

E-ALERT | International Trade Controls

April 29, 2014

RECENT DEVELOPMENTS IN THE EU SANCTIONS RELATING TO UKRAINE

This morning, the EU published [Regulation 433/2014](#) designating an additional 15 Ukrainian and Russian individuals for asset freezing measures and visa bans, further to earlier sanctions measures that the EU has implemented over the last two months (we reported on the earlier measures in our March and April 2014 [e-alerts](#)). The new designations identify individuals deemed by the EU to be responsible for threats to the territorial integrity, sovereignty, and independence of Ukraine. The targeted individuals include several members of the State Duma and the Russian Government, including the Russian Deputy Prime Minister. In contrast to the U.S. sanctions published [yesterday](#), the new round of EU sanctions do not target any Russian companies or businesspersons.

With the addition of these 15 newly-designated parties, the EU has now sanctioned a total of 48 individuals in connection with the Russian annexation of parts of Ukraine and 22 individuals in connection with the embezzlement of the Ukrainian state funds.

ADDITIONAL EU DESIGNATIONS

Similar to the earlier EU sanctions measures, all funds and “economic resources” belonging to, owned, held, or controlled by the newly designated individuals must be frozen. “Economic resources” include “assets of every kind, whether tangible or intangible, movable or immovable, which are not funds, but which may be used to obtain funds, goods or services.” In addition, Regulation 433/2014 prohibits making available funds or “economic resources,” directly or indirectly, to or for the benefit of the listed individuals. As a practical matter, the foregoing measures will restrict most business activities with the designated individuals, and may also restrict dealings with entities that are owned or controlled by those individuals.

The newly designated individuals include:

1. **Oleg Belavantsev:** Mr Belavantsev was appointed by President Putin as Russia’s Presidential Envoy to Crimea on March 21, 2014.
2. **Valeriy Bolotov:** Mr Bolotov is one of the leaders of the separatist group “Army of the South-East,” which occupied the building of the Security Service in the Lugansk region of Eastern Ukraine; their weapons were allegedly supplied by Russian parties and local Ukrainian criminal groups.
3. **Tsyplakov Gennadevich:** Mr Gennadevich is one of the leaders of the ideologically radical organization “People’s Militia of Donbas” and took active part in the seizure of a number of state buildings in Donetsk region of Eastern Ukraine.
4. **Valery Gerasimov:** Mr Gerasimov is a Russian General, the current Chief of the General Staff of the Armed Forces of Russia, and first Deputy Defence Minister. He was appointed to his post by President Putin in November 2012.
5. **Olga Kovatidi:** Mr Kovatidi is a member of the Russian Federation Council.

6. **Dmitry Kozak:** Mr Kozak has been the Russian Deputy Prime Minister since October 2008. He has previously served as the Chief of the Russian Government Staff and the Russian Minister of Regional Development. Mr Kozak is known to be a close ally of Vladimir Putin.
7. **Sergei Menyailo:** Mr Menyailo is the acting governor of the Ukrainian city of Sevastopol, recently annexed by Russia.
8. **Sergei Neverov:** Mr Neverov is the Deputy Chairman of the Russian State Duma and is affiliated with the United Russia party.
9. **German Prokopiv:** Mr Prokopiv is an active leader of the “Lugansk Guard” and was allegedly involved in the seizure of official buildings in the Lugansk region of Eastern Ukraine. He reportedly has close links with the separatist group “Army of the South-East.”
10. **Andriy Purgin:** Mr Purgin is head of the “Donetsk Republic,” a self-proclaimed separatist organisation in the city of Donetsk in Eastern Ukraine. He is also the co-founder of a “Civic Initiative of Donbass for the Eurasian Union.”
11. **Denys Pushylin:** Mr Pushylin is an active spokesperson for the separatist movement. He is also one of the leaders of the Donetsk People’s Republic and has participated in the seizure and occupation of the regional administration.
12. **Oleg Savelyev:** Mr Savelyev is the Russian Minister for Crimean Affairs responsible for the integration of Crimea into Russia; he was appointed to his position on March 31, 2014.
13. **Igor Sergun:** Sergun is the director of the Russia’s GRU (Main Intelligence Directorate) and the Deputy Chief of the General Staff of the Armed Forces of the Russian Federation. Mr Sergun is deemed to have responsibility for the activity of GRU officers in Eastern Ukraine.
14. **Ludmila Shvetsova:** Ms Shvetsova was elected to the Russian State Duma in December 2011, where she was responsible for the initiation of legislation supporting the integration of Crimea into Russia. She has, on many occasions, also been nominated by public organizations and political parties for senior state positions.
15. **Ihor Strelkov:** Mr Strelkov (or Strelkov) has been identified by the EU as working for the GRU. He also assists on security issues Sergey Aksionov, the self-proclaimed prime minister of Crimea.

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It is anticipated that the EU may impose additional sanctions against Russia if the situation in Eastern Ukraine deteriorates further, or if it expands into other parts of Russian-speaking Ukraine such as Odessa and other parts of Southern Ukraine. In its [conclusions published on April 14, 2014](#), the EU Council signaled that restrictions targeted at Russia’s financial and energy sectors were possible, but we would expect those measures to be considered only as last resorts. The EU Member States are required to reach consensus before any sanctions measures are imposed, and it remains the case that many Member States are deeply divided with respect to further sanctions against Russia: eastern Member States—who are geographically, economically, and culturally linked to Ukraine—are strongly in favor of enhanced sanctions, while other EU countries with closer economic links to Russia favor a less forceful approach.

We are following developments in Ukraine closely and will provide further updates as events unfold. Our U.S. and EU offices have deep expertise in the application of U.S. and EU sanctions, and we are well-positioned to advise companies and individuals on compliance with the sanctions relating to Ukraine and Russia, as well as on the broader impact of the Ukraine crisis on foreign investment and other commercial and legal interests in Ukraine, Russia, and elsewhere in the region.

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