

- **FINANCE**

On February 21, the U.S. President signed an [Executive Order Blocking Property Of Certain Persons And Prohibiting Certain Transactions With Respect To Continued Russian Efforts To Undermine The Sovereignty And Territorial Integrity Of Ukraine](#) which prohibits new investments, trade and financing in the so-called Donetsk and Luhansk People's Republics (DNR and LNR) in response to their recognition by the Russian Federation as "independent" states.

On February 22, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) published a package of additional Russia-related sanctions.

First, OFAC published [Russia-related Directive 1A under Executive Order 14024](#) imposing additional restrictions on Russian sovereign debt. This action extends existing sovereign debt prohibitions to cover participation in the secondary market for bonds issued after March 1, 2022 by the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation.

Second, OFAC sanctioned two major Russian state-owned financial institutions Vnesheconombank (VEB) and Promsvyazbank (PSB) as well as 42 of their subsidiaries by adding them to the list of Specially Designated Nationals (SDN).

As part of the designation of PSB, OFAC also took action against five vessels that are owned by PSB Lizing OOO, a designated subsidiary of PSB. All five vessels were identified pursuant to E.O. 14024 as blocked property in which PSB Lizing OOO has an interest.

OFAC also issued two Russia-related general licenses [General License 2](#) and [General License 3](#) authorizing certain servicing transactions and the wind down of transactions involving Vnesheconombank.

On February 24, the U.S. Treasury took additional restrictive measures against Russia's top financial institutions, by sanctioning Russia's two largest banks Sberbank and VTB Bank as well as almost 90 financial institution subsidiaries around the world. Treasury also sanctioned additional Russian elites and their family members and imposed additional new prohibitions related to new debt and equity of major Russian state-owned enterprises and large privately owned financial institutions.

#### 1. Sanctions on Russia's major financial institutions

Treasury took action against Russia's two largest financial institutions, Public Joint Stock Company Sberbank of Russia (Sberbank) and VTB Bank Public Joint Stock Company (VTB Bank). It additionally imposed blocking sanctions on three additional major Russian financial institutions: Bank Otkritie, Novikom Bank, and Sovcom Bank.

To implement sanctions on Sberbank, OFAC issued [Directive 2 under E.O. 14024, "Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions"](#) (the "Russia-related CAPTA Directive").

This directive prohibits U.S. financial institutions from:

- the opening or maintaining of a correspondent account or payable-through account for or on behalf of any entity determined to be subject to the prohibitions of the Russia-related CAPTA Directive, or their property or interests in property; and
- the processing of transactions involving any such entities determined to be subject to the Russia-related CAPTA Directive, or their property or interests in property. Accordingly, U.S. financial institutions must reject such transactions unless exempt or authorized by OFAC.

Pursuant to Directive 2 under E.O. 14024, Sberbank and 25 Sberbank foreign financial institution subsidiaries that are 50 percent or more owned, directly or indirectly, by Sberbank were identified in Annex 1 to the Russia-related CAPTA Directive. These subsidiaries include banks, trusts, insurance companies, and other financial companies located in Russia and six other countries. Sberbank and other affiliated entities determined to be subject to the Russia-related CAPTA Directive have been added to OFAC's [List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions \(CAPTA List\)](#), a reference tool that provides actual notice of OFAC

actions with respect to foreign financial institutions for which the opening or maintaining of a correspondent account or a payable-through account in the United States is prohibited or subject to one or more strict conditions. All foreign financial institutions owned 50 percent or more, directly or indirectly, by Sberbank are covered by the prohibitions of the Russia-related CAPTA Directive, even if not identified on OFAC's CAPTA List.

OFAC has also imposed full blocking sanctions on VTB Bank. VTB Bank was designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, the Government of the Russian Federation, and for operating or having operated in the financial services sector of the Russian Federation economy. In addition, 20 VTB Bank subsidiaries were designated pursuant to E.O. 14024 for being owned or controlled by, directly or indirectly, VTB Bank. These subsidiaries include banks, holding companies, and other financial companies located in Russia and eight other countries. All entities owned 50 percent or more, directly or indirectly, by VTB Bank are subject to blocking, even if not identified by OFAC.

