

## OF INTEREST

# U.S. Joins the EU in Imposing New Sanctions Against Crimea

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## AUTHORS

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On December 19, 2014, President Obama issued an executive order (“EO”) that imposes significant new sanctions against Crimea.<sup>1</sup> The EO essentially imposes a trade embargo against the Crimea region of Ukraine (“Crimea”). Under the EO, the following activities are prohibited:

1. Making any new investment in Crimea;
2. Importing into the United States, directly or indirectly, any goods, services or technology from Crimea;
3. Exporting, re-exporting, selling or supplying, directly or indirectly, from the United States or by a U.S. person to Crimea;
4. Any approval, financing, facilitation or guarantee by a U.S. person, wherever located, of any transactions related to Crimea by foreign persons if such transactions are prohibited for U.S. persons;

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<sup>1</sup> A copy of the executive order can be found [here](#). A link to the press release is available [here](#).

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In addition, the EO makes it possible for the U.S. Treasury Department to block the assets of entities and individuals that operate in Crimea; act as leaders of an entity operating in Crimea; are owned or controlled by, or have acted or purported to act for or on behalf of, persons whose property is blocked pursuant to the EO; or materially assist, sponsor, or provide financial, material, or technological support for, or goods or services to or in support of, any person whose property is blocked pursuant to the EO.

The U.S. Department of the Treasury also acted on December 19, 2014 to block the assets of 24 Ukrainian and Russian-backed Crimean separatists and the militias or entities they lead or support.

These actions were taken in concert with the European Union ("EU"), which also expanded the scope of its existing economic sanctions against Crimea and Sevastopol effective December 20, 2014. The new EU sanctions prohibit acquiring or extending ownership in any entity or in real estate located in Crimea and Sevastopol; providing financing to any entity in Crimea or Sevastopol; creating a joint venture in Crimea or Sevastopol; and providing investment services in relation to these activities. Previously, these restrictions only applied to the transport, communications, energy, and oil, gas and mineral exploration sectors ("Sanctioned Sectors"). The EU has also imposed a new ban on providing services directly relating to tourism in Crimea and Sevastopol, including a ban on cruise ships calling at any ports situated in the Crimean peninsula. The list of goods subject to an export ban relating to the Sanctioned Sectors has also been expanded, and the import ban on goods originating from Crimea and Sevastopol remains in place.

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