

## A Summary of the Latest Sanctions Against Russia

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Following Russia's announcement recognizing the independence of the Donetsk and Luhansk regions in Ukraine on February 21<sup>st</sup> and Russia's subsequent invasion of Ukraine on February 24<sup>th</sup>, the United States began issuing several rounds of wide-ranging sanctions targeting Russia and Belarus.

The following actions, which are described in further detail throughout this article, have been taken by the U.S. in response to Russia's invasion of Ukraine:

- I. On [March 11, 2022](#), President Biden issued an Executive Order, announcing the latest round of U.S. sanctions against Russia, banning the export of luxury goods to Russia and the U.S. import of signature Russia goods, as well as restricting U.S. investment in any sector of the Russian economy.
- II. On [March 8, 2022](#), President Biden issued an Executive Order, announcing an additional round of U.S. sanctions against Russia, banning the import of Russian oil, liquefied natural gas, and coal to the U.S.
- III. On [March 2 and March 3, 2022](#), the U.S. announced additional sanctions targeting Russia and Belarus, Russian individuals and entities, and banning Russian aircraft from U.S. airspace.
- IV. On [February 28, 2022](#), the U.S. announced that it would freeze Russian Central Bank assets that are held in the U.S. and impose sanctions on the Russian Direct Investment Fund.
- V. On [February 26, 2022](#), the U.S. and its allies announced their intention to remove several Russian banks from the SWIFT financial messaging system – an action that would eliminate the targeted banks' ability to conduct basic commerce with the outside world.
- VI. On [February 25, 2022](#), the U.S. issued sanctions targeting Russian President Vladimir Putin and Foreign Minister Sergei Lavrov, as well as Chief of the General Staff of the Russian Armed Forces, First Deputy Minister of Defense, and General of the Army Valery Gerasimov and Minister of Defense Sergei Shoigu.
- VII. On [February 24, 2022](#), hours after Russia invaded Ukraine, the White House announced a new round of sanctions against Russia, targeting ten of Russia's largest banks, prohibiting the ability of Russian state-owned and private entities to raise capital, and restricting certain exports.
- VIII. On [February 24, 2022](#), the U.S. implemented Russia-related export controls, which affect a range of items subject to the Export Administration Regulations (EAR), including restrictions on exports of nearly all U.S. items and items produced in foreign countries using certain U.S.-origin software, technology, or equipment.
- IX. On [February 22, 2022](#), a day after announcing its first wave of sanctions against Russia, the White House announced further sanctions, targeting two Russian banks, the country's sovereign debt, and several Russian individuals and their families.

- X. On [February 21, 2022](#), President Biden issued an Executive Order, announcing the U.S.' first round of sanctions against Russia, banning certain transactions and activities involving the Donetsk and Luhansk regions in Ukraine, after Russia recognized the regions as separate to Ukraine.
- XI. The recent measures taken by the U.S. are part of an ongoing [international response](#) against Russia, which includes actions taken by Australia, Canada, the European Union, Germany, Japan, and the United Kingdom.

Importantly, the Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued a number of exemptions, in the form of "General Licenses" and described in further detail throughout this article, authorizing transactions that would otherwise be blocked by the newly-issued sanctions.

The following is a summary of all U.S. sanctions issued against Russia as of **March 15, 2022**. The following sanctions generally apply to any [blocked party](#), as well as those parties that are owned [50% or more](#) by a blocked party.

As the situation on the ground in Ukraine continues to develop, the U.S. and its allies are expected to issue additional sanctions. This article will be updated as additional sanctions are announced.

#### **I. March 11 Executive Order Prohibiting Certain Russia-Related Imports, Exports, and New Investments in Any Sector of the Russian Economy by U.S. Persons**

On March 11, 2022, President Biden issued the latest [Russia-related Executive Order](#), announcing new "economic costs" targeting Russia.

