

Sanctions Summary – Russia Invasion of Ukraine

MARCH 28, 2022

Updated as of March 28, 2022. Previous versions of this briefing were published on February 25, February 28, March 8, and March 14, 2022. Updates as of the last publication include:

- *Issuance of Russia-related General License 20 by OFAC and revision of General Licenses 6 (to 6A) and 17 (to 17A);*
- *Designation on the SDN List of several more individuals and entities, including military officials, defense-related companies, and 328 representatives of the Russian State Duma, a legislative body in Russia;*
- *Announcements from meetings of President Biden with leaders of various European nations and groups, including NATO, the G7, and the European Commission, regarding collective efforts to identify and seize the assets of Russian oligarchs and to reduce reliance on Russian fossil fuels;*
- *Announcement of the Russian Elites, Proxies, and Oligarchs (“REPO”) Task Force, comprising the U.S., Australia, Canada, Germany, France, Italy, Japan, the UK, and the European Commission;*
- *Announcement of the Task Force on Energy Security between the U.S. and the European Commission to terminate EU dependence on Russian fossil fuels by 2027;*
- *Announcement of an allied effort to block transactions with Russia’s Central Bank that involve gold;*
- *Announcement by BIS affirmatively identifying aircraft that entered Russia in violation of U.S. regulations and specifying that entities are prohibited from transacting with these aircraft (including servicing, fueling, etc.) until BIS announces otherwise.*

In response to Russia’s invasion of Ukraine, the United States Government has undertaken several actions, including but not limited to imposing: (1) an embargo to the so-called Donetsk People’s Republic and the so-called Luhansk People’s Republic in Ukraine (similar to the existing embargo on the Crimea Region); (2) blocking sanctions on important Russian banks (VEB, PSB, VTB, Otkritie, Novikombank, and Sovcombank) and several of their subsidiaries; (3) correspondent and payable-through account sanctions on Sberbank; (4) blocking sanctions on Vladimir Putin, the Minister of Foreign Affairs, members of Russia’s Security Counsel, Putin’s close allies, certain Russian elites and their family members, persons involved in disinformation campaigns, and more; (5) debt and equity restrictions relating to 13 major firms and additional restrictions on Russian sovereign debt; (6) prohibitions

related to transactions involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation and entities critical to managing one of Russia's key sovereign wealth funds; (7) sanctions on Nord Stream 2 AG; (8) prohibitions on (a) the importation into the United States of Russian-origin: crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products; and (b) new investment in the energy sector in the Russian Federation by U.S. Persons; and (9) prohibitions on (a) imports of certain Russian-origin goods such as seafood, alcoholic beverages, and non-industrial diamonds; (b) exports of luxury goods and USD banknotes to Russia; and (c) new investment in any sector of the Russian economy as may be determined by the Secretary of the Treasury.

The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") also sanctioned several Belarusian individuals and entities due to Belarus's support for, and facilitation of, the invasion. In addition, the United States Department of Commerce issued a series of new export controls on Russia and Belarus, including two foreign direct product rules, one for all of Russia/Belarus and one for Russian/Belarusian military end-users.

The actions by the United States are taken in collaboration and in concert with its allies, who are largely undertaking similar actions. On March 2, 2022, in addition to other announced restrictions, the EU announced that as of March 12, the provision of SWIFT services will be prohibited to the following banks and their majority owned subsidiaries in Russia: (1) Bank Otkritie; (2) Novikombank; (3) Promsvyazbank; (4) Bank Rossiya; (5) Sovcombank; (6) VEB; and (7) VTB. Winston & Strawn has published a separate briefing covering EU sanctions imposed as a result of Russia's invasion of Ukraine, available [here](#).

