



July 2022 Edition

ON SANCTIONS





Welcome to July's On Sanctions update

As we approach half a year since Russia's renewed invasion of Ukraine, new measures continue to be implemented as the West and their allies seek to "tighten the screws" on Russia. These include the expansion of designations and restrictions on new sectors and exports.

There is also a pivot to increasingly focus on sanctions evasion. This was demonstrated by two evasion alerts issued by UK and US regulators this month, which you can read more about below. Additionally, moves to seize/confiscate sanctioned Russian assets continue to gain pace as the international community explores how to most effectively support the reconstruction of Ukraine.

Read on for an overview of the constantly evolving Russia sanctions landscape, as well as news of the sanctions developments which continue at pace in the rest of the world - including further US designations targeting Nicaraguan and Cuban officials, transnational organized criminals, Hizbillah, and DPRK.

SANCTIONS UPDATES

July Monthly Sanctions Update

In July's Monthly Sanctions Update webinar, we are joined by Paige Berges, of Ropes & Gray, and Dr. Maria Shagina, from the International Institute for Strategic Studies. Paige and Maria talk us through a number of key recent updates in the Russian sanctions space, including the state of play of Russian energy exports, the EU 6th round of sanctions (and a potential 7th round), changes to UK sanctions enforcement, the banning of Russian gold imports, and moves to confiscate sanctioned resources to support the reconstruction of Ukraine. The webinar is now available to view via the ACAMS learning system.

Watch now 

/ Russia

Efforts to Confiscate Sanctioned Assets Gain Pace- A number of jurisdictions continue to explore legal mechanisms to enable the seizure/confiscation of sanctioned resources. In late June, Canada adopted powers to enable forfeit and redistribution of a sanctioned person's or entity's Canadian assets (introduced through the **budget implementation bill**). This follows a **European Commission proposal** in May to enhance its ability to confiscate the assets of oligarchs violating restrictive measures. We certainly expect to see more developments in this space over the coming months.

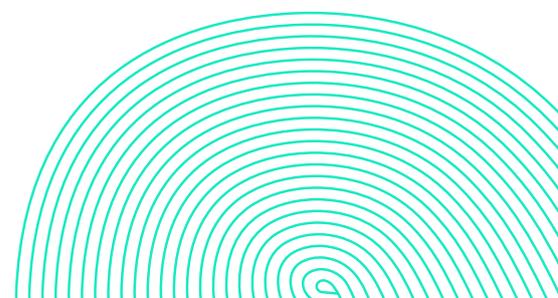
The G7 Pledges Further Russia Sanctions- A G7 statement issued on June 27 outlined continued staunch support for Ukraine. Among the commitments in the statement, the group pledged to continue to explore new ways to isolate Russia from participating in the global market, and to crack down on evasion. Measures include reducing dependency on Russian energy, coordination on tariffs, and the expansion of targeted sanctions both on the Russian economy and on those responsible for war crimes, profiting illegally from the war, and increasing global food insecurity.

Governments Ban the Import of Russian Gold- As an additional measure seeking to tighten Russian government revenue, the UK, US, Japan, and **Canada have announced a ban** on the import of Russian gold, which has since also been adopted by the EU. Russian gold exports amounted to an estimated GB£12.6bn. in 2021 - its second largest export after energy. Other countries are being encouraged to implement a similar restriction. The export of certain luxury goods to and from Russia has been prohibited by Canada, including: alcoholic beverages, tobacco, some textile products and sportswear, footwear, luxury clothing and accessories, jewelry, kitchenware, and art.

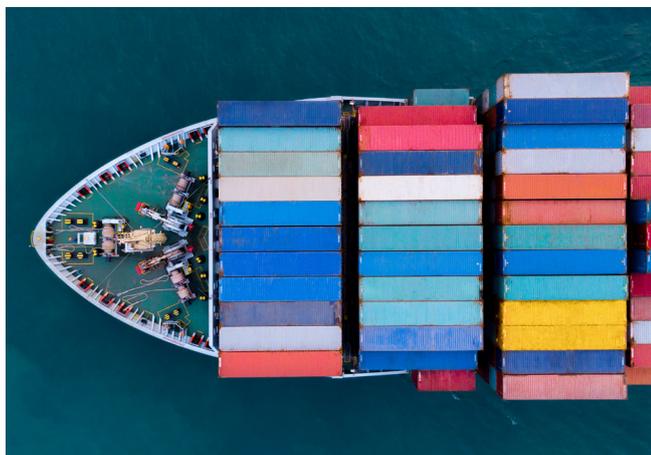
Lithuania Blocks Goods to Kaliningrad; Suffers Major Cyberattack- Lithuania has suffered a major cyberattack, impacting both state and private websites. **According to reports**, a Russian cybergroup - Killnet - has claimed responsibility, and cited Lithuania's embargo of goods to Kaliningrad as the reason. **Lithuania's National Cyber Security Centre has warned** of similar or more intense attacks to come, particularly in communication, energy and the financial sector, as well as an increase in ransomware attacks.

