

## Biden Administration Issues Executive Order Prohibiting Certain Imports, Exports, and New Investment in Russia

On March 11, 2022, U.S. President Biden signed an executive order Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression. The order authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to prohibit new investment by a U.S. person in any sector of the Russian Federation economy. Executive Order 14066 of March 8, 2022 previously prohibited new investment in the Russian energy sector.

In addition, the order prohibits:

- i. The importation into the U.S. of certain products of Russian Federation origin. The order lists fish, seafood, and preparations thereof; alcoholic beverages; and non-industrial diamonds. Import of these items pursuant to pre-existing written contracts or written agreements is authorized through 12:01 a.m. eastern daylight time, March 25, 2022.<sup>1</sup>

Any other products of Russian Federation origin may be import-banned by a determination of the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce.

The U.S. Department of the Treasury's Office of Foreign Assets Control defines "Russian Federation origin" as "goods produced, manufactured, extracted, or processed in the Russian Federation, excluding any Russian Federation origin good that has been incorporated or substantially transformed into a foreign-made product."<sup>2</sup>

- ii. The exportation, reexportation, sale, or supply, directly or indirectly, from the U.S., or by a U.S. person, of luxury goods, to any person located in the Russian Federation. Any other items may be export-banned by a determination of the Secretary of Commerce, in consultation with the Secretary of State and the Secretary of the Treasury.

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<sup>1</sup> Russia-related General License 17, [https://home.treasury.gov/system/files/126/russia\\_gl17.pdf](https://home.treasury.gov/system/files/126/russia_gl17.pdf)

<sup>2</sup> FAQ 1,019, <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/1019>.

The U.S. Department of Commerce, Bureau of Industry and Security (BIS) has published a list of luxury goods subject to the export ban in Supplement No. 5 to Export Administration Regulations part 746.<sup>3</sup>

- iii. The exportation, reexportation, sale, or supply, directly or indirectly, from the U.S., or by a U.S. person, of U.S. dollar-denominated banknotes to the Government of the Russian Federation or any person located in the Russian Federation.

Certain transactions relating to transfer of U.S. dollar-denominated banknotes for noncommercial, personal remittances from the United States (or by a U.S. person) to an individual located in the Russian Federation or from a U.S. person who is an individual located in the Russian Federation are authorized.<sup>4</sup> However, U.S. financial institutions are not authorized to process transactions for the provision of U.S. dollar-denominated banknotes to foreign financial institutions for further distribution or supply to any person located in the Russian Federation.<sup>5</sup>

- iv. Any approval, financing, facilitation, or guarantee by a U.S. person of a transaction by a foreign person where the transaction by that foreign person would be prohibited by (i) or (iii) above if performed by a U.S. person or within the United States.

Individuals who are U.S. persons located in the Russian Federation are authorized to engage in transactions ordinarily incident and necessary to their personal maintenance within the Russian Federation.<sup>6</sup>

The Biden administration continues to intensify the sanctions imposed on the Russian Federation. Curtis's Sanctions and Export Controls practice group is monitoring developments.

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<sup>3</sup> Export Administration Regulations: Imposition of Sanctions on 'Luxury Goods' Destined for Russia and Belarus and for Russian and Belarusian Oligarchs and Malign Actors, <https://www.federalregister.gov/public-inspection/2022-05604/export-administration-regulations-imposition-of-sanctions-on-luxury-goods-destined-for-russia-and>

<sup>4</sup> Russia-related General License 18, [https://home.treasury.gov/system/files/126/russia\\_gl18.pdf](https://home.treasury.gov/system/files/126/russia_gl18.pdf)

<sup>5</sup> FAQ 1028, <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/1028>

<sup>6</sup> Russia-related General License 19, [https://home.treasury.gov/system/files/126/russia\\_gl19.pdf](https://home.treasury.gov/system/files/126/russia_gl19.pdf)

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