Each of the U.S. controls highlighted above is discussed below in detail:

1. EMBARGO ON THE DONETSK PEOPLE'S REPUBLIC AND THE LUHANSK PEOPLE'S REPUBLIC IN UKRAINE.

On February 21, 2022, President Putin declared the separatist regions in the so-called Donetsk People's Republic (DNR) and so-called Luhansk People's Republic (LNR) as Russian territory. In response, President Biden issued Executive Order on Blocking Property of Certain Persons and Prohibiting Certain Transactions With Respect to Continued Russian Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine ("EO 14065") along with a series of sanctions designations. EO 14065 builds on the national security threat identified in 2014 in response to Russia's takeover of the Crimea Region of Ukraine and calls out the violations of the Minsk Accords from 2014 and 2015. Correspondingly, the new territorial sanctions model the current sanctions on the Crimea Region of Ukraine. They specifically prohibit:

- The new investment in the DNR or LNR (or any other regions identified by the Treasury).
- The import into the U.S. of any goods, services, or technology from the DNR or LNR.
- The export, re-export, sale, supply from the U.S. or by a U.S. Person of any goods, services, or technology to the DNR or LNR.
- Financial services (including financing, facilitating, approvals, guarantees) by a U.S. Person of a transaction by a foreign person where that transaction by a U.S. Person would be prohibited.

As with the Crimea Region sanctions, EO 14065 effectively creates a complete embargo of the two regions.

OFAC issued nine general licenses in response, including General License Number 17 authorizing the wind-down of transactions involving the LNR and DNR through 12:01 a.m. ET on March 23, 2022—a **window that has now closed**. The other general licenses authorize certain medical and agricultural-related transactions, transactions related to telecommunications and mail, official business of certain international organizations and entities, noncommercial personal remittances, the exportation of certain services and software incident to internet-based communications, certain transactions in support of nongovernmental organizations' activities, transactions related to the provision of maritime services, and journalistic activities and establishment of news bureaus.

2. BLOCKING SANCTIONS ON RUSSIAN BANKS

On February 22, President Biden announced additional sanctions pursuant to EO 14024 of April 15, 2021 “Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation” (“EO 14024”). In addition, on February 24, as a result of Russia’s full-scale invasion of Ukraine, several additional sanctions were announced. The designations as Specially Designated Nationals (“SDNs”) of the following banks meaning that all property and interests in property in the United States or in the possession or control of U.S. Persons are blocked unless authorized by OFAC:

i. State Corporation Bank for Development and Foreign Economic Affairs Vnesheconombank (“VEB”). VEB, a state-owned financial institution, finances Russia’s national economic development including large-scale infrastructure projects. While all VEB’s subsidiaries 50% or more owned by VEB are also blocked, OFAC specifically designated 25 of VEB’s subsidiaries. OFAC also issued General License Number 3 allowing the wind-down of transactions involving VEB and its subsidiaries through 12:01am ET on March 24, 2022—a window that is now closed. Additional licenses may be available for transactions involving VEB Bank as noted below under Section 11.

ii. Promsvyazbank Public Joint Stock Company (“PSB”). PSB, a state-owned financial institution, finances the defense industry and services large defense contracts. PSB also provides credit to entities under U.S. and partner nations’ sanctions so that other lenders, namely Sberbank and VTB Bank, can offload the risk of conducting business with sanctioned entities. OFAC has also specifically designated 17 PSB subsidiaries and five vessels owned by PSB Lizing OOO. General licenses may be available for transactions involving PSB as noted below under Section 11; however, there does not appear to be an authorized wind-down period.

iii. VTB Bank Public Joint Stock Company (“VTB Bank”). VTB Bank, Russia’s second-largest financial institution, was designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, the Government of Russia, and for operating or having operated in the financial services sector of the Russian Federation economy. OFAC also designated 20 VTB Bank subsidiaries pursuant to E.O. 14024. OFAC issued General License Number 11 allowing the wind-down of transactions involving VTB Bank and its subsidiaries through 12:01am ET on March 26, 2022—a window that is now closed. Additional licenses may be available for transactions involving VTB Bank as noted below under Section 11.

