

The material contained in this slide deck is only a general review of the subjects covered, effective as of April 12, 2022 at 9.30am ET, and does not constitute legal advice. No legal or business decision should be based on its contents.

CURTIS

CURTIS, MALLET-PREVOST, COLT & MOSLE LLP

US, EU, and UK Sanctions Imposed Against Russia: What Every Business Should Know Right Now

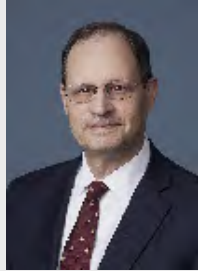
Curtis Sanctions and Export Controls Committee

April 12, 2022

Attorney Advertising

ALMATY | BEIJING | BOGOTÁ | BRUSSELS | BUENOS AIRES | DUBAI | FRANKFURT | GENEVA | HOUSTON | LONDON | MEXICO CITY | MILAN | MUSCAT | NEW YORK | NUR-SULTAN | PARIS | RIYADH | ROME | WASHINGTON, D.C.

Presenters



Jacques Semmelman,
Partner

New York
jsemmelman@curtis.com
P +1 212 696 6067



Jason D. Wright,
Partner

New York & Washington D.C.
jwright@curtis.com
P +1 212 696 8833



Mark Handley,
Partner

London
mhandley@curtis.com
P +44 207 710 9821



Elena Klonitskaya,
Partner

Brussels
eklonitskaya@curtis.com
P +32 474 42 75 77



Edoardo Zucchelli,
Partner

Milan
ezucchelli@curtis.com
P +39 02 7623 2001



Ana Amador,
Associate

Washington, D.C.
aamador@curtis.com
P +1 202 452 7366

Sanctions: General Overview

The material contained in this slide deck is only a general review of the subjects covered, effective as of April 12, 2022 at 9.30am ET, and does not constitute legal advice. No legal or business decision should be based on its contents.

- Developments in sanctions laws are sudden and fast-moving
- Businesses need to have compliance programs and other safeguards in place
- Types of international sanctions:
 - Embargoes
 - Financial sanctions and asset freezes
 - Prohibition on transacting with listed persons
 - Trade restrictions (export/import)
 - Travel restrictions

The Stakes Are Extremely High

US Office of Foreign Assets Control (OFAC) penalties for sanctions violations



- Civil: *Strict liability*
 - Each offense is subject to a separate penalty
 - Current maximum per offense is \$ 330,947
(31 C.F.R. § 588.701)
- Criminal: Requires *willfulness*
Penalties can include imprisonment and fines
- Other government agencies may impose additional penalties
 - *E.g.*, in 2014, BNP Paribas agreed to pay OFAC \$963 million as part of an \$8.9 billion settlement with OFAC, the US Department of Justice, the New York County District Attorney's Office, the Federal Reserve Board of Governors, and the Department of Financial Services of the State of New York

UK Office of Financial Sanctions Implementation penalties for sanctions violations



- Civil: The maximum ranges from 50% of value of breach to £1 million, whichever is higher
- Criminal: Maximum custodial sentence of 7 years; no limit on fine

EU penalties for sanctions violations



- Determinations of penalties are made by the competent authorities of each of the 27 member states

Year	Company	Country	Amount (\$)
2014	BNP Paribas	France	963,619,900
2015	Crédit Agricole	France	329,593,585
2016	Alcon	Switzerland	7,617,150
2017	ZTE Telecom	China	100,871,266
2018	Société Générale	France	53,966,916
2019	Standard Chartered Bank	UK	657,040,033
2020	SITA	Switzerland	7,829,640
2021	Union de Banques Arabes et Françaises	France	8,572,500
2022	Sojitz (Hong Kong) Ltd.	China	5,228,298

Largest OFAC civil penalty/settlement per year, 2014 to date

US Sanctions Against Russia

The material contained in this slide deck is only a general review of the subjects covered, effective as of April 12, 2022 at 9.30am ET, and does not constitute legal advice. No legal or business decision should be based on its contents.

Who Enforces Sanctions in the United States?



Treasury Department – Implements financial, economic and trade sanctions, through the Office of Foreign Assets Control (OFAC)

Commerce Department – Implements controls for export, reexport, and transfer of certain commercial items and technology present in the US or made in whole or in part in the US, through the Bureau of Industry and Security (BIS)

State Department – Implements controls for defense articles and services, through the Directorate of Defense Trade Controls (DDTC)

OFAC Sanctions Overview

- **Primary** sanctions

- “**US Person**”: Any US citizen or permanent resident alien regardless of location; any entity organized under the laws of the US or of any jurisdiction within the US (including foreign branches); or any person in the US (31 C.F.R. § 589.312)
- Others whose conduct intersects with the United States
 - *E.g.*, using US Dollar currency
- Types of primary sanctions
 - Specially Designated Nationals and Blocked Persons List (“**SDN**”) (blocking sanctions)
 - Sectoral Sanctions Identification List (“**SSI**”) (certain restrictions)
 - **The 50% Rule**
 - Other OFAC Lists, *e.g.*, CAPTA List, Foreign Sanctions Evaders List

OFAC Consolidated Sanctions List:

<https://sanctionssearch.ofac.treas.gov>

US International Trade Administration’s
Consolidated Screening List:

<https://www.trade.gov/data-visualization/csl-search>

- **Secondary** sanctions

- Principally against Iran, but also against Syria, North Korea, Russia
- Countering America’s Adversaries Through Sanctions Act (“CAATSA”) (2017) imposed secondary sanctions on Russia
 - *E.g.*, section 228 requires imposition of secondary sanctions on non-US person who engages in “significant transaction” with Russian SDN

Tranches of US Sanctions in 2022

First tranche

(Feb. 21-23, 2022)

- Embargo on Luhansk People's Republic & Donetsk People's Republic
- Blocking sanctions on Russian financial services sector and Nord Stream 2
- Restrictions on transactions in Russian sovereign debt

Second tranche

(Feb. 24, 2022)

- Export controls
- Restrictions on correspondent account or payable-through accounts for Russian banks
- Restrictions on dealings in new debt and equity

Third tranche

(Feb. 26-28, 2022)

- Removal of certain Russian banks from SWIFT
- Prohibitions on transactions with Russian Central Bank, National Wealth Fund and Ministry of Finance

