

Western sanctions. The latest changes and what to expect in the coming year ahead.

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Recent developments in EU

- Updating «sanctions lists»
 - ✓ persons responsible for organization of Russian presidential elections in Crimea and Sevastopol
 - ✓ companies engaged in construction of the Crimean Bridge
- Extension of terms of
 - ✓ sectoral sanctions until January 31, 2019
 - ✓ visa bans and asset freeze until March 15, 2019
 - ✓ restrictions on economic relations with Crimea and Sevastopol until June 23, 2019

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Recent developments in U.S.

- Codification of existing sanctions
- US Secretary of Treasury Report (January 2018)
- Updating «sanctions lists»

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Countering America's Adversaries Through Sanctions Act (dated August 2, 2017)

- Specifics
- ✓ codification
- ✓ elimination of time limits
- ✓ complex termination procedure
- ✓ broader sphere of application
- ✓ mandatory sanctions
- ✓ broader personal scope of application

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Countering America's Adversaries Through Sanctions Act

- Broader personal scope of application
- ✓ «secondary sanctions» - liability of non-US (foreign) persons
- ✓ extraterritorial application

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Defending American Security from Kremlin Aggression Act of 2018

- Introduced in US Senate August 1, 2018
- 4th sanctions bill since start of the year (three other bills - «Defending Elections from Threats by Establishing Redlines Act» (Jan. 16), «Stand with UK against Russia Violations Act» (Apr. 5) and «Secure America from Russian Interference Act of 2018» (Jul. 19))

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Structure

- NATO
- Public Diplomacy
- Chemical Weapons Nonproliferation
- Cybersecurity
- Election Interference
- Sanctions with respect to Russia
- Other matters

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Scope of application

- Chemical weapons nonproliferation
 - ✓ no specific sanctions
 - ✓ statements that may be further developed by imposing new sanctions
- Sanctions with respect to particular persons
 - ✓ political figures and oligarchs
 - ✓ parastatal entities
 - ✓ family members
 - ✓ other persons

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Scope of application

- Energy Sector
 - ✓ inside Russia project
 - ✓ outside Russia projects
- Financial Sector
 - ✓ transactions relating to Russian sovereign debt
 - ✓ transactions in property of Russian financial institutions (Vnesheconombank, Sberbank, VTB Bank, Gazprombank, Bank of Moscow, Rosselkhozbank, Promsvyazbank)

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Energy Sector

- Exemption for ongoing crude oil projects inside Russia
- Significant risks for overseas energy projects supported by Russia

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Recommendations

- Introduction of procedures for sanctions risks assessment
- Constant monitoring of relevant developments