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Stages of the EU, US and other countries' sanctions against Russia

Stages of the sanctions introduced

Sanctions have been imposed by the G7 countries, EU and other countries on the Russian Federation in a bid to force Russia to stop funding, arming and supplying weapons to terrorists in the east of Ukraine and to de-escalate the conflict.

From the very beginning it was believed that the sanctions would be introduced gradually:

- Stage 1 — limiting co-operation with Russia;
- Stage 2 — restrictions on export of certain types of technologies for the RF;
- Stage 3 — sectoral sanctions aimed at limiting the development of certain sectors of the RF economy.

Sanctions Stage 1 — was introduced on 6 March, 2014. It included the suspension of negotiations on the EU-Russia visa regime liberalisation and of a new partnership agreement, and moreover, a group of former Ukrainian officials with Yanukovych topping the list, becomes the subject of sanctions (Council Decision 2014/119/CFSP¹). In addition, preparation for the upcoming G8 summit in which Russia was due to participate, was suspended (there was a rollback to the G7 summit format).

Sanctions Stage 2 – 17 March, 2014, the EU member states' ministers of foreign affairs decided to move to the second stage of the sanctions and imposed the restrictions in the form of a ban on admission and blocking of the assets for 21 officials from Russia and Crimea (Council Decision 2014/145/CFSP²). Thus, 33 persons were included in the list of the Russian officials subjected to the sanctions related to the Crimea annexation. On the same day, sanctions against seven representatives of Russia, as well as Yanukovych and Medvedchuk, were adopted by the US.

18 March, 2014, Japan announced the adoption of visa and later, economic sanctions against Russia.

19 March, 2014, Australia introduced financial and visa sanctions against 12 citizens of Ukraine and Russia.

20 March, 2014, the US introduced the new sanctions against Russia: the expanded list of Russians who are prohibited from admission to the US and whose assets within the US territory shall be blocked. Britain and Canada joined in with the sanctions.

21 March, 2014, names of the 12 more Russian officials were added to the sanctions list, and 29 March, 2014, 15 more were added.

28 April, 2014, the US introduced the additional sanctions against seven MPs of the State Duma and blocked the assets of 17 companies associated with the RF's President, Putin. The US also restricted the

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1405941832053&uri=CELEX:32014D0119>

² <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1405942933504&uri=CELEX:32014D0145>

high-tech goods supply which Russia could use for military purposes. On the same day the EU extended the list by adding 15 more persons.

Following the US 29 April, 2014, Japan, Canada and Council of the EU also announced additional sanctions. Sanctions included restrictions on obtaining visas for certain politicians and businessmen. Canada's list also included two Russian credit organisations "ExpoBank" and "Rosenergobank".

Bearing in mind that Russia did not stop the conflict escalation in the east of Ukraine, military equipment supply and funding the terrorists, the US introduced additional restrictions on the state-owned enterprises of the Russia military-industrial complex. 16 July, 2014, the sanctions were approved by the US Government. The "Almaz-Antey" Corporation and concern "Kalashnikov", NGO "Izhmash" and NGO "Basalt", SPC "Uralvagonzavod", CB "Pryborobuduvannya" fell under the sanctions. The sanctions also hit companies from the oil and gas sector: "Novatek", "Rosneft", "Vnesheconombank", "Gazprombank" (Feodosiya company for petroleum logistics support in Crimea was also included). Sanctions were imposed on the Deputy Speaker of the State Duma Sergei Neverov, RF presidential aide Igor Shchegolev, Minister for Crimean affairs Oleg Saveliev and a terrorist from Donetsk A.Boroday.

17 July, 2014, the EU also expanded the sanctions against Russia. In particular, the EBRD was instructed to stop funding the new projects in Russia, and the European Investment Bank was instructed to suspend a cooperation program (in 2013 funding from the EBRD amounted to about \$2.5bln, the EIB – to \$1.4bln). In addition, the European Commission and the EU Foreign Service were instructed to submit offers to block any kind of investment in the economy of Crimea and "all financial institutions were called to refrain from financing projects that directly or indirectly recognise Crimea to be part of the Russian Federation's territory". Compared to the sanctions imposed by the US, European sanctions against the aggressor appeared to be softer, due to a large EU dependence on Russia and Russia directly bribing some European politicians.

"The point of no return" was 17 July, 2014, when the DPR terrorists shot down a Boeing 777 near Donetsk, 298 passengers and crew members - mostly Europeans - were killed as a result of the terrorist attack.

25 July, 2014, the EU announced additional sanctions against Russia. The list of persons who fell under the sanctions included Head of the Russian FSS A.Bortnikov, Secretary of the RF Security Council M.Patrushev, Head of the Foreign Intelligence Service, ex-Prime Minister M.Fradkov, Deputy Secretary of the RF Security Council R.Nurgaliev, ex-Spokesman of the RF State Duma B.Gryzlov, President of Chechen Republic R.Kadyrov, the Krasnodar Territory Gov. A.Tkachev and others. These sanctions were also imposed on the terrorist organisations including "Lugansk People's Republic", "Donetsk People's Republic", "the Federate State Novorossiya", "the International Union for Public Associations", the radical paramilitary formation "Sobol" and others.

Sanctions Stage 3

16 July, 2014, the US introduced the first sanctions related to the key sectors of the Russian economy. The sanctions were imposed on "Rosneft", gas company "Novatek", state banks "Vnesheconombank" and "Gazprombank". Also there were sanctions against the defence industrial sector: the «Almaz-Antey» Corp., "Izhmash", "Kalashnikov" Group, RMC "Basalt", "Uralvagonzavod" and CB "Priborostroenie", RMC "Mashinostroenie", KRET, "Sozvezdie". Sanctions were imposed on several Russian officials and military leaders, as well as on representatives of the anti-government forces in Ukraine.

25 July, 2014, the US refused to support the World Bank projects in Russia.

29 July, 2014, the EU decided to introduce the third stage of sanctions against the RF. Sanctions are related to energy and financial sectors, military and dual-purpose goods (Council Regulation (EU) No 833/2014)³.

Financial sanctions include restrictions on Russian banks (including those where state ownership exceeds 50%) affecting their access to the credit market and financial instruments with maturity exceeding 90 days. State banks are also forbidden from issuing Eurobonds and shares on behalf of the European owners. The same restrictions will be applicable to the RF state institutions, corporations and agencies with the state share exceeding 50%. In the energy sector, sanctions will be applied to the oil sector and provide for prohibition of export and re-export of high-tech equipment to Russia.

30 July, 2014, the US Treasury imposed the restrictions on export of goods and technologies for the Russian oil projects. The Council of the European Union officially adopted the additional restrictive measures, increasing the list of sanctions to 95 individuals and 23 companies.

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³ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L .2014.229.01.0001.01.ENG>