Specifically, the Executive Order prohibits:

- 1) The importation into the U.S. of the following products of Russian origin: **fish, seafood, and preparations thereof; alcoholic beverages; non-industrial diamonds**; and any other products of Russian origin as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce.
- 2) The exportation, reexportation, sale, or supply, directly or indirectly, from the U.S., or by a U.S. person, wherever located, of **luxury goods**, and any other items as may be determined by the Secretary of Commerce, in consultation with the Secretary of State and the Secretary of the Treasury, to any person located in Russia.
- 3) **New investment in any sector of the Russian economy** as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, by a U.S. person, wherever located.
- 4) The exportation, reexportation, sale, or supply, directly or indirectly, from the U.S., or by a U.S. person, wherever located, of **U.S. dollar-denominated banknotes** to the Government of Russia or any person located in Russia.
- 5) Any approval, financing, facilitation, or guarantee by a U.S. person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this Executive Order if performed by a U.S. person or within the U.S. Meaning, this Executive Order, and the sanctions issued pursuant to it, equally apply to transactions by foreign individuals and entities that are approved,

financed, facilitated, or guaranteed by a U.S. person. For example, sanctions would apply to a **foreign subsidiary owned by a U.S. company** if the U.S. company is indirectly involved in a transaction by approving, financing, facilitating, or guaranteeing the transaction by the foreign subsidiary with a blocked individual or entity.

OFAC also issued the following General Licenses, which permit certain transactions blocked by the newly-issued Executive Order:

- [General License 17](#): Authorizing prohibited transactions that are ordinarily incident and necessary to the importation into the U.S. of fish, seafood, and preparations thereof; alcoholic beverages; or non-industrial diamonds of Russian origin already contracted for, until 12:01 a.m. eastern daylight time, March 25, 2022.
- [General License 18](#): Authorizing prohibited transactions that are ordinarily incident and necessary to the transfer of U.S. dollar-denominated banknote noncommercial, personal remittances from: (i) the U.S. or a U.S. person, wherever located, to an individual located in Russia; or (ii) a U.S. person who is an individual located in Russia.
- [General License 19](#): Authorizing prohibited transactions by U.S. individuals located in Russia that are ordinarily incident and necessary to their personal maintenance within Russia, including payment of housing expenses, acquisition of goods or services for personal use, payment of taxes or fees, and purchase or receipt of permits, licenses, or public utility services.
- [Ukraine-Related General License 23](#): Authorizing prohibited transactions that are ordinarily incident and necessary to the activities of nongovernmental organizations to support humanitarian projects to “meet basic human needs” in the so-called Donetsk People’s Republic or Luhansk People’s Republic regions of Ukraine, or such other regions of Ukraine as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State.

In addition, the White House [announced](#) that it would be taking steps to **revoke Russia’s “most-favored nation status”** relating to key products and **deny its borrowing privileges** at multilateral financial institutions to ensure that “Russia cannot obtain financing from institutions such as the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development.”

The U.S. also issued new blocking sanctions on additional **Russian individuals and their family members**. A complete list of individuals and entities blocked by this round of sanctions has been [published](#) by OFAC.

## II. March 8 Executive Order Banning Imports of Russian Oil, Liquefied Natural Gas, and Coal

On March 8, 2022, President Biden [issued an Executive Order](#), announcing an additional round of U.S. sanctions against Russia, banning the import of Russian oil, liquefied natural gas, and coal to the U.S.

Specifically, the Executive Order bans:

- 1) The importation into the U.S. of Russian origin: **crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products.**
- 2) **New investment in Russia’s energy sector** by a U.S. person, wherever located.

- 3) Americans from financing or enabling foreign companies that are making investment to produce energy in Russia.
- 4) Any approval, financing, facilitation, or guarantee by a U.S. person, wherever located, of a transaction by a foreign person that would be prohibited if performed by a U.S. person.

In addition, OFAC [issued new frequently asked questions](#) to provide guidance on the scope of the Executive Order. OFAC also issued the following General License, which permits certain transactions blocked by the newly-issued Executive Order:

- [General License 16](#): Authorizing the import of Russian crude oil and certain petroleum products, liquefied natural gas, and coal already contracted for, until 12:01 a.m. eastern daylight time, April 22, 2022.

