



August 2016

EU Sanctions Against Russia Adopted and Extended; Sanctions Extended Concerning Crimea and Sevastopol

In early July 2016, the EU extended the economic sanctions targeting the financial, energy and defense industries of the Russian economy, as well as dual-use goods, until Jan. 31, 2017. These sanctions were prolonged because the European Council determined that the Minsk agreements concerning military activity in the Donetsk and Luhansk regions of Ukraine have not been respected. This *GT Alert* provides for an update and an overview of the EU various sanctions against Russia and the Crimea and Sevastopol regions.

On July 1, 2016, the EU economic sanctions that target the financial, energy and defense industries of Russia, as well as dual-use goods, were prolonged until Jan.31, 2017. The sanctions were extended because the European Council determined that the Minsk agreements concerning a ceasefire to restore peace and the sovereign integrity of Ukraine's state borders had not been respected. The EU Council, however, adopted and extended the sanctions on a unanimous basis, insisting that the Minsk agreements must be implemented completely.

The prolonged economic sanctions aim to do the following:

- > limit access to EU primary and secondary capital markets for five major Russian majority state-owned financial institutions and their majority-owned subsidiaries established outside of the EU, as well as three major Russian energy companies and three defence companies;
- > impose an export and import ban on trade in arms;
- > establish an export ban for dual-use goods for military use or military end users in Russia; and
- > curtail Russian access to certain sensitive technologies and services that can be used for oil production and exploration.

These measures were initially introduced on July 31, 2014, for a duration of one year in response to Russia's actions destabilising the situation in Ukraine. They were reinforced in September 2014. On March 19, 2015, the European Council agreed to link the duration of the sanctions to the complete implementation of the Minsk agreements. Since the Minsk agreements were not fully implemented by Dec. 31, 2015, the Council extended the sanctions again until July 31, 2016. Having assessed the implementation of the Minsk agreements, and finding their implementation status to be unsatisfactory, the Council decided to renew the sanctions for a further six months, until Jan. 31, 2017.

A further decision was made that the current sanctions, which target individuals and entities because of “actions which undermine or threaten the territorial integrity, sovereignty and independence of Ukraine” and misappropriation of Ukrainian state funds, will remain in place until Sept. 15, 2016.

In addition to these economic sanctions, several other EU measures are in place in response to the crisis in Ukraine, including:

- > targeted individual restrictive measures, namely a visa ban and an asset freeze, currently against 146 people and 37 entities until Sept. 15, 2016; and
- > restrictive measures in response to the illegal annexation of Crimea and Sevastopol, limited to the territories of Crimea and Sevastopol, currently in place until June 23, 2017.

For reference, we provide [this timeline](#), which tracks the EU sanctions against Russia that were imposed in relation to the Ukraine crisis and those that concern the annexation of Crimean and Sevastopol.

2014	
	MARCH
3/6/14 EU leaders condemned Russia's actions in Ukraine and decided to start preparing individual restrictive measures (asset freezes and travel bans). Bilateral talks with the Russian Federation on visa matters and on the New Agreement suspended.	3
	6
	17
3/20/14-3/21/14 Following the annexation of Crimea and Sevastopol to the Russian Federation, 12 names were added to the List of Russian and Crimean officials subject EU travel bans and asset freezes. The European Council cancelled the EU-Russia summit and member states will not hold any bilateral regular summits with Russia. The European Commission to prepare broader economic and trade sanctions that could be imposed if Russia further destabilized Ukraine.	20 – 21
	APRIL
	15
	MAY
	12
	JUNE
7/16/14 Special meeting of the European Council: The Council agreed to target Russia with six new restrictive measures, including a restriction on economic cooperation with Russia.	23
7/22/14 The Council takes action following the downing of flight MH17.	
7/25/14 The EU reinforced sanctions over the situation in eastern Ukraine: The Council's Committee Permanent Representatives (COREPER) discussed the preparatory work on further targeted measures.	
8/30/14 Special meeting of the European Council following escalation of the situation with Russian armed forces on Ukrainian territory, preparation of new economic sanctions.	
11/17/14 Ukraine was the main focus of the Foreign Affairs Council. EU ministers asked the European External Action Service (EEAS) and the European Commission to present a proposal on further sanctions against separatists.	
1/29/15 The Council strongly condemned the indiscriminate shelling of residential areas, especially in Mariupol, and the escalation of fighting in the Donetsk and Luhansk regions of Ukraine. The Council agreed to extend the existing individual restrictive measures, targeting 132 persons and 28 entities for threatening or undermining Ukraine's sovereignty proposal on additional designations for decision at the Foreign Affairs Council on Feb. 9, 2015.	
2/12/15 Cautious support to the Minsk agreement.	
3/19/15-3/20/15 Alignment of the existing sanctions regime to the implementation of the Minsk agreements. Economic sanctions will remain in force until the end of 2015, when the last point of the peace plan is to be implemented: Ukraine regaining control over its eastern borders. The EU High Representative, Federica Mogherini, to prepare an action plan on strategic communication for the June meeting of the European Council. EU leaders agreed on the objectives of the Eastern Partnership summit (in Riga on May 21-22, 2015).	
6/5/15 The Council extended asset freezes for three persons covered by measures applying until June 6, 2015.	
6/22/15 The Council extended EU economic sanctions until Jan. 31, 2016. They target certain exchanges with Russia in the financial, energy and defence sectors and dual-use goods.	
3/4/16 Extension of EU sanctions over misappropriation of Ukrainian state funds: The Council extended asset freezes against 16 people for one year.	
3/10/16 Extension of EU sanctions over action against Ukraine's territorial integrity: Restrictive measures against 146 people and 37 companies, in view of the continuing undermining or threatening of the territorial integrity, sovereignty and independence of Ukraine, until Sept. 15, 2016.	
6/17/16 Extension of sanctions in response to the illegal annexation of Crimea of Sevastopol until June 23, 2017: The measures apply to EU persons and EU-based companies.	
	JULY
	1
	AUGUST
	30
	SEPTEMBER
	12
	NOVEMBER
	17
	28
	DECEMBER
	18
2015	
	JANUARY
	29
	FEBRUARY
	9
	12
	16
	MARCH
	13
	19 – 20
	JUNE
	5
	19
	22
	SEPTEMBER
	14
	OCTOBER
	5
2016	
	MARCH
	4
	10
	JUNE
	17
	JULY
	1