Fourth tranche

(March 2-3, 2022)

- Ban on Russian aircraft in US airspace
- Export controls extended to Belarus
- State Department blocking sanctions and visa restrictions
- Launch of interagency Task Force KleptoCapture

Fifth tranche

(March 8 & 11, 2022)

- Ban on import of certain Russian energy products
- Prohibition on new investment in Russian energy sector
- Ban on import or export of certain luxury goods
- Oligarch designations

Sixth tranche

(April 6-7, 2022)

- Ban on new investments by US persons in Russia
- Revocation of Russia's MFN status
- Blocking sanctions on Sberbank and Alfa Bank

Ukraine- /Russia- related Sanctions

31 C.F.R.
§ 589

First enacted
in 2014

E.O.s 13660, 13661, 13662, 13685: Blocking sanctions and US embargo on **Crimea** (2014)

E.O. 14065: Blocking sanctions and US embargo on **Donetsk** and **Luhansk** (February 21, 2022)

- Prohibiting import or export by US persons of goods, services, or technology to or from embargoed regions
- Prohibiting new investment by US persons in embargoed regions
- Prohibiting approval, financing, facilitation or guarantee by US persons of transaction by foreign persons that would violate E.O. 14065 if performed by US persons
- Authorizing blocking sanctions on persons operating in embargoed regions

Russian Harmful Foreign Activities Sanctions (RuHSR)

31 C.F.R.
§ 587

E.O. 14024 (April 15, 2021): Authorizing blocking sanctions on

- 1) Any person involved in specified harmful foreign activities by Russia
 - *e.g.*, numerous oligarchs
- 2) Leaders and officials of the Government of Russia
- 3) Any entity owned or controlled by the Government of Russia
 - *e.g.*, Alrosa (world's largest diamond mining company)
- 4) Russian **technology** and **defense** sectors
 - *e.g.*, Mikron (largest Russian manufacturer of semiconductor chips)
 - *e.g.*, five marine vessels owned by Promsvyazbank (Russian state defense bank)
- 5) Any other sector determined by Treasury
 - **Financial services** sector: Sberbank, Alfa Bank, Sovcombank (banks); Garantex (virtual currency exchange)
 - **Aerospace, electronics, and marine** sectors



mikron



Garantex

Russian Harmful Foreign Activities Sanctions (RuHSR)

(cont.)

31 C.F.R.
§ 587

E.O. 14039: Blocking sanctions on persons involved in certain Russian energy export pipelines (August 20, 2021)

- **Nord Stream 2 AG**, its CEO and corporate officers



E.O.s 14066, 14068 (March 2022):

- **Prohibiting new investment** by US persons in Russian **energy** sector
- **Import ban**: *E.g.*, Russian Federation Origin crude oil, petroleum, liquified natural gas, coal; seafood; alcohol; and non-industrial diamonds

E.O. 14071: Prohibiting **any new investment** by US persons in Russia (“investment” is not defined in the E.O.) (April 6, 2022)

Sectoral Sanctions: Four Directives First Imposed in 2014 (E.O. 13662)



- Restricts US persons from transacting in new equity or new debt longer than 14 days maturity with listed persons from Russian **financial services** sector
- Updated September 29, 2017



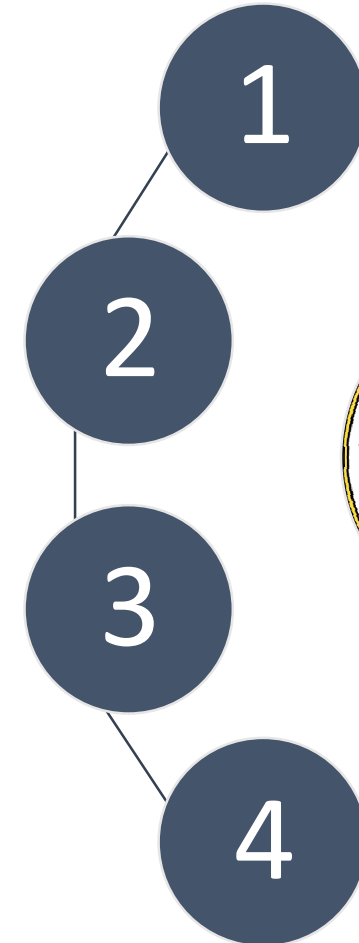
- Restricts US persons from transacting in new debt longer than 60 days maturity with listed persons from Russian **energy** sector
- Updated September 29, 2017



- Restricts US persons from transacting in new debt longer than 30 days maturity with listed persons from Russian **defense and related materiel** sector
- Effective September 12, 2014



- Restricts US persons from providing goods, non-financial services, and technology in support of certain projects for **exploration or production of oil**, where listed person has 33% ownership interest or majority voting interest
- Updated October 31, 2017



Sectoral Sanctions: Four Directives Imposed in 2022 (E.O. 14024)



1A

- Restricts US financial institutions from secondary dealings in **Russian sovereign debt**
- Effective March 1, 2022

2

- Prohibits US financial institutions from operating **correspondent or payable-through accounts** on behalf of any Russian financial institution on OFAC's CAPTA List
- Effective March 26, 2022

3

- Restricts US persons from transacting in new equity or debt >14 days maturity with listed persons, including **Russian Railways, certain Russian banks and Gazprom entities**
- Effective March 26, 2022



4

- Prohibits US persons from participating in any transaction involving the **Central Bank of Russia, National Wealth Fund of the Russian Federation or Russian Ministry of Finance**
- Effective February 28, 2022

Tranches of US Sanctions in 2022

First tranche

(Feb. 21-23, 2022)

- Embargo on Luhansk People's Republic & Donetsk People's Republic
- Blocking sanctions on Russian financial services sector and Nord Stream 2
- Restrictions on transactions in Russian sovereign debt

Second tranche

(Feb. 24, 2022)

- Export controls
- Restrictions on correspondent account or payable-through accounts for Russian banks
- Restrictions on dealings in new debt and equity

Third tranche

(Feb. 26-28, 2022)

- Removal of certain Russian banks from SWIFT
- Prohibitions on transactions with Russian Central Bank, National Wealth Fund and Ministry of Finance

Fourth tranche

(March 2-3, 2022)

