

## Client Alert

### The U.S. and EU Respond: New Sanctions and Authorities in Response to Developments in Ukraine

March 6, 2014

On March 6, the European Union announced an asset freeze on 18 Ukrainian Officials, President Obama issued a new Executive Order (Order) (as yet unnumbered) providing the legal basis for the imposition of new sanctions on individuals and entities undermining the democratic process in Ukraine, and the U.S. State Department issued a visa ban on unnamed Russian and Ukrainian officials.

While U.S. Secretary of State John Kerry continues to meet with Russian and EU Foreign Ministers in Europe, yesterday in Paris and today in Rome, the United States and EU took several actions in opposition to recent developments in Ukraine.

First, the European Union announced an asset freeze on former Ukrainian President Victor Yanukovich and 17 other Ukrainians, including former President Yanukovich's children, a former Prime Minister, and several former Ministers. The announcement blocks all assets of the designated individuals which are subject to the jurisdiction of any member of the European Union. The full list of designated individuals can be found [here](#).

Second, President Obama issued a new [Executive Order](#) which provides a new legal basis to sanction not only anyone undermining the democratic process in Ukraine but also anyone purporting to assert authority over a territory or region of Ukraine. While the Order does not yet designate anyone, it provides the Treasury Department, in coordination with the State Department, authority to designate any person determined to:

- Be responsible for, complicit in, or engaged in, directly or indirectly, any:
  - Actions or policies that undermine democratic processes or institutions in Ukraine;
  - Actions or policies that threaten the peace, security, stability, sovereignty, or territorial integrity of Ukraine; or
  - Misappropriation of state assets of Ukraine, or an economically significant entity in Ukraine
- Have asserted governmental authority over any part or region of Ukraine without the authorization of the Government of Ukraine;
- Be a leader of an entity that has engaged in any of the activities described above;
- Have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any activity described above; or
- Be owned or controlled by, or to have acted or purported to act for or on behalf of, any person whose property is blocked pursuant to the order.

The Order authorizes a travel ban and an asset freeze on any individual designated pursuant to its authorities. It also prohibits U.S. persons, including all foreign branches, from providing or receiving any funds, goods or services to/from any designated individual.

Finally, the State Department has issued an internal policy constituting a visa ban for certain unidentified Russian and Ukrainian officials and individuals determined to be responsible for or complicit in threatening the sovereignty and territorial integrity of Ukraine. The decision was announced by the White House in a [press release](#) and confirmed by the State Department on its Official Twitter [feed](#).

Companies are advised to closely monitor the rapidly evolving situation in Ukraine and the international response. The Treasury Department, in consultation with the State Department and the White House, is likely to begin designating individuals and entities under this new authority over the next few days. Additionally, both houses of the U.S. Congress are considering specific sanctions legislation, the European Union is considering additional sanctions on Russia, and Russia has promised to retaliate for any actions taken by the United States or European Union against it.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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