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## RUSSIA/UKRAINE SANCTIONS UPDATE - MONTH OF AUGUST

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### I. US SANCTIONS

- **US Department of the Treasury Takes Further Action against Russia's International Supply Chains:** On August 23, the US Department of the Treasury's Office of Foreign Assets Control (OFAC) and the US Department of State sanctioned nearly 400 individuals and entities determined to offer products and services enabling Russia to sustain its war effort and evade sanctions. The actions focused on Russia's international supply chains and transnational networks, including those determined to procure ammunition and military materials for Russia, facilitate sanctions evasion, launder gold for a sanctioned Russian gold company, and support Russia's military-industrial base by procuring sensitive and critical items such as advanced machine tools and electronic components. [Read more >>](#), [Read more >>](#) and [Read more >>](#)
- **Commerce Tightens Export Controls and Targets Russia's Illicit Procurement Networks:** On August 23, the US Department of Commerce's Bureau of Industry and Security (BIS) tightened controls on Russia by adding 123 entities to its Entity List after determining the entities were acting contrary to the national security or foreign policy interests of the US. BIS also expanded the scope of its Russia/Belarus Military End User and Procurement Foreign Direct Product rules, imposing additional license requirements on operation software for computer numerically controlled machine tools and restricted trade to additional foreign addresses. [Read more >>](#)
- **US Department of the Treasury Sanctions Belarus's Military Support to Russia and Lukashenka Regime:** On August 9, OFAC designated nineteen individuals, fourteen entities, and one aircraft after determining their involvement in supporting Russia's war in Ukraine through military resource production and transshipment of goods to Russia, sanctions evasion on behalf of Belarusian defense entities, and revenue generation for Belarusian oligarchs in Alyaksandr Lukashenka's inner circle. The US Department of State also announced the imposition of visa restrictions on nineteen Lukashenka regime officials and their affiliates after determining their involvement in undermining democracy in Belarus. [Read more >>](#) and [Read more >>](#)

- **US Announces Significant Military Assistance to Ukraine:** On August 23, the US announced a “significant new” package of weapons and equipment for Ukraine, which includes counter-unmanned aerial systems equipment and munitions, additional ammunition for High Mobility Artillery Rocket Systems, 155mm and 105mm artillery rounds, Javelin and AT-4 anti-armor missiles, Tube-Launched, Optically-Tracked, Wire-Guided missiles, small arms ammunition, ambulances, demolition equipment and munitions, and spare parts, medical equipment, ancillary equipment, services, training, and transportation. [Read more >>](#)
- **US Deputy Secretary of the Treasury Has Call with Ukraine’s Minister of Finance:** On August 20, US Deputy Secretary of the Treasury, Wally Adeyemo, held a virtual call with Ukrainian Minister of Finance, Sergii Marchenko. Deputy Secretary Adeyemo reaffirmed the US’ “unwavering support for Ukraine in its fight to defend itself against Russia’s illegal and unprovoked war and preserve its freedom, sovereignty, and territorial integrity.” The Deputy Secretary also commended “Ukraine’s efforts to raise domestic revenues and committed that the international community would continue to stand with Ukraine.” [Read more >>](#)
- **US Department of the Treasury Issues Statement of the Group of Creditors of Ukraine:** On August 9, the Department of the Treasury issued a statement by the Group of Creditors of Ukraine, which welcomed an agreement in principle reached between Ukraine and its bondholders on Eurobond Debt Restructuring Terms. The agreement has been confirmed by the International Monetary Fund and “would demonstrate substantive support for the government and people of Ukraine by providing substantial debt relief.” The Group of Creditors of Ukraine includes Canada, France, Germany, Japan, United Kingdom, and the United States of America. Observers to the Group include Australia, Austria, Belgium, Brazil, Denmark, Finland, Ireland, Israel, Italy, Korea, the Netherlands, Norway, Spain, Sweden, and Switzerland. [Read more >>](#)
- **US Announces Significant Military Assistance to Ukraine:** On August 9, the US announced a \$125 million package of weapons and equipment for Ukraine, which includes air defense interceptors, munitions for rocket systems and artillery, multi-mission radars, and anti-tank weapons to reinforce Ukraine’s capabilities across the front lines. [Read more >>](#)
- **Secretary of the Treasury Issues Statement on the Disbursement of US Direct Budget Support for Ukraine:** On August 8, the Secretary of the Treasury, Janet L. Yellen, issued a statement on the disbursement of \$3.9 billion in direct budget support for Ukraine. The statement highlights that the support “stabilizes Ukraine’s home front as it continues to defend itself against Russia’s illegal and unprovoked war” and “is crucial to equip first responders, keep hospitals and schools open, and maintain other essential government functions.” [Read more >>](#)
- **US Announces Significant Military Assistance to Ukraine:** On July 29, the US announced a \$200 million package of weapons and equipment for Ukraine, which includes air defense interceptors, artillery ammunition, anti-tank weapons, small arms, demolitions equipment, and spare parts, ancillary equipment, services, training, and transportation. [Read more >>](#)

