочного голосования: Батршин Альберт Рафаилович, Игошин Алексей Валерьевич, Исмагилов Эльфат Рахматуллович, Камилов Данияр Абдулазизович, Мастеренко Борис Владимирович, Тукацинский Александр Самуилович, Юровский Вадим Станиславович.

Кворум для принятия решений по вопросам повестки дня имеется.

Подсчет голосов на данном заседании Совета директоров осуществлял – Игошин Алексей Валерьевич.

Секретарь Совета директоров ОАО «УГМК» – Батршин Альберт Рафаилович.

Повестка дня:

1. Избрание председателя Совета директоров ОАО «УГМК».
2. Досрочное прекращение полномочий единоличного исполнительного органа (Генерального директора) ОАО «УГМК».
3. Образование единоличного исполнительного органа (Генерального директора) ОАО «УГМК».

Первый вопрос, поставленный на голосование: Избрать председателем Совета директоров Открытого акционерного общества «Уральская горно-металлургическая компания» Игошина Алексея Валерьевича с 19 июля 2022 года, прекратив полномочия председателя Совета директоров Открытого акционерного общества «Уральская горно-металлургическая компания» Исмагилова Эльфата Рахматулловича.

ИТОГИ ГОЛОСОВАНИЯ:

«ЗА» - 7 голосов (Батршин Альберт Рафаилович, Игошин Алексей Валерьевич, Исмагилов Эльфат Рахматуллович, Камилов Данияр Абдулазизович, Мастеренко Борис Владимирович, Тукацинский Александр Самуилович, Юровский Вадим Станиславович),

«ПРОТИВ» - 0 голосов,

«ВОЗДЕРЖАЛСЯ» - 0 голосов.

ПРИНЯТОЕ РЕШЕНИЕ: Избрать председателем Совета директоров Открытого акционерного общества «Уральская горно-металлургическая компания» Игошина Алексея Валерьевича с 19 июля 2022 года, прекратив полномочия председателя Совета директоров Открытого акционерного общества «Уральская горно-металлургическая компания» Исмагилова Эльфата Рахматулловича.

Второй вопрос, поставленный на голосование: Досрочно «19» июля 2022 года прекратить полномочия Генерального директора ОАО «УГМК» Козицына Андрея Анатольевича на основании его заявления по инициативе работника (по собственному желанию), согласно п.3 ст.77, ст.80 и ст.280 Трудового кодекса Российской Федерации и расторгнуть с ним срочный трудовой договор.

ИТОГИ ГОЛОСОВАНИЯ:

«ЗА» - 7 голосов (Батршин Альберт Рафаилович, Игошин Алексей Валерьевич, Исмагилов Эльфат Рахматуллович, Камилов Данияр Абдулазизович, Мастеренко Борис Владимирович, Тукацинский Александр Самуилович, Юровский Вадим Станиславович),

«ПРОТИВ» - 0 голосов,

«ВОЗДЕРЖАЛСЯ» - 0 голосов.

ПРИНЯТОЕ РЕШЕНИЕ: Досрочно «19» июля 2022 года прекратить полномочия Генерального директора ОАО «УГМК» Козицына Андрея Анатольевича на основании его заявления по инициативе работника (по собственному желанию), согласно п.3 ст.77, ст.80 и ст.280 Трудового кодекса Российской Федерации и расторгнуть с ним срочный трудовой договор.

Третий вопрос, поставленный на голосование: Назначить Генеральным директором Открытого акционерного общества «Уральская горно-металлургическая компания» (ИНН 6606013640; адрес (место нахождения): 624091, Свердловская область, город Верхняя Пышма, проспект Успенский, дом 1) Исмагилова Эльфата Рахматулловича (паспорт серии 65 04 522464, выдан Кировским РУВД города Екатеринбурга 11 сентября 2003 года), сроком на один год с 20 июля 2022 года по 19 июля 2023 года (включительно) и утвердить условия трудового договора с ним.

Поручить председателю Совета директоров ОАО «УГМК» Игошину Алексею Валерьевичу подписать от имени Общества трудовой договор с Исмагиловым Эльфатом Рахматулловичем сроком на один год.

ИТОГИ ГОЛОСОВАНИЯ:

«ЗА» - 7 голосов (Батрашин Альберт Рафаилович, Игошин Алексей Валерьевич, Исмагилов Эльфат Рахматуллович, Камиллов Данияр Абдулазизович, Мастеренко Борис Владимирович, Тукацинский Александр Самуилович, Юровский Вадим Станиславович),

«ПРОТИВ» - 0 голосов,

«ВОЗДЕРЖАЛСЯ» - 0 голосов.

ПРИНЯТОЕ РЕШЕНИЕ: Назначить Генеральным директором Открытого акционерного общества «Уральская горно-металлургическая компания» (ИНН 6606013640; адрес (место нахождения): 624091, Свердловская область, город Верхняя Пышма, проспект Успенский, дом 1) Исмагилова Эльфата Рахматулловича (паспорт серии 65 04 522464, выдан Кировским РУВД города Екатеринбурга 11 сентября 2003 года), сроком на один год с 20 июля 2022 года по 19 июля 2023 года (включительно) и утвердить условия трудового договора с ним.

Поручить председателю Совета директоров ОАО «УГМК» Игошину Алексею Валерьевичу подписать от имени Общества трудовой договор с Исмагиловым Эльфатом Рахматулловичем сроком на один год.

Председатель Совета директоров
ОАО «УГМК»

Секретарь Совета директоров
ОАО «УГМК»



А.В. Игошин

А.Р. Батрашин

Итого пронумеровано
и прошито 2 (Два) листа
Председатель Совета директоров
ОАО «УГМК»

А.В. Игошин
Секретарь Совета директоров
ОАО «УГМК»

А.В. Батрушин



Translation from Russian into English

**Minutes
of the Board of Directors absentee voting
Open Joint Stock Company "Ural Mining and Metallurgical Company"
(OGRN 1026600727713, TIN 6606013640, OJSC "UMMC" or the Company)**

Form of meeting of OJSC "UMMC" Board of Directors: absentee voting.

Absentee ballot deadline: 19 July 2022 until 15:00.

Absentee ballots should be sent: by mail and by e-mail at V.krasnov@ugmk.com.

Absentee ballots should be mailed at: 624091, Sverdlovsk region, Verkhnyaya Pyshma, Uspensky avenue - 1, UKO.

Date of minutes: **19 July 2022.**

Place where minutes were prepared: Verkhnyaya Pyshma, Sverdlovsk region, Uspensky avenue 1.

Absentee voting was attended by:

Members of the Company's Board of Directors who submitted their respective absentee ballots: Albert Rafailevich Batrshin, Alexey Valerievich Igoshin, Elfat Rakhmatullovich Ismagilov, Daniyar Abdulazizovich Kamilov, Boris Vladimirovich Masterenko, Alexander Samuilovich Tukatsinsky, Vadim Stanislavovich Yurovsky.

The quorum for making resolutions on the agenda is present.

Alexey Valerievich Igoshin was responsible for the counting of votes at this meeting of the Board of Directors.

Secretary of OJSC "UMMC" Board of Directors - Albert Rafailevich Batrshin.

Agenda:

1. Appointment of the Chairman of OJSC "UMMC" Board of Directors.
2. Early termination of appointment of the sole executive body (General Director) of OJSC "UMMC".
3. Appointment of the sole executive body (General Director) of OJSC "UMMC".

First issue put to the vote: To appoint Alexey Valerievich Igoshin the Chairman of the Board of Directors of Open Joint Stock Company "Ural Mining and Metallurgical Company" effective from 19 July 2022 and terminate the appointment of Mr Elfat Rakhmatullovich Ismagilov as the Chairman of the Board of Directors of Open Joint Stock Company "Ural Mining and Metallurgical Company".

VOTING RESULTS:

"FOR" - 7 votes (Albert Rafailevich Batrshin, Alexey Valerievich Igoshin, Elfat Rakhmatullovich Ismagilov, Daniyar Abdulazizovich Kamilov, Boris Vladimirovich Masterenko, Alexander Samuilovich Tukatsinsky, Vadim Stanislavovich Yurovsky),

"AGAINST" - 0 votes,

"ABSTAINED" - 0 votes.

RESOLUTION MADE: To appoint Alexey Valerievich Igoshin the Chairman of the Board of Directors of Open Joint Stock Company "Ural Mining and Metallurgical Company" effective from 19 July 2022 and terminate the appointment of Mr Elfat Rakhmatullovich Ismagilov as the Chairman of the Board of Directors of Open Joint Stock Company "Ural Mining and Metallurgical Company".

Second question put to the vote: To early terminate the appointment of Andrey Anatolievich Kozitsyn as the General Director of OJSC "UMMC" effective from 19 July 2022 pursuant to his own application and in accordance with Article 77(3), Article 80 and Article 280 of the Labour Code of the Russian Federation and terminate the fixed-term employment contract with him.