iv. Public Joint Stock Company Bank Financial Corporation Otkritie (“Otkritie”). Otkritie is Russia’s seventh largest financial institution and was deemed to be a “systemically important Russian state-owned credit institution.” It was designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, the Government of Russia, and for operating or having operated in the financial services sector of the Russian Federation economy. OFAC also designated 12 Otkritie subsidiaries. OFAC issued General License Number 11 allowing the wind-down of transactions involving Otkritie and its subsidiaries through 12:01am ET on March 26, 2022—a window that is now closed. Additional licenses may be available for transactions involving Otkritie as noted below under Section 11.

v. Open Joint Stock Company Sovcombank (“Sovcombank”). Sovcombank is Russia’s ninth-largest bank and was deemed to be a “systemically important Russian financial institution.” Sovcombank was designated pursuant to E.O. 14024 for operating or having operated in the financial services sector of the Russian Federation economy. OFAC also designated 22 Sovcombank subsidiaries. OFAC issued General License Number 11 allowing the wind-down of transactions involving Sovcombank and its subsidiaries through 12:01am ET on March 26, 2022—a window that is now closed. Additional licenses may be available for transactions involving Sovcombank as noted below under Section 11.

vi. Joint Stock Commercial Bank Novikombank (“Novikombank”). Novikombank is among the 50 largest financial institutions in Russia and primarily operates in the Russian defense sector. Novikombank was designated pursuant to E.O. 14024 for operating or having operated in the financial services sector of the Russian Federation economy. Novikombank was previously subject to certain restrictions under Directive 3, but is now subject to full blocking sanctions. General licenses may be available for transactions involving

Novikombank as noted below under Section 11; however, there does not appear to be an authorized wind-down period.

3. CORRESPONDENT AND PAYABLE-THROUGH ACCOUNT SANCTIONS ON SBERBANK

On February 24, OFAC imposed correspondent and payable-through account (“CAPTA”) sanctions on Sberbank, Russia’s largest financial institution, and 25 of its subsidiaries. In its press release, OFAC noted that “Sberbank is uniquely important to the Russian economy, holding about a third of all bank assets in Russia.” By March 26, 2022 at 12:01 a.m. ET—a window that is now closed—all U.S. financial institutions must have closed any Sberbank correspondent or payable-through accounts and reject any future transactions involving Sberbank or its foreign financial institution subsidiaries. OFAC noted that “Payments that Sberbank attempts to process in U.S. dollars for its clients—with examples ranging from technology to transportation—will be disrupted and rejected once the payment hits a U.S. financial institution.”

OFAC issued Directive 2 under E.O. 14024, “Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions” (the “Russia-related CAPTA Directive”) in order to impose these sanctions. This directive prohibits U.S. financial institutions from: (i) the opening or maintaining of a correspondent account or payable-through account for or on behalf of any entity determined to be subject to the prohibitions of the Russia-related CAPTA Directive, or their property or interests in property; and (ii) the processing of transactions involving any such entities determined to be subject to the Russia-related CAPTA Directive, or their property or interests in property. U.S. financial institutions must reject such transactions unless exempt or authorized by OFAC. Note that Sberbank is also subject to debt and equity prohibitions as discussed in Section 5.

4. BLOCKING SANCTIONS ON PUTIN, PUTIN’S CLOSE ALLIES AND ASSOCIATES, CERTAIN RUSSIAN ELITES, and Russian legislature

As a result of Russia’s invasion of Ukraine and the provision of related aid to Putin, between February 22 and March 24, 2022, OFAC designated several dozen individuals as SDNs including Vladimir Putin himself. The designations include “influential Russians in Putin’s inner circle and in elite positions of power within the Russian state” and their family members, certain individuals in Russian government positions, certain persons related to SDN companies, persons engaged in destabilizing disinformation efforts, persons operating in the technology and defense sectors of Russia, persons in Russia’s State Duma (a house of Russia’s legislature), and more. OFAC has identified such persons in its various recent press releases. OFAC’s [Sanctions List Search](#) may be used to identify designated individuals and entities. In using OFAC’s search tool, please note that all entities owned 50% or more by a sanctioned individual(s), whether individually or in the aggregate, will be considered blocked, even if the entities are not themselves identified on the SDN List. As a result of the designations, all property and interests in property of the designated persons in the United States or in the possession or control of U.S. Persons are blocked unless authorized by OFAC.