## II. EU SANCTIONS

- **EU Lists Further 28 Individuals for Participation in Internal Repression in Belarus:** On July 26, the EU decided to designate additional 28 individuals under its sanction framework in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. The new designations target individuals involved in the internal repression and human rights violations in Belarus. Designated persons are subject to asset freeze and travel ban measures. [Read more >>](#) and [Read more >>](#)

- **A Number of Non-EU States Align Their Sanction Policies with the EU Sanctions against Belarus:** The EU High Representative issued statement on the alignment of certain third countries, including candidate countries North Macedonia, Montenegro, Albania, Ukraine, and Bosnia and Herzegovina, as well as the EFTA countries Iceland, Liechtenstein, and Norway, with the EU sanctions measures. The alignment covers the Council Decision 2024/2116 of 26 July 2024 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine. [Read more >>](#)
- **EU Designations Are Challenged before the Court of Justice of the European Union:** Ms. Maria Albot, Mr. Victor Petrov and Ms. Arina Evheni Corșicova are challenging their designation under EU sanctions framework in view of actions destabilizing the Republic of Moldova, which increased since the beginning of the Russian war of aggression against Ukraine. [Read more >>](#), [Read more >>](#) and [Read more >>](#)
- **EU Explains Criteria for New Sanctions Policies and Factoring-in of Their Economic Consequences:** In response to a question on negative impact of EU sanctions on key strategic economic sectors in the EU, the European Commission explained that the purpose of sanctions is to impose the maximum constraint on Russia's capacity to wage war in Ukraine and, at the same time, to ensure a minimal negative impact on the Union's economy and, in particular, on strategic EU sectors. As regards future measures or any adjustment of existing measures, the Commission stated that EU sanctions are kept under regular review. It also explained that to support the EU industry the Commission adopted a Temporary Crisis Framework to enable Member States to support the economy in the context of Russia's invasion of Ukraine. [Read more >>](#) and [Read more >>](#)
- **European Commission Tells Hungary and Slovakia to Wean Themselves Off Russian Oil:** In a letter to Hungary and Slovakia, EU trade commissioner Valdis Dombrovskis said that diversification away from Russian fossil fuels should be actively pursued. Hungary and Slovakia rely on Russia crude flowing through Ukraine via the Druzhba pipeline, which is also used by Lukoil. Hungary and Slovakia were granted exemptions to an EU-wide ban on Russian oil imports because of the alleged absence of available alternatives. The European Commission however said that the two countries could use an existing pipeline bringing shipborne crude from Croatia. [Read more >>](#)
- **Lithuania at the Front Line of Sanctions Enforcement in the EU:** Lithuania is currently probing over 50 cases of suspected sanctions violations as a part of the EU effort to tighten the enforcement of its sanctions against Russia and Belarus. Amongst others, cases concern arms smuggling and illegal exports of goods to Russia. [Read more >>](#)
- **Lithuanian Company Fined over €1.2 Million for Importing Russian Coal and Rubber for Designated Persons:** On August 16, Lithuanian customs issued a press release stating that a fine of EUR 1,274,960 was imposed on a company registered in Lithuania that imported goods such as coal and rubber in violation of EU sanction measures against Russia. [Read more >>](#)
- **Lithuanian Vehicle Export Company Fined €13.6m for Breaching Russia Sanctions:** A Vilnius-based company exporting vehicles, Biovarda, has been fined 13.6 million euros for violating sanctions against Russia. The company reportedly failed to ensure compliance with sanctions in its transactions with companies registered in Kazakhstan, Belarus, and Turkey. [Read more >>](#)
- **European Public Prosecutor's Office Conducts Raids in Bulgaria:** The European Public Prosecutor's Office has conducted a raid on the premises of Bulgartransgaz, Bulgarian operator in natural gas transmission and storage. According to unofficial information, the actions of the European Public Prosecutor's Office are related to the inspections carried out in recent weeks by the European