VOTING RESULTS:

"FOR" - 7 votes (Albert Rafailevich Batrshin, Alexey Valerievich Igoshin, Elfat Rakhmatullovich Ismagilov, Daniyar Abdulazizovich Kamilov, Boris Vladimirovich Masterenko, Alexander Samuilovich Tukatsinsky, Vadim Stanislavovich Yurovsky),

"AGAINST" - 0 votes,

"ABSTAINED" - 0 votes.

RESOLUTION MADE: To early terminate the appointment of Andrey Anatolievich Kozitsyn as the General Director of OJSC "UMMC" effective from 19 July 2022 pursuant to his own application and in accordance with Article 77(3), Article 80 and Article 280 of the Labour Code of the Russian Federation and terminate the fixed-term employment contract with him.

Third issue put to the vote: To appoint Elfat Rakhmatullovich Ismagilov (passport 65 04 522464 issued by the Kirovsky District Department of Internal Affairs of Ekaterinburg on 11 September 2003) the General Director of Open Joint Stock Company "Ural Mining and Metallurgical Company" (INN 6606013640; address (place of business): 624091, Sverdlovsk region, Verkhnyaya Pyshma, Uspensky avenue 1) for a period of one year from 20 July 2022 to 19 July 2023 (inclusive) and approve the terms of the employment contract with him.

To instruct the Chairman of OJSC "UMMC" Board of Directors, Alexey Valerievich Igoshin, to sign an employment contract with Elfat Rakhmatullovich Ismagilov for a period of one year on behalf of the Company.

VOTING RESULTS:

"FOR" - 7 votes (Albert Rafailevich Batrshin, Alexey Valerievich Igoshin, Elfat Rakhmatullovich Ismagilov, Daniyar Abdulazizovich Kamilov, Boris Vladimirovich Masterenko, Alexander Samuilovich Tukatsinsky, Vadim Stanislavovich Yurovsky),

"AGAINST" - 0 votes,

"ABSTAINED" - 0 votes.

RESOLUTION MADE: To appoint Elfat Rakhmatullovich Ismagilov (passport 65 04 522464 issued by the Kirovsky District Department of Internal Affairs of Ekaterinburg on 11 September 2003) the General Director of Open Joint Stock Company "Ural Mining and Metallurgical Company" (INN 6606013640; address (place of business): 624091, Sverdlovsk region, Verkhnyaya Pyshma, Uspensky avenue 1) for a period of one year from 20 July 2022 to 19 July 2023 (inclusive) and approve the terms of the employment contract with him.

To instruct the Chairman of OJSC "UMMC" Board of Directors, Alexey Valerievich Igoshin, to sign an employment contract with Elfat Rakhmatullovich Ismagilov for a period of one year on behalf of the Company.

Chairman of the Board of Directors
OJSC "UMMC"

[signature]

A.V. Igoshin

Secretary of the Board of Directors
OJSC "UMMC"

[signature]

A.R. Batrshin

[seal: UMMC *


Open Joint Stock Company "Ural Mining and Metallurgical Company" *

Russian Federation, Sverdlovsk region, Verkhnyaya Pyshma *

OGRN 1026600727713, INN 6606013640]

Перевод данного текста с русского языка на английский язык выполнен мной, переводчиком Докучаевым Дмитрием Игоревичем.

The translation of this text from Russian into English was performed by me, the translator Dokuchaev Dmitry Igorevich.

_____/signature/_____


Российская Федерация

Город Москва

Двадцать второго июля две тысячи двадцать второго года
Я, Квитко Федор Александрович, нотариус города Москвы,
свидетельствую подлинность подписи переводчика
Докучаева Дмитрия Игоревича.
Подпись сделана в моем присутствии.
Личность подписавшего документ установлена.

Зарегистрировано в реестре: № 62/137-н/77-2022- 33- 762 It is registered in the register under № 62/137-н/77-2022- 33- 762

Уплачено за совершение нотариального действия: 400 руб.
00 коп.


_____/signature/_____
Ф.А. Квитко

Всего прошнуровано, пронумеровано и скреплено
печатью (5) лист(ов)

Нотариус 

The Russian Federation

The city of Moscow

22.07.2022
I, Kvitko Fedor Aleksandrovich, Notary of the city of Moscow,
certify the authenticity of signature, made by the translator
Dokuchaev Dmitry Igorevich.
The signature was made in my presence.
His identity is established.

Paid for notarial act: 400 RUB and 00 kop.


_____/signature/_____
F.A. Kvitko

Seal: Notary Kvitko F.A.
Notarial district of c. Moscow
ITN 770401254905*

Stitched up, numbered and sealed () pages

Notary: /signature/

Seal: Notary Kvitko F.A.
Notarial district of c. Moscow
ITN 770401254905*



19 July 2022

PETROPAVLOVSK PLC

Appointment of Administrators & Potential Sale of Assets

Following an application to Court, Allister Manson, Trevor Binyon and Jo Rolls of Opus Business Advisory Group were yesterday appointed as Administrators of Petropavlovsk PLC (the 'Company'), a London-listed UK company with mining subsidiaries in Russia that became insolvent due to unsustainable debt repayment obligations.

The Company is the parent company of a group of Russian-based gold mining and exploration companies whose shares trade on the London Stock Exchange. The Company and its corporate group is not the target of any sanctions. However, serious and ongoing disruption to its business due to the imposition of Russia-related sanctions has forced it to seek the appointment of Administrators after efforts to secure refinancing of the Group's debt proved unsuccessful.

The Company's board of directors has been exploring a potential asset sale since March 2022, and in April-May 2022 it conducted a marketing exercise with the assistance of professional advisers to find a buyer for its Russian operations and assets. The marketing process was managed by Hannam & Partners, an independent investment bank based in London. Kroll, a global investigation and risk consulting firm, produced an independent valuation of the assets offered for sale.

In the marketing process, 46 prospective purchasers were approached, resulting in the submission of three indicative offers of which one, from UMMC-Invest ('UMMC'), was then expressed as a final binding offer. Negotiations with UMMC-Invest are ongoing.

Initial discussions in relation to a potential sale have also taken place between the Company's board of directors and 'Uzhuralzoloto Group of Companies' JSC ('UGC'), a shareholder of the Company. This party's interest was first expressed after the completion of the marketing process.

The Administrators hope that a timely sale to one of these parties can be completed, although there is currently no certain outcome.

As a consequence of this Administration and potential asset sale, it is unlikely that there will be any return to the Company's shareholders, but not impossible.

The Administrators urge any parties who might be interested in making an offer for the Company, its assets, or to provide refinancing, to do so at the earliest opportunity.

Allister Manson, partner at Opus Business Advisory Group, said:

“Petrodavlovsk has been caught squarely in the middle of a geo-political battle which has unfortunately led to its insolvency. Through this Administration and potential sale of assets, the Company’s board has fulfilled its duty to deliver the best outcome for UK creditors and western bond holders. We are pleased that Opus will be able to assist in this obviously difficult situation”.

Background

The Company signed a term loan agreement with Gazprombank (GPB) in July 2021 under which approximately US\$201m remains outstanding (the ‘Term Loan’). The amounts outstanding in respect of the Term Loan are guaranteed by four of the Company’s principal operating subsidiaries in Russia.

On 14 April 2022 the Company announced certain implications of the inclusion of GPB on the UK Sanctions List and the designation of GPB for the purposes of an asset freeze under the Russian (Sanctions) (EU Exit) Regulations 2019, including the non-payment by the Company of sums due under the Term Loan and non-payment by its subsidiaries of certain debts due to GPB under facilities advanced by GPB to those entities (the ‘Russian GPB Debt’).

On 20 April 2022, the Company announced that it had received notice of acceleration from GPB requiring the immediate repayment of the Term Loan and the repayment of the Russian GPB Debt, and notice from UMMC that GPB had assigned its rights in respect of the Term Loan to UMMC.

On 29 April 2022 the Company announced that that the demand for immediate repayment of the Term Loan and for payment of the Russian GPB Debt had resulted in one or more events of default under certain convertible bonds and guaranteed unsecured notes issued by subsidiaries of the Company and guaranteed by the Company.

As a result of the demand for repayment referred to above, the Company has become unable to pay its debts as they fall due and are demanded for payment and is therefore insolvent. An estimate of the financial position as at May 2022 also indicates that the Company has a shortfall of assets against its liabilities of some US\$84m, so that it is also insolvent on a balance sheet basis.

The Company is also the guarantor of a US\$500 million note due in November 2022 (the ‘Notes’) and US\$ 125 million in convertible bonds due in 2024 (the ‘Convertible Bonds’) issued by one of its subsidiaries. Default under the Term Loan and Facilities triggered cross-defaults under the terms of those instruments.

As part of its offer to purchase certain assets of the Company, UMMC has indicated its intention to approach the noteholders to acquire the outstanding Notes where legally permissible to do so or to provide for their repayment via the Administrators, but that outcome remains uncertain at this time. Since the Notes are in some instances held in the names of nominees, it may not be possible to identify all of the holders. To the extent that any bondholders are found to be sanctioned entities or individuals, it may not be permissible to repay the bonds they hold.