3/3/14 Extraordinary meeting of the Foreign Affairs Council on the situation in Ukraine: The Council agreed to swiftly work on the adoption of restrictive measures for the freezing and recovery of assets of persons identified as responsible for the misappropriation of Ukrainian state funds.

3/17/14 Introduction of a first set of restrictive measures against 21 Russian and Ukrainian officials.

4/15/14 The Foreign Affairs Council focused on the situation in eastern Ukraine: Strengthen sanctions against persons responsible for misappropriating Ukrainian state funds and targeted additional individuals under the asset freezes and travel bans.

5/12/14 Agreement on a new set of sanctions: The Council agreed on a new set of sanctions and took note of the preparatory work of the Commission and member states on possible targeted measures.

6/23/14 Import ban on goods from Crimea or Sevastopol.

7/18/14 The Council widened the legal basis for EU restrictive measures, making it possible to target entities that materially or financially support actions against Ukraine.

7/29/14-7/31/14 Adoption of a package of additional restrictive measures against Russia's specific economic sectors.

9/12/14 New package of restrictive measures targeting exchanges with Russia in specific economic sectors, reinforcing the measures adopted on July 31, 2014.

11/28/14 As asset freezes and EU travel bans were imposed on 13 persons and five entities involved in action against Ukraine's territorial integrity. Total number of persons subject to EU sanctions over Ukraine's territorial integrity: 132, and the number of entities under the EU asset freeze: 28.

12/18/14 Council discussed the situation on the eastern borders of Europe, support for Ukraine and relations with Russia, and welcomed the strengthening of the sanctions on investment, services and trade with Crimea and Sevastopol.

2/9/15 The Council unanimously adopted additional sanctions concerning separatists in eastern Ukraine and their supporters in Russia (asset freezes and travel bans on 19 persons and nine entities involved in action against Ukraine's territorial integrity). To give space for diplomatic efforts and the Minsk talks, the Council put the implementation of the measures on hold until Monday, Feb. 16, 2015.

2/16/15 Asset freezes and EU travel bans were imposed on 19 persons and nine entities involved in action against Ukraine's territorial integrity.

3/13/15 The Council extended the application of EU restrictive measures targeting action against Ukraine's sovereignty, territorial integrity and independence until Sept. 15, 2015. 150 persons and 37 entities are subject to asset freezes and travel bans.

6/19/15 The Council extended until June 23, 2016 the EU restrictive measures in response to the illegal annexation of Crimea and Sevastopol. These measures include prohibitions on import of products, investment, tourism services and exports of certain good and technologies.

9/14/15 The Council extended the application of EU restrictive measures targeting action against Ukraine's territorial integrity, sovereignty and independence until Mar. 15, 2016. 149 persons and 37 entities are subject to asset freezes and travel bans.

10/5/15 The Council extended the asset freeze for one person covered by measures applying until Oct. 6, 2015 (Council decision (CFSP) 2015/1781 amending decision 2014/119/CFSP).

7/1/16 EU prolongs the economic sanctions against Russia by six months.

In addition to the EU sanctions, the United States also imposes certain sanctions against Russia. The U.S. sanctions include Sectoral Sanctions, which target certain sectors of the Russian economy, as well as export restrictions and targeted sanctions, which restrict transactions with certain prohibited persons and entities. The U.S. sanctions were initially implemented in March 2014. They have been increased several times since their initial implementation, and are expected to remain in place for the foreseeable future. As of the date of this Alert, the U.S. sanctions also include a nearly comprehensive embargo on Crimea.

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