

ClientAlert

International Trade

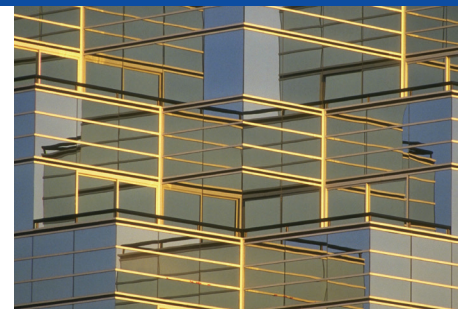
March 2014

US Issues Second Executive Order, Designates Ukrainian and Russian Officials

On March 17, 2014, President Obama signed a new Executive Order ("March 17 EO"), expanding on the Executive Order issued on March 6, 2014 ("March 6 EO") relating to the unrest in Ukraine. The March 17 EO authorizes the United States to impose sanctions on senior officials of the Government of the Russian Federation, as well as on individuals or entities operating in the arms or related materiel sector in the Russian Federation. The March 17 EO also provides the authority for designation of any individual or entity that is owned or controlled by, or provides material or other specified support to any senior official of the Government of the Russian Federation or any person designated pursuant to this order. The March 17 EO was issued in direct response to the referendum held on Sunday, March 16 in Crimea regarding secession from Ukraine.

The March 17 EO authorizes blocking the property and interests in property located in the United States or in the possession or control of a US Person of any person (including individuals and entities) found to be:

- An official of the Government of the Russian Federation, defined to include the Government of the Russian Federation, any political subdivision, agency, or instrumentality thereof, including the Central Bank of the Government of the Russian Federation, and any person owned or controlled by, or acting for or on behalf of, the Government of the Russian Federation
- Operating in the arms or related materiel sector in the Russian Federation
- Owned or controlled by or acting on behalf of a person or entity acting on behalf of:
 - A senior official of the Government of the Russian Federation
 - A person blocked under this EO
- A person or entity that has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to:
 - A senior official of the Government of Russia
 - A person blocked under this EO



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The March 17 EO also prohibits transactions that evade or avoid, have the purpose of evading or avoiding, cause a violation of, or attempt to violate any of the prohibitions set forth in the March 17 EO, including any conspiracy to violate any of the prohibitions.

Note that the March 17 EO has been issued in addition to the March 6 EO, which continues to provide for blocking of individuals and entities engaged in activities that are considered to undermine the democratic processes and territorial integrity of Ukraine. The March 6 EO provided the foundation for designations of individuals and entities relating to the unrest in Ukraine, but was not accompanied by corresponding designations at that time. A discussion of that action is available [here](#).

The sanctions authorized by the Executive Orders include asset freezes as well as a prohibition on US persons from doing business with entities or individuals designated under the EO or that are owned or controlled by a designated entity or individual.

The March 17 EO is accompanied by a first wave of designations made under both the March 6 and March 17 Executive Orders. Eleven individuals from both Russia and Ukraine have been designated. OFAC has provided the following listing:

- AKSYONOV, Sergey Valeryevich (a.k.a. AKSENOV, Sergei; a.k.a. AKSYONOV, Sergei; a.k.a. AKSYONOV, Sergey; a.k.a. AKSYONOV, Sergiy; a.k.a. AKSYONOV, Serhiy Valeryevich); DOB 26 Nov 1972; POB Balti, Moldova (individual) [UKRAINE].
- GLAZYEV, Sergey (a.k.a. GLAZYEV, Sergei); DOB 01 Jan 1961; POB Zaporozhye, Ukraine; Presidential Advisor (individual) [UKRAINE2].
- KLISHAS, Andrei (a.k.a. KLISHAS, Andrey); DOB 09 Nov 1972; POB Yekaterinburg, Sverdlovsk, Russia; Chairman of the Russian Federation Council Committee on Constitutional Law, Judicial and Legal Affairs and the Development of Civil Society (individual) [UKRAINE2].
- KONSTANTINOV, Vladimir Andreyevich, Crimea, Ukraine; DOB 19 Nov 1956 (individual) [UKRAINE].
- MATVIYENKO, Valentina Ivanovna; DOB 07 Apr 1949; POB Shepetovka, Khmelnytsky, Ukraine; Federation Council Speaker; Chairman of the Russian Federation Council (individual) [UKRAINE2].
- MEDVEDCHUK, Viktor; DOB 07 Aug 1954; POB Pochyot, Krasnoyarsk Krai, Russia (individual) [UKRAINE].
- MIZULINA, Yelena (a.k.a. MIZULINA, Elena; a.k.a. MIZULINA, Elena Borisovna; a.k.a. MIZULINA, Yelena Borisovna); DOB 09 Dec 1954; POB Bui, Kostroma, Russia; State Duma Deputy; Chairman of the State Duma Committee on Family, Women and Children (individual) [UKRAINE2].
- ROGOZIN, Dmitry Olegovich (a.k.a. ROGOZIN, Dmitriy; a.k.a. ROGOZIN, Dmitry); DOB 21 Dec 1963; POB Moscow, Russia; Deputy Prime Minister of the Russian Federation (individual) [UKRAINE2].
- SLUTSKY, Leonid (a.k.a. SLUTSKIY, Leonid; a.k.a. SLUTSKY, Leonid E.; a.k.a. SLUTSKY, Leonid Eduardovich); DOB 04 Jan 1968; State Duma Deputy; Chairman of the Committee on Affairs of the Commonwealth of Independent States (CIS); First Deputy Chairman of the Committee on International Affairs; Chairman of the Russian World Fund Administration (individual) [UKRAINE2].
- SURKOV, Vladislav Yurievich; DOB 21 Sep 1964; POB Solntsevo, Lipetsk, Russia; Presidential Aide (individual) [UKRAINE2].
- YANUKOVYCH, Viktor Fedorovych; DOB 09 Jul 1950; POB Yenakiyev, Donetsk Region, Ukraine; alt. POB Makiivka, Donbas, Ukraine; Former President of Ukraine (individual) [UKRAINE].

In addition, the Executive Orders expand a pre-existing visa ban that had been imposed on individuals complicit in human rights abuses and political oppression in Ukraine in recent months. Under the expanded visa ban, the US State Department will now deny visas to those responsible for or complicit in threatening the sovereignty and territorial integrity of Ukraine. The US State Department also may revoke visas that already have been issued. The State Department is keeping lists of individuals subject to the visa ban confidential, and does not have any plans to make them publicly available at this time.

The EU today also announced sanctions against 21 individuals involved in the Crimean region in Ukraine and Russia. Our EU colleagues' alert describing the EU measures can be accessed [here](#).

Under the US Executive Orders stemming from the Ukraine crisis, the United States has made clear that the measures taken could target not only those directly involved in the Ukraine situation, but also any person or entity providing support broadly to Russian government officials or the arms and materiel sector of Russia. According to the White House, the intent of these Executive

Orders is “to hold accountable individuals who use their resources or influence to support or act on behalf of senior Russian government officials.” The potential scope of future designations consequently is extremely broad. In commentary today, however, the White House indicated that the designated government officials are targeted in their individual capacities and that companies they manage on behalf of the Russian state are not currently targeted. Companies doing business in Russia and Ukraine should monitor closely any measures imposed pursuant to these Executive Orders and congressional action to ensure compliance. It is particularly important for financial institutions as well as other entities to understand their obligations under US law in the event that they might hold assets of designated persons, either directly or indirectly. Penalties for noncompliance are severe. We will continue to track and report on these sanctions developments.

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