The intentions of UGC as regards the holders of the Company's debt are unknown at this time.

The Company is not subject to any sanctions, and nor are UMMC or UGC. Nevertheless, the Administrators have notified the Office of Financial Sanctions Implementation of their appointment and the potential sale of the Company's assets in Russia.

Media Contacts:

Nick Hood

E: nick.hood@opusllp.com

M: 07967 658 296

Allister Manson

E: allister.manson@opusllp.com

M: 07775 570 017

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
20	Letter from the Administrators to Mr Strukov	19 July 2022	148-149

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
21	Letter from Administrator to Prosperity	19 July 2022	150-151

Public corporation
<<Ural mining and smelting company>>

№ 3324

ORDER

от 20.07.2022

г. Верхняя Пышма

┌

└

According to the decision of the Board of Directors of the Open Joint-Stock Company "Ural Mining and Metallurgical Company", I take up the duties of General Director of the Open Joint-Stock Company "Ural Mining and Metallurgical Company" on 20.07.2022

Reason: minutes of the meeting of the Board of Directors of the Open Joint Stock Company "Ural Mining and Metallurgical Company" dated July 19, 2022, fixed-term employment contract dated July 20, 2022.

CEO



E. R. Ismagil

**Открытое акционерное общество
«Уральская горно-металлургическая компания»**

ПРИКАЗ
№ 333к от 20.07.2022
г. Верхняя Пышма



Согласно решению Совета директоров Открытого акционерного общества «Уральская горно-металлургическая компания» приступаю к исполнению обязанностей генерального директора Открытого акционерного общества «Уральская горно-металлургическая компания» 20.07.2022.

Основание: протокол заседания Совета директоров Открытого акционерного общества «Уральская горно-металлургическая компания» от 19.07.2022, срочный трудовой договор от 20.07.2022.

Генеральный директор

Э.Р.Исмагилов

From: [FCA - No Reply](#)
Sent: 20 July 2022 09:24
To: Dorcas Murray; Nadezda Boldyreva
Subject: Official List Notice – Case Number 00495838

Dear Sir/Madam,

Petrodavlovsk Plc

SUPERVISORY NOTICE

TAKE NOTICE: Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN ("the FCA") has taken the following action:

ACTION

The FCA has removed the following security/securities from the Official List:

Security Description	ISIN
Ordinary Shares of 1p each; fully paid	GB0031544546

EFFECTIVE DATE

20/07/2022

DETAILS & REASONS

Administration of the issuer pursuant to a court order.

IMPORTANT

This supervisory notice is sent to you in accordance with section 78A(2) of the Financial Services and Markets Act 2000 (the "Act").

Please contact the Issuer Management helpdesk on 020 7066 8352 at the FCA for more information.

Kind regards,

Eleanor Biggins
Issuer Management

Case Number : 00495838

This communication and any attachments may contain personal information. For more information about how and why we use personal information and who to contact with any queries about this, please see our privacy notices: FCA Privacy Notice (<https://www.fca.org.uk/data-protection>) and PSR Privacy Notice (<https://www.psr.org.uk/cookies-privacy-and-data-protection>).

This communication and any attachments contain information which is confidential and may be subject to legal privilege. It is for intended recipients only. If you are not the intended recipient you must not copy, distribute, publish, rely on or otherwise use it without our consent. Some of our communications may contain confidential

information which it could be a criminal offence for you to disclose or use without authority. If you have received this email in error please notify postmaster@fca.org.uk immediately and delete the email from your computer. Further information on the classification and handling of FCA information can be found on the FCA website (<http://www.fca.org.uk/site-info/legal/fca-classified-information>).

The FCA (or, if this email originates from the Payment Systems Regulator Limited, the FCA on behalf of the Payment Systems Regulator Limited / the Payment Systems Regulator Limited) reserves the right to monitor all email communications for compliance with legal, regulatory and professional standards.

This email is not intended to nor should it be taken to create any legal relations or contractual relationships. This email has originated from the Financial Conduct Authority (FCA), or the Payment Systems Regulator Limited.

The Financial Conduct Authority (FCA) is registered as a limited company in England and Wales No. 1920623. Registered office: 12 Endeavour Square, Stratford, London, E20 1JN, United Kingdom

The Payment Systems Regulator Limited is registered as a limited company in England and Wales No. 8970864. Registered office: 12 Endeavour Square, Stratford, London, E20 1JN, United Kingdom

Switchboard 020 7066 1000

Web Site <http://www.fca.org.uk> (FCA); <http://www.psr.org.uk> (the Payment Systems Regulator Limited)



Press-center

News & Press Releases ^

Events Calendar

MOEX Home Talks

Solemn ceremonies

Stock exchange in the media

Subscribe to our newsletter

Multimedia

Contacts

[Home](#) > [Press-center](#) > [News & Press Releases](#)



Receive news



Printable version

20.07.2022 19:29

On the exclusion of securities from the List of securities admitted to trading, and on the termination of trading in securities

In accordance with the Listing Rules of PJSC Moscow Exchange, the Chairman of the Management Board "20" of July 2022 made the following decisions:

1. From July 21, 2022, the following securities should be excluded from the "Third Level" section of the List of Securities Admitted to Trading in the Moscow Exchange in connection with the delisting of securities of a foreign issuer on a foreign stock exchange:

1.1. Ordinary shares of Petropavlovsk PLC with the following parameters:

- type of securities – Shares of a foreign issuer;
- trading code – POGR;
- ISIN code – GB0031544546.

2. Cease from "21" July 2022 trading in the securities specified in clause 1.

Media

Contact+7 (495) 363-3232

PRQ@moex.com

Contact information for clients

+7 (495) 232-3363

[Feedback form](#)

21.07.2022



ЗАБРОНИРУЙ
ВЫСОКУЮ
СТАВКУ ПО

Citigroup Centre,
Canada Square, Canary Wharf
London E14 5LB United Kingdom

T +44 (0)20 7986 4000
F +44 (0)20 7986 2266



To:

Petropavlovsk 2010 Limited (the "**Issuer**")
and
Petropavlovsk PLC (the "**Guarantor**")
11 Grosvenor Place
Belgravia
London, SW1X 7HH
United Kingdom

Tel No.: +44 20 7201 0900

Fax No.: +44 20 7201 8901

Email: AS@petropavlovsk.net / Dubynin-A@POKRMINE.RU

Attention: Ms Alya Samokhvalova, Deputy CEO of Petropavlovsk PLC / Alexey Dubynin, CFO

Citigroup Global Markets Europe AG (the "**Registrar**")
5th Floor, Frankfurter Welle
Reuterweg 16
Frankfurt am Main
Germany

Email: frankfurt.agencyandtrust@citi.com

Attention: Agency & Trust – Frankfurt Registrar Team

Citibank, N.A. London Branch

Registered as a branch in the UK at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. Registered number BR001018.
Authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority.
Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.
Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.
Citibank, N.A. is incorporated with limited liability in the USA. Principal office: 388 Greenwich Street, New York, NY 10013

20 July 2022

PETROPAVLOVSK 2010 LIMITED
U.S.\$125,000,000 8.25 per cent. Guaranteed Convertible Bonds due 2024
(the "Notes")

Dear Sirs,

Pursuant to Clause 18.3 of the Paying, Transfer, Conversion and Exchange Agency Agreement (the "Agreement") between, *inter alios*, the Issuer, the Guarantor and us dated 3 July 2019, we, Citibank, N.A., London Branch, hereby notify the Issuer, the Guarantor and the Registrar of our resignation as Principal Paying, Transfer, Conversion and Exchange Agent in respect of the Notes. Such resignation shall, subject to the terms of the Agreement, take effect 60 days after the date of this notice.

Upon its appointment, please provide us with details of the successor Principal Paying, Transfer, Conversion and Exchange Agent.

If you wish to discuss any of the above, please contact your usual transaction management representative.

Yours faithfully,



Rachel Clear
Vice President

CITIBANK, N.A., LONDON BRANCH
as Principal Paying, Transfer, Conversion and Exchange Agent



Petropavlovsk PLC
11 Grosvenor Place
London
SW1X 7HH
United Kingdom

20th July 2022

Dear Sir/Madam

Petropavlovsk 2010 Limited
Petropavlovsk 2016 Limited (collectively "Petropavlovsk Companies")

The fiduciary industry has been recently exposed to significant regulatory changes and pressures and intensified reporting requirements relating to the Russian sanctions. As a result, Ocorian has conducted a review of its business and has taken the difficult decision that the Petropavlovsk Companies are no longer within the risk appetite of Ocorian Limited (OL).

We therefore are providing you with notice in accordance with our Terms and Conditions of Business under the Termination Clause of 1 month from the date of this letter (**Termination date**) and request that you immediately begin the process of finding a new Service Provider.

