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U.S. Widens Sanctions Against Russia Over Ukraine Invasion

By AFP

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U.S. Treasury Secretary Janet Yellen. **Anna Moneymaker / Getty Images via AFP**

The United States on Wednesday announced a raft of new sanctions aimed at constraining Moscow's ability to wage war on Ukraine while raising the stakes for foreign banks that still do business with Russia.

The Treasury Department and State Department's sanctions impacted more than 300 targets, including entities in Russia and countries like China, Turkey and the United Arab Emirates.

Those designated include the Moscow Exchange and several subsidiaries, a move set to complicate billions of dollars in transactions, as well as entities involved in three liquefied natural gas (LNG) projects.

"Today's actions strike at their remaining avenues for international materials and equipment, including their reliance on critical supplies from third countries," Treasury Secretary Janet

Yellen said in a statement.

"We are increasing the risk for financial institutions dealing with Russia's war economy and eliminating paths for evasion, and diminishing Russia's ability to benefit from access to foreign technology, equipment, software, and IT services," she added.

Besides the fresh sanctions, the Treasury Department is broadening its definition of Russia's "military-industrial base."

Until now, foreign banks could be sanctioned for supporting Russia's defense industry. The latest step expands the reach of so-called secondary sanctions to all Russian individuals and entities that have already been impacted by U.S. sanctions.

That means foreign financial institutions could be hit for conducting transactions involving any blocked person or designated Russian banks like VTB or Sberbank — with the list of exposed targets growing from over 1,000 to about 4,500.

Washington moved to restrict the supply of IT services and certain software support to people in Russia as well.

Global networks

Meanwhile, the latest sanctions impact transnational networks, hitting more than 90 people and entities in places like China, South Africa, Turkey and the UAE, the Treasury said.

Washington says that goods and services from these foreign networks helped Russia to sustain its war and avoid sanctions.

A senior U.S. official told reporters Wednesday that efforts to restrict Russia's ability to sustain the war in Ukraine have had a "significant impact."

"Global exports to Russia have fallen by almost $90 billion, and U.S. exports to Russia have essentially halted for everything but certain medical items like vaccines," the official said on condition of anonymity.

The Treasury also expanded its list of information for five sanctioned Russian financial institutions to include addresses and aliases of their foreign locations.

The addresses listed will impact almost $100 million in high-priority items including semiconductors, the U.S. official said, adding that much of the sanctions evasion appears to be going through entities in China.

Washington's actions come ahead of this week's G7 summit in Italy. The White House previously said that steps to aid Ukraine using frozen Russian assets will be announced during the gathering.

G7 leaders hope to reach a deal on using the profits from the interest on 300 billion euros ($325 billion) of frozen Russian Central Bank assets to help Kyiv.

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