

## Russia and Belarus Sanctions Update – March 17, 2022

MARCH 17, 2022

### Key Takeaways:

- U.S., UK, and EU impose additional sanctions in response to Russia’s continued escalation of conflict in Ukraine
- U.S. imposes sanctions on human rights violators and senior Russian defense officials
- UK sanctions over 370 Russian individuals, including 51 oligarchs and their family members
- EU imposes investment and trade restrictions, and sanctions Russian oligarchs, propagandists, state-owned entities and defense sector entities

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On March 15, 2022, the U.S., UK, and EU announced new sanctions against various individuals and entities in connection with Russia’s invasion of Ukraine. The U.S. added certain human rights violators and senior Russian defense officials to the Specially Designated Nationals and Blocked Persons (“SDN”) List. UK sanctions targeted Russian oligarchs and their family members, along with President Vladimir Putin’s political allies and propagandists. The EU imposed extensive prohibitions on transactions with certain state-owned entities and investments in the Russian energy sector, as well as certain trade restrictions and sanctions against oligarchs, pro-Kremlin propagandists, and defense sector entities, among others.

#### I. Additional U.S. Sanctions

##### a. Magnitsky Act Human Rights Violations Designations

On March 15, 2022, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) re-designated the President of Belarus, Alyaksandr Ryhorovich Lukashenka, who was already an SDN, and imposed sanctions pursuant to Executive Order 13405 against him and his wife, Halina Radzivonawna Lukashenka, for engaging in public corruption in Belarus.

Further, under the Sergei Magnitsky Rule of Law Accountability Act of 2012 (the “Magnitsky Act”), OFAC [added](#) one entity as well as four individuals to its SDN List. The new additions to the SDN List include those who were either involved in gross human rights violations against Oyub Titiev, a Russian human rights defender, or those who were connected to the concealment of events surrounding the death of Sergei Magnitsky (after whom the legislation is named), including a Russian judge and investigative officers. As a result of being added to the SDN List, all U.S. assets held by these individuals are frozen, and U.S. persons are prohibited from engaging in most transactions with the designated persons.

## b. Designations of Russian Defense Officials

On the same day, the U.S. Department of State also [announced](#) that it added 11 senior Russian defense officials to the SDN List pursuant to Executive Order 14024 for operating in the defense sector of the Russian Federation economy. These individuals include:

- Aleksei Krivoruchko, a Russian Ministry of Defense Deputy Minister of Defense;
- Timur Ivanov, a Russian Ministry of Defense Deputy Minister of Defense;
- Yunus-Bek Evkurov, a Russian Ministry of Defense Deputy Minister of Defense;
- Dmitry Bulgakov, a Russian Deputy Minister of Defense and a General of the Army;
- Yuriy Sadovenko, a Russian Ministry of Defense Deputy Minister of Defense;
- Nikolay Pankov, a Russian Ministry of Defense Deputy Minister of Defense;
- Ruslan Tsalikov, a Russian Ministry of Defense Deputy Minister of Defense;
- Gennady Zhidko, a Russian Ministry of Defense Deputy Minister of Defense;
- Viktor Zolotov, a Russian General of the Army and Commander-in-Chief of Russia's National Guard Troops;
- Dmitry Shugaev, the Director of the Russian Ministry of Defense's Federal Service for Military Technical Cooperation; and
- Alexander Mikheev, the Director General of Rosoboronexport, which is Russia's state-controlled intermediary that carries out foreign trade with respect to military goods.

## II. **UK Adds 370 Persons to Sanctions List**

The UK also [announced](#) an additional round of sanctions on March 15, 2022, under the new [Economic Crime \(Transparency and Enforcement\) Act 2022](#). The UK sanctioned over 370 persons, including politicians as well as 51 oligarchs and their family members. The sanctioned persons will have their assets in the UK frozen, which means no UK citizen or company can do business with them and they are also banned from traveling to or from the UK. The new designations include the following Russian oligarchs:

- Mikhail Fridman, founder of Alfa Bank, the largest private bank in Russia, and co-founder of investment company, LetterOne;
- Petr Aven, who was President of Alfa Bank and co-founder of LetterOne;
- German Khan, a business partner of Aven and Fridman in both Alfa Bank and LetterOne;
- Alexey Mordashov, a member of (purportedly) Russia's richest family and a majority shareholder in steel company Severstal;
- Andrey Melnichenko, the founder of EuroChem Group;
- Viktor Vekselberg, owner of the Renova Group;
- Alexander Ponomarenko, chairman of the board of Sheremetyevo, the biggest airport in Russia;
- Dmitry Pumpyansky, owner and chairman of OAO TMK, which produces equipment for the oil and gas industry; and
- Vadim Moshkovich, chairman of the board of directors of Rusagro Group, one of Russia's largest agricultural companies.