### III. March 2 and March 3 Sanctions Targeting Russia and Belarus, Additional Russian Individuals and Entities, and Banning Russian Aircraft from U.S. Airspace

On [March 2](#) and [March 3, 2022](#), the U.S. announced additional sanctions targeting Russia and Belarus, Russian individuals and entities, and banning Russian aircraft from U.S. airspace. Specifically, these measures include:

- 1) Sweeping **export control restrictions against Belarus** to “choke off” its import of technological goods. This action will prevent the diversion of certain items, technologies, and software through Belarus to Russia and limit the ability of Russia and Belarus to obtain the materials they need to support their military.
- 2) Full blocking sanctions on **Russian defense entities**. In total, 22 Russian defense-related entities will be designated, including firms that make combat aircraft, infantry fighting vehicles, electronic warfare systems, missiles, and unmanned aerial vehicles for Russia’s military.
- 3) **Export controls targeting oil refining**. Through export controls on oil and gas extraction equipment, the U.S. Department of Commerce will impose restrictions on technology exports that would support Russia’s refining capacity over the long term.
- 4) **Targeting entities supporting the Russian and Belarusian military**. The Department of Commerce, in coordination with its interagency partners, will add entities that have been involved in, contributed to, or otherwise supported the Russian and Belarusian security services, military and defense sectors, and/or military and defense research and development efforts to the [Entity List](#). This action aims to ensure that the military as well as the aerospace, maritime and high-technology sectors do not obtain U.S. technology goods and technology that can be used to support Russian technical maintenance and innovation.
- 5) **Banning Russian aircraft** from entering and using domestic U.S. airspace. This ban includes aircraft certified, operated, registered, or controlled by any person connected with Russia. This includes revoking all Russian airlines’ – both passenger and cargo – ability to operate to and from U.S. destinations, as well as refusing entry of any Russian-operated aircraft into U.S. airspace.
- 6) Full blocking sanctions on an expansive new list of **Russian individuals and their family members**, as well as **disinformation targets**.

7) **Visa Restrictions** on 19 Russian Individuals, their 47 Family Members, and Close Associates.

A complete list of individuals and entities blocked by this round of sanctions has been [published](#) by OFAC.

OFAC issued [guidance](#) and published new [frequently asked questions](#) to ensure there were no “loopholes” for Russia to evade U.S. sanctions. Further, OFAC stated that it remained “committed to permitting energy-related payments involving sanctioned Russian banks” to help “protect Americans” from higher energy prices.

OFAC issued the following General Licenses relating to **Russia’s Central Bank**, the **National Wealth Fund**, and the **Ministry of Finance**, as well as permitting transactions involving **Alisher Usmanov**:

- [General License 9A](#): Authorizing prohibited transactions that are ordinarily incident and necessary to the receipt of interest, dividend, or maturity payments in connection with debt or equity of Russia’s Central Bank, the National Wealth Fund, or the Ministry of Finance, if entered into prior to 12:01 a.m. eastern daylight time, May 25, 2022.
- [General License 10A](#): Authorizing prohibited transactions that are ordinarily incident and necessary to the wind down of derivative contracts, repurchase agreements, or reverse repurchase agreements that involve Russia’s Central Bank, the National Wealth Fund, or the Ministry of Finance, if entered into prior to 12:01 a.m. eastern daylight time, May 25, 2022.
- [General License 13](#): Authorizing U.S. persons to pay taxes, fees, or import duties, and purchase or receive permits, licenses, registrations, or certifications involving Russia’s Central Bank, the National Wealth Fund, or the Ministry of Finance, provided that such transactions are ordinarily incident and necessary to such U.S. persons’ day-to-day operations in Russia, through 12:01 a.m. eastern daylight time, June 24, 2022.
- [General License 14](#): Authorizing prohibited transactions in which Russia’s Central Bank, the National Wealth Fund, or the Ministry of Finance act solely as an operator of a clearing and settlement system, provided that Russia’s Central Bank, the National Wealth Fund, or the Ministry of Finance is neither a counterparty or a beneficiary to such transaction.
- [General License 15](#): Authorizing prohibited transactions involving any entity owned 50 percent or more, directly or indirectly, by Alisher Burhanovich Usmanov that is not listed on OFAC’s Specially Designated Nationals and Blocked Persons List.

In addition, the U.S. Department of Justice [announced](#) the launch of **Task Force KleptoCapture**, an interagency law enforcement task force dedicated to enforcing sanctions, export restrictions, and economic countermeasures that the U.S. has issued, along with its allies and partners, in response to the Russian military’s invasion of Ukraine.