## 2. Debt and equity prohibitions against major state-owned and private entities

OFAC expanded Russia-related debt and equity restrictions to additional key aspects of Russia's economy. To implement this action, OFAC issued [Directive 3 under E.O. 14024, "Prohibitions Related to New Debt and Equity of Certain Russia-related Entities"](#) (the "Russia-related Entities Directive") to prohibit transactions and dealings by U.S. persons or within the United States in new debt of longer than 14 days maturity and new equity of Russian state-owned enterprises, entities that operate in the financial services sector of the Russian Federation economy, and other entities determined to be subject to the prohibitions in this directive. This includes 13 entities with outstanding debt issuances, six of which are also subject to certain debt or additional restrictions pursuant to directives under E.O. 13662.

Pursuant to E.O. 14024, OFAC identified the following 11 Russian entities as being owned or controlled by, or having acted or purposed to act for or on behalf of, directly or indirectly, the Government of the Russian Federation:

- Sberbank
- Gazprombank Joint Stock Company
- Joint Stock Company Russian Agricultural Bank
- Public Joint Stock Company Gazprom
- Public Joint Stock Company Gazprom Neft
- Public Joint Stock Company Transneft(Transneft)
- Public Joint Stock Company Rostelecom
- Public Joint Stock Company RusHydro
- Public Joint Stock Company Alrosa
- Joint Stock Company Sovcomflot
- Open Joint Stock Company Russian Railways

Pursuant to E.O. 14024, OFAC identified the following three Russian entities for operating or having operated in the financial services sector of the Russian Federation economy:

- Joint Stock Company Alfa-Bank
- Credit Bank of Moscow Public Joint Stock Company
- Sberbank

## 3. General Licences

OFAC has also issued several general licenses in connection with these actions, in particular Russia-related [General License 5](#), [General License 6](#), [General License 7](#), [General License 8](#), [General License 9](#), [General License 10](#), [General License 11](#), and [General License 12](#).

These eight general licenses authorize certain transactions related to:

- international organizations and entities;
- agricultural and medical commodities and the COVID-19 pandemic;
- overflight and emergency landings;
- energy;
- dealings in certain debt or equity;

- derivative contracts;
- the wind down of transactions involving certain blocked persons; and
- the rejection of transactions involving certain blocked persons.

On February 28, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) prohibited United States persons from engaging in transactions with the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation. This action effectively immobilizes any assets of the Central Bank of the Russian Federation held in the United States or by U.S. persons, wherever located.

[Russia-related Directive 4](#)

On March 3, the Department of the Treasury's Office of Foreign Assets Control (OFAC) issued Russia-related several General Licenses, allowing the continuation of certain activities that would otherwise be prohibited under the new sanctions. A number of these general licenses are time-limited.. In addition, OFAC has published new Frequently Asked Questions and updated several Frequently Asked Questions.

Related documents:

[General License 9A](#),

[General License 10A](#),

[General License 13](#),

[General License 14](#)

[General Licence 15](#)

[New Frequently Asked Questions](#)

[Updated Frequently Asked Questions](#).

On March 24 OFAC published [Frequently Asked Question №1,029](#) "How do the prohibitions of Executive Order (E.O.) 14024 and other Russia-related sanctions impact gold-related transactions or persons participating in the gold market?"

In addition, OFAC issued Russia-related [General License 6A](#), [General License 17A](#), [General License 20](#), and Ukraine-/Russia-related [General License 25](#).

On April 1 OFAC designated 21 entities and 13 individuals as part of an effort to target Russia's sanctions evasion networks and technology companies, which are instrumental to the Russian Federation's military operation.

- OOO Serniya Engineering (Serniya)
- Majory LLP, Photon Pro LLP
- OOO Robin Treid
- Invention Bridge SL
- AO NII-Vektor
- T-Platforms
- Joint Stock Company Mikron
- Molecular Electronics Research Institute (MERI)

[Update to the SDN list](#)

On April 6 the US Treasury imposed full **blocking sanctions on Sberbank**, Russia's largest state-owned bank, **and Alfa-Bank**, Russia's largest private bank. All entities owned 50 percent or more, directly or indirectly, by Sberbank and Alfa Bank are blocked under E.O. 14024, even if not designated by OFAC.

In addition, pursuant to E.O. 14024, Treasury is designating 42 Sberbank subsidiaries and 6 Alfa Bank subsidiaries for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Sberbank and Alfa Bank, a person whose property and interests in property are blocked pursuant to E.O. 14024.