/ Nicaragua

US Imposes Further Measures Against the Ortega-Murillo Regime- Stepping up its pressure on the Ortega-Murillo regime in Nicaragua, **the US designated a government official** as well as the state owned mining company, Empresa Nicaraguense de Minas (ENIMINAS), and imposed visa restrictions on 93 Nicaraguan officials. Alongside corruption, human rights abuses, and oppression of its people, the US also cited concern at the deepening of Nicaragua's relationship with Russia.



BITS OF INTEREST



FinCEN and BIS Issue Russia and Belarus Export Control Evasion Alert

On June 28, FinCEN and BIS published a joint alert, advising vigilance to efforts by individuals and entities seeking to evade BIS export controls implemented in relation to Russia's invasion of Ukraine. The alert provides financial institutions with an overview of BIS's export restrictions to date, a list of certain commodities of concern, behavioral and transactional red flags, and other information they can incorporate into their risk-based screening of financial transactions.

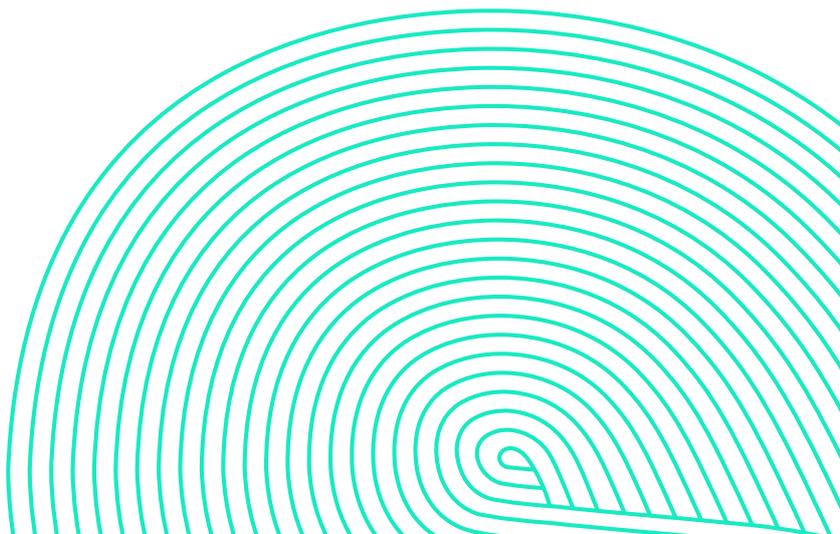
[Read more](#) 



NCA and OFSI Sanctions Evasion Red Alert

The UK's National Crime Agency and Office of Financial Sanctions Implementation have issued a red alert on "Financial Sanctions Evasion Typologies: Russian Elites and Enablers". The alert highlights techniques being used by designated persons to evade sanctions, indicators for detection of frozen asset transfers, enablers, suspicious payments, and industry recommendations.

[Read more](#) 





EU Issues Russia-Related Humanitarian Guidance; OFSI Humanitarian General License

The European Commission has issued a **guidance note** on the provision of humanitarian aid in compliance with EU restrictive measures. The guidance provides clarifications on the humanitarian exemptions in relation to a number of Russia-related sanctions and explains their commitment to avoiding (and, where unavoidable, mitigating) unintended consequences of the EU measures. Additionally, in the UK, OFSI has issued a general license under the Russia sanctions regime.

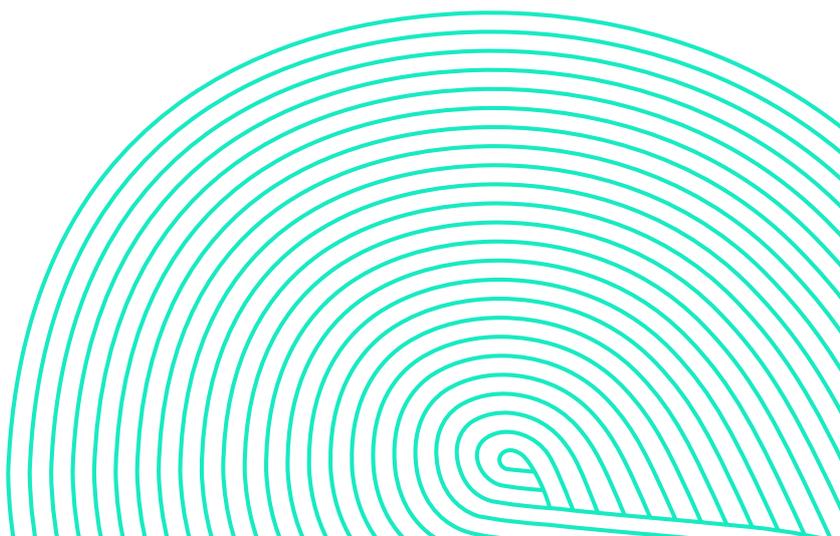
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UK Foreign Affairs Committee Report on UK's Russia Sanctions

On June 30, the UK's Foreign Affairs Committee published a report titled "The Cost of Complacency: illicit finance and the war in Ukraine". The report calls on further action from the UK government, stating that sanctions against oligarchs and government supporters are not enough alone, and recommends strengthening legislation targeting enablers as well as enhancing the means and resources of enforcement agencies.

[Read more](#) 





Narco trafficking - US Sanctions Individuals Related to Transnational Organized Crime