Once you have arranged for a new Service Provider to transfer the Petropavlovsk Companies to, please provide us with the contact details of the relevant person and your OL administrator will liaise with the new Service Provider to arrange the transfer as soon as possible.

Please be advised that should you wish the Petropavlovsk Companies to continue to be registered in Jersey, you are required by Companies (Jersey) Law 1991, as amended (**Law**) to obtain a Jersey registered office and inform the Registry within 14 days. We will notify the Registry that we no longer authorise the use of our address for such purposes from the Termination date.

We draw to your attention the fact that the Petropavlovsk Companies have other obligations under Law and the Articles of Association. In addition to those outlined above, there are, but are not limited to, a requirement to have a suitably qualified secretary.

For the avoidance of doubt, our withdrawal of services does not affect our right to settlement and/or recovery of our fees invoiced to date and remaining outstanding or chargeable as at the Termination Date.

Should you have any questions please do not hesitate to contact your designated administrator, Kinga Gutkowska by email at kinga.gutkowska@ocorian.com or phone 01534 844616. Alternatively, you can contact me on the contact details in the signature block of this letter.

Thank you for having previously selected Ocorian for your fiduciary needs.

Yours faithfully

Nadia Trehiou
Director
For and on behalf of Ocorian Limited
Email: nadia.trehiou@ocorian.com
Direct Dial: +44 (0) 1534 844806

26 New Street, St Helier
Jersey, JE2 3RA
Channel Islands

T: +44 1534 844844
F: +44 1534 844991

Ocorian Limited



с20f5f4e03664437879492551f922304

Форма № Р50007

**Лист записи
Единого государственного реестра юридических лиц**

В Единый государственный реестр юридических лиц в отношении юридического лица

ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО "УРАЛЬСКАЯ ГОРНО-МЕТАЛЛУРГИЧЕСКАЯ КОМПАНИЯ"

полное наименование юридического лица

основной государственный регистрационный номер (ОГРН)

1	0	2	6	6	0	0	7	2	7	7	1	3
---	---	---	---	---	---	---	---	---	---	---	---	---

**внесена запись об изменении сведений о юридическом лице,
содержащихся в Едином государственном реестре юридических лиц**

22 июля 2022 года
(число) (месяц прописью) (год)

за государственным регистрационным номером (ГРН)

2	2	2	6	6	0	0	8	3	1	8	8	4
---	---	---	---	---	---	---	---	---	---	---	---	---

Запись содержит следующие сведения:

№ п/п	Наименование показателя	Значение показателя
1	2	3

Сведения о количестве физических лиц, имеющих право без доверенности действовать от имени юридического лица, внесенных в Единый государственный реестр юридических лиц

1	Количество	2
---	------------	---

Сведения о физических лицах, имеющих право без доверенности действовать от имени юридического лица, внесенные в Единый государственный реестр юридических лиц

1

2	Причина внесения сведений	Прекращение полномочий
3	Вид должности	Руководитель юридического лица
4	Должность	ГЕНЕРАЛЬНЫЙ ДИРЕКТОР
5	Фамилия Имя Отчество	КОЗИЦЫН АНДРЕЙ АНАТОЛЬЕВИЧ
6	Идентификационный номер налогоплательщика (ИНН)	660600232417

2

7	Причина внесения сведений	Возложение полномочий
8	Вид должности	Руководитель юридического лица
9	Должность	ГЕНЕРАЛЬНЫЙ ДИРЕКТОР
10	Фамилия Имя Отчество	ИСМАГИЛОВ ЭЛЬФАТ РАХМАТУЛЛОВИЧ
11	Идентификационный номер налогоплательщика (ИНН)	667008456378
12	ИНН ФЛ по данным ЕГРН	667008456378
13	Пол	Мужской
14	Гражданство	гражданин Российской Федерации

Сведения о заявителях при данном виде регистрации

15	Вид заявителя	Лицо, действующее от имени юридического лица без доверенности
Данные заявителя, физического лица		

16	Фамилия Имя Отчество	ИСМАГИЛОВ ЭЛЬФАТ РАХМАТУЛЛОВИЧ
17	Идентификационный номер налогоплательщика (ИНН)	667008456378
18	ИНН ФЛ по данным ЕГРН	667008456378

Сведения о документах, представленных для внесения данной записи в Единый государственный реестр юридических лиц

1

19	Наименование документа	Р13014 Заявление об изменении учр. документа и/или иных сведений о ЮЛ
20	Документы представлены	в электронном виде

2

21	Наименование документа	Решение о внесении изменений в учредительный документ ЮЛ, либо иное решение или документ, на основании которого вносятся данные изменения
22	Документы представлены	в электронном виде

3

23	Наименование документа	Иной докум. в соотв.с законодательством РФ
24	Документы представлены	в электронном виде

Лист записи выдан налоговым органом

Инспекция Федеральной налоговой
службы по Верх-Исетскому району
г.Екатеринбурга

полное наименование налогового органа

22 июля 2022 года
(число) *месяц (прописью)* (год)

Заместитель начальника

Матвеева Марина
Владимировна

Подпись, Фамилия, инициалы



Translation from Russian into English

File code: c20f5f4e03664437879492551 f922304j

Form P50007

**Record sheet
from Unified State Register of Legal Entities**

An entry has been introduced into the Unified State Register of Legal Entities in respect of below entity

**OPEN JOINT STOCK COMPANY "URAL MINING AND
METALLURGICAL COMPANY"**

full name of legal entity

OGRN (Principal State Registration Number)

1 0 2 6 6 0 0 7 2 7 7 1 3

**Evidencing the amendment of details of the legal entity contained in the Unified
State Register of Legal Entities**

22 JULY 2022
(day) (month in words) (year)

under state registration number (GRN)

2 2 2 6 6 0 0 8 3 1 8 8 4

The entry contains the following details:

No.	Description	Value
1	2	3

Number of individuals entitled to act on behalf of legal entity without power of attorney
and specified in Unified State Register of Legal Entities

1	Number	2
---	--------	---

Individuals entitled to act on behalf of legal entity without power of attorney
and specified in Unified State Register of Legal Entities

1		
2	Reason for making entry	Termination of appointment
3	Position	CEO of legal entity
4	Position	GENERAL DIRECTOR
5	Full name	ANDREY ANATOLIEVICH KOSITSYN
6	INN (Taxpayer Identification Number)	660600232417

2		
7	Reason for making entry	Appointment
8	Position	CEO of legal entity
9	Position	GENERAL DIRECTOR
10	Full name	ISMAGILOV ELFAT RAKHMATULLOVICH
11	INN (Taxpayer Identification Number)	667008456378
12	Individual's INN according to Unified State Register of Taxpayers	667008456378
13	Sex	Male
14	Citizenship	Russian

Details of applicants for this type of registration

15	Type of applicant	Person acting on behalf of legal entity without power of attorney
----	-------------------	---

Details of individual applicant

16	Surname Name Patronymic	ISMAGILOV ELFAT RAKHMATULLOVICH
----	----------------------------	---------------------------------------

17	INN (Taxpayer Identification Number)	667008456378
18	Individual's INN according to Unified State Register of Taxpayers	667008456378

Documents submitted for making this entry in Unified State Register of Legal Entities

1		
19	Document	P13014 Application for amendment of constitutional document and/or other information about legal entity
20	Documents submitted	in electronic form

2		
21	Document	Decision to amend the constitutional document of the legal entity, or another decision or document on the basis of which these amendments are made
22	Documents submitted	in electronic form

3		
23	Document	Other document according to Russian law
24	Documents submitted	in electronic form

Record sheet issued by tax authority

Inspectorate of the Federal Tax Service
for the Verkh-Isetsky District of
Ekaterinburg

full name of tax authority

22 JULY 2022
(day) month in words (year)

Deputy Head

Matveeva Marina Vladimirovna

Signature and full name

DOCUMENT SIGNED WITH ENHANCED QUALIFIED ELECTRONIC SIGNATURE DETAILS OF CERTIFICATE OF DIGITAL SIGNATURE Certificate: 31786400FAAD79BC4422FD6E78FBB276 Owner: Matveeva Marina Vladimirovna Inspectorate of the Federal Tax Service for the Verkh-Isetsky District of Ekaterinburg Valid: from 10.12.2021 to 10.03.2023
--

Перевод данного текста с русского языка на английский язык выполнен мной, переводчиком Докучаевым Дмитрием Игоревичем.

The translation of this text from Russian into English was performed by me, the translator Dokuchaev Dmitry Igorevich.

_____/signature/

Российская Федерация

Город Москва

Двадцать пятого июля две тысячи двадцать второго года

Я, Квитко Федор Александрович, нотариус города Москвы, свидетельствую подлинность подписи переводчика Докучаева Дмитрия Игоревича.

Подпись сделана в моем присутствии.

Личность подписавшего документ установлена.

Зарегистрировано в реестре: № 62/137-н/77-2022- **33-1160** It is registered in the register under № 62/137-н/77-2022- **33-1160**

Уплачено за совершение нотариального действия: 400 руб. 00 коп.

