

▶ UPDATE ON RUSSIAN SANCTIONS

Following the Russian government's adoption of decrees recognising the independence of the so-called Donetsk People's Republic ("DNR") and Luhansk People's Republic ("LNR") regions of eastern Ukraine, new sanctions have been introduced by the US, EU and the UK.

We set out in this article a summary of the sanctions, which we recommend our Members review to ensure compliance:

US SANCTIONS

The US has issued new sanctions in the form an Executive Order on Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to Continued Russian Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine (the "Executive Order"). The new restrictions are quite limited in scope as they impose restrictions relating to the DNR and LNR regions. In summary, the restrictions concern:

- Prohibitions on new investments in the DNR and LNR regions by US persons;
- Prohibitions on importation into the US of goods, services or technology from the DNR and LNR regions;
- Prohibitions on export, sale or supply from the US of goods, services or technology from the DNR and LNR;
- Financial restrictions, i.e. that any approval, financing, facilitation, or guarantee by a US person (wherever located) of a transaction by a foreign person where the transaction by that foreign person would be prohibited by the first three prohibitions above if performed by a US person or within the US; and
- Blocking restrictions (i.e. asset freezing measures) against those determined by the US inter alia to operate or to have operated in the DNR and LNR regions.

On 22 February 2022, OFAC issued a [press release](#) announcing the designation of 2 Russian banks crucial to financing the Russian defense industry: Vnesheconombank (VEB) and Promsvyazbank Public Joint Stock Company (PSB), along with 42 of their subsidiaries.

As part of the designation of PSB, OFAC also took action against five vessels owned by its designated subsidiary, PSB Lizing OOO:

1. Baltic Leader (IMO: 9220639)
2. Linda (IMO: 9256858)
3. Pegas (IMO: 9256860)
4. Fesco Magadan (IMO: 9287699)
5. Fesco Moneron (IMO: 9277412)

Further designations include elites and families close to Putin:

1. Denis Aleksandrovich Bortnikov
2. Petr Mikhailovich Fradkov
3. Vladimir Sergeevich Kiriyyenko

UK SANCTIONS

Pursuant to the recently amended Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855), the UK government has announced the designation of the following five Russian banks and three oligarchs:

Newly designated Russian banks

1. IS Bank;
2. Rossiya Bank;
3. PJSC Promsvyazbank;
4. JSC Genbank; and
5. JSC Black Sea Bank Development and Reconstruction.

Newly designated Russian oligarchs

1. Gennadiy Timchenko;
2. Boris Rotenberg; and
3. Igor Rotenberg.

EU SANCTIONS

EU Member States have announced their political agreement for a new package of sanctions against Russia. While details of the legislation, along with the identities of the designated parties, has not yet been published in the official journal, the package:

- Designates the 351 members of the Russia State Duma;
- designates 27 individuals and entities who represent: 1) the decision-makers responsible for “threatening Ukraine” and entities financially and materially supporting, or benefiting from them; 2) those operating in the defence sector; 3) those who engage in a “disinformation war” against Ukraine; and 4) banks that finance Russian decision-makers, military apparatus and other operations in those territories;
- bans trade between the 2 regions and the EU;
- limits the ability of the Russian state and government to access EU capital and financial markets or services.