

CLIENT MEMORANDUM

EU Sanctions Update – Russia/Ukraine

July 17, 2014

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The European Council (the “Council”) yesterday agreed to expand the restrictive measures it is imposing in relation to the situation in Ukraine. Specifically, the Council will look to target entities, including Russian entities, that are materially or financially supporting actions undermining or threatening Ukraine’s sovereignty, territorial integrity and independence. The Council set the end of July as a target date by which it aims to come up with the necessary legal instruments and a first list of entities and individuals that will be targeted.

In addition:

- The Council is considering the possibility of targeting individuals or entities that actively provide material or financial support to the Russian decision-makers responsible for the annexation of Crimea or the destabilisation of eastern Ukraine.
- The Council has requested the European Investment Bank to suspend the signature of new financing operations in the Russian Federation.
- European Union member states will coordinate their positions within the European Bank of Reconstruction and Development’s board of directors with a view to also suspending financing of new operations.

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Continued

- The European Commission will re-assess EU-Russia cooperation programmes with a view to taking a decision, on a case by case basis, on the suspension of the implementation of EU bilateral and regional cooperation programmes.
- In line with the policy of non-recognition of the annexation of Crimea and Sevastopol, the Council is seeking proposals for additional measures in particular on restricting investments in Crimea and Sevastopol and has said that it expects the International Financial Institutions to refrain from financing any projects that explicitly or implicitly recognise the annexation of Crimea and Sevastopol.

If you have any questions regarding this memorandum, please contact Peter Burrell (+44 20 3580 4702, pburrell@willkie.com), Michael Thorne (+44 20 3580 4730, mthorne@willkie.com) or the Willkie attorney with whom you regularly work.

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