Paid for notarial act: 400 RUR and 00 kop.

Всего прошнуровано, пронумеровано и скреплено печатью (**4**) лист(ов)

Нотариус



Ф.А. Квитко

The Russian Federation

The city of Moscow

25.07.2022

I, Kvitzko Fedor Aleksandrovich, Notary of the city of Moscow, certify the authenticity of signature, made by the translator Dokuchaev Dmitry Igorevich.

The signature was made in my presence.

His identity is established.

_____/signature/ F.A. Kvitzko

Seal: Notary Kvitzko F.A.
Notarial district of c. Moscow
ITN 770401254905*

Stitched up, numbered and sealed () page

Notary: /signature/

Seal: Notary Kvitzko F.A.
Notarial district of c. Moscow
ITN 770401254905*



RESTRUCTURING & INSOLVENCY

Opus Restructuring & Insolvency

4th Floor

Euston House

24 Eversholt Street

London

NW1 1DB

Our ref: PE00151

Your ref:

22 July 2022

+44 (0) 20 3326 6454

BY EMAIL ONLY TO: Fedor.Kirsanov@ugmk.com

londonhq@opusllp.com

Dear Sirs

Petropavlovsk PLC - In Administration ("the Company")

We refer to your letter of 13 July 2022 addressed to Mr Irzhevsky, a director of the Company, and copied to us. We will adopt the defined terms used in your letter.

As you will be aware, by an order of the English Court pronounced on 18 July 2022 and sealed on 19 July 2022, Allister Manson, Trevor Binyon and Joanne Rolls of this firm have now been appointed as administrators of the Company. We enclose a copy of the order for your information.

We have noted your concerns regarding the lack of progress in concluding a transaction based on the terms of your Offer. This is regrettable, but is a natural consequence of the circumstances in which the Company finds itself. As independent insolvency advisers and now as appointed officers of the Court, we considered that a fair opportunity had to be given to other parties who had expressed an interest in restructuring the Company. Having said this, we remain of the view that a sale of the Company's assets in the near term is likely to offer the best outcome for the Company's creditors, and we are willing to work with you to develop your Offer further.

We have also noted your willingness to make a New Offer, which we welcome. We are working with the directors of the Company to ensure that the stability of the business is maintained, so that no deterioration of the assets takes place. If you were to withdraw the enforcement action that you have commenced, that will be of the greatest assistance in maintaining the position.

We are not in a position to offer exclusivity – as officers of the Court, it would be inappropriate for us to limit our freedom to carry out our legal duties in this way. However, we can confirm that given the amount of work that has already been done in connection with your proposal, we consider you to be the preferred bidder for the Company's assets, and in the event that no further viable proposals for the restructuring of the Company's debts are made in the coming days, we remain ready to move forward with your New Offer once it is made.

London • Milton Keynes • Birmingham • Bristol • Croydon • Edinburgh • Glasgow
Leeds • Liverpool • Maidstone • Newcastle • Nottingham • Preston

Opus Restructuring & Insolvency is a trading name for Opus Restructuring LLP. Opus Restructuring LLP is a limited liability partnership (No OC381479) registered in England and Wales. Registered Office: 2 Manor Farm Court, Old Wolverton Road, Old Wolverton, Milton Keynes, MK12 5NN. VAT No: GB 153613721. All Insolvency Partners are members of a Recognised Professional Body, details of which can be found on the Corporate Governance area of our website, www.opusllp.com. Members and staff acting as Administrative Receivers or Administrators act as agents of the company over which they are appointed and contract without personal liability. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. For our Privacy Statement, please go to www.opusllp.com ease go to www.opusllp.com



We look forward to hearing from you with confirmation of your position.

Yours faithfully
For and on behalf of
Petropavlovsk PLC

A handwritten signature in black ink, appearing to read "Allister Manson". The signature is fluid and cursive, with a long horizontal stroke at the end.

AM **Allister Manson**
Joint Administrator

Enc



Andrey Kozitsyn stepped down from his position as the General director (CEO) of JSC “UMMC” as of 19.07.2022

07/22/2022



JSC «Ural Mining and Metallurgical Company» (“UMMC”) hereby announces that on July 19th, 2022 Mr Andrey Anatolyevich Kozitsyn informed the Board of Directors of UMMC that he stepped down from his position as the General director of UMMC. This decision was made because of the possible imposition of personal sanctions by foreign states in the future and was aimed at excluding the possible indirect impact of sanctions on the companies of the UMMC Group.

The purpose of the decision is maintenance of the stability of UMMC and the companies of the UMMC Group in all markets and fulfillment of their obligations to employees and partners.

Mr. Kozitsyn’s application of July 19 was immediately approved by the Board of Directors of UMMC. Mr. Kozitsyn has ceased to be the General Director (i.e. the chief executive officer) of UMMC and does not perform any managerial functions in relation to UMMC and other companies of the UMMC Group since that moment.

UMMC Group companies will continue to be reliable and transparent suppliers to our Russian and foreign partners.

Elfat Rakhmatullovich Ismagilov, who previously held the position of Chairman of the Board of Directors of JSC «UMMC», was appointed to the position of the General director (CEO) of UMMC on 07/20/2022.

[← К списку](#) [Назад](#)

© 2003-2016 "UMMC-Holding Corp".
Материалы сайта доступны по лицензии
[Creative Commons «Attribution-ShareAlike» 4.0 International](#)
если не указан иной источник
made in DEFA