- Ban on Russian aircraft in US airspace
- Export controls extended to Belarus
- State Department blocking sanctions and visa restrictions
- Launch of interagency Task Force KleptoCapture

Fifth tranche

(March 8 & 11, 2022)

- Ban on import of certain Russian energy products
- Prohibition on new investment in Russian energy sector
- Ban on import or export of certain luxury goods
- Oligarch designations

Sixth tranche

(April 6-7, 2022)

- Ban on new investments by US persons in Russia
- Revocation of Russia's MFN status
- Blocking sanctions on Sberbank and Alfa Bank

OFAC Has Issued General Licenses to Authorize Otherwise Prohibited Activity, Including:

Short-term licenses

*authorizing activity until
specified date in near term*

- **RuHSR GL 8B:** Authorizing energy-related transactions with certain sanctioned entities through June 24, 2022
- **RuHSR GL 10c:** Authorizing certain transactions ordinarily incident and necessary to the wind-down of derivative contracts through May 25, 2022
- **RuHSR GL 16:** Authorizing certain transactions ordinarily incident and necessary to the importation into the US of energy products under pre-existing contracts through April 22, 2022
- **RuHSR GL 17A:** Authorizing certain transactions ordinarily incident and necessary to the importation of Russian-origin seafood under pre-existing contracts through June 23, 2022
- **RuHSR GL 23:** Authorizing wind-down of transactions involving blocked entity Alfa Bank through May 6, 2022

Open-ended licenses

*authorizing certain activity with
no specified termination date*

- **RuHSR GL 7:** Authorizing overflight payments, emergency landings, and air ambulance services in or to Russia
- **Ukraine-related GL 18:** Authorizing exportation or reexportation to Donetsk and Luhansk of agricultural commodities, medicine, medical devices, COVID-19 materials, and other humanitarian goods
- **Ukraine-related GL 24:** Authorizing transactions relating to civil maritime services with individuals ordinarily resident in Donetsk or Luhansk, provided the services are not performed in those regions, or for the benefit of any entity in those regions
- **Ukraine-related GL 25:** Authorizing US news organizations and personnel to operate in Donetsk and Luhansk
- **RuSHR GL 25:** Authorizing exportation to Russia of services, software, hardware, or technology incident to the exchange of certain Internet-based communications, such as social media

US persons may apply to OFAC for a specific license on a case-by-case basis

Export Controls Imposed by US Bureau of Industry & Security



What Does BIS Do?

BIS reviews license applications and enforces controls on, *e.g.*:

- (1) *dual-use items*: commodities, software, and technology that are primarily commercial or civil in nature but also have potential military applications, *e.g.*, GPS units
- (2) certain *military items* that are not otherwise controlled by the Department of State's Directorate of Defense Trade Controls

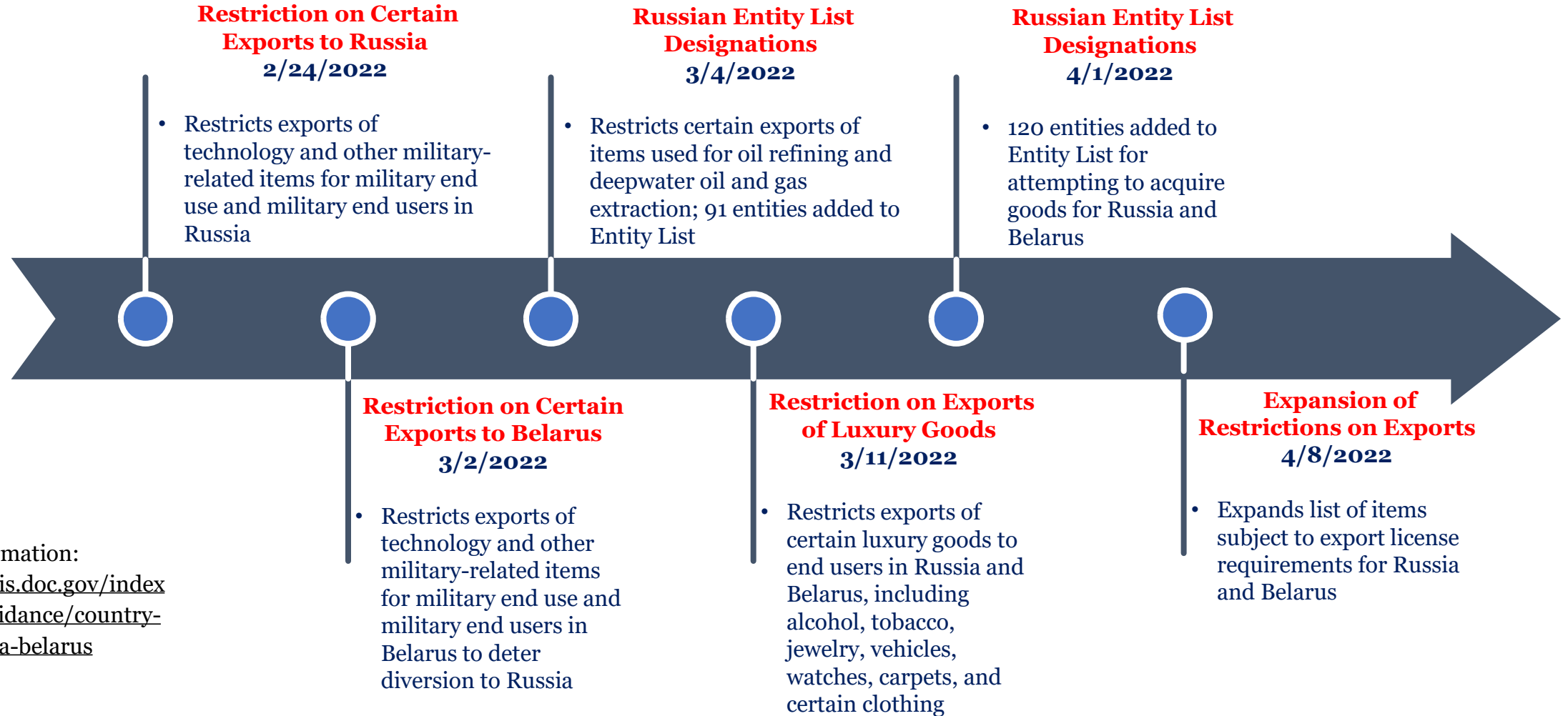
What is BIS?