OFAC is also identifying five vessels owned by Alfa-Lizing OOO as blocked property: products tanker Lady Leila (IMO 9683740), chemical/oil tanker Lady Rania (IMO 9784893), products tanker Lady

Sevda (IMO 9683738), general cargo vessel Sv Konstantin (IMO 9203710), and general cargo vessel Sv Nikolay (IMO 9482926).

Also President Biden issued E.O. of April 6, 2022, "Prohibiting New Investment in and Certain Services to the Russian Federation in Response to Continued Russian Federation Aggression," to ban all new investment in the Russian Federation by U.S. persons, wherever located, as well as the export, reexport, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any category of services as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, to any person located in the Russian Federation.

A new Executive Order was issued, which bans new investment in the Russian Federation and the provision of certain services to any person located in the Russian Federation by U.S. persons, wherever located.

<https://home.treasury.gov/news/press-releases/jy0705>

The Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued Russia-related: [General License 8B](#), Authorizing Transactions Related to Energy, [General License 9B](#), Authorizing Transactions Related to Dealings in Certain Debt or Equity, [General License 10B](#), Authorizing Certain Transactions Related to Derivative Contracts, [General License 21](#), Authorizing the Wind Down of Sberbank CIB USA, Inc., [General License 22](#), Authorizing the Wind Down of Transactions Involving Public Joint Stock Company Sberbank of Russia and [General License 23](#), Authorizing the Wind Down of Transactions Involving Joint Stock Company Alfa-Bank. [General License 26](#), Authorizing the Wind Down of Transactions Involving Joint Stock Company SB Sberbank Kazakhstan or Sberbank Europe AG.

On April 8 OFAC designated Alrosa, a Russian state-owned enterprise (SOE) and the world's largest diamond mining company, which is also responsible for 90 percent of Russia's diamond mining capacity. The Department of State also redesignated Joint Stock Company United Shipbuilding Corporation (USC), as well as its subsidiaries and board members.

<https://home.treasury.gov/news/press-releases/jy0707>

On April 19, the United States Department of the Treasury's Office of Foreign Assets Control (OFAC) issued a [Fact Sheet](#) for "Preserving Agricultural Trade, Access to Communication, and Other Support to Those Impacted by Russia's operationin Against Ukraine." This fact sheet outlines that Americans can engage in transactions related to agricultural and medical exports, the work of nongovernmental organizations (NGOs), COVID-19 relief, humanitarian assistance and telecommunications and internet services to support the free flow of information. OFAC also authorized transactions necessary for certain activities, including for humanitarian projects in Russia and Ukraine, by NGOs despite U.S. sanctions on Moscow by issuing [Russia-related General License 27](#) "Certain Transactions in Support of Nongovernmental Organizations' Activities."

## **INDIVIDUALS**

On February 22, 2022, the U.S. imposed sanctions against certain Russian elites, by designating Denis Bortnikov (son of the director of the FSB Alexander Bortnikov), Petr Fradkov (son of former Russian Prime Minister Mikhail Fradkov), and Vladimir Kiriyyenko (son of the first deputy head of the Presidential Administration Sergey Kiriyyenko).

<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20220222>

On February 24, 2022, the U.S. imposed sanctions against certain Russian elites, by designating the following individuals:

- Sergei Sergeevich Ivanov, son of Sergei Borisovich Ivanov
- Andrey Patrushev, son of Nikolai Platonovich Patrushev

- Ivan Igorevich Sechin, son of Igor Ivanovich Sechin
  - Alexander Aleksandrovich Vedyakhin (Vedyakhin) is First Deputy Chairman of the Executive Board of Sberbank
  - Andrey Sergeyeovich Puchkov (Puchkov) VTB Bank
  - Yuriy Alekseyevich Soloviev (Soloviev) VTB Bank and his wife Galina Olegovna Ulyutina
- <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20220224>

On February 25, the U.S. Treasury imposed sanctions on President of the Russian Federation Vladimir Putin and the Minister of Foreign Affairs, Sergei Lavrov, as well as other members of Russia's Security Council and added those individuals in its list of Specially Designated Nationals.

[https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20220225\\_33](https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20220225_33)

On March 3 some Russian individuals and entities have been added to OFAC's Specially Designated Nationals List (SDN list).

