

## Update on Russian Sanctions - 25 February 2022

Further to our [update of 23 February 2022](#), the Russian invasion of Ukraine has now spread beyond the Donetsk and Luhansk regions prompting widespread international condemnation and additional economic sanctions. We set out below a summary of the additional sanctions imposed since our previous update:

### US Sanctions

#### Major economic actions

On 24 February 2022, pursuant to Executive Order (“E.O”) 14024, the US government targeted economic sanctions at Russia’s two largest banks, Sberbank and VTB Bank as follows:

1. Sberbank – sanctions under Directive 2 of the E.O 14024 (the “Russia-related CAPTA Directive”) relating to correspondent or payable-through accounts were introduced. This prohibits US financial institutions from (i) 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 (ii) 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. Under the Directive Sberbank and 25 Sberbank foreign financial institution subsidiaries that are 50% or more owned, directly or indirectly, by Sberbank re identified in Annex 1 to the Russia-related CAPTA Directive.
2. VTB Bank – is subject to full blocking sanctions, including 20 VTB Bank subsidiaries.

In addition, OFAC has imposed blocking sanctions on the following three additional major Russian financial institutions:

1. Public Joint Stock Company Bank Financial Corporation Otkritie;
2. Joint Stock Commercial Bank Novikombank; and
3. Open Joint Stock Company Sovcombank.

In an attempt to limit Russia’s ability to finance its invasion of Ukraine, OFAC also expanded Russia-related debt and equity restrictions to additional aspects of Russia’s economy under Directive 3 of E.O. 14024 (the “Russia-related Entities Directive”). This prohibits transactions and dealings by US persons or within the United States in new debt of longer than 14 days maturity and new equity of Russian state-owned enterprise, entities that operate in the financial services sector of the Russian economy. In particular, 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,

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directly or indirectly, the Russian government:

1. Sberbank;
2. Gazprombank Joint Stock Company;
3. Joint Stock Company Russian Agricultural Bank;
4. Public Joint Stock Company Gazprom;
5. Public Joint Stock Company Gazprom Neft;
6. Public Joint Stock Company Transneft;
7. Public Joint Stock Company Rostelecom;
8. Public Joint Stock Company RusHydro;
9. Public Joint Stock Company Alrosa;
10. Joint Stock Company Sovcomflot, which is Russia's largest maritime and freight shipping company; and
11. Open Joint Stock Company Russian Railways.

Pursuant to E.O. 14024, OFAC also identified the following three Russian entities for operating or having operated in the financial services sector of the Russian economy – Joint Stock Company Alfa-Bank, Credit Bank of Moscow Public Joint Stock Company and Sberbank.

New actions targeting Russian elites

The following individuals were designated:

1. Sergei Sergeevich Ivanov son of Sergei Borisovich Ivanov;
2. Andrey Patrushev son of Nikolai Platonovich Patrushev;
3. Ivan Igorevich Sechin son of Igor Ivanovich Sechin;
4. Alexander Aleksandrovich Vedyakhin;
5. Andrey Sergeyevich Puchkov – as well as being a high ranking VTB Bank executive, Puchkov also has business interests in Limited Liability Company Atlant S and Limited Liability Company Inspira Invest A;
6. Yuriy Alekseyevich Soloviev; and
7. Galina Olegovna Ulyutina.

## **UK Sanctions**

On 24 February 2022, Boris Johnson announced that the [following individuals and companies had become designated](#):

1. Denis Alexandrovich Bortnikov;
2. Petr Fradkov;
3. Elena Alexandrovna Georgieva;
4. Krill Nikolaevich Shamalov;
5. Yury Slyusar;
6. UralVagonZavod;
7. PJSC United Aircraft Corporation (UAC);

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8. PJSC United Shipbuilding Corporation (USC);
  9. Rostec;
  10. JSC Tactical Missiles Corporation (TMC): and
  11. VTB Bank.

In addition to the above designations, the UK's sanctions package also included:

1. Asset freezes on all major Russian banks, including VTB Bank;
2. New legislation to be presented on Tuesday, to prohibit Russian state and private companies from raising finance on UK markets and prevent Russian raising sovereign debt on UK markets;
3. Asset freezes on over 100 individuals and entities, focusing on major manufacturers supporting "Putin's war machine";
4. A ban on Aeroflot landing in the UK;
5. Capping the amount of money Russian nationals can deposit in UK bank accounts;
6. Immediate suspension of all dual-use export licenses to Russia; and
7. Sanctions on Belarus for its role in Russia's invasion of Ukraine.

In addition to the measures taken against Russia, [OFAC also announced the sanctioning of 24 Belarusian individuals and entities](#) due to Belarus's support for, and facilitation of the invasion into Ukraine.

## Ports in Ukraine

Yesterday, Ukrainian officials announced that all of Ukraine's commercial seaports had been ordered to close. Russia also announced that the Sea of Azov in the Crimea was closed to all commercial traffic, but that the Black Sea ports in Russia remained open and functioning as normal.

Members should be advised that given the rapidly changing situation, there remains a high degree of uncertainty about the ability to freely and safely navigate in the Black Sea.

We will continue to provide updates on the sanctions page of our website.