#### IV. February 28 Sanctions Freezing Russian Central Bank Assets

On February 28, 2022, the U.S. [announced](#) that it would freeze Russian Central Bank assets that are held in the U.S. and impose sanctions on the Russian Direct Investment Fund.

Specifically, this action prohibits any transaction involving **Russia's Central Bank**, the **National Wealth Fund**, or the **Ministry of Finance**, including “any transfer of assets to such entities or any foreign exchange transaction for or on behalf of such entities.”

Contemporaneously with the issuance of this directive, OFAC issued a [general license](#) to authorize certain energy-related transactions with the Russian Central Bank.

#### V. February 26 Restrictive Economic Measures Targeting SWIFT and Russian Central Bank

On February 26, 2022, the U.S. issued a [joint statement](#), along with the European Commission, France, Germany, Italy, the United Kingdom, and Canada, announcing that it would be taking the following measures:

- 1) Removing Russian banks from the **SWIFT financial messaging system**. This action will disconnect the targeted banks from the international financial system and eliminate their ability to conduct basic commerce with the outside world. Top officials in Ukraine and countries along the EU's border with Russia, as well as U.S. lawmakers from both parties, called for Russia to be disconnected from SWIFT.<sup>1</sup>
- 2) Freezing the assets of the **Russian Central Bank**, to prevent it from deploying its international reserves.
- 3) Limiting the sale of “**golden passports**” that allow wealthy Russians to become citizens of foreign countries.
- 4) Launching a **transatlantic task force** to identify and freeze the assets of sanctioned individuals and entities.
- 5) Taking action against disinformation and other forms of hybrid warfare.

The White House [stated](#) that it will be working with its international allies to “implement these measures within the coming days.”

#### VI. February 25 Sanctions Targeting Russian President Vladimir Putin and Foreign Minister Sergei Lavrov

On February 25, 2022, [the U.S. issued sanctions](#) targeting Russian President **Vladimir Putin** and Foreign Minister **Sergei Lavrov**, as well as Chief of the General Staff of the Russian Armed Forces, First Deputy Minister of Defense, and General of the Army **Valery Gerasimov** and Minister of Defense **Sergei Shoigu**.

As a result of this action, all property and interests in property of the individuals above that are in the U.S. or in the possession or control of U.S. persons are blocked and must be reported to OFAC.

#### VII. February 24 Sanctions Against Russia and Belarus

On February 24, 2022, hours after Russia invaded Ukraine, [the White House announced a new round of sanctions against Russia](#), targeting ten of Russia's largest banks, prohibiting the ability of Russian state-owned and private entities to raise capital, and restricting certain exports.

Specifically, the U.S. issued the following measures against **Russia** and **Belarus**:

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<sup>1</sup> [Biden Aims Sanctions at Russian Military, State-Owned Enterprises](#), The Wall Street Journal, February 24, 2022.



- 1) Severing the connection to the U.S. financial system for Russia's largest bank, **Sberbank**, including **25 of its subsidiaries**, by imposing "correspondent and payable-through account sanctions." This action restricts Sberbank's access to transactions made in the U.S. dollar.
- 2) Blocking sanctions against Russia's second largest bank, **VTB Bank**, including **20 of its subsidiaries**. These sanctions freeze all VTB Bank's assets touching the U.S financial system and prohibit U.S. persons from dealing with them.
- 3) Blocking sanctions against three other major Russian banks: **Bank Otkritie**, **Sovcombank**, and **Novikombank** – and **34 of their subsidiaries**. These sanctions freeze these financial institutions' assets touching the U.S financial system and prohibit U.S. persons from dealing with them.
- 4) New debt and equity restrictions on thirteen major Russian entities. This includes restrictions against all transactions in, provision of financing for, and other dealings in new debt of greater than fourteen days maturity and new equity issued by thirteen of the following Russian state-owned entities: **Sberbank**, **AlfaBank**, **Credit Bank of Moscow**, **Gazprombank**, **Russian Agricultural Bank**, **Gazprom**, **Gazprom Neft**, **Transneft**, **Rostelecom**, **RusHydro**, **Alrosa**, **Sovcomflot**, and **Russian Railways**. These entities, with estimated assets of nearly \$1.4 trillion, are prohibited from raising money through the U.S. financial system.
- 5) Blocking sanctions against **Russian individuals** and **their family members**, cutting them off from the U.S. financial system, freezing any assets they hold in the U.S., and blocking their travel to the U.S.
- 6) Sanctions against **24 Belarusian individuals** and **entities**, including two state-owned banks and nine defense firms.
- 7) Export-control measures on military end users, including the **Russian Ministry of Defense**. This includes restricting exports of nearly all U.S. items and items produced in foreign countries using certain U.S.-origin software, technology, or equipment to targeted military end users. These restrictions apply to the **Russian Ministry of Defense**, including the **Armed Forces of Russia**, wherever located.
- 8) Russia-wide denial of exports of sensitive technology, primarily targeting the Russian defense, aviation, and maritime sectors in an effort to cut off Russia's access to certain technology. In addition to sweeping restrictions on the Russian-defense sector, the U.S. will impose Russia-wide restrictions on sensitive U.S. technologies produced in foreign countries using U.S.-origin software, technology, or equipment. This includes Russia-wide restrictions on semiconductors, telecommunication, encryption security, lasers, sensors, navigation, avionics, and maritime technologies.