Among them, are sanctioned numerous Russian elites and their family members, with the blocking of certain of these persons' property, and Russian intelligence-directed disinformation outlets. In addition to sanctioning elites, OFAC designated 26 Russia- and Ukraine-based individuals and seven Russian entities "in connection with the Russian Government's efforts to promulgate disinformation and influence perceptions."

More particularly have been designated:

- Alisher Usmanov
- Nikolay Tokarev
- Igor Shuvalov
- Dmitry Peskov
- Pavel Prigozhin
- Boris Rotenberg
- Strategic Culture Foundation
- News Agency "Inforos"
- Media outlet "NewsFront"
- Media outlet "SouthFront"

The assets of the designated individuals or entities are blocked and U.S. persons are generally prohibited from dealing with them.

<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20220303>

On March 24 OFAC has added the following individuals and entities to its list of Specially Designated Nationals ([SDN list](#)):

48 Russian companies that are part of Russia's defense-industrial base and that produce weapons that have been used in the special military operation in Ukraine;

328 members of the Russian State Duma, who supported the signature of the treaties recognizing the self-proclaimed independence of the so-called Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR);

as well as Herman Gref, the head of Sberbank.

The assets of the designated individuals or entities are blocked and U.S. persons are generally prohibited from dealing with them. This action aligns with similar actions taken by the European Union, the United Kingdom, and Canada.

On April 20, OFAC designated 29 individuals and 40 legal entities from Russia for their "attempts to evade sanctions imposed by the United States and its international partners on Russia". The sanctions list includes the first deputy chairman of the Central Bank of Russia, Ksenia Yudaeva, Russian oligarch Konstantin Malofeyev and the chairman of the board of Otkritie Bank, Mikhail Zadornov. Sanctions were also imposed on the Tsargrad media group and PJSC Transcapitalbank.

In addition OFAC has issued Russia-related General License 28 and General License 29.

[Update to the SDN list](#)

[General License 28](#)

[General License 29](#)

## **EXPORT**

On February 24 [the U.S. Commerce Department, through its Bureau of Industry and Security \(BIS\), implemented a series of stringent export controls that will restrict Russia's access to technologies and other items](#). BIS's Russia-specific export control measures impose a policy of denial on sensitive items Moscow relies on for its defense, aerospace, and maritime industries. These items, many of which were not previously subject to controls when destined for Russia, include semiconductors, computers, telecommunications, information security equipment, lasers, and sensors. The rule also imposes stringent controls on 49 Russian military end users, which have been added to BIS's Entity List.

On 8 March 2022, President Biden signed a new Executive Order (E.O.) "Prohibiting Certain Imports And New Investments With Respect To Continued Russian Federation Efforts To Undermine the Sovereignty And Territorial Integrity Of Ukraine" to ban the import of Russian oil, liquefied natural gas, and coal to the United States.

[https://home.treasury.gov/system/files/126/eo\\_prohibitions\\_imports\\_investments.pdf](https://home.treasury.gov/system/files/126/eo_prohibitions_imports_investments.pdf)

### . SCOPE OF THE NEW E.O.

The new E.O. bans:

- The importation into the United States of Russian crude oil and certain petroleum products, liquefied natural gas, and coal.
- New U.S. investment in Russia's energy sector.
- Americans will also be prohibited from financing or enabling foreign companies that are making investment to produce energy in Russia.

### 2. PUBLICATION OF GENERAL LICENSE 16 AND NEW FAQs

Following President's Biden announcement, the U.S. Treasury released one General License and several Frequently Asked Questions to aid in the wind-down of deliveries of existing purchases that have already been contracted for.

More specifically, Treasury issued:

- [General License 16, authorizing the import of oil already contracted for](#)
- [FAQ 1013: Guidance on the Prohibitions of the E.O. of March 8, 2022, "Prohibiting Certain Imports and New Investments With Respect to Continued Russian Federation Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine"](#)
- [FAQ 1014: Guidance on Importing Energy from Russia](#)
- [FAQ 1015: Guidance on Winding Down Activities Prohibited by the E.O. of March 8, 2022](#)
- [FAQ 1016: Guidance on Shipments Contracted Before March 8, 2022](#)
- [FAQ 1017: Guidance on the Validity of Russia-related General License 8A](#)
- [FAQ 1018: Guidance on Non-U.S. Persons' Exposure to Sanctions under the E.O. of March 8, 2022](#)
- [FAQ 1019: Guidance on Definition of Terms in the E.O. of March 8, 2022](#)
- [FAQ 1020: Guidance on Dealing in Crude Oil of the Caspian Pipeline Consortium](#)