Commission on the supply of natural gas to Europe by the Turkish company Botas and whether, in the implementation of these supplies, there is any possibility of circumventing the sanctions against Russia. [Read more >>](#)

- **Mikhail Fridman Files Claim against Luxembourg over Frozen Assets:** Mikhail Fridman has filed a \$16 billion claim against Luxembourg over its decision to freeze his assets after he was placed on the European Union's sanctions list. Fridman's legal team alleges that the EU sanctions were applied without due process and that his assets are still frozen, blocking him from managing or benefiting from them and calling for compensation based on the fair market value of his investments, which it says is conservatively anticipated to be no less than US \$16 billion. [Read more >>](#)

### III. UK SANCTIONS

- **OFSI Adds New Russia-related FAQs:** On August 15, the UK's Office of Financial Sanctions Implementation published 20 new FAQs. FAQs 110-119 under the Russia section of OFSI's FAQs includes a number of FAQs relating to Regulation 17 of the Russia (Sanctions) (EU Exit) Regulations 2019. [Read more >>](#)
- **UK Issues General Licence Relating to Payments and Activities Connected to the Liquidation of East-West United Bank:** On August 9, the UK issued General Licence INT/2024/5028385, which authorises payments and activities to take place in connection with the liquidation of East-West United Bank, a Luxembourg company, subject to certain notification and recordkeeping requirements. The general licence expires on August 8, 2029. [Read more >>](#)
- **UK Extends General Licence Relating to Transactions in Financial Instruments Held at the National Settlement Depository (NSD):** On August 2, the UK extended General Licence INT/2024/4919848, which relates authorises any activity reasonably necessary to sell, divest or transaction certain financial instruments held at the NSD and the payment of safe keeping fees, subject to certain conditions. The general licence now expires on 12 October 2024. [Read more >>](#)
- **UK Revokes and Re-specifies 17 Ships under the Russia Sanctions Regime:** On July 31, the UK revoked and re-specified 17 ships under the Russia sanctions regime relating to Russian ships. A specified ship: is prohibited from being provided with access to or having its master or pilot cause it to enter a port in the UK; may have its registration on the UK Ship Register terminated; and a master or pilot of a specified ship may be given a port barring direction, a detention direction, and a port entry direction or a movement direction. According to the UK Statement of Reasons, the specified ships have each been involved in carrying oil or oil products that originated from Russia to a third country. [Read more >>](#)
- **UK National Crime Agency (NCA) Confiscates over £780,000 from Petr Aven:** On July 29, 2024, the NCA announced that it had secured the forfeiture of more than £780,000 from Petr Aven, the former head of Russia's largest commercial bank under the Proceeds of Crime Act 2002. [Read more >>](#)

### IV. RUSSIA/UKRAINE SANCTIONS

- **Russia Permanently Bans 92 US Nationals from Entering Russia:** On August 29, in response to Joe Biden stating his goal of 'inflicting a strategic defeat on Moscow,' to include imposing 'blanket' sanctions against Russian politicians and other prominent Russian figures and organisations, Russia banned entry to its country on a permanent basis for 92 US citizens. The Russian Ministry of Foreign Affairs described an "insane sanctions frenzy of the American ruling elite" and banned, amongst the 92 individuals, some staff from the Wall Street Journal, the Washington Post, and the New York Times. [Read more >>](#)