In addition to these sanctions, the U.S. [announced](#) the launch of the Russian Elites, Proxies, and Oligarchs (“REPO”) Task Force, a group comprising the US, Australia, Canada, Germany, France, Italy, Japan, the UK, and the European Commission. Each jurisdiction has pledged to collect and share information regarding the location of assets belonging to Russian oligarchs, and has committed to taking concrete action to freeze or seize such assets.

5. DEBT AND EQUITY RESTRICTIONS FOR 13 MAJOR FIRMS AND RUSSIA-RELATED SOVEREIGN DEBT RESTRICTIONS

OFAC issued Directive 3 under E.O. 14024, “Prohibitions Related to New Debt and Equity of Certain Russia-related Entities” to prohibit transactions and dealings by U.S. Persons (or within the United States) in new debt of longer than 14 days’ maturity and new equity of 13 major firms. Through this designation, they will be heavily restricted from raising money through the U.S. market.

Pursuant to E.O. 14024, OFAC identified the following 11 Russian entities as being owned or controlled by, or having acted or purposed to act for or on behalf of, directly or indirectly, the Government of Russia, and subject to Directive 3:

- i. Sberbank**
- ii. Gazprombank Joint Stock Company**
- iii. Joint Stock Company Russian Agricultural Bank**
- iv. Public Joint Stock Company Gazprom**
- v. Public Joint Stock Company Gazprom Neft**
- vi. Public Joint Stock Company Transneft (Transneft)**
- vii. Public Joint Stock Company Rostelecom**
- viii. Public Joint Stock Company RusHydro**
- ix. Public Joint Stock Company Alrosa**
- x. Joint Stock Company Sovcomflot**
- xi. Open Joint Stock Company Russian Railways**
- xii. Joint Stock Company Alfa-Bank**
- xiii. Credit Bank of Moscow Public Joint Stock Company**

OFAC issued several helpful Frequently Asked Questions (“FAQs”) related to Directive 3, including FAQs 984-989.

In addition, OFAC issued Directive 1A under the EO, replacing the previous Directive 1 of April 15, 2021, to prohibit U.S. financial institutions from participation in the secondary market for ruble or non-ruble denominated bonds issued after 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.

6. RESTRICTING ACCESS TO CENTRAL BANK ASSETS AND SOVEREIGN WEALTH FUND

On February 28, OFAC issued Directive 4 under E.O. 14024, “Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation” prohibiting U.S. Persons from engaging in any transaction involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation. Despite the broad prohibitions regarding dealings with these entities, OFAC has not formally designated them as SDNs. OFAC issued General License Number 8A to authorize certain energy-related transactions with the Central Bank of the Russian Federation and others.

Additionally, on March 24 OFAC issued a FAQ 1,029 suggesting that OFAC intends to target gold assets held by the Russian Central Bank to hinder Russia’s ability to evade sanctions. This FAQ, targeting “gold-related transactions involving the Russian Federation,” was released in conjunction with similar statements from allied leaders indicating

a concerted effort to freeze Russia's gold assets. Public reporting indicates that Russia's Central Bank holds approximately \$100 billion in gold, or roughly 20% of its total assets, and that Russia began increasing its gold reserves in 2014 after sanctions were imposed due to Russia's actions in the Crimea region of Ukraine.