Most importantly, according to FAQ 1018, to the extent the import of such products of Russian Federation origin outside of the United States does not involve a sanctioned person or an otherwise prohibited transaction, non-U.S. persons are not exposed to sanctions under E.O. of March 8, 2022

On 11 March 2022, President Biden signed a new Executive Order (E.O.) "on Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression". The new E.O. bans:

- the importation into the United States of Russian fish, seafood, and preparations thereof; alcoholic beverages; non-industrial diamonds;

- the exportation of luxury goods from the United States to the Russia Federation;
- new investment in any sector of the Russian Federation economy.
- the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of U.S. dollar-denominated banknotes to the Government of the Russian Federation or any person located in the Russian Federation;

Related documents:

[Executive Order on Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression](#)

[General License 17](#)

[General License 18](#)

[General License 19](#)

[Ukraine-related General License 23](#)

[New Frequently Asked Questions](#)

[Amended one Frequently Asked Question](#)

On March 13, the U.S. Commerce Department's Bureau of Industry and Security (BIS) published a detailed list of luxury items that will be prohibited from being imported into Russia from March 16, 2022. The list includes about 570 commodity items (at the level of the ten-digit code of the American commodity nomenclature), among others:

- alcohol (champagne, whiskey, bourbon, tequila, rum, etc.);
- tobacco products (cigars, pipe tobacco, snuff and chewing tobacco, etc.);
- cosmetics and perfumery (eau de toilette, makeup products, skin care products, etc.);
- handbags, suitcases;
- fur skins, natural fur products, silk, carpets;
- certain clothing and garments, certain footwear (sweaters, trousers, ski suits, swimwear, gloves, ties, etc., if the US wholesale price is over \$1,000 per item);
- precious stones and jewelry;
- marine engines, snowmobiles, motorcycles, some passenger cars, including electric vehicles;
- concert pianos, wristwatches, art objects, etc.

[Rule by the Industry and Security Bureau](#)

On March 18, the Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued Ukraine-/Russia-related [General License 24](#) regarding transactions related to the provision of maritime services. In addition, OFAC has amended [one Frequently Asked Question](#) on possible prohibition with dealing in Kazakh-origin crude oil of the Caspian Pipeline Consortium ("CPC"). It confirms that the importation prohibition of [E.O. 14066](#) applies to the import of certain products of Russian Federation origin to the United States and excludes imports that are not of Russian Federation origin, even if such items transit through or depart from the Russian Federation.

On April 1 the US Department of Commerce has added 120 entities from Russia and Belarus to its Entity List, hence banning the export of U.S. products to those organizations related, in particular, to the defense sector.

From Belarus, the list includes 24 organizations, from Russia - 95, as well as one individual:

- JSC Almaz
- JSC "ElectroSignal"
- JSC Informakustika
- I. Alikhanov Institute for Theoretical and Experimental Physics
- Institute for High Energy Physics
- JSC "Moscow Research Institute of Communications"
- JSC Chelyabinsk Radio Plant Polet
- JSC Research and Production Enterprise Salyut
- JSC Elektrotyaga is a part of Tactical Missiles Corporation JSC. In addition to Elektrotyaga, 34 other structures included in the KTRV were also subject to restrictions.

### Additions to the Entity List

On April 9, 2022, the U.S. Department of Commerce, through the Bureau of Industry and Security (BIS), issued a final rule that expands its highly restrictive controls on the export and reexport of U.S.-origin and certain foreign-produced commodities, software, and technologies to Russia and Belarus. As a result of the rule issued, BIS has imposed highly restrictive license requirements on all categories of items on the Commerce Control List (CCL) to Russia and Belarus, which expands U.S. scrutiny of transactions to almost any sensitive dual-use technology, software, or commodities. Furthermore, by applying a policy of denial to applications involving these items, the U.S. is effectively cutting off Russia and Belarus from access to a range of items. Specifically, the rule expands the license requirements on Russia and Belarus to all items designated on the CCL.