PETROPAVLOVSK PLC
SCHEDULE OF LIABILITIES
Exchange rate 18/7/22

1.2026

VAT	OPUS \$	Inc VAT	TYPE	Sub Type	Sub type 2	DESCRIPTION/COMMENTS	SOURCE
N	215,711	215,711	2022 Notes	2022 Bond conversion	2022 Bond conversion	2022 Bond conversion (cash election)	Intercompany tab
N	-	-	Tax liability fur	CGT	CGT	CGT	MHA advice
N	4,000,000	4,000,000	Contingent	Contingency fund	Contingency fund - part 1	General contingency - part 1	Per UMMC
N	2,000,000	2,000,000	Contingent	Contingency fund	Contingency fund - part 2	General contingency - part 2	Per Opus Board
Y	3,908,450	4,690,140	Admin fund	Admin expense	Day 1 - Administration fund	Opus fees (Interim 2 plus Phase 3&4)	OpusJHA Costs tab
Y	1,683,640	2,020,368	Admin fund	Admin expense	Day 1 - Administration fund	JHA fees (Interim 2 plus Phase 3&4)	OpusJHA Costs tab
Y	180,390	216,468	Admin fund	Admin expense	Day 1 - Administration fund	Fees in connection with share transfers (6 jurisdictions)	ESTIMATE (GENERAL)
N	871,583	871,583	Admin fund	Admin expense	Day 1 - Administration fund	Wages (inc PAYE/NI Etc) for retained staff post appt	Admin employee costs tab
N	72,654	72,654	Admin fund	Admin expense	Day 1 - Administration fund	Directors - payment under service contracts	ESTIMATE (GENERAL)
Y	5,322	6,386	Admin fund	Admin expense	Day 1 - Administration fund	Clumber - ERA	Clumber tab
Y	30,065	36,078	Admin fund	Admin expense	Day 1 - Administration fund	Fees for ERA advice	ESTIMATE (GENERAL)
Y	30,065	36,078	Admin fund	Admin expense	Day 1 - Administration fund	Legal / agent fees ref assignment of the lease (Knight Frank & JHA)	ESTIMATE (GENERAL)
Y	72,156	86,587	Admin fund	Admin expense	Day 1 - Administration fund	Running Costs - 10k p/m est	ESTIMATE (GENERAL)
Y	36,078	43,294	Admin fund	Admin expense	Day 1 - Administration fund	Jersey Company CVL's	ESTIMATE (GENERAL)
N	-	-	Admin fund	Admin expense	Day 1 - Administration fund	Fx provision - unquantified exchange rate costs	TBC
N		533,541	Admin fund	Stat interest	Day 1 - Administration fund	Prov for stat interest on CREDITORS 8% - 12 months - Trade creditors	Insolvency Act 1986
N		339,114	Admin fund	Stat interest	Day 1 - Administration fund	Prov for stat interest on CREDITORS 8% - 12 months - VAT on 33%	Insolvency Act 1986
N	555,841	555,841	Admin fund	Trade creditor	Day 1 - Administration fund	Employee litigation	Litigation tab
N	544,000	544,000	Admin fund	Trade creditor	Day 1 - Administration fund	Landlord	Balance of term of lease plus \$78k dilaps est (BDO)
N	387,583	387,583	Admin fund	Trade creditor	Day 1 - Administration fund	HMRC - EBT balance	Accruals (PLC)
N	286,436	286,436	Admin fund	Trade creditor	Day 1 - Administration fund	HMRC - PAYE & NI	JB 20.7.22
N	4,016,176	4,016,176	Admin fund	Trade creditor	Day 1 - Administration fund	Trade & sundry creditors	Trade & expense creditors tab
N	659,031	659,031	Admin fund	Trade creditor	Day 1 - Administration fund	Redundancy/Hols/PILON	Employee claims tab
N	220,190	220,190	Admin fund	Trade creditor	Day 1 - Administration fund	P11D liability relating to additional NI'ers due on employee / directors benefits in kind	P11d Claim TAB
N	4,238,929	4,238,929	Admin fund	Trade creditor - VAT	Day 1 - Administration fund	VAT 33%	VAT Liability TAB
Y	601,300	721,560	Admin fund	Admin expense	Day 1 - Administration fund	H&P fees	Per contract (PLC)
N		-	Admin fund	Non UK employee cross guarantee	Day 1 - Administration fund	Cross guarantee non UK employee retention bonuses	Employee claims tab
N	33,000,000	33,000,000	2024 Converts	PP 2010	PP 2010	2010 Long term loan note	Intercompany tab
N	816,750	816,750	2024 Converts	PP 2010	PP 2010	2010 Long term loan note - interest	Intercompany tab
N	1,485,595	1,485,595	2022 Notes	PP 2010	PP 2010	2010 Long term loan - in event of settlement to 2010, would be repaid to PLC	Intercompany tab
N	- 1,485,595	- 1,485,595	2022 Notes	PP 2010	PP 2010	2010 Long term loan - in event of settlement to 2010, would be repaid to PLC	Intercompany tab
N	330,000	330,000	2024 Converts	PP 2010	PP 2010 - put option	PUT options liability 2010	Put options
N	2,685	2,685	2024 Converts	PP 2016	PP 2010 penalties	Estimated penalty on late coupon interest	Estimation of penalties tab
N	304,269,000	304,269,000	2022 Notes	PP 2016	PP 2016	2016 Long term loan note	Intercompany tab
N	16,824,597	16,824,597	2022 Notes	PP 2016	PP 2016	2016 Long term loan note - interest	Intercompany tab
N	3,042,690	3,042,690	2022 Notes	PP 2016	PP 2016 - put option	PUT options liability 2016	Put options
N	176,101	176,101	2022 Notes	PP 2016	PP 2016 penalties	Estimated penalty on late coupon interest	Estimation of penalties tab
N		12,943	2022 Notes	Stat interest	Stat interest	Prov for stat interest on 2022 Bond (cash) Conversion 8% - 9 months	Insolvency Act 1986
N		19,458,904	2022 Notes	Stat interest	Stat interest	Prov for stat interest on 2016 BONDS 8% - 9 months	Insolvency Act 1986
N		2,048,805	2024 Converts	Stat interest	Stat interest	Prov for stat interest on 2010 BOND Converts 8% - 9 months	Insolvency Act 1986
N	200,000,000	200,000,000	Term Loan	Term loan	Term loan	Term loan	Intercompany tab
N	2,860,000	2,860,000	Term Loan	Term loan	Term loan	Interest on Term loan	Intercompany tab
N	35,757	35,757	Term Loan	Term loan - penalties	Term loan penalties	Estimated penalty on late coupon interest	Estimation of penalties tab
N	900,000	900,000	Admin fund	Administration contingency fund	Top up - Administration fund	Directors contingency fund (\$300k x 3 directors)	ESTIMATE (GENERAL)
N	542,300	542,300	Admin fund	Administration contingency fund	Top up - Administration fund	Corporation tax (on IRC Ltd settlement)	Accruals (PLC)
N	4,303,155	4,303,155	Admin fund	Administration contingency fund	Top up - Administration fund	VAT 33.5%	VAT Liability TAB
N	3,380,000	3,380,000	Admin fund	Administration contingency fund	Top up - Administration fund	Provision for unclaimed indemnities	Litigation tab
N		730,036	Admin fund	Administration contingency fund	Top up - Administration fund	Prov for stat interest on Top up fund 8% - 12 months	
N	9,855,491	144,509	Admin fund	Contingency fund	Top up - Administration fund	Balance available under Admin top up (limited to \$10m)	Per UMMC
N	-	-	Tax liability fur	Withholding tax	Withholding tax	Withholding tax	MHA advice
TOTAL		Exc VAT	Inc VAT				
		604,954,125	619,675,979				

SUMIF criteria (DO NOT DELETE)

Trade creditor

Trade creditor - P11D

Trade creditor - VAT

2022 Bond conversion

PP 2016

PP 2010

Administration contingency fund

Citigroup Centre,
Canada Square, Canary Wharf
London E14 5LB United Kingdom

T +44 (0)20 7986 4000
F +44 (0)20 7986 2266



To:

Petropavlovsk 2016 Limited (the "Issuer")
13-14 Esplanade
St Helier
Jersey, JE1 1BD
United Kingdom

Email: aks@petropavlovsk.net; sp@petropavlovsk.net; dm@petropavlovsk.net;
mark.boast@opusllp.com
Attention: Mrs Anna-Karolina Subczynska, Director of Petropavlovsk 2016 Limited

Petropavlovsk Plc
JSC "Pokrovskiy Mine"
LLC "Albynskiy Rudnik"
LLC "Malomyrskiy Rudnik" (together, the "Guarantors")
11 Grosvenor Place
Belgravia
London, SW1X 7HH
United Kingdom

Email aks@petropavlovsk.net
Attention: Mrs Anna-Karolina Subczynska, Group Head of Legal Affairs

Citibank, N.A. London Branch

Registered as a branch in the UK at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. Registered number BR001018.
Authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority.
Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.
Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.
Citibank, N.A. is incorporated with limited liability in the USA. Principal office: 388 Greenwich Street, New York, NY 10013

25 July 2022

PETROPAVLOVSK 2016 LIMITED
U.S.\$500,000,000 8.125 per cent Guaranteed Notes due 2022
(the "Notes")

Dear Sirs,

Pursuant to Clause 13.2 of the Trust Deed dated 14 November 2017 between the Issuer and us, we, Citibank, N.A., London Branch, hereby notify the Issuer and the Guarantors of our retirement as Trustee in respect of the Notes. Such retirement shall, subject to the terms of the Trust Deed, take effect three months after the date of this notice.

Once the Issuer has identified a new trustee, please provide us with details of such proposed new trustee.

If you wish to discuss any of the above, please contact your usual transaction management representative.

Yours faithfully,



CITIBANK, N.A., LONDON BRANCH
as Trustee

Jillian Hamblin
Director

JOSEPH HAGE AARONSON LLP

Joseph Hage Aaronson LLP
280 High Holborn
London WC1V 7EE

+44 (0)20 7851 8888

25 July 2022

Office of Financial Sanctions Implementation
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

By email [ofsi@hmtreasury.gov.uk] and courier

CONFIDENTIAL

Dear Sir or Madam

Introduction

- 1 We refer to our letters dated 29 June 2022 ("**29 June Letter**"), 5 July 2022 ("**5 July Letter**"), and 14 July 2022 ("**14 July Letter**") and to our email of 15 July 2022. We have yet to receive a response to any of these communications. Terms defined in the 29 June Letter and the 5 July Letter have the same meanings in this letter. Please acknowledge receipt of the communications referred to above, and this letter, by return – as we will explain below, the matter is now becoming urgent. This letter is intended to provide a further update as to the status of the Company and the Proposed Transaction, and to advise you of one additional matter that has recently arisen.

Update

- 2 As we explained in the 14 July Letter, the hearing of the Administration Application took place on 18 July 2022. The Court made an Order appointing Allister Manson, Trevor Binyon and Joanne Rolls of Opus Restructuring LLP as administrators of the Company (the "**Administrators**"). We enclose a copy of the order for your information.
- 3 As we further foreshadowed in the 5 July Letter and the 14 July Letter, the Administrators have carried out an assessment of the options available to the Company in accordance with their statutory duties. Their present view is that executing the Proposed Transaction with UMMC-INVEST remains the most appropriate means of realising the assets of the Company, and it is therefore in the best interests of the Company and its creditors that the Proposed Transaction be pursued.
- 4 In addition, due to the deterioration of the underlying business of the Group in recent weeks, UMMC-INVEST have made it clear that they have very limited patience for any further delay in executing the Proposed Transaction. They have already sought to protect their position as the largest single creditor of the Company and the Group by filing initial enforcement proceedings in Russia, which will have a further adverse impact on the Company. As a result, we have been instructed to prepare and issue the Directions Application tomorrow and to seek to have it listed for an urgent hearing by the Court. We anticipate that this hearing will take place in the next seven days.

- 5 As we explained in the 29 June Letter, at the hearing of the Directions Application the Administrators intend to seek confirmation from the Court that the Proposed Transaction does not involve any contravention of the Regulations. We have invited you in each of the 29 June Letter, the 5 July Letter and the 14 July Letter to confirm that you agree that this is the case, or alternatively to state whether you have a different view so that any concerns that you identify could be addressed and the Court can be informed of your position. We respectfully repeat those invitations.

