

POINTS FOR PRIVATE FOREIGN BUSINESSES

- Russia's military intervention in Ukraine and purported annexation of Crimea and its ongoing violation of Ukraine's sovereignty and territorial integrity breach its core obligations under international law and threaten international peace and stability.
- It is critical that we stand together in challenging these violations of international law. Only if we are able to impose serious costs on the Russian economy will we succeed in altering Russia's calculus. Russia must not believe that it can play us off against one another.
- The United States is committed to a diplomatic solution to the situation. We, and our allies, have taken several measures in response.
- On March 17 we sanctioned several senior officials in the Kremlin, leaders of the Duma (Russia's parliament), former Ukrainian officials, and Crimean separatist leaders. (List at www.treasury.gov/ofac/download/prgrmlst.txt).
- On March 20, we sanctioned several prominent Russian businessmen in the inner circle of President Vladimir Putin and Bank Rossiya, a St. Petersburg-based bank that essentially operated as a house bank for members of this inner circle. (List at www.treasury.gov/ofac/download/prgrmlst.txt).
- On April 11, we significantly escalated the sanctions to include an additional group of Crimean and former Ukrainian officials for their actions, and an energy company that misappropriated Ukrainian state assets. These actions did not target Russian officials or entities.
- Executive Order 13662, signed by the President on March 20, gives the Department of Treasury, in consultation with the Department of State, the authority to select sectors of the Russian Federation economy and to impose sanctions on individuals and entities operating in those sectors.
- In the event that Russia escalates the crisis and moves into eastern Ukraine, the United States is prepared to launch additional sanctions affecting certain sectors of

the Russian Federation economy, including the defense, energy, and financial sectors.

- The United States has taken these actions in close coordination with many of our partners, including the EU and our G7 partners, who have also imposed sanctions on Russian individuals in response to its military intervention in Crimea and on those in Ukraine and Crimea who have assisted Russia.
- We urge all businesses to exercise vigilance to ensure that they are not dealing with a sanctioned individual or entity. A list of sanctioned individuals and entities is available on the U.S. Treasury Department's website at www.treasury.gov/ofac/download/prgrmlst.txt. Please also consult the "OFAC 50 Percent Rule," for information on entities blocked by operation of law for being 50 percent or more owned by an SDN. www.treasury.gov/resource-center/sanctions/documents/licensing_guidance.pdf.
- We encourage all companies to consider the reputational risk of doing business with sanctioned individuals and entities and cease business dealings inconsistent with the sanctions that we and others have imposed.
- The sanctions announced to date are targeted at specific individuals and specific companies.
- However, it is also clear that there is a significant risk of further sanctions escalation. Although we do not seek to escalate sanctions further, we and our partners are prepared to do so in response to a Russian escalation in Ukraine.
- In particular, we think it is essential that there be no "backfill" of activities that U.S. companies will no longer perform or contracts that they will no longer bid on due to sanctions being in place, or in the event U.S. companies are barred by Russian retaliation. The U.S. would have serious concerns with any company that takes such actions.
- Please note that U.S. sanctions include discretionary sanctions on "providing material support." Under certain circumstances, a non-Russian company could be subject to U.S. sanctions for providing material support to any other sanctioned individual or entity.