An agency of the Department of Commerce responsible for implementing and enforcing the Export Administration Regulations

What is BIS's Mission?

To advance national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system

Newly Imposed US Export Controls on Russia



For More Information:
<https://www.bis.doc.gov/index.php/policy-guidance/country-guidance/russia-belarus>

BIS Enforcement Action Under New Export Controls

- On April 7, BIS took its first enforcement actions under the new Russia export controls
- BIS determined that Russian airlines flying Boeing airplanes on international flights into Russia or domestic flights within Russia were in violation of regulatory prohibitions
- BIS issued orders denying the export privileges of three Russian Airlines: Aeroflot, Azur Air and UTair
 - The orders terminate the right of the airlines to participate in transactions subject to the EAR, which means they will be denied parts and services necessary to maintain their fleets
 - The orders are valid for 180 days, renewable
- All 34 of Azur Air's planes are US origin, as are 48 of UTair's 63 planes and 59 of Aeroflot's 187 planes



Aeroflot, Russia's flag carrier and largest airline, was among the first entities penalized for violating the new Russia export controls. Carriers Azur Air and UTair were also targeted.

(photo: Boeing 777-300 operated by Aeroflot)

State Department Sanctions

- The State Department Directorate of Defense Trade Controls (DDTC) administers the International Traffic in Arms Control Regulations (ITAR).
- On February 25, consistent with E.O. 14065, DDTC announced a policy of denial for licensing of exports of defense articles and defense services under ITAR § 126.1 to Donetsk and Luhansk. That policy of denial has been in place with respect to Russia since March 18, 2021.
- On March 3, pursuant to E.O. 14024, the State Department designated 22 Russian defense-related entities that operate in the defense and related materiel sector; all 22 were added to the OFAC SDN List.



- On March 3, the State Department announced a new visa restriction policy to restrict the issuance of visas to certain Russian oligarchs, their family members, and close associates pursuant to Section 212(a)(3)(C) of the Immigration and Nationality Act.
- That same day, the State Department restricted 19 “oligarchs” and 47 family members and close associates.

Miscellaneous Other US Sanctions

- Joint Statement by The White House, European Commission, France, Germany, Italy, the United Kingdom, and Canada removing certain Russian banks from the **SWIFT messaging system** (February 26, 2022)
- Federal Aviation Administration Notice to Air Missions No. 2/2415 implementing prohibition on Russian air carriers and commercial operations, aircraft registered in Russia, and aircraft owned, chartered, leased, operated or controlled by or for the benefit of a Russian person or entity identified by the Consolidated Screening List from **conducting flight operations in the territorial airspace of the US** (March 10, 2022)
- Congressional legislation to revoke **Permanent Normal Trade Relations** (PNTR) status with Russia passed (April 7, 2022)
 - In the United States, the term was changed from “most favored nation” (MFN) to “permanent normal trade relations” in 1998

Sectors of Russian Economy Affected by US Sanctions



Financial



Energy



Defense



Transportation



Aerospace



Electronics



Marine



Luxury Goods

CLE Code

The EU and the UK

The material contained in this slide deck is only a general review of the subjects covered, effective as of April 12, 2022 at 9.30am ET, and does not constitute legal advice. No legal or business decision should be based on its contents.

Packages of Sanctions

- USA, EU, UK coordinated their measures.
- Designations and nature of measures differ between each regime.

First package (Feb. 23, 2022)

- Embargo:
Luhansk People's Republic
Donetsk People's Republic

Second package (Feb. 25 & 28, 2022)

- Financial sector
- Energy
- Dual use
- Asset freezes
- Export ban on
vessels and aircraft

Third package (Mar. 2 & 9, 2022)

- SWIFT
- Russian State media
- Prohibition on
exporting euro
banknotes
- Closure of EU
airspace

Fourth package (Mar. 15, 2022)

- Transactions with
SOEs
- Provision of credit
rating services
- New investments
energy
- Trade restrictions
(iron, steel and luxury
goods)

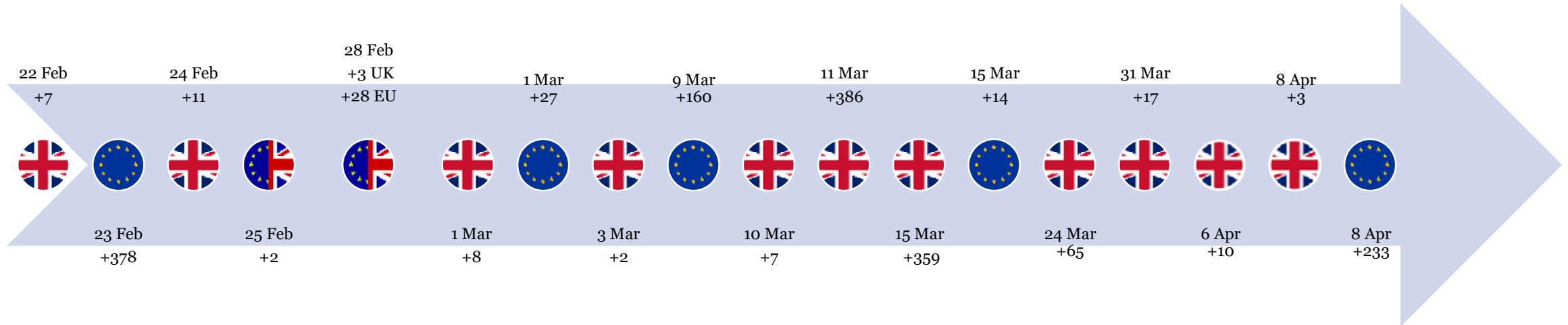
Fifth Package EU (Apr. 8, 2022)

- Import ban on coal
- Designations: Four banks
- Ban on vessels
- Export bans: quantum
computers, semiconductors
- Import bans: cement, wood,
seafood, liquor
- Public procurement
- Trustee services

EU Additions to the Consolidated List (Asset Freezes)

EU:

- Commission Guidance aggregates the ownership percentages of designated shareholders
- No definition in the legislation of “own” and “control”



EU: The Whole of Russia



1) Import restrictions

- Certain iron/steel products
- Goods that generate “significant revenue” for Russia
 - Annex XXI: *e.g.*, seafood, potash, fertilizers, wood, cements, aluminum plates, cruise ships
 - Wind-down period through July 10, 2022 (contracts prior to April 9, 2022)

2) Export ban

- Luxury goods
- Goods enhancing Russia’s industrial capacities
 - Annex XXIII: quantum computing, advanced semiconductors, sensitive machinery, chemicals
- Goods for military and technological enhancement

3) Public procurement: prohibition on contracts and concessions with Russian nationals.