A complete list of individuals and entities blocked by the latest round of sanctions has been [published](#) by OFAC.

In addition, OFAC issued the following exemptions, in the form of "General Licenses," relating to transactions blocked by the newly-issued sanctions:

- The following license exemptions apply to transactions involving **VTB Bank**, **Bank Otkritie**, **Sovcombank**, and **their subsidiaries**:
  - [General License 8](#): Authorizing transactions related to energy, if entered into prior to 12:01 a.m. eastern daylight time, June 24, 2022.

# PEARL COHEN

Pearl Cohen Zedek Latzer Baratz

- [General License 9](#): Authorizing transactions related to dealings in certain debt or equity issued prior to February 24, 2022, if entered into prior to 12:01 a.m. eastern daylight time, May 25, 2022, provided that any divestment or transfer of, or facilitation of divestment or transfer of, covered debt or equity is to a non-U.S. person.
- [General License 10](#): Authorizing transactions related to derivative contracts, if entered into prior to 4:00 p.m. eastern standard time, February 24, 2022.
- [General License 11](#): Authorizing wind-down transactions, if entered into prior to 12:01 a.m. eastern daylight time, March 26, 2022.
- [General License 12](#): Authorizing U.S. persons to reject unauthorized transactions, if entered into prior to 12:01 a.m. eastern daylight time, March 26, 2022.
- The following license exemptions apply to transactions involving **Sberbank** and **its subsidiaries**:
  - [General License 8](#): Authorizing transactions related to energy, if entered into prior to 12:01 a.m. eastern daylight time, June 24, 2022.
  - [General License 9](#): Authorizing transactions related to dealings in certain debt or equity issued prior to February 24, 2022, if entered into prior to 12:01 a.m. eastern daylight time, May 25, 2022, provided that any divestment or transfer of, or facilitation of divestment or transfer of, covered debt or equity is to a non-U.S. person.
  - [General License 10](#): Authorizing transactions related to derivative contracts, involving Sberbank and its subsidiaries, if entered into prior to 4:00 p.m. eastern standard time, February 24, 2022.
- The following license exemptions apply to **all transactions** blocked by the newly-issued sanctions:
  - [General License 5](#): Authorizing transactions related to the official business of the following entities: the International Centre for Settlement of Investment Disputes; the Multilateral Investment Guarantee Agency; The African Development Bank Group; (iii) the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank Group; and the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies.
  - [General License 6](#): Authorizing the export or reexport of agricultural commodities, medicine, medical devices, and transactions relating to the prevention, diagnosis, or treatment of COVID-19.
  - [General License 7](#): Authorizing: (i) the receipt of, and payment of charges for, services rendered in connection with flights over Russia or emergency landings in Russia by aircraft registered in the U.S. or owned or controlled by, or chartered to, U.S. persons; and (ii) transactions ordinarily incident and necessary to provide air ambulance and related medical services, including medical evacuation, to individuals in Russia.
- The following license exemptions apply to all transactions blocked by the newly-issued **Belarus-related** sanctions:
  - [Belarus General License 6](#): Authorizing transactions that are related to the official business of the U.S. government.
  - [Belarus General License 7](#): Authorizing transactions related to the official business of the following organizations: the United Nations; the International Centre for Settlement of Investment Disputes and the Multilateral Investment Guarantee Agency; The African Development Bank Group; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank Group; and the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies.