Further issue – EU Designation of Andrey Anatolyevich Kozitsyn

- 6 On 19 July 2022 it was reported in the media that Andrey Anatolyevich Kozitsyn, the General Director of UMMC and holder of approximately 17% of its shares, was to be sanctioned by the European Union. This designation was officially pronounced on 21 July 2022. On 22 July 2022 UMMC announced that Mr Kozitsyn had resigned from his position as General Director with effect from 20 July 2022 and therefore ceased to be a controlling officer of UMMC.
- 7 We are not aware of any proposal or announcement that Mr Kozitsyn be sanctioned by the United Kingdom. If this were to be the case, then given the size of his shareholding and his relinquishment of his position as General Director, we consider that he is not an owner or controller of UMMC-INVEST for the purposes of Regulation 7, and therefore neither his designation by the European Union nor any future designation by the United Kingdom have any effect on the analysis we have set out in this correspondence. Nevertheless, we mention this issue here in the interests of complete transparency; we have also notified the Central Bank of Cyprus, in its capacity as the body overseeing the operation of the EU sanctions regime in Cyprus, the only EU jurisdiction in which any Group entities are incorporated, to inform them of this development and our conclusions as to the non-breach of any applicable laws.

Conclusion

- 8 Although the Administrators' position remains, on detailed legal advice, that no aspect of the Proposed Transaction would be in breach of the Regulations, they are also of the view that the Court would be greatly assisted by your appearance at the hearing of the Declarations Application, or if that is not possible, by written confirmation of your position in advance of that hearing. As we have said, we first notified you of the intention to enter into the Proposed Transaction almost four weeks ago, and it is now a matter of extreme urgency that you confirm your position in a manner that can be placed before the Court. We therefore urge you to do so by return.
- 9 We look forward to hearing from you as soon as possible.

Yours faithfully



Joseph Hage Aaronson LLP

JOSEPH HAGE AARONSON LLP

Joseph Hage Aaronson LLP
280 High Holborn
London WC1V 7EE

Tel: +44 (0)20 7851 8888

25 July 2022

The Central Bank of Cyprus
80, Kennedy Avenue,
CY-1076 Nicosia

Our ref: MD/IPM/OPU1.2
Your ref:

Confidential

Dear Sirs

Petropavlovsk plc, incorporated in England and Wales with Number 4343841 (the “Company”)
Council Regulation (EU) No 269/2014 (the “EU Regulations”)

1. We act as English counsel to Mr Allister Manson, Ms Joanne Rolls and Mr Trevor Binyon of Opus Restructuring LLP in their capacity as administrators (the “**Administrators**”) appointed to the Company by the High Court of Justice of England and Wales (the “**English Court**”) by Order dated 19 July 2022.
2. The purpose of this letter is to bring to your attention a proposed transaction that the Administrators intend to enter into on behalf of the Company (the “**Proposed Transaction**”) which includes the sale of two subsidiaries of the Company incorporated in the Republic of Cyprus, and in particular the potential impact of the EU Regulations on the Proposed Transaction.
3. The Company is the parent company of a group of gold mining and exploration companies operating in the far east of Russia (the Company and its subsidiaries are referred to collectively as the “**Group**”). As a result of international sanctions and other restrictions relating to Russia’s invasion of Ukraine earlier this year, the Group’s ability to operate its business has been seriously impaired and the Company is now unable to pay its debts as they fall due. As a result, the directors were obliged to take steps under English law to protect the interests of the creditors of the Company, and concluded that they should seek the appointment of the Administrators.
4. We emphasise, however, that neither the Company itself nor any member of the Group is the subject of any sanctions imposed in any jurisdiction. The principal cause of its financial distress was the indirect effect of the imposition of sanctions on its main financial partner, Bank GPB (JSC) (“**GPB**”), one of Russia’s largest commercial banks. GPB provided a US\$ 200 million term loan to the Company (“**Term Loan**”) and credit facilities of c. US\$ 86.7 million to certain of the Company’s subsidiaries in Russia. The Company also had a significant commercial relationship with GPB and its subsidiaries, who were major buyers of the gold produced by the Group.

www.jha.com

Joseph Hage Aaronson LLP is a limited liability partnership registered in England & Wales with registered number OC382231. The LLP is authorised and regulated by the Solicitors Regulation Authority. A list of members of the LLP is available for inspection at the LKLP’s registered address: 280 High Holborn, London, WC1V 7EE, United Kingdom. The word “partner” denotes an LLP member, or a consultant or employee with equivalent standing and qualifications.

5. The imposition of sanctions on GPB by the United Kingdom government meant that the company could no longer service the Term Loan, which then went into default. This led in turn to cross-defaults under the other financial indebtedness of the group.

6. In order to preserve value for the Company's stakeholders, the directors of the Company appointed legal and financial advisers to formulate and conduct a marketing exercise in respect of the Company's assets. This process led to the emergence of a preferred bid from UMMC-INVEST (JSC) ("**UMMC-INVEST**"), one of the investment arms of the UMMC Group, a major producer in Russia of copper, zinc, and precious metals and of coal ("**UMMC**").

7. The Company and its advisers have given very careful consideration to whether the Proposed Transaction or any element of its would be in breach of applicable laws relating to sanctions in any jurisdiction. Naturally, the focus to date has been on the sanctions laws of the United Kingdom, and in particular the Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) (the "**UK Regulations**"). The Company identified certain aspects of the Proposed Transaction that might arguably be affected by the UK Regulations, but concluded on advice that no breach would occur. Nevertheless, out of an abundance of caution, the Company notified the UK Office of Financial Sanctions Implementation ("**OFSI**") of its intentions, initially on 29 June 2022, and sent further updates of the position to OFSI as matters progressed. OFSI has not replied to any of the correspondence sent to it thus far, and did not appear at the hearing of the application for the appointment of the Administrators. The Administrators continue to attempt to engage with OFSI to ascertain whether it has a position on the issues raised with it.

8. The Company and its advisers have also considered whether any sanctions legislation of the European Union would have any impact on the Proposed Transaction. This is principally due to the fact that (as noted above) two of the subsidiaries to be acquired by UMMC-INVEST under the Proposed Transaction are entities incorporated in the Republic of Cyprus¹ – namely Petropavlovsk (Cyprus) Limited and Sicinius Limited. Neither of these entities will be party to the share sale agreement by which the Company will sell the shares it owns in its various subsidiaries to UMMC-INVEST, and neither company has had any involvement in the preparation or negotiation of the Proposed Transaction, or its intended implementation, save that each of the respective boards of directors of the Cypriot companies is envisaged to hold a meeting to resolve to register UMMC-INVEST as its new shareholder following completion of the share transfers.²

9. Until very recently, no element of the Proposed Transaction had been identified that engaged the EU Regulations. However, on 21 July 2022 Mr Andrey Anatolyevich Kozitsyn, a minority indirect shareholder in UMMC-INVEST and the General Director of UMMC, was designated as an individual subject to the EU Regulations.

¹ One director of the Company is a national of a Member State, but the effect of the administration order is that the powers of the directors are suspended, and it will be the Administrators who sign the transaction documents on behalf of the Company.

² For completeness, we note that certain notes issued by a subsidiary of the Company and guaranteed by the Company are cleared through Euroclear and Clearstream. To the extent any Russian persons hold notes, it is likely that these are cleared through the Russian National Settlement Depository, which is a designated entity under the EU Regulations. In due course, notes may be tendered to the Company or the issuer subsidiary for cancellation, and/or the Company may seek to make distributions of funds to noteholders as part of the administration process. No such steps will take place in a Member State or will be taken by any national of a Member State, but at the appropriate time the Administrators will consider the position fully and apply for any consents or licences they consider necessary.

10. This means that it is now unlawful, under Article 2 of the EU Regulations, for any person under the jurisdiction of the EU Regulations, to enter into certain dealings with Mr Kozitsyn:

“Article 2

- 1. All funds and economic resources belonging to, owned, held or controlled by any natural or legal persons, entities or bodies, or natural or legal persons, entities or bodies associated with them, as listed in Annex I, shall be frozen.*
- 2. No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies, or natural or legal persons, entities or bodies associated with them, as listed in Annex I.”*

11. The Administrators and their advisers have given urgent consideration to the question of whether Mr Kozitsyn’s designation has any impact on the Proposed Transaction. Their present view is that it does not, and there would be no breach of the EU Regulations in continuing with the implementation of the Proposed Transaction as currently contemplated. This is because, amongst other things:

11.1 Mr Kozitsyn is not a party to any of the documents to be entered into to give effect to the Proposed Transaction, and while UMMC is mentioned in the EU Regulations as relevant to the decision to designate Mr Kozitsyn thereunder, neither UMMC nor UMMC-INVEST have themselves been designated;

11.2 Mr Kozitsyn has stood down as the General Director of UMMC, and he has been replaced by Mr Elfat Rakhmatullovich Ismagilov who is not a designated person. To the extent even relevant for the purposes of the EU Regulations, he is no longer in a position to exercise influence over UMMC or UMMC-INVEST;

11.3 Mr Kozitsyn retains an indirect shareholding of approximately 17% in UMMC-INVEST, which is insufficient for him to exercise any influence over UMMC-INVEST as shareholder;

11.4 UMMC-INVEST has confirmed in writing to us that no other shareholder in UMMC is connected to or associated with Mr Kozitsyn in such a manner as to lead to any suspicion that he should be considered to have greater influence than his c17% shareholding would suggest, or might act in concert with other shareholders to exercise influence over UMMC-INVEST;

11.5 UMMC-INVEST has also confirmed in writing to us that there are no arrangements in place whereby Mr Kozitsyn may derive any economic benefit from the Proposed Transaction should it conclude. The transaction documentation also includes a specific prohibition that any such benefit be extended to any sanctioned person.

