



**RIPE NCC**

RIPE NETWORK COORDINATION CENTRE

# RIPE NCC and Sanctions

Athina Fragkouli | Roundtable Meeting | 26 January 2023

# Legal Background



- The RIPE NCC must comply with EU sanctions
- Dutch authorities are responsible for enforcement
- EU sanctions relate to:
  - Providing specific products and services to a specific country (RIPE NCC services not included in this)
  - The provision of economic resources to *listed individuals/organisations* (registration of Internet number resources is considered an “economic resource”)
- Failure to comply is an offence under criminal law

# 2012 - First Compliance Efforts



- Sanctions affecting countries in our service region
  - Iran
- Confirmation from Dutch authorities that our services are not subject to country-specific sanctions
- New process: rejection of membership applications by individuals/organisations in sanctions lists
  - Including individuals/organisations owned or controlled by listed ones

# 2014 - Executive Board Resolution



*"The Executive Board of the RIPE NCC believes that the means of communication **should not be affected by political discussions or disputes**. This includes the provision of correctly registered Internet numbering resources.*

*The Executive Board of the RIPE NCC is committed to taking all lawful steps available to ensure that the RIPE NCC can provide **undisrupted services to all members across our service region.**"*

# 2020 - Further Developments



- Alerted that two members were sanctioned
- Requested exemption from the Dutch authorities
  - Reply: no legal basis for exemption
- Confirmation that the registration of IP addresses are “economic resources” under EU sanctions regulations
  - Sanctioned entities must be prevented from registering new resources and existing resources must be frozen (preventing transfers)
  - De-registration of resources not required



# Updated Sanctions Process



- New process established and reviewed by independent auditors (EY) —> positive outcome
- All current members and End Users screened again
- Acquired third party tools to automate screening
- Still a lot of manual checks, especially for indirect sanctions
  - Checking whether entities are owned or controlled by sanctioned entities/individuals
- Costly and time-consuming process

# 2022 - Sanctions Against Russia



- Six EU sanctions packages in less than two months
- The provision of RIPE NCC services to Russia is not sanctioned
- Sanctions target provision of economic resources to listed individuals/entities (applicable to Internet number resources)
  - New sanctions issued frequently - list is getting longer and longer
  - Manual checks are complicated and time consuming - checking entities owned or controlled by sanctioned entities/individuals
- Resources are locked while we investigate
  - Liability in case of violation (no best-effort basis or grace period)

## Cases Under Investigation: Status of Cases



<b>Date</b>	<b>Total alerts for investigation</b>	<b>Not yet started</b>	<b>Under investigation</b>	<b>Confirmed false positive or sanctions not applicable to RIPE NCC services</b>	<b>Confirmed sanctioned and applicable to RIPE NCC services</b>
20-Apr-2022	766	362	173	227	4
01-Jul-2022	843	309	207	323	4
17-Oct-2022	932	368	184	372	8





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17-	932	368	184	372	8
02-Jan-2023	988	384	172	423	9

# Recent exemption provision



## *'Article 6c*

Article 2 shall not apply to funds or economic resources that are strictly necessary for the provision of electronic communication services by Union telecommunication operators, for the provision of associated facilities and services necessary for the operation, maintenance and security of such electronic communication services, in Russia, in Ukraine, in the Union, between Russia and the Union, and between Ukraine and the Union, and for data centre services in the Union.';

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- Discussions with the Dutch authorities on whether Internet number resources fall within the scope
- Exemption relevant to Russian sanctions, not Iranian or Syrian

# Further restrictions



## *'Article 5aa*

1. It shall be prohibited to directly or indirectly engage in any transaction with:
  - (a) a legal person, entity or body established in Russia, which is publically controlled or with over 50 % public ownership or in which Russia, its Government or Central Bank has the right to participate in profits or with which Russia, its Government or Central Bank has other substantial economic relationship, as listed in Annex XIX;
  - (b) a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed in Annex XIX; or
  - (c) a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.



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  - (c) a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.

- Asking for clarifications from Dutch authorities



# Implications for the Internet (Governance)



- Resource holders are affected by sanctions (transfer restrictions)
- Impression that western countries “politicise” the Internet
  - Syria telecom submitted a complaint to the ITU Arab regional office
  - Russia complained in ITU that RIPE NCC’s implementation threatens critical infrastructure
- Possible discrepancy between registry information and the routing table
  - Transfers may take place and be announced without being registered —> threat to the accuracy of the RIPE Registry and global Internet



# Questions



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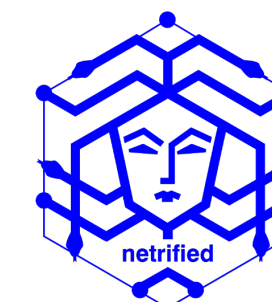
# **Sanctions and the global Internet**