The White House has [stated](#) that it will continue to impose “severe” economic costs if Russia does not change course in Ukraine.

### VIII. February 24 Russia-Related Export Controls

On February 24, 2022, the U.S. [implemented](#) the following Russia-related export controls, which affect a range of items subject to the Export Administration Regulations (EAR):

- 1) New Commerce Control List license requirements for exports, reexports to, or transfers within Russia of the following items: microelectronics; telecommunications items; sensors; navigation equipment; avionics; marine equipment; and aircraft components.
- 2) Creating a review policy of denial to license applications for exports, reexports to, or transfers within Russia for the following categories of applications: safety of flight; maritime safety; humanitarian needs; government space cooperation; civil telecommunications infrastructure; government-to-government activities; and to support limited operations of partner country companies in Russia.
- 3) Imposing license requirements for all items subject to the EAR on Russian “military end users” and “military end uses,” with limited exceptions for items such as food and medicine.
- 4) Creating two new Foreign Direct Product Rules, specific to Russia and Russian “military end users,” that restrict certain foreign products developed or produced by equipment produced from U.S. software or technology.
- 5) Restricting the use of EAR license exceptions for Russia exports, reexports to, and transfers within Russia, with limited exceptions for exports to Russia.
- 6) Adding 47 Russian entities to the Entity List, requiring a license to export, reexport to, or transfer within Russia all items subject to the EAR to these companies, with limited exceptions.

The full text of the new rules can be found in the [Federal Register](#).

### IX. February 22 Sanctions Against Russia Targeting Banks, Sovereign Debt, and Russian Individuals

On February 22, 2022, a day after announcing its first wave of sanctions against Russia, [the White House announced](#) further sanctions, targeting two Russian banks, the country’s sovereign debt, and several Russian individuals and their families.

Specifically, the U.S. issued the following measures against **Russia**:

- 1) Blocking sanctions against two Russian banks: **Vnesheconombank** and **Promsvyazbank** – and **42 of their subsidiaries**. These measures will freeze the banks’ assets in the U.S., prohibit U.S. persons from doing business with them, shut them out of the global financial system, and foreclose access to the U.S. dollar.
- 2) Expanded sovereign debt prohibitions, restricting U.S. persons from participating in secondary markets for new debt issued by **the Central Bank of the Russian Federation, the National Wealth Fund of**

**the Russian Federation, and the Ministry of Finance of the Russian Federation.** These measures deny Russia access to key U.S. financial markets and investors.

- 3) Blocking sanctions against **Russian individuals and their family members**, cutting them off from the U.S. financial system, freezing any assets they hold in the U.S., and blocking their travel to the U.S.

A complete list of individuals and entities blocked by this round of sanctions has been [published](#) by OFAC.

In addition, OFAC issued the following exemptions, in the form of “General Licenses,” relating to transactions involving **Vnesheconombank and its subsidiaries**, authorizing activities that would otherwise be prohibited by this round of sanctions:

- [General License 2](#): Authorizing transactions, involving Vnesheconombank and its subsidiaries, that are ordinarily incident and necessary to the servicing of bonds issued before March 1, 2022, by **the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation**.
- [General License 3](#): Authorizing wind-down transactions with Vnesheconombank and its subsidiaries, until 12:01 a.m. eastern daylight time, March 24, 2022.

#### **X. February 21 Sanctions After Russia Recognized the Independence of Donetsk and Luhansk Regions in Ukraine**

On February 21, 2022, President Biden [issued an Executive Order, announcing the U.S.’ first round of sanctions against Russia](#), banning certain transactions and activities involving the Donetsk and Luhansk regions in Ukraine, after Russia recognized the regions as separate to Ukraine.

