

Russia Says U.S. Sanctions Violate WTO Terms

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GENEVA — Russia has told the U.S. that its Ukraine-related sanctions on a Russian bank and Russian citizens are illegal under World Trade Organization rules and must be scrapped.

Economic Development Minister Alexei Ulyukayev said last week that Russia could launch a dispute at the world trade body to challenge U.S. sanctions. The latest warning, in a confidential document circulated at the WTO on Wednesday, explained what grounds Russia would have for doing so and said Moscow believes it would win a trade dispute if it launched one.

Member countries can claim some exemptions from WTO rules, however, including on grounds of national security. Although it would be unusual to rely on those grounds to deflect a WTO dispute, the U.S. invoked the national security argument as a member of the trade body's predecessor organization to justify its economic embargo on Cuba. The U.S. and European Union have so far imposed visa bans and asset freezes on a few Russians in protest at Moscow's annexation of Crimea from Ukraine.

But U.S. President Barack Obama said on Thursday he was poised to impose more sanctions on Moscow if it does not act fast to end an armed standoff in Ukraine's east, where pro-Russian separatists are defying Kiev's authority. The document also fired a warning shot at other countries that may be thinking of bringing sanctions against Russia.

"The Russian Federation also notes debates among the political elite of certain WTO members calling for imposition of trade restrictive measures in respect of Russian goods and services, exports to Russia and transfers of payments," it said.

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