[digitalmedusa.org](http://digitalmedusa.org)

Twitter: @farzanehbad

- Impact of sanctions on various Internet operations
- Level of impact on Internet connectivity
- Impact on global Internet

# Objectives



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- Cyber sanctions are imposed after a malicious cyber attack attributed to the attacker. Legitimate States response to cyber attack
- Economic sanctions might not be Internet specific but have unintended consequences. Generally not in response to a foreign cyber attack

## Sanction types

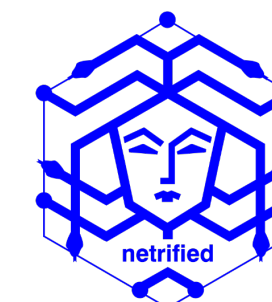


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- Economic sanctions: halting trade and financial relations to change a nation state behavior, or to counter terrorism or to stop a turmoil
- Economic sanctions are not new; they have had implications for the Internet since the late 90s
- The regime most of the time is not Internet specific but it affects the Internet
- The implications for the Internet have been increasing in the past decade
- From early on, there have been sanction reliefs, licenses, exemptions, derogations (EU) and regulations

## **Economic Sanctions Impact: Brief History**



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- Use the Open Systems Interconnection (OSI) reference model to:
  - Understand the impact of sanctions on each operation and the host of actors
  - Figure out the severity of sanctions on third parties' access to the Internet