Specifically, the sanctions target the Donetsk and Luhansk regions, prohibiting the following activities: (i) new investment in the regions by a U.S. person; (ii) importing into the U.S., directly or indirectly, of any goods, services, or technology from the regions; (iii) exporting, reexporting, selling, or supplying, directly or indirectly, from the U.S., or by a U.S. person, wherever located, of any goods, services, or technology to the regions; and (iv) approving, financing, facilitating, or guaranteeing by a U.S. person a sanctioned transaction by a foreign person.<sup>2</sup>

The executive order authorizes sanctions to be issued against any party determined: (i) to operate in the regions; (ii) to be a leader, official, senior executive officer, or member of the board of directors of an entity operating in the regions; (iii) to be owned or controlled by, or to have acted or purported to act for or on behalf of any person whose property and interests in property are blocked pursuant to this order; or (iv) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person blocked pursuant to the order.<sup>3</sup>

In addition, OFAC issued the following exemptions, in the form of “General Licenses,” authorizing transactions that would otherwise be prohibited by this round of sanctions:

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<sup>2</sup> [Executive Order 14024](#).

<sup>3</sup> [Id.](#)

- [General License 17](#): Authorizing wind-down activities, including the divestiture or transfer to foreign persons of a U.S. person's share of ownership in any investments in the region made prior to February 21, 2022, until 12:01 a.m. eastern daylight time, March 23, 2022.
- [General License 18](#): Authorizing the export or reexport of agricultural commodities, medicine, medical devices, and transactions relating to the prevention, diagnosis, or treatment of COVID-19 in the regions.
- [General License 19](#): Authorizing transactions that relate to the receipt or transmission of telecommunications and mail. However, this license does not authorize the sale or lease of telecommunications equipment, technology, or telecommunications transmission facilities in the regions.
- [General License 20](#): Authorizing the official business of the following organizations: the United Nations; the International Centre for Settlement of Investment Disputes; the Multilateral Investment Guarantee Agency; the African Development Bank Group; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank Group; the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies; and the Organization for Security and Co-operation in Europe.
- [General License 21](#): Authorizing transactions that are ordinarily incident and necessary to the transfer of noncommercial, personal remittances to or from the region, or for or on behalf of an individual resident in the regions. However, "noncommercial, personal remittances" do not include charitable donations of funds to or for the benefit of an entity or funds transfers for use in supporting or operating a business, including a family-owned business. Additionally, the license authorizes transactions that are ordinarily incident and necessary to maintain, operate, or close an account of an individual ordinarily resident in the region, provided that all transactions processed through the account are of a personal nature and not for the benefit of an entity, including supporting or operating a business.
- [General License 22](#): Authorizing the export or reexport of certain services and software incident to internet-based communications (such as instant messaging, chat and email, social networking, sharing of photos and movies, web browsing, and blogging) from the U.S. or by U.S. persons to the regions. Additionally, this license authorizes export and reexport from the U.S. or by U.S. persons of software necessary to enable such services, provided that the software is classified as [EAR99](#) or [ECCN 5D992.c](#) or, if not subject to U.S. Export Controls, is not listed under any multilateral export control regime.

## **XI. Other Notable International Sanctions Against Russia**

The recent measures taken by the U.S. are part of an ongoing international response against Russia, which includes actions taken by Australia, Canada, the European Union, Germany, Japan, and the United Kingdom.

Most notably, Germany [announced](#) that it has halted the certification of the Nord Stream 2 pipeline from Russia, preventing the pipeline from becoming operational.

The U.K. [announced](#) the following sanctions: (i) freezing the assets of all major Russian banks; (ii) stopping Russia's ability to raise funds in the U.K.; (iii) banning Russia's Aeroflot airline from U.K. airspace; (iv) banning the export of key technologies and critical technical equipment and components; and (v) limiting Russians' access to U.K. bank accounts.

In addition, EU nations [announced](#) the following sanctions: (i) financial restrictions targeting a large percentage of the Russian financial market and key state-owned entities; (ii) an export ban on materials Russia uses for oil refining; (iii) banning the sale of airplanes and equipment to Russian airlines; and (iv) restricting Russia's access to dual-use goods and key technologies, such as semiconductors and software, which contribute to the enhancement of Russia's defense sector.

Japan also [announced](#) that it would be sanctioning Russian banks and individuals, as well as restricting the export of goods such as semi-conductors.