In addition to these prohibitions, OFAC designated as SDNs three entities "critical to managing one of Russia's key sovereign wealth funds:" (1) **The Russian Direct Investment Fund (RDIF)**; (2) **Joint Stock Company Management Company of the Russian Direct Investment Fund (JSC RDIF)**, RDIF's management company.; and (3) **Limited Liability Company RVC Management Company (LLC RVC)**, a subsidiary of JSC RDIF.

7. NORD STREAM 2

On February 23, President Biden directed his administration to impose sanctions on Nord Stream 2 AG and its corporate officers. Nord Stream 2 AG is now designated as an SDN under EO 14039. As with the other blocking designations, the designation means that all property and interests in property in the United States or in the possession or control of U.S. Persons are blocked unless authorized by OFAC. OFAC issued General License Number 4 allowing the wind-down of operations involving Nord Stream 2 AG and its subsidiaries through 12:01am ET on March 2, 2022—a window that is now closed.

8. OIL/GAS IMPORT PROHIBITIONS AND ENERGY SECTOR RESTRICTIONS

On March 8, President Biden issued "Executive Order on Prohibiting Certain Imports and New Investments With Respect to Continued Russian Federation Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine," ("EO 14066") prohibiting:

- a. the importation into the United States of the following Russian-origin products: crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products; and
- b. new investment in the energy sector in the Russian Federation by a U.S. Person, wherever located.

As with other sanctions prohibitions, U.S. Persons are also prohibited to facilitate, approve, finance, or guarantee transactions if they are prohibited to undertake the transaction themselves.

In connection with EO 14066, OFAC issued General License Number 16, authorizing transactions through 12:01am ET April 22, 2022 that are ordinarily incident and necessary to the importation of the aforementioned Russian-origin products pursuant to written contracts or written agreements entered prior to March 8, 2022.

In addition to these concrete restrictions, the U.S. and European Commission announced the Task Force on Energy Security, with an objective to terminate EU dependence on Russian fossil fuels by 2027, in part by ensuring stable demand by European nations of U.S.-origin liquid natural gas ("LNG") through 2030.

9. Seafood, alcohol, & diamond Import prohibitions; luxury goods & banknotes export prohibitions; and investment bans

On March 11, President Biden issued "Executive Order on Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression" (the "March 11 EO"). The March 11 EO prohibits:

- a. the importation into the United States of Russia-origin fish, seafood, and "preparations thereof;" alcoholic beverages; and non-industrial diamonds;
- b. the direct or indirect exportation, reexportation, sale, or supply of luxury goods to Russia from the United States or by a U.S. Person;

c. the direct or indirect exportation, reexportation, sale, or supply of USD banknotes to Russia from the United States or by a U.S. Person; and

d. new investment in any sector of the Russian Federation economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, by a U.S. Person.

As with other sanctions prohibitions, U.S. Persons are also prohibited to facilitate, approve, finance, or guarantee transactions if they are prohibited to undertake the transaction themselves.

In connection with the EO of March 11, OFAC issued General License Number 17, authorizing transactions through 12:01am ET March 25, 2022—a window that is now closed—that are ordinarily incident and necessary to the importation into the United States of fish, seafood, and preparations thereof; alcoholic beverages; or non-industrial diamonds of Russian Federation origin pursuant to written contracts or written agreements entered into prior to March 11, 2022.

10. BELARUSIAN DESIGNATIONS

OFAC has designated dozens of Belarusian individuals and entities as SDNs due to Belarus's support for, and facilitation of, the Russian invasion. The designations focus on Belarus's defense sector, financial institutions, and elites, including Belarusian President Lukashenko and his wife. The designation means that all property and interests in property in the United States or in the possession or control of U.S. Persons are blocked unless authorized by OFAC.

