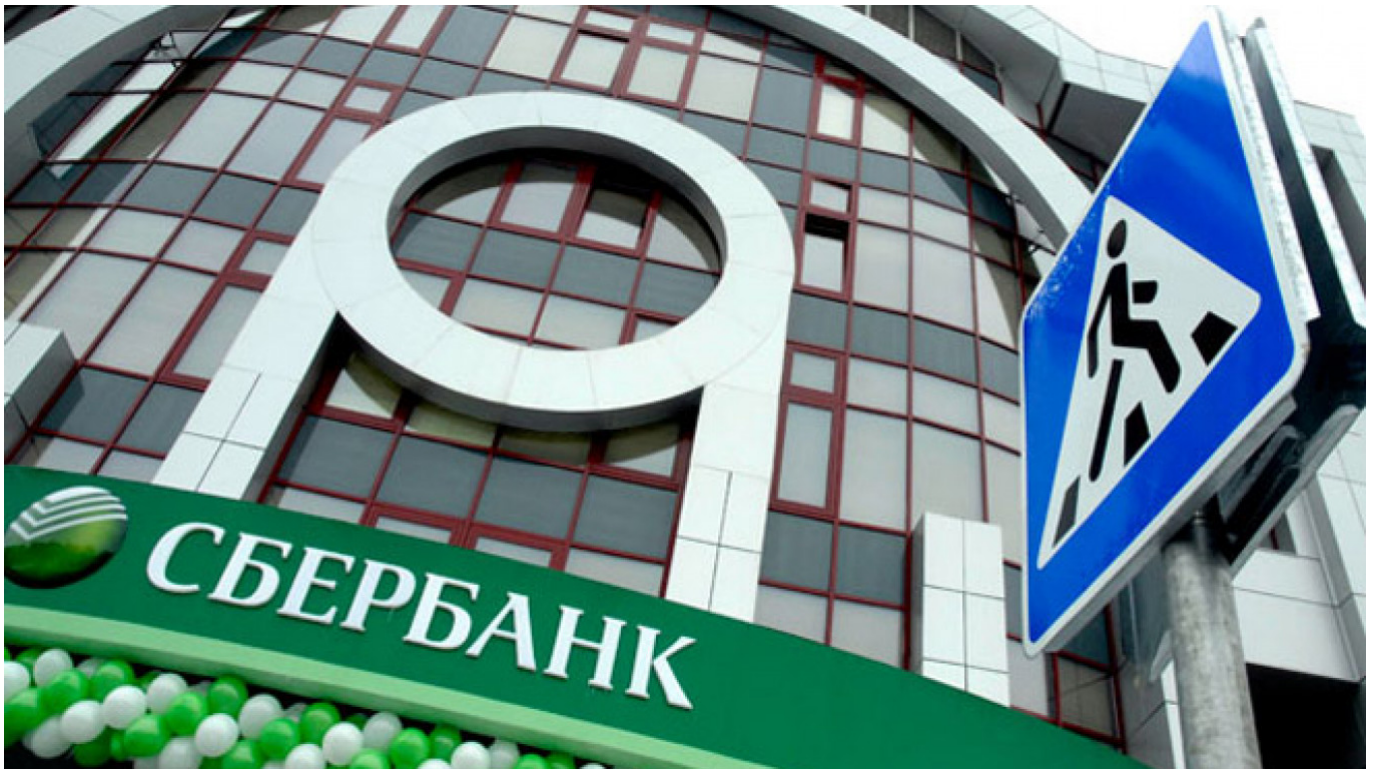


EU Eases Sanctions on Russian Bank Subsidiaries

By [The Moscow Times](#)

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Sberbank, VTB and Vnesheconombank filed complaints with the General Court of the Court of Justice seeking the removal of the punitive measures.

The European Union said Friday that it would allow the European subsidiaries of Russian banks to raise capital for longer than 30 days, in a clarification to the sanctions the bloc imposed on Russia this summer for Moscow's role in the Ukraine crisis.

The subsidiaries of state-owned Russian banks operating on the territory of the EU can raise finance with a maturity of longer than 30 days if the “documented objective [is] to provide emergency funding to meet solvency and liquidity criteria,” according to amendments published in the Official Journal of the EU on Friday.

The EU sanctioned Russia's biggest banks — Sberbank, VTB, Gazprombank, Vnesheconombank (VEB) and Rosselkhozbank — in July, restricting their ability to raise capital to loans with less than 90-days maturity. In September, it tightened the limit to 30-

day maturity.

The changes to the restrictions on Russian banks were part of a series of amendments to sanctions published Friday, the full impact of which was not immediately clear.

“This should not be viewed as an effort to ease sanctions on Russia — but rather protecting the stability of the EU banking sector against backdraft from sanctions on Russia,” Timothy Ash, an emerging markets analyst at Standard Bank in London, said in an e-mailed note to investors Friday.

However, a partner at Moscow-based law firm said the documents published by the EU on Friday do not significantly change or soften existing European sanctions on Russia — they are instead a clarification to European national authorities on how to enforce the measures.

Several state-owned Russian companies have sought to challenge the legality of sanctions in European courts.

Sberbank, VTB and Vnesheconombank filed complaints with the General Court of the Court of Justice, the highest court in the EU system, in October, seeking the removal of the punitive measures.

Sanctions have been eased for subsidiaries of Russian banks before: In October the United States withdrew sanctions on Denizbank, a Turkish subsidiary of Sberbank, permitting the Turkish lender to return to U.S. capital markets.

This article has been updated to include comments from a partner in a Moscow law firm.

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