<u>Export Ban on Luxury Goods</u>	Pearls	Burglar alarms
Champagne	Precious stones	Sunbeds
Cigars	Jewelry	Gaming consoles
Perfume	Collectible coins	Home cinemas
Vessels	Cutlery	Bicycles
Saddles	Tableware	Watches
Luggage	Refrigerators	Clocks
Dresses	Printers	Musical instruments
Sporting goods	Sewing machines	Artwork
Shoes	Microwaves	Wigs
Hats	Coffee makers	etc.
Carpets	Smartphones	

Transport

1. Aircraft:

- Prohibition on Russian air carriers
- Non-Russian registered aircraft controlled by a Russian person
- Export ban on aviation and space-related goods

2. Vessels:

- Prohibition on access to EU ports to Russian flagged vessels (applies to vessels that changed flag after Feb. 24, 2022; in force from April 16, 2022)
- Export and import ban on vessels, maritime navigation goods & tech
 - Authorization may be granted if necessary for import of certain products including: natural gas, minerals (*e.g.*, nickel, aluminum); agricultural products (including fertilizers); nuclear fuel, coal and solid fossil fuels through Aug. 10, 2022

3. Road transport: (including transit)

- Wind-down until April 16, 2022
- Authorization can be granted for import of certain products (maritime transport)



EU: Russian Energy Sector

Prohibition on any transaction with **Gazpromneft, Transneft or Rosneft**:

- Includes: their non-EU subsidiaries and/or anyone acting as their agent
- Excludes:
 - Contracts pre-dating March 16 up until May 15
 - Transactions for the purchase, import or transport of fossil fuels, and certain metals, “from or through Russia into the Union”, the EEA, Switzerland and Western Balkans
 - Transactions related to energy projects outside Russia in which one of the companies is only a minority shareholder



Prohibitions in the energy sector:

- No new equity
- No new financing
- No new joint ventures
- No investment services related to equity, financing or joint ventures

Prohibition on sale/supply/transfer/export to any person in Russia or for use in Russia:

- goods listed in Annex II and previously limited to Arctic, Deep Water and Shale oil other than for transport of fossil fuels “from or through Russia into the Union”, with a sunset clause until September 17;
- goods listed in Annex X suited for use in oil refining

Prohibition on imports of coal from Russia (NCAs can authorize until August 10, 2022)

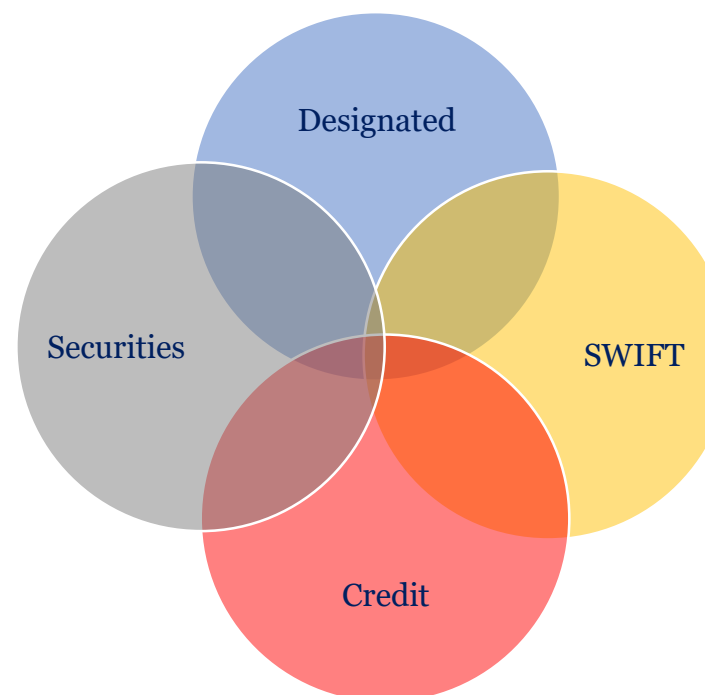
Prohibition on imports of other solid fossil fuels (NCAs can authorize until August 10, 2022)

EU: Russian Financial Services Sector



Other restrictions:

- Russian nationals' deposits limited to €100,000 per bank
- Banks required to make annual reports on Russian funds
- Prohibition on providing crypto-asset wallet / custody services exceeding € 10,000
- Prohibition on selling bank notes, EU-denominated transferable securities
- EU securities depositories barred from providing any services to any Russian company or national
- Prohibition on acting as trustee for Russian persons and entities



	Designated	SWIFT	Credit	Securities
Alfa Bank				✓
Bank Rossiya	✓	✓		✓
Gazprombank			✓	
Novikombank	✓	✓		
Otkritie	✓	✓		✓
Promsvyazbank	✓	✓		✓
Rosselkhozbank			✓	
Russian Nat. Commercial Bank	✓			
Sberbank			✓	
Sovcombank	✓	✓		
VEB	✓	✓	✓	
VTB	✓	✓	✓	



EU: Russian Defence Sector



Designations

- Almaz-Antey
- JSC Russian Helicopters
- Kurganmashzavod
- Rosoboronexport
- NP High Precision Systems
- United Aircraft Corporation
- United Shipbuilding
- Uralvagonzavod
- Etc.