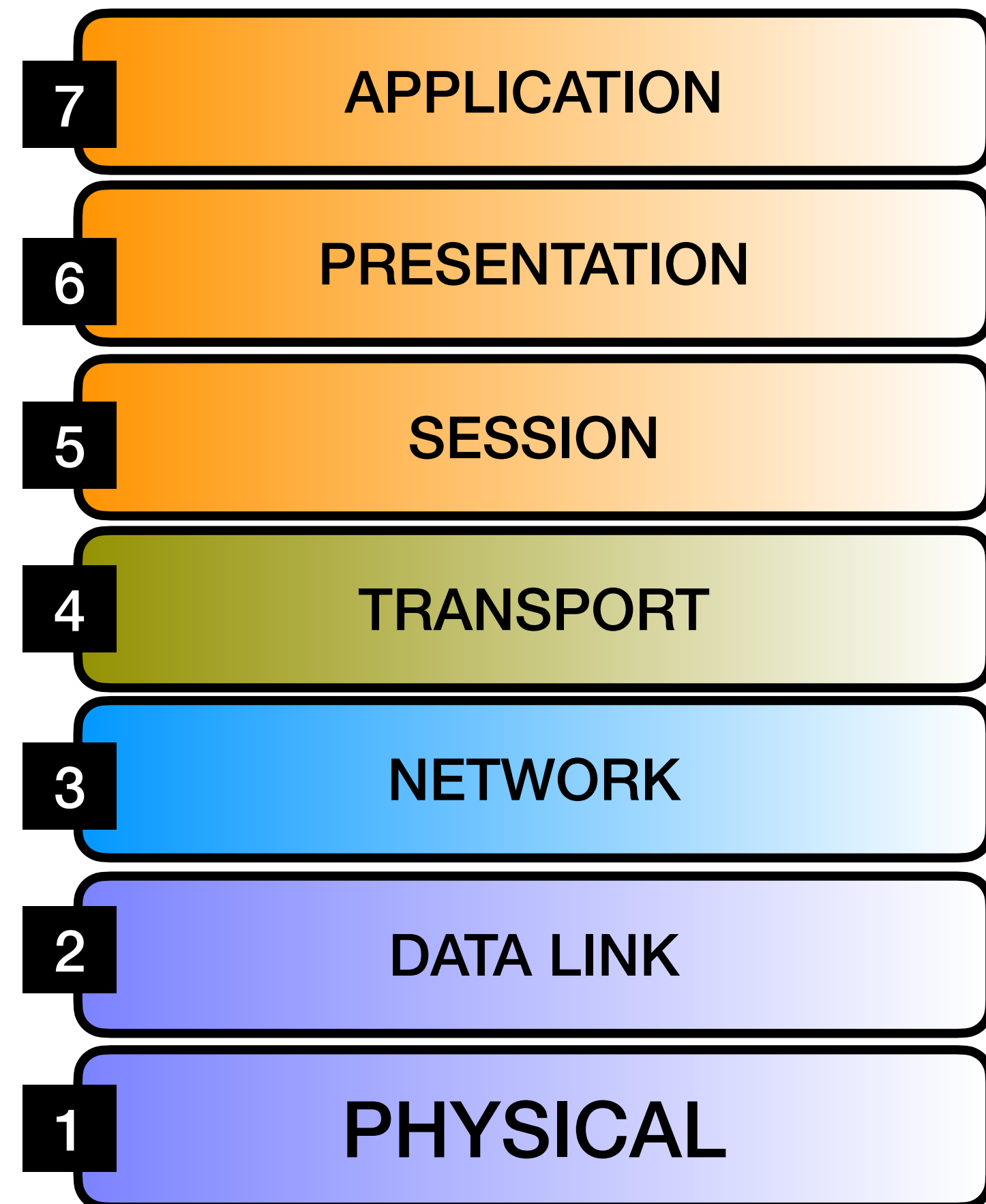
# Method and Focus



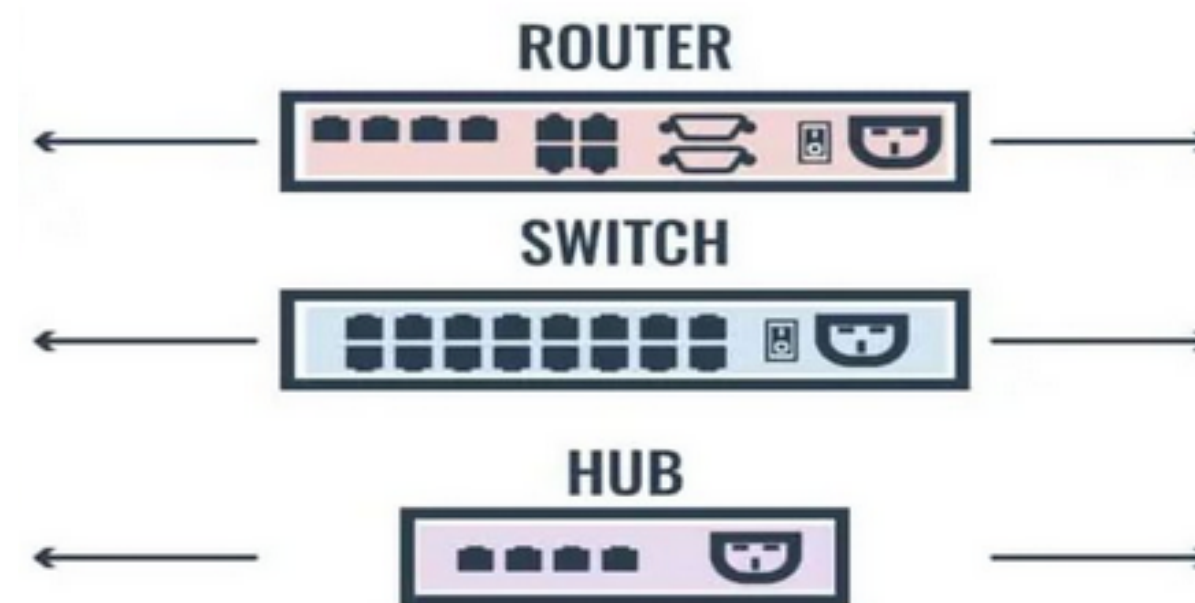
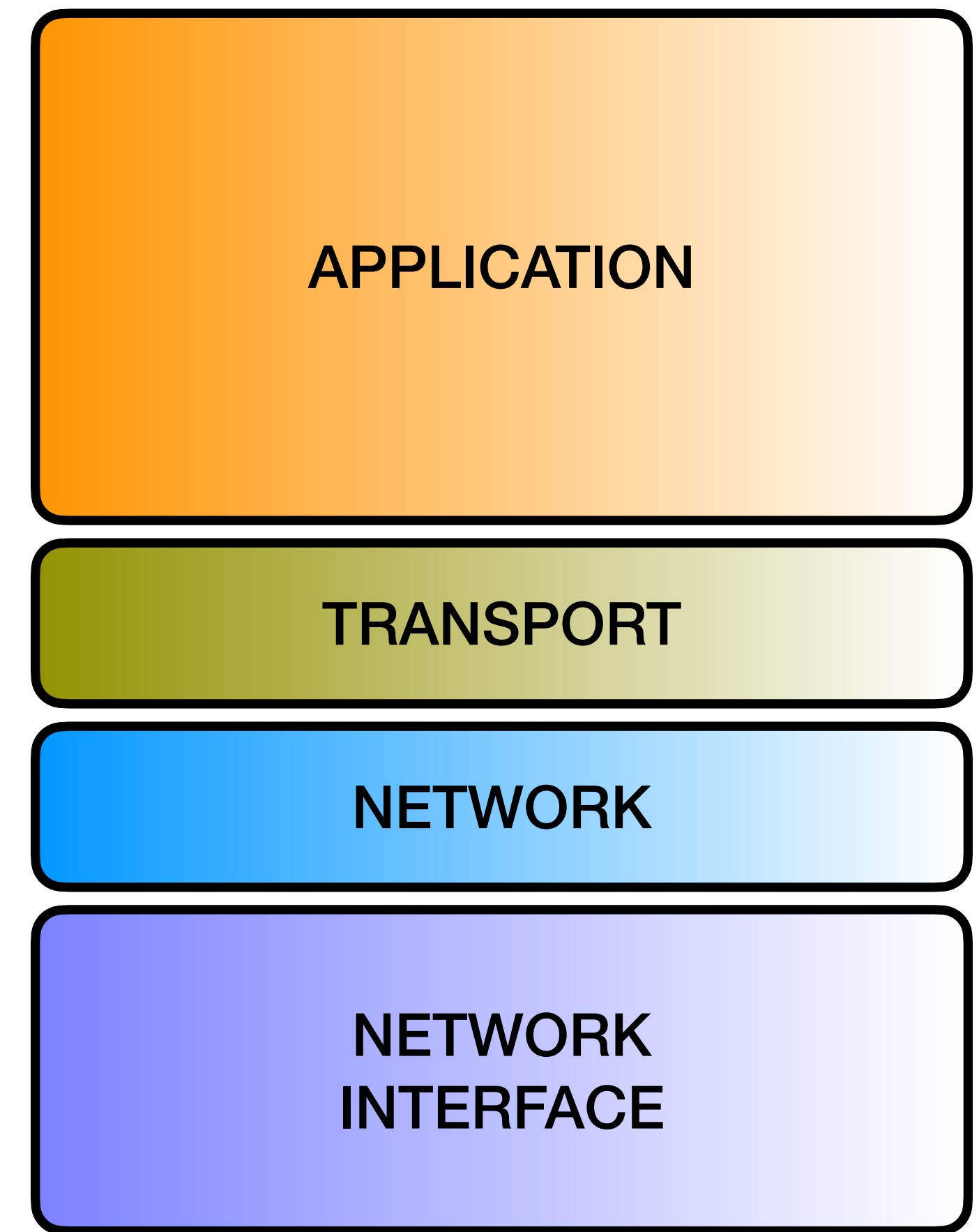
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# The OSI Framework

