

**MEMO# 34062**

March 7, 2022

## **Update on US Russia Sanctions from February 24 to March 4, 2022**

[34062]

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TO: ICI Members

ICI Global Members SUBJECTS: International/Global RE: Update on US Russia Sanctions from February 24 to March 4, 2022

The United States government continues to take measures in response to Russia's invasion of Ukraine. This update summarizes the sanctions and other measures that are most relevant to regulated funds and asset managers through March 4, 2022.[\[1\]](#)

### **White House Joint Statement - February 26, 2022**

The White House issued a joint statement on February 26, along with the European Commission, France, Germany, Italy, the United Kingdom, and Canada, reaffirming the multilateral commitment to take further economic measures against Russia.[\[2\]](#) The White House statement signaled the following broad commitments:

- Removing certain Russian banks from the SWIFT messaging system;
- Imposing restrictions that prevent the Russian Central Bank from "deploying its international reserves in ways that undermine the impact of our sanctions;"
- Limiting the sale of citizenship ("golden passports") to wealthy Russians connected with the Russian government so that they cannot become citizens and use the US financial system;
- Launching a transatlantic task force to identify and freeze the assets of the sanctioned individuals and companies that exist in the jurisdictions of the partnered countries; and
- A general commitment to fighting disinformation and other hybrid warfare tactics.

### **Sanctions on the Central Bank of Russia**

On February 28, 2022, the Office of Foreign Assets Control of the Department of the Treasury (OFAC) issued Directive 4 pursuant to EO 14024[\[3\]](#) related to transactions involving three entities: the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation. These sanctions are intended to disrupt Russia's ability to finance its warfighting activity by "limit[ing] Russia's ability to use assets to finance its destabilizing activities, and target the funds Putin and his inner circle depend on to enable his invasion of Ukraine," stated

Secretary of the Treasury Janet Yellen. The press release from OFAC can be found at <https://home.treasury.gov/news/press-releases/jy0612>.

The prohibition applies to "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, including any transfer of assets to such entities or any foreign exchange transaction for or on behalf of such entities." OFAC further authorized sanctions against "(1) any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions of this Directive; and (2) any conspiracy formed to violate any of the prohibitions of this Directive."

A limited General License was issued in tandem with Directive 4, authorizing certain energy-related transactions with the Central Bank of the Russian Federation through June 24, 2022.[\[4\]](#)

FAQs 981 and 1000-1005 clarify certain activities with respect to Russian sovereign bonds, including providing that (1) secondary market trading of bonds issued before March 1 is not restricted, provided that prohibited entities are not counterparties, and (2) US persons are not permitted to receive interest, dividends, or maturity payments after May 25 if they do not have a specific license to do so.[\[5\]](#)

## **Russian Direct Investment Fund**

On February 28, 2022, OFAC also announced new SDN designations targeting Russia's sovereign wealth fund, the Russian Direct Investment Fund, as well as (1) its managing company, Joint Stock Company Management Company of the Russian Direct Investment Fund, (2) the managing company's subsidiary, Limited Liability Company RVC Management Company, and (3) its Chief Executive Officer, Kirill Dmitriev.

## **March 3, 2022 SDN Designations**

On March 3, 2022, OFAC issued another round of significant SDN designations targeting Russian billionaire affiliates of President Putin.[\[6\]](#) These following individuals were designated:

- Alisher Burhanovich Usmanov: Usmanov is one of Russia's wealthiest individuals, with close financial ties to Putin and Dmitry Medvedev, the former President and Prime Minister of Russia and current Deputy Chair of Russia's Security Council. However, concurrent with Usmanov's designation, OFCA issued General License 15, "authorizing all transactions and unblocking all property of any entity owned 50 percent or more, directly or indirectly, by Usmanov, that does not appear on OFAC's SDN List."[\[7\]](#)
- Nikolay Petrovich Tokarev and certain of his family members: Tokarev is a longtime associate of Putin who served with Putin in the KGB. Tokarev is currently the president of a vital oil pipeline company in Russia.
- Yevgeniy Prigozhin and certain of his family members and related entities: Prigozhin is the primary financial banker of the Internet Research Agency (IRA), which he uses to run "global influence operations."

In addition, OFAC further designated as SDNs various SVR-directed disinformation sites, as well as entities and individuals affiliated with them. Information on sanctioned entities and individuals is available at <https://sanctionssearch.ofac.treas.gov/>.

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**endnotes**

[1] Please see ICI Memorandum 34051, issued February 28, 2022, for an update on earlier actions through February 25, available at <https://www.ici.org/memo34051>.

[2] The statement is available at:  
<https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/26/joint-statement-on-further-restrictive-economic-measures/>.

[3] Directive 4 is available at:  
[https://home.treasury.gov/system/files/126/eo14024\\_directive\\_4\\_02282022.pdf](https://home.treasury.gov/system/files/126/eo14024_directive_4_02282022.pdf).

[4] The General License is available at:  
[https://home.treasury.gov/system/files/126/russia\\_gl8a\\_1.pdf](https://home.treasury.gov/system/files/126/russia_gl8a_1.pdf).

[5] Ukraine/Russia-related sanctions FAQs are available at  
<https://home.treasury.gov/policy-issues/financial-sanctions/faqs/topic/1576>.

[6] Information on these designations is available at:  
<https://home.treasury.gov/news/press-releases/jy0628>.

[7] The General License is available at:  
[https://home.treasury.gov/system/files/126/russia\\_gl15.pdf](https://home.treasury.gov/system/files/126/russia_gl15.pdf).

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