Export Controls

- Military embargo
- Dual-use goods

Credit (Annex V)

- Oboronprom
- United Aircraft Corporation
- Uralvagonzavod

Securities (Annex XIII)

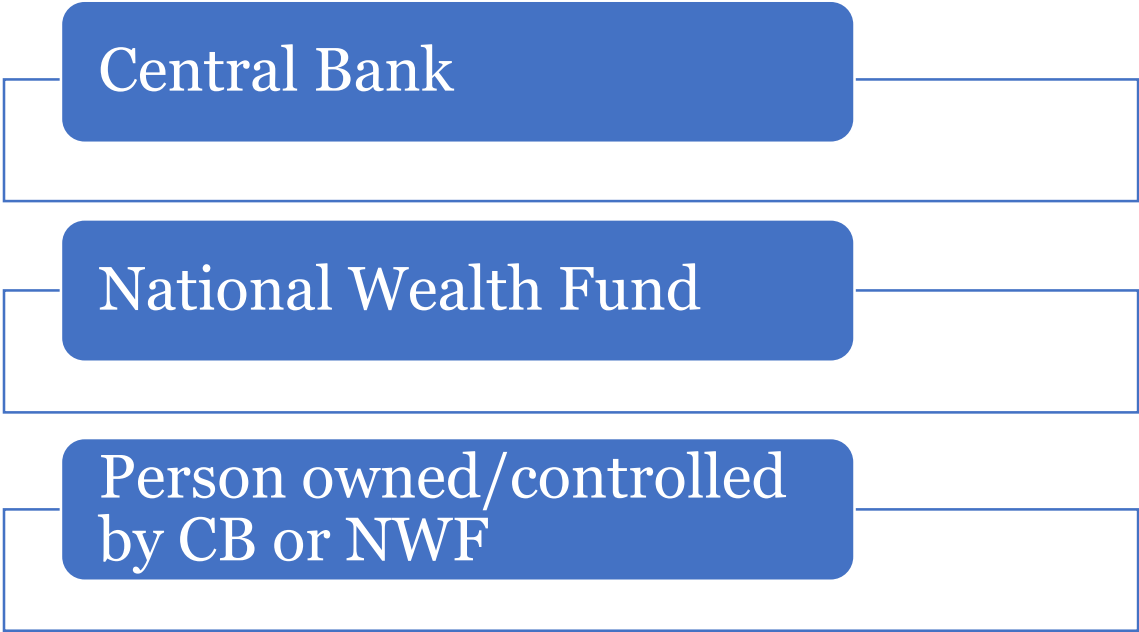
- Almaz-Antey
- Kamaz
- JSC Po Sevmash
- Rostec
- Sovcomflot
- United Shipbuilding Corporation

Transactions (Annex XIX)

- Oboronprom
- United Aircraft Corporation
- Uralvagonzavod
- Almaz-Antey
- Kamaz
- Rostec
- JSC Po Sevmash
- Sovcomflot
- United Shipbuilding Corporation (USC)

EU: Russian Government

-  Putin
-  Lavrov (Foreign)
-  Shoigu (Defense)
-  Reshetnikov (Econ. Dev.)
-  Mishustin (PM)
-  Kolokoltsev (Interior)
-  Chernyshenko (Tourism)

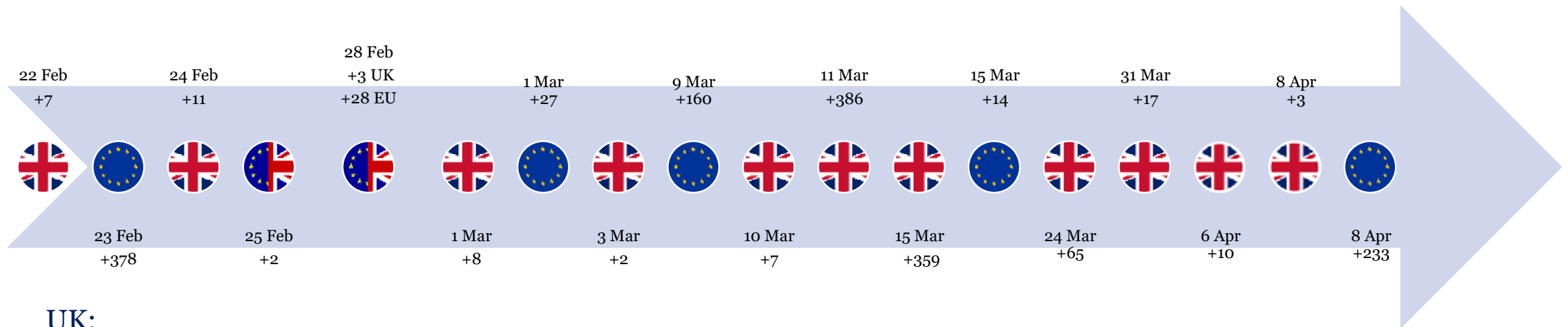


Prohibition on dealing with SOEs
Annex XIX (Rosneft, USC etc.)

Legal person, entity or body acting on behalf or at the direction

(exceptions: humanitarian, health, management of nuclear waste)

EU and UK Additions to their Consolidated Lists (Asset Freezes)



UK:

- OFSI Guidance does not aggregate ownership percentages of designated shareholders.
- UK legislation defines in precise terms what is meant by “own” and “control”
- UK regulations now permit designation “by description” rather than by specified name

UK: The Whole of Russia

Increased Import Duties in Russian/Belarusian Goods

35% import tariffs imposed on: cereals, oil seeds, iron, steel, fertilisers, wood, tyres, railway containers, cement, copper, aluminium, silver, lead, iron ore, spirits and vinegar, glassware, paper and cardboard, art, antiques, fur and artificial fur, ships and white fish, etc.

Import/Export Ban in Relation to Crimea –Extended to Donetsk and Luhansk

- Very wide range of goods prohibited from direct and indirect export

Prohibition on Making Credit Available

UK persons prohibited from:

- making credit of more than 30 days' maturity available to any Russian company or legal person; or
- providing a range of financial services in support of such loans



IMPORT

EXPORT

NO CREDIT

PLEASE

DON'T ASK

UK: Transport sector

- British airspace:
 - Russian-owned, chartered, or operated planes barred from British airspace
 - Criminal offence (flying over or landing in UK territory)
- British ports:
 - Russian-owned, controlled, chartered, operated, flagged or registered ships barred from UK ports
 - Seizure powers for such vessels
- Export ban on:
 - Aviation and space-related goods and technology
 - Infrastructure-related goods



UK: Russian Energy Sector



- Very few designations in the energy sector
- Credit raising restrictions for:
 - Gazpromneft, Rosneft and Transneft; and their UK subsidiaries
- Prohibitions regarding “energy-related goods”:
 - exporting, supplying, delivering, making available
 - technical assistance, financial services, brokering services