11. GENERAL LICENSES AND FAQs

Along with the aforementioned Russia designations, OFAC issued several general licenses and FAQs. The general licenses are currently as follows:

- [Russia-related General License 2](#) - Authorizing Certain Servicing Transactions Involving State Corporation Bank for Development and Foreign Economic Affairs Vnesheconombank (February 22, 2022)
- [Russia-related General License 3](#) - Authorizing the Wind Down of Transactions Involving State Corporation Bank for Development and Foreign Economic Affairs Vnesheconombank (February 22, 2022)
- [Russia-related General License 4](#) - Authorizing the Wind Down of Transactions Involving Nord Stream 2 AG (February 23, 2022)
- [Russia-related General License 5](#) - Official Business of Certain International Organizations and Entities (February 24, 2022)
- [Russia-related General License 6A](#) - Transactions Related to the Exportation or Reexportation of Agricultural Commodities, Medicine, Medical Devices, Replacement Parts and Components, or Software Updates, the Coronavirus Disease 2019 (COVID-19) Pandemic, or Clinical Trials (March 24, 2022) (replacing and superseding General License 6)
- [Russia-related General License 7](#) - Authorizing Overflight Payments, Emergency Landings, and Air Ambulance Services (February 24, 2022)
- [Russia-related General License 8A](#) - Authorizing Transactions Related to Energy (February 28, 2022) (replacing and superseding General License 8)
- [Russia-related General License 9A](#) - Authorizing Transactions Related to Dealings in Certain Debt or Equity (March 2, 2022) (replacing and superseding General License 9)
- [Russia-related General License 10A](#) - Authorizing Certain Transactions Related to Derivative Contracts (March 2, 2022) (replacing and superseding General License 9)

- [Russia-related General License 11](#) - Authorizing the Wind Down of Transactions Involving Certain Blocked Persons (February 24, 2022)
- [Russia-related General License 12](#) - Authorizing U.S. Persons to Reject Certain Transactions (February 24, 2022)
- [Russia-related General License 13](#) - Authorizing Certain Administrative Transactions Prohibited by Directive 4 under Executive Order 14024 (March 2, 2022)
- [Russia-related General License 14](#) - Authorizing Certain Clearing and Settlement Transactions Prohibited by Directive 4 under Executive Order 14024 (March 2, 2022)
- [Russia-related General License 15](#) - Authorizing Transactions Involving Certain Blocked Entities Owned by Alisher Burhanovich Usmanov (March 3, 2022)
- [Russia-related General License 16](#) - Authorizing Transactions Related to Certain Imports Prohibited by Executive Order of March 8, 2022 Prohibiting Certain Imports and New Investments With Respect to Continued Russian Federation Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine (March 8, 2022)
- [Russia-related General License 17A](#) - Authorizing Transactions Related to Certain Imports Prohibited by Executive Order 14068 (March 24, 2022) (replacing and superseding General License 17)
- [Russia-related General License 18](#) - Authorizing U.S. Dollar-Denominated Banknote Noncommercial, Personal Remittances Prohibited by Executive Order of March 11, 2022 (March 11, 2022)
- [Russia-related General License 19](#) - Authorizing Transactions Related to Personal Maintenance of U.S. Individuals Located in the Russian Federation Prohibited by Executive Order of March 11, 2022 (March 11, 2022)
- [Russia-related General License 20](#) - Authorizing Third-Country Diplomatic and Consular Funds Transfers (March 24, 2022)

The related FAQs can be found [here](#).

12. EXPORT CONTROLS

In addition to the economic sanctions, effective on February 24, the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”) issued a series of export controls targeting Russia in an attempt to prevent Russia’s access to advanced technology.

