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BLOG

U.S. Sanctions Turkey Over Purchase of Russian Missile System

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On December 14, 2020, more than a year and a half after the Republic of Turkey acquired a Russian surface-to-air missile system in violation of Section 231 of the Countering America's Adversaries Through Sanctions Act (CAATSA), the United States has imposed sanctions on the Republic of Turkey's Presidency of Defense Industries (SSB). The sanctions include a ban on all U.S. export licenses and authorizations to SSB and an asset freeze and visa restrictions on Dr. Ismail Demir, SSB's president, Faruk Yigit, SSB's vice president, Serhat Gencoglu, SSB's Head of the Department of Air Defense and Space, and Mustafa Alper Deniz, Program Manager for SSB's Regional Air Defense Systems Directorate.

CAATSA Section 231 prohibits any person from knowingly engaging in a significant transaction with a person that is a part of, or operates for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation.[1] If this prohibition is violated, CAATSA requires that at least five of the 12 sanctions described in Section 235 of CAATSA be imposed. Rosoboronexport, Russia's main arms export entity from whom Turkey obtained the S-400 surface-to-air missile system, is included on the CAATSA List of Specified Persons as a person that is part of, or operates for or on behalf of, the defense sector of the Government of the Russian Federation.

As a result of Turkey's purchase, the Secretary of State, in consultation with the Secretary of the Treasury, selected the following sanctions from CAATSA Section 235, as implemented by Executive Order (E.O.) 13849, to impose on SSB:

- a prohibition on granting specific U.S. export licenses and authorizations for any goods or technology transferred to SSB (Section 235(a)(2));
- a prohibition on loans or credits by U.S. financial institutions to SSB totaling more than $10 million in any 12-month period (Section 235(a)(3));
- a ban on U.S. Export-Import Bank assistance for exports to SSB (Section 235(a)(1));
- a requirement for the United States to oppose loans benefitting SSB by international financial institutions (Section 235(a)(4)); and
- imposition of full blocking sanctions and visa restrictions (Section 235(a)(7), (8), (9), (11), and (12)) on Dr. Ismail Demir, president of SSB; Faruk Yigit, SSB's vice president; Serhat Gencoglu, Head of SSB's Department of Air Defense

and Space; and Mustafa Alper Deniz, Program Manager for SSB's Regional Air Defense Systems Directorate.

In its statement announcing the sanctions, the Department of State noted their actions " are not intended to undermine the military capabilities or combat readiness of Turkey or any other U.S. ally or partner, but rather to impose costs on Russia in response to its wide range of malign activities."

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[1] You can read more about CAATSA in our prior briefing.

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