The UK's oil embargo

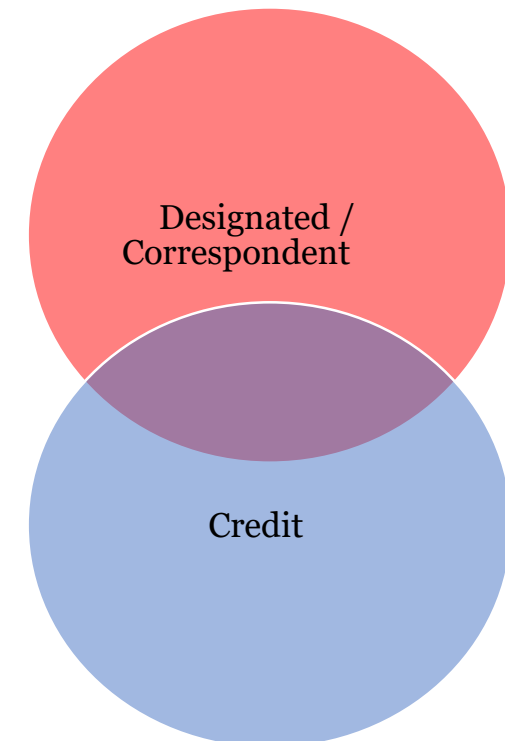
- Coming into force on January 1, 2023
- Russian oil not Russian gas
- No draft legislation yet published
 - Prohibition against just importing to UK or exporting from Russia?
 - What will count as “Russian” oil?



UK: Russian Banking Sector



	Designated	Correspondent	Credit
Alfa Bank	√	√	
Bank Rossiya	√	√	
Black Sea Bank for Development and Reconstruction	√	√	
Credit Bank of Moscow	√	√	
Gazprombank	√	√	√
Genbank	√	√	
IS Bank	√	√	
Otkritie	√	√	
Promsvyazbank	√	√	
Rosselkhozbank	√	√	√
Russian National Commercial Bank	√	√	
Sberbank	√	√	√
SMP Bank	√	√	
Sovcombank	√	√	
Ural Bank for Reconstruction and Development	√	√	
VEB	√	√	√
VTB	√	√	√





UK: Russian Defence Sector

Designations

Almaz-Antey
JSC Integral
Uralvagonzavod
Makayev State Missile Centre
United Shipbuilding Corporation
United Aircraft Corporation
Rostec
Tactical Missile Corporation
Wagner
Kronshtadt
Russian Railways
Wagner Group

Export Controls

- Military embargo
- Dual-use goods
- “Critical technology”

Import Controls

- Arms consigned from Russia
- Arms originating in Russia

Credit Restrictions

- Oboronprom
- United Aircraft Corporation
- Uralvagonzavod



UK: Russian Government



Central Bank, Ministry of Finance, National Wealth Fund

Prohibitions against:

- Providing credit
- Financial services in relation to foreign exchange reserves and asset management
- Bonds and transferable securities
 - includes those owned or controlled by the Central Bank, Ministry of Finance or National Wealth Fund; and/or
 - those acting as their agents



Putin



Lavrov



Shoigu



Reshetnikov



Mishustin



Kolokoltsev



Chernyshenko

All limbs of the Russian government

No UK person can provide credit to any part of the government or state of Russia of more than 30 days' maturity

UK: General Licences

- Some already expired
- Some specific to permit actions by regulators
- Sberbank licence – wind down of transactions until 24 June
- Belaeronavigatsia licence – limited to flight data
- Chelsea Football Club licence – until 31 May
- Central Bank, NWF, Ministry of Finance licence – wind down of derivative transactions until 2 May
- Central Bank, NWF, Ministry of Finance licence – wind down of financial services for non-rouble interest/debt repayment until 30 June
- Bank Dabrabyt licence – wind down of transactions until 23 April
- Alfa Bank, Gazprombank, Rosselkhozbank, etc – wind down of transactions until 23 April
- GEFCO licence – continuation of business until 23 May
- Sovcomflot licence – wind down of transactions until 15 May
- Credit Bank of Moscow – wind down of transactions until 6 May

A person must notify OFSI if they are placing reliance on a general licence.

OFSI has not granted a single specific licence in relation to Russian sanctions during 2022.



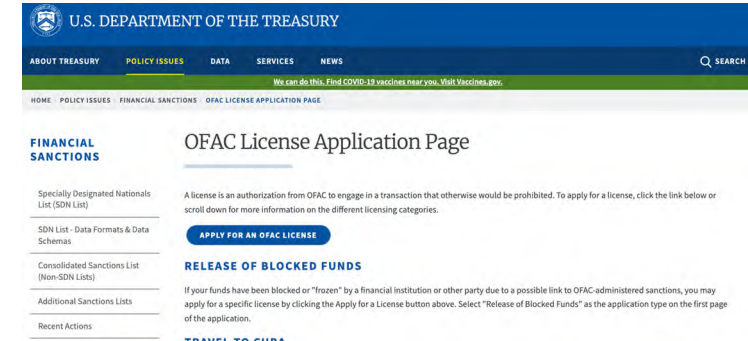
Navigating the Current Sanctions Environment

Attorney Advertising

The material contained in this slide deck is only a general review of the subjects covered, effective as of April 12, 2022 at 9.30am ET, and does not constitute legal advice. No legal or business decision should be based on its contents.

Navigating the Current Sanctions Environment:

1. Monitor the rapidly-changing sanctions landscape
2. Establish and maintain a robust compliance program
 - Written compliance materials
 - Employee training
3. Screen all transactions diligently
4. Be alert for red flags
 - Geographic
 - Counterparty-specific
 - Transaction-specific
5. Draft protective contractual provisions
 - Representations and Warranties
 - Force Majeure
6. Consider application to Agency
 - Clarification
 - Specific license



Curtis client alerts on International Sanctions on Russia

EXPERIENCEOUR PEOPLETHE FIRM

We are an international law firm with a high level of partner attention and a reputation for excellence.

OFFICES

Curtis has 19 offices located in key business centers around the globe.

VIEW ALL

NEWS & EVENTS

Counsel Reanne Dwyer speaks at the Canada-India Global Economic Summit Program

VIEW ALL

INTERNATIONAL SANCTIONS ON RUSSIA

Our attorneys are supplying first-hand insights and analysis to inform clients of the latest economic sanctions against Russia and their impact.

