

TRICKY BUSINESS WITH RUSSIAN TOURISTS IN EUROPE



Over the summer, Russian air travel to Europe was just 26% of what it was in 2019. The EU was unable to agree on a visa ban, thus Russian tourists may continue to travel to most of Europe and shop here. However, traders have to pay attention to a few things due to the sanctions.

Many EU countries have called for a complete halt to the issuance of visas to Russian citizens. However, due to some dissenting votes - including from Germany and Austria - this plan was not implemented. **However, the visa facilitation agreement between Russia and the EU, which has been in force since 2007, will be suspended.**

Accordingly, persons with Russian citizenship can still apply for tourist visas, but with considerably more effort. In addition to the presentation of more documents, both the processing time and the costs increase to about 80 euros. However, Russian tourists willing to travel who accept the increased effort and the often arduous journey due to the lack of direct flight connections will then be able to visit Austria almost as they did before the outbreak of the Ukraine war.

Luxury Goods Ban

For years, guests from Russia have been among those with the most purchasing power - especially in the high-end segment. And this is precisely the thrust of the current EU sanctions against Russia: In order to cut off Russian citizens from luxury goods, Article 3h of EU Regulation 833/2014 prohibits the sale of certain luxury goods to natural persons in Russia or for use in Russia if their value exceeds 300 euros in principle.

Such luxury goods - apart from horses, which are probably somewhat difficult for average travelers to transport - include champagne, spirits, cosmetics, clothing, carpets, watches, jewelry, precious stones, cutlery, porcelain, household appliances worth more than 750 euros, cameras worth more than 1,000 euros, cars worth more than 50,000 euros, or even recreational sporting goods such as skis or golf clubs. The luxurious shopping pleasures of Russian tourists are thus inevitably severely curtailed or even definitely suspended.

Difficult Controls

In addition to the ban on exporting luxury goods to Russia, this sanction also includes the ban on selling such goods to persons who take them to Russia. The relevant factor is not the citizenship of the buyers, but whether the goods are to be brought to Russia.

In the event of violations, traders face administrative fines of up to 50,000 euros or, in the case of legal transactions worth more than 100,000 euros, criminal sanctions such as the imprisonment of up to one year or fines of up to 360 daily rates, according to sections 11 and 12 of the Sanctions Act 2010.

But what measures must traders now take to avoid violating these sanctions? Do they have to ask every person who wants to purchase a sanctioned luxury good about their origin, residence and

intentions with the purchased goods?

This is unlikely to be the case. This is because natural or legal persons, organizations and institutions cannot be held liable for their actions if they did not know or had no reasonable cause to believe that their actions would violate the sanctions. In concrete terms, therefore, a criminal offence is only committed if the seller knows that the clientele will return to Russia together with their purchases, or if he or she at least has a suspicion that the goods could possibly be taken to Russia.

In addition to genuine knowledge - for example, based on previous purchases, personal relationships or one's own customer database - the clearest evidence of this would undoubtedly come from the completion of a tax-free form requested by customers, in the context of which the export destination must be indicated.

Great Legal Uncertainty

In the case of cash payments in excess of EUR 10,000, traders must also verify the customer's identity on the basis of a photo ID in accordance with the provisions of the Trade Regulation Act to prevent money laundering. In these cases, if a person with proven Russian citizenship cannot conclusively demonstrate that he or she is not traveling back to Russia with the purchased goods, this would be a strong indication for the reasonable assumption of probable export to Russia. The sale would therefore have to be denied.

In the range between 300 euros and 10,000 euros, however, a sensitive legal uncertainty remains, as it is left to the merchants themselves to decide whether and which measures they take to find out whether they are allowed to conclude a certain transaction.

However, if a customer is not conspicuous in any way, it would probably be excessive, due to the wording of Art 10 of EU Regulation 833/2014, to ask every person potentially affected by the sanction about origin, intention or identification and to document it in detail - even if this would probably be the safest method to avoid violating the sales ban.

Alternative Destinations

Russian tourists who plan to avoid Europe altogether have other options where to spend their holidays. According to ForwardKeys, several leisure destinations reported an increase in the market share of Russian tourists over the summer compared to 2019 - Maldives (from 5% to 20%), Seychelles (3% to 7%), Turkey (4% to 8%), and United Arab Emirates (1% to 3%).

Date: 2022-09-26

Article link: <https://www.tourism-review.com/russian-tourists-may-still-travel-to-europe-news12719>