## OSI REFERENCE MODEL

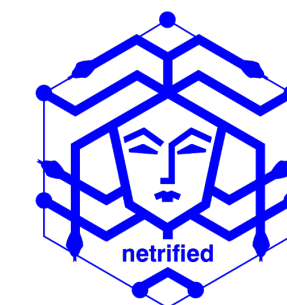


## TCP/IP CONCEPTUAL LAYERS



- Legal alternative
- Technical alternative
- Impact on third parties
- Implementation complications

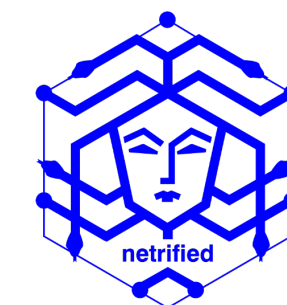
# Impact Matrix



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Affected operations	Legal alternative	Technical alternative	Impact on third party	Implementation complications
Backbone infrastructure	medium	low	medium	medium

# Physical Layer



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Affected operations	Legal alternative	Technical alternative	Impact on third party	Implementation complications
Access to switch fabric	medium	low	low	Low

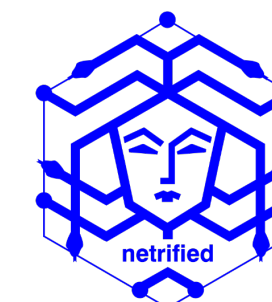
# Datalink



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Affected operations	Legal alternative	Technical alternative	Impact on third party	Implementation complications
Transit services	Severe	Medium	Medium	Medium
Peering	Medium	Low	Low	Medium
IP inbound transfer	Severe	Severe	Low	Severe
IP registry database	Severe	Severe	Severe	Severe
Registration of IP addresses	Severe	Severe	Severe	Severe

## Network Layer



1. The sanctioned operators might be the only Internet providers in the affected country
2. The current derogations and general licenses would not apply to the operations necessary for interconnectivity and disproportionately affect third parties connectivity
3. It might become difficult for businesses conducted in environments subject to EU sanctions to remain lawful

# Escalation



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# Meetings and Blogs

- How Sanctions Affect the RIPE NCC: <https://labs.ripe.net/author/athina/how-sanctions-affect-the-ripe-ncc/>
- How Sanctions Obstruct Access to the Internet: [https://labs.ripe.net/author/alun\\_davies/how-sanctions-obstruct-access-to-the-internet/](https://labs.ripe.net/author/alun_davies/how-sanctions-obstruct-access-to-the-internet/)
- Research Update and Timeline of Sanctions: <https://labs.ripe.net/author/farzaneh-badiee/how-do-sanctions-impact-the-internet/>
- Protecting a Global Internet in an Age of Economic Sanctions: <https://www.intgovforum.org/en/content/igf-2022-day-2-ws-342-protecting-a-global-internet-in-an-age-of-economic-sanctions>