LEARN MORE

<https://www.curtis.com/>

OVERVIEWTEAMNEWS & EVENTS

EVENT 06 APR. 2022

Curtis Sanctions and Export Controls Committee to Host Upcoming Webinar Entitled "US, EU, and UK Sanctions and Export Controls..."

MORE

CLIENT ALERT 15 MAR. 2022

U.S. President Biden Imposes Fifth Tranche of Economic Sanctions Against Russia

MORE

CLIENT ALERT 15 MAR. 2022

U.S. President Biden Imposes a Fourth Tranche of Economic Sanctions Against Russia

MORE

CLIENT ALERT 14 MAR. 2022

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

MORE

CLIENT ALERT 14 MAR. 2022

Biden Administration Issues Executive Order on Ensuring Responsible Development of Digital Assets

MORE

CLIENT ALERT 11 MAR. 2022

U.S. President Biden Imposes Third Tranche of Economic Sanctions Against Russia

MORE

CLIENT ALERT 11 MAR. 2022

U.S. President Biden Imposes Second Tranche of Economic Sanctions against Russia

MORE

CLIENT ALERT 11 MAR. 2022

Expanded Sanctions Imposed on Belarus by the U.S., EU, and UK

MORE

CLIENT ALERT 10 MAR. 2022

EU/UK Expand Sanctions against Russia

MORE

CLIENT ALERT 07 MAR. 2022

U.S. President Biden Imposes Export Controls on Russia and Belarus

MORE

CLIENT ALERT 01 MAR. 2022

EU and the UK Impose Further Sanctions on Russia

MORE

CLIENT ALERT 24 FEB. 2022

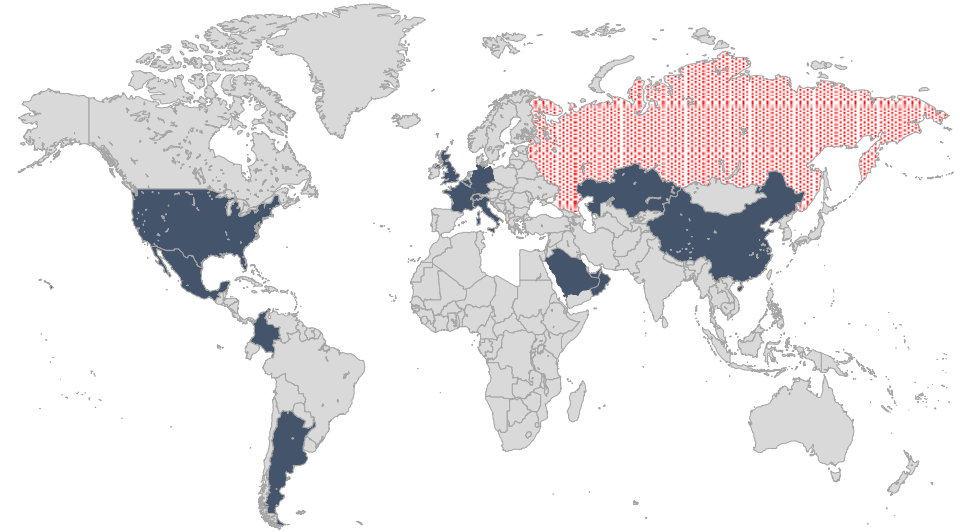
EU, UK, Japan and Australia Impose Sanctions on Russia

MORE

<https://www.curtis.com/experience/insights/international-sanctions-against-russia/news-events>

About Curtis

- Established International Law Firm (New York, 1830)
- 19 Offices Worldwide
 - North America: New York, Washington, D.C. & Houston
 - Latin America: Mexico City, Bogotá & Buenos Aires
 - Europe: London, Rome, Milan, Paris, Frankfurt, Geneva and Brussels
 - Middle East: Dubai, Muscat & Riyadh
 - Central Asia: Almaty & Nur-Sultan
 - Asia: Beijing and Singapore (Affiliate Office)
- Highly Qualified to Assist Businesses with US, UK, and EU Sanctions & Export Matters Implicating Russia



The material contained in this slide deck is only a general review of the subjects covered, effective as of April 12, 2022 at 9.30am ET, and does not constitute legal advice. No legal or business decision should be based on its contents.



CURTIS, MALLET-PREVOST, COLT & MOSLE LLP

Attorney Advertising

Sanctions and Export Controls Committee

Jacques Semmelman, Partner
Sanctions and Export Controls Committee Chair

White Collar Defense and Investigations, Economic
Sanctions and Anti-Corruption
New York: +1 212 696 6067
jsemmelman@curtis.com

Daniel Porter, Partner
International Trade Chair

International Trade, Economic Sanctions
and Anti-Corruption
Washington, D.C: +1 202 452 7340
Beijing: +86 10 8564 6200
Geneva: +41 22 718 3500
dporter@curtis.com

Jason Wright, Partner
Litigation, White Collar Defense and Investigations
New York: +1 212 696 8833
jwright@curtis.com

Elena Klonitskaya, Partner

International Trade
Brussels: +32 474 42 75 77
eklonitskaya@curtis.com

Mark Handley, Partner

Commercial Litigation and Arbitration, Economic
Sanctions and Anti-Corruption, Internal Investigations
London: +44 20 7710 9821
mhandley@curtis.com

Edoardo Zucchelli, Partner

Commercial Litigation and Arbitration, Economic
Sanctions and Anti-Corruption, Intellectual Property
Milan: +39 02 7623 2055
ezucchelli@curtis.com

Nicoleta Timofti, Partner

Commercial Litigation and Arbitration, White Collar
Defense and Investigations
Geneva: +41 22 718 3505
New York: +1 202 716 1340
ntimofti@curtis.com

Ana Amador, Associate

International Trade
Washington, D.C: +1 202 452 7366
aamador@curtis.com

Taishu Pitt, Trade Analyst

International Trade
Washington, D.C: +1 202 452 7378
tpitt@curtis.com

Marwa Farag, Associate

International Arbitration
New York: +1 212 696 6040
mfarag@curtis.com

Lorena Guzman-Diaz, Associate

Commercial Litigation and Arbitration
New York: +1 212 696 6132
lguzman-diaz@curtis.com