12. Therefore, it appears to us that the recent designation of Mr Kozitsyn for the purposes of the EU Regulations does not have any impact on the Proposed Transaction, and there will be no breach of the EU Regulations if the Proposed Transaction proceeds as contemplated. However, given the involvement, albeit on an extremely limited basis, of the boards of directors of the Cypriot subsidiaries in registering their share transfers, we consider it appropriate to draw this matter to your attention in advance of the Proposed Transaction being entered into – if you have a different view on any of the matters raised

above, we would be most grateful if you could state this as soon as possible so that any concerns may be taken into account.

13. The Administrators intend to file an application with the English Court tomorrow to seek directions from the English Court that they may enter into the Proposed Transaction in accordance with their statutory duties, including that there will be no breach of the UK Regulations in doing so. It is envisaged that this application will be heard within seven days, and the Proposed Transaction will be entered into immediately thereafter if favourable directions are issued by the English Court.

14. We would therefore greatly appreciate hearing from you as soon as possible.

Yours faithfully

A handwritten signature in blue ink, reading "Joseph Hage Aaronson". The signature is written in a cursive, flowing style.

Joseph Hage Aaronson LLP

JOSEPH HAGE AARONSON LLP

Joseph Hage Aaronson LLP
280 High Holborn
London WC1V 7EE

Tel: +44 (0)20 7851 8888

25 July 2022

JSC UMMC-INVEST

By email only to: Кирсанов Федор Васильевич Fedor.Kirsanov@ugmk.com

Our ref: MD/IPM/OPU1.2

Dear Sirs

Proposed Transaction with Petropavlovsk plc

We refer to our recent correspondence and discussions regarding the position of Mr Andrey Kozitsyn, the former General Director of JSC UMMC. Please may we have your written responses to the following questions:

1. Please confirm that Mr Kozitsyn no longer holds any position as director or officer of UMMC or UMMC-INVEST.
2. Please confirm that Mr Kozitsyn holds no more than 17.3% of the shares in UMMC, and therefore has an indirect shareholding in UMMC-INVEST of no greater than 17.3%.
3. Please confirm that Mr Kozitsyn cannot, through his personal shareholding, exercise control over or direct the activities of UMMC or UMMC-INVEST.
4. Without prejudice to the generality of the foregoing, please confirm that Mr Kozitsyn has no ability to remove or appoint any director or officer of UMMC or UMMC-INVEST.
5. Please confirm that Mr Kozitsyn has no familial or contractual relationship with any other shareholder in UMMC, whereby he may be considered to exercise control over a greater proportion of the shares in UMMC than those he holds personally.
6. Please confirm that there are no contractual or other arrangements in place whereby Mr Kozitsyn may derive any benefit from the consummation of the proposed purchase by UMMC-INVEST of the assets of Petropavlovsk plc.

We would be grateful for your response by return.

Yours faithfully



Joseph Hage Aaronson LLP

www.jha.com

Joseph Hage Aaronson LLP is a limited liability partnership registered in England & Wales with registered number OC382231. The LLP is authorised and regulated by the Solicitors Regulation Authority. A list of members of the LLP is available for inspection at the LLP's registered address: 280 High Holborn, London, WC1V 7EE, United Kingdom. The word "partner" denotes an LLP member, or a consultant or employee with equivalent standing and qualifications.

Joint-stock company «UMMC-INVEST»

1, Uspensky Avenue, Verkhnyaya Pyshma,
Sverdlovsk region, Russia, 624091
phone: +7 916 548 81 40
e-mail: Fedor.Kirsanov@ugmk.com



Our ref: № 1-FK/02 date: 25 July 2022

Petropavlovsk PLC – In Administration

Opus Restructuring and Insolvency
Allister Manson, Trevor Binyon and Joanne Rolls

Joseph Hage Aaronson LLP
Attention of: Ian McKim

I, Fedor Vasilievich Kirsanov, issue the present statement in the capacity of the Director (CEO) of JSC “UMMC-INVEST” (the “**UMMC-INVEST**”) in response to letter from Joseph Hage Aaronson LLP dated 25 July 2022.

1. I confirm that Mr Kozitsyn no longer holds any position as director or officer of JSC “UMMC” (“**UMMC**”). Mr Kozitsyn has never held any position as director or officer of UMMC-INVEST.
2. I confirm that the share of Mr Kozitsyn in UMMC is limited to 17.3%, and therefore his indirect shareholding in UMMC-INVEST is no greater than 17.3% (as UMMC owns 99 % share in UMMC-INVEST).
3. I confirm that Mr Kozitsyn cannot, through his personal shareholding or otherwise, exercise control over or direct the activities of UMMC or UMMC-INVEST.
4. I confirm that Mr Kozitsyn has no ability to remove or appoint any director or officer of UMMC or UMMC-INVEST.
5. I confirm that Mr Kozitsyn has no familial, contractual or other relationship with any other shareholder in UMMC, whereby he may be considered to exercise control over a greater proportion of the shares in UMMC than those he holds personally.
6. I confirm that there are no contractual or other similar arrangements in place whereby Mr Kozitsyn may derive any benefit from the consummation of the proposed purchase by UMMC-INVEST of the assets of Petropavlovsk plc.

For your convenience, please find attached the minutes of the meeting of UMMC board where the new General Director (CEO) of UMMC was appointed, as well as the extract from the Russian trade register (unified register of legal entities) reflecting the above change of the General Director of UMMC.

Please keep the information contained herein strictly confidential and do not disclose it to third parties without the prior written consent of UMMC-INVEST.

Director



F.V. Kirsanov

Joint-stock company «UMMC-INVEST»



1, Uspensky Avenue, Verkhnyaya Pyshma,
Sverdlovsk region, Russia, 624091
phone: +7 916 548 81 40
e-mail: Fedor.Kirsanov@ugmk.com

STRICTLY PRIVATE AND CONFIDENTIAL

To: **Opus Restructuring and Insolvency**

Attention of: Allister Manson, Trevor Binyon and Joanne Rolls

25 July 2022

Dear Sirs,

We refer to your letter dated 22 July 2022 suggesting that we make a new offer to acquire the gold mining assets and other subsidiaries of Petropavlovsk PLC (the *Assets*) so that you would be able to move forward with it.

In response to that, JSC UMMC-INVEST (*UMMC-INVEST*) hereby issues you the final binding offer (the *Offer*) to acquire the Assets on the terms of the draft sale and purchase agreement previously agreed with Allister Manson, Trevor Binyon and Joanne Rolls of Opus Restructuring and Insolvency (the *Administrators*) and the Administrators' solicitors, Joseph Hage Aaronson LLP (the *SPA*). The latest draft of the SPA was sent by Fedor Kirsanov to the Administrators on 24 July 2021. According to the Offer, the purchase price for the Assets (consisting of the Shares, the Final Net Receivable and any Seller Intercompany Receivables) will be in total USD 619,000,000, comprising: (i) the Adjusted Cash Consideration; (ii) the Administration Fund equal to USD 20,000,000; (iii) the Contingency Fund equal to USD 6,000,000; (iv) the Term Loan Consideration equal to approximately USD 210,000,000; and (v) the 2022 Note Consideration Amount (all capitalized terms as defined in the SPA).

The validity of the Offer is time limited. The Offer will expire at noon 29 July 2022 BST.

For the time of validity of the Offer, UMMC undertakes not to commence any new enforcement actions (which will securely ensure that no actual attachment of Assets will be done pending validity of the Offer).

Please note that the deadline mentioned above for the validity of the Offer is the final one. Whereas on the previous stages of negotiating the SPA UMMC-INVEST had some sympathy with the difficulties the Company was facing with proceeding with administration application, now, as the Administrators have been successfully appointed over the Company, we will no longer see any justifications for delays in signing the SPA, especially given the Administrators have become involved in negotiating the SPA some time before their formal appointment as administrators of

the Company, and also given your confirmation that you consider UMMC-INVEST to be the preferred bidder for the Assets.

We are looking forward to the Administrators accepting the Offer and signing the SPA by noon 29 July 2022 BST.

Best regards,



Fedor Kirsanov

Director

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
37	SIP 16 statement	27 July 2022	183-211

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
38	Draft SPA	Undated	212-258

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
39	Draft consent protocol	Undated	259-264