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UK, EU and US Sanctions Responses to the Situation in Ukraine

Of particular interest to:

- **UK**
 - *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*
- **EU**
 - *All individuals and legal entities who are within or undertake activities within the EU's territory must comply with EU financial sanctions that are in force*
 - *All EU nationals and legal entities established under the law of an EU Member State, including their branches, must also comply with EU financial sanctions that are in force, irrespective of where their activities take place*
- **US**
 - *U.S. persons, including all U.S. citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, all U.S. incorporated entities and their foreign branches.*
 - *In the cases of certain programs, foreign subsidiaries owned or controlled by U.S. companies also must comply. Certain programs also require foreign persons in possession of U.S.-origin goods to comply.*

In Brief:

Various countries have issued sanctions in response to Russia's recognition of the so-called Donetsk and Lugansk Peoples' Republics ("DNR" and "LNR"; collectively, the "DNR/LNR Regions") as independent states and the movement of Russian troops into Ukraine.

Please read further below on the country-specific sanctions. *It is important to note that further sanctions may be imposed in response to events.*

United Kingdom (UK)

Following the Prime Minister's statement to the House of Commons on 22 February 2022, the UK [announced](#) a new tranche of sanctions on Russia. The Prime Minister [announced](#) further measures on 24 February 2022 which are available on the Foreign, Commonwealth & Development Office website.

Assets of 5 Russian banks involved in bankrolling the Russian occupation have also been frozen with immediate effect. This includes

- Bank Rossiya;
- VTB Bank
- Black Sea Bank for Development and Reconstruction;
- IS Bank;
- GenBank; and
- Promsvyazbank

The UK has imposed sanctions freezing the assets and imposing a travel ban on eight named individuals: Gennady Timchenko, Elena Georgieva, Yuri Slyusar, Denis Bortnikov, Petr Fradkov, Kirill Shamalov and Boris and Igor Rotenberg. Hundreds more individuals sitting on Russia's Duma will also face sanctions. Full Russia Sanctions list as it currently stands can be accessed [here](#).

Firms supervised by the Financial Conduct Authority (the "FCA") should screen against the [UK Sanctions List](#) to meet these new sanctions measures and screen against the [Office of Financial Sanctions Implementation \("OFSI"\) list](#) of asset freeze targets for financial sanctions obligations.

FCA-supervised firms are legally obliged to report to OFSI if they know or suspect that a breach of financial sanctions has occurred; e.g.

- if a person the firm is dealing with, directly or indirectly is a designated person;
- if the firm holds any frozen assets;
- if the firm has knowledge or suspicion of these while conducting their business

You must contact OFSI at the earliest opportunity, and you should also notify the FCA.

Useful Links

Financial Sanctions Search - [OFSI Consolidated List Search](#)
[FCA Announcement](#)

European Union (EU)

On 23 February, the EU approved a sanctions package that designates the 351 members of the Russia State Duma, as well as 27 individuals and entities who played a role in "undermining Ukrainian sovereignty".

Asset freezes

The [new sanctions](#) designate 23 individuals, including members of the Russian government, senior military personnel, people working for "pro-Russian" media and certain business people.

Four entities have also been designated, namely:

- the Internet Research Agency
- Bank Rossiya
- PROMSVYAZBANK, and

- VEB.RF

There is an unwinding period until 24 August 2022, for the termination of operations, contracts, or other agreements, including correspondent banking relations, concluded with VEB.RF, Bank Rossiya, or Promsvyazbank before 23 February 2022.

Sectoral prohibition

The EU introduced a sectoral prohibition aimed at restricting access to capital by the Russian Federation, its government and Central Bank, as well as entities acting on behalf or at the direction of the Central Bank of Russia.

As such, it will be prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments issued after 9 March 2022 by Russia and its government or the Central Bank of Russia (or any person acting on behalf or at the direction of the Central Bank of Russia).

Useful Links

[New package of sanctions against Russia](#)

United States (US)

On February 22nd, the US president, Joe Biden, announced a first tranche of sanctions against Russia and [updated the list](#) on February 24th. Targets include large Russian state-owned banks, trading in five Russian oil tankers and container ships, and oligarch elites close to Vladimir Putin. It also banned US banks and individuals from trading Russian sovereign debt.

As such the US Administration has: (i) designated the “financial services sector” of the Russian economy as secondarily sanctioned; (ii) imposed blocking sanctions (via Specially Designated Nationals (“SDN”) designation) on two Russian banks; (iii) imposed new sanctions on secondary dealings in Russian sovereign debt; (iv) imposed an embargo on the separatist-controlled regions of Ukraine; and (v) made a number of additional SDN designations.

Banks that have been designated:

- Sberbank;
- VTB Bank;
- Otkritie;
- Novikom;
- Sovcom;
- Vnesheconombank; and
- Promsvyazbank

The Office of Foreign Assets Control (OFAC) updated their [Frequently Asked Questions](#).

Useful Links

[OFAC's Sanctions List Search](#)

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