- **Ukraine Issues Presidential Decree on Sanctions:** On August 21, the President of Ukraine, Volodymyr Zelensky issued Presidential Decree No. 511/2024, implementing a decision by the National Security and Defence Council of Ukraine on August 21, 2024. The decision concerns “the application, cancellation and amendment of personal special economic and other restrictive measures”. The decision also supports proposals from the Security Service of Ukraine regarding the application of sanctions and applies “personal special economic and other restrictive measures” to persons listed in the appendices. Zelensky’s decree implements the decision and gives control over implementation to the National Security and Defence Council. [Read more >>](#)
- **Russia Blacklists Employees of UK Think Tanks:** On August 19, the Russian Foreign Ministry announced it had blacklisted 32 employees from UK-based think tanks and consulting agencies. In a statement published on its website, the ministry described the UK’s current stance toward Russia as “aggressive” and “anti-Russian,” aimed at “defeating” Moscow. The ministry added that spreading disinformation about Russia is a “key component” of this strategy. [Read more >>](#)
- **Russian Official Describes How Sanctioned Countries Work Together in “Exposing Illegal Sanctions”:** On August 16, a senior foreign-ministry official, Dmitry Birichevsky, claimed to have a “close political dialogue” with countries that have also “long been sanctioned” and boasted of “cooperation through intergovernmental commissions” and “cooperation between companies”. Amongst the countries named were Iran, North Korea, and Venezuela. Birichevsky claimed that the cooperation of the various sanctioned countries shows that “it is possible to protect own priorities, own interests and survive in conditions with the West still dominating”. [Read more >>](#)
- **Russian Court Rejects an Arbitral Award and Describes Western Sanctions as “Legal Aggression”:** On August 16, the Commercial Court of the Sverdlovsk region declined to enforce an award in favour of Poland’s Pojazdy Szynowe PESA Bydgoszcz SA, local railcar maker, on the grounds that there were justifiable doubts as to whether Russia’s UralTransMash received a fair trial and citing the “legal aggression” of international sanctions against Russia. The Court stated that restrictive measures place Russian parties in an unequal position reputationally in international disputes.
- **Russian Court Orders \$1.15 Billion Asset Freeze:** On August 14, a Russian court ordered that assets worth around US\$1.15 billion of a British subsidiary of German industrial gases company Linde be frozen in a dispute over a gas processing plant. The claim was filed by RusChemAlliance, a joint venture 50% owned by Russia’s Gazprom, who argued that it was necessary to freeze Linde’s assets as Western sanctions would make it impossible to enforce a future judgement in a jurisdiction that Russia considers “unfriendly”, and that Linde was trying to withdraw its assets from Russian territory. [Read more >>](#)
- **Russian Supreme Court Denies the Enforcement of an Arbitral Award Issued by a Tribunal Seated in London:** On July 26, the Russian Supreme Court refused enforcement of an arbitration award on the basis of the “public policy” exception in the New York Convention, partially based on the nationalities of the arbitrators. The Supreme Court presumed there was a lack of impartiality due to the tribunal consisting of arbitrators who are nationals of countries deemed “unfriendly” under Russian legislation. These countries were Ukraine, UK, and Denmark. The dispute arose from an alleged breach of contract where C. Thywissen GmbH initiated an arbitration against JSC “Novosibirskhleboprodukt” on the basis that the latter failed to supply the flaxseed it was obligated to sell to the former under the terms of the contract. The arbitrarily tribunal ruled in favour of Thywissen, which sought (unsuccessfully) to enforce the decision in Russia.

## V. OTHER NOTABLE DEVELOPMENTS

- **China Opposes US Sanctions on Firms over Alleged Ties to Russia’s War Efforts:** On August 25, China representatives expressed China’s opposition to the latest US sanctions on Chinese companies over their alleged ties to Russia’s war in Ukraine. China also expressed it will “adopt necessary measures to safeguard the rights and interests” of China’s businesses. [Read more >>](#)

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