The BIS final rule imposed the following important policies and requirements:

- License requirement to Russia for items in Categories 3 to 9 of the Commerce Control List (“CCL”). Some of these items were not previously controlled for export to Russia. Limited license exceptions are available as listed in 15 C.F.R. § 746.8(c).
- A policy of denial for license applications to export, reexport, or transfer (in-country) to Russia for those items necessitating a license.
- Establishment of two new foreign direct product rules (“FDP Rules”). Generally, FDP Rules extend BIS jurisdiction over foreign-produced items that are produced directly by the product of certain controlled software or technology, or produced by a plant that is the direct product of such software or technology when there is knowledge that the item is destined for certain end users or destinations:
 1. the “Russia FDP Rule” expands the FDP rule to include the “direct product” of a wide range of CCL software and technology (notably, this does not include EAR99 items) when there is knowledge that the item is destined for Russia or will be incorporated into or used in the production or development of non-EAR99 items produced in or destined for Russia.
 2. a more extensive “Russia-Military End User FDP Rule,” restricts nearly all items (including EAR99 items) from being exported to military end users listed on the Entity List and identified by footnote 3 to the Entity List.

ote that certain U.S.-allied countries that have agreed to implement “substantially similar export controls” against Russia will not be subject to these rules.

- restriction on the use of available EAR license exceptions for Russia exports.
- Comprehensive restrictions on the DNR and LNR regions, such that any item destined for those regions requires a license.

In addition, on March 2, 2022, BIS issued export controls targeting Belarus that are substantially similar to those described above for Russia, except for Russian Industry Sector Sanctions identified in Part 746.5. BIS moved Belarus from Country Group A to Country Group D, which reflects a group of countries subject to stricter license requirements. BIS also added Belarus to the countries subject to additional restrictions for military end uses or end users, and for military intelligence end uses or end users in 15 C.F.R. §§ 744.21-22.

On March 11, 2022, BIS issued additional restrictions on “luxury goods” destined for Russia or Belarus, or to specific oligarchs and malign actors identified by OFAC. The “luxury goods” in question cover a wide range of products, including beverages, tobacco, clothing, footwear, jewelry, vehicles, and much more. A full accounting can be found in Supplement No. 5 to Part 746 of the EAR. While these items require a license for export, reexport, or transfer to Russia or Belarus, they also require a license when a Russian or Belarusian oligarch or malign actor is involved with the transaction, *regardless* of location. BIS specifies that these oligarchs and malign actors are those that are designated by OFAC on the SDN List *or* designated for sanctions under any of the following authorities: [RUSSIA-EO14024], [UKRAINE-EO13660], [UKRAINEEO13661], [UKRAINE-EO13662], [UKRAINE-EO13685], [BELARUS], and [BELARUSEO14038]. License applications for these luxury goods will be reviewed under a policy of denial, and only license exceptions BAG and AVS are available in limited situations.

Finally, on March 18, BIS issued a notice that identified dozens of aircraft that had flown into Russia in violation of the EAR, and placed a presumption of a violation of the EAR under General Prohibition Ten for any party that transacts with these aircraft. General Prohibition Ten prohibits “[p]roceeding with transactions with knowledge that a violation has occurred or is about to occur,” and prohibits parties from engaging with the item in almost any way, including servicing, refueling, financing, and more. By announcing these aircraft had violated the EAR, parties are now on notice that these aircraft were in violation, satisfying the knowledge requirement of General Prohibition Ten. This presumption of violation will remain until BIS announces otherwise, regardless of whether the aircraft is sold to a new non-Russian owner and ceases the violative activities.

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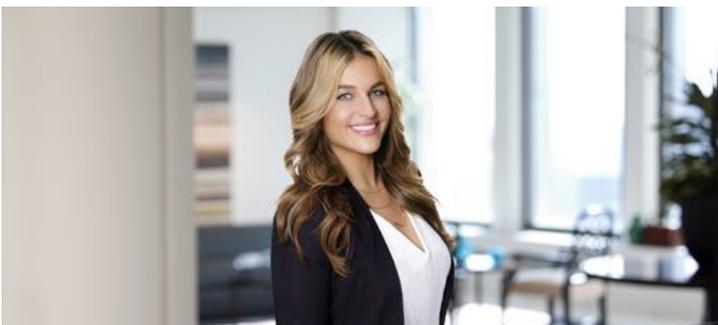
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