## III. **Additional EU Sanctions**

In tandem with the UK and U.S., on March 15, 2022, the EU [announced](#) that it would be imposing a fourth round of individual and economic sanctions because of Russia's continued military aggression against Ukraine. In this latest action, the EU has imposed a near-total ban on transactions with the following Russian state-owned entities:

- Opk Oboronprom
- PJSC United Aircraft Corporation
- JSC Research and Production Corporation Uralvagonzavod
- PJSC Rosneft Oil Company
- JSC Transneft
- Gazprom Neft
- JSC Concern VKO "Almaz-Antey"
- Kamaz
- Rostec (Russian Technologies State Corporation)
- JSC Po Sevmash
- Sovcomflot
- JSC United Shipbuilding Corporation

The ban extends to the entities' non-EU subsidiaries that are owned 50% or more, directly or indirectly, by these companies as well as a ban on transactions with persons acting on behalf of these entities and their subsidiaries. Limited exceptions are made for (a) transactions that are strictly necessary for the purchase, import or transport of fossil fuels, in particular coal, oil and natural gas, as well as titanium, aluminum, copper, nickel, palladium and iron ore from or through Russia into the EU; and (b) transactions related to energy projects outside Russia in which one of the sanctioned entities is only a minority shareholder.

The EU also imposed a prohibition on certain new investments in the Russian energy sector and barred the provision of credit rating services to any Russian person or entity, which goes into effect on April 15, 2022. Moreover, the EU has imposed trade restrictions on iron, steel, and luxury goods. The EU has forbidden the import, directly or indirectly, of iron and steel products into the Union, if they either originate in Russia or have been exported from Russia. Similarly, purchases of iron or steel products that either originated in Russia or have been exported from Russia are also prohibited. With respect to luxury goods, the EU has banned the selling, supplying, transferring or exporting (directly or indirectly) of luxury goods "to any person, entity or body in Russia or for use in Russia." This restriction only applies to luxury goods whose value exceeds 300 euros per item.

Finally, the EU added 9 entities and 15 individuals to the list of persons, entities and bodies subject to restrictive measures set out in the Annex to [Decision 2014/145/CFSP](#), listed below:

- Roman Arkadyevich Abramovich, an oligarch who is a member of Vladimir Putin's inner circle;
- German Borisovich Khan, an oligarch who is a member of Vladimir Putin's inner circle;
- Viktor Filippovich Rashnikov, an oligarch and leading Russian businessperson;
- Alexey Viktorovich Kuzmichev, an oligarch who is a member of Vladimir Putin's inner circle;
- Alexander Alexandrovich Mikheev, the CEO of Rosoboronexport;
- Alexander Nikolayevich Shokhin, the President of the Russian Union of Industrialists and Entrepreneurs and a member of Vladimir Putin's inner circle;

- Andrey Valerievich Ryumin, the Executive Director of Rosseti PJSC and a member of Vladimir Putin's inner circle;
- Armen Sumbatovich Gasparyan, who runs a pro-Kremlin propaganda television program;
- Artyom/Artem Grigoryevich Sheynin, a Russian propagandist who, among other things, supports the illegal annexation of Crimea and promotes ethnic hatred between Russians and Ukrainians;
- Dmitry Yevgenevich Kulikov, a pro-Kremlin propagandist;
- Konstantin Lvovich Ernst, the CEO of Channel One Russia;
- Marina Vladimirovna Sechina, who was designated for benefitting from Russian decision-makers responsible for the annexation of Crimea or the destabilization of Ukraine;
- Suleyman Abusaidovich Kerimov, an owner of the financial and industrial group Nafta Moscow and a member of Vladimir Putin's inner circle;
- Tigran Oganessian Khudaverdyan, the Executive Director of Yandex, a company used to hide information from Russians about the war in Ukraine; and
- Vladimir Valerievich Rashevsky/Vladimir Valeryevich Rashevskiy, the CEO and Director of EuroChem Group AG and a member of Vladimir Putin's inner circle.

The EU also froze the assets of the following Russian defense sector entities:

- Rosneft Aero
- JSC Rosoboronexport
- JSC NPO High Precision Systems
- JSC Kurganmashzavod
- JSC Russian Helicopters
- PJSC United Aircraft Corporation
- JSC United Shipbuilding Corporation
- JSC Research and Production Corporation Uralvagonzavod
- JSC Zelenodolsk Shipyard

Foley Hoag will continue to provide updates as the situation with respect to Ukraine develops. Companies with questions about these actions or how to ensure compliance with U.S. sanctions and export control regulations should contact a member of Foley Hoag's [Trade Sanctions & Export Controls practice](#). For information on earlier Russia-related actions, see our prior Client Alerts issued on [March 15](#), [March 11](#), [March 7](#), [March 1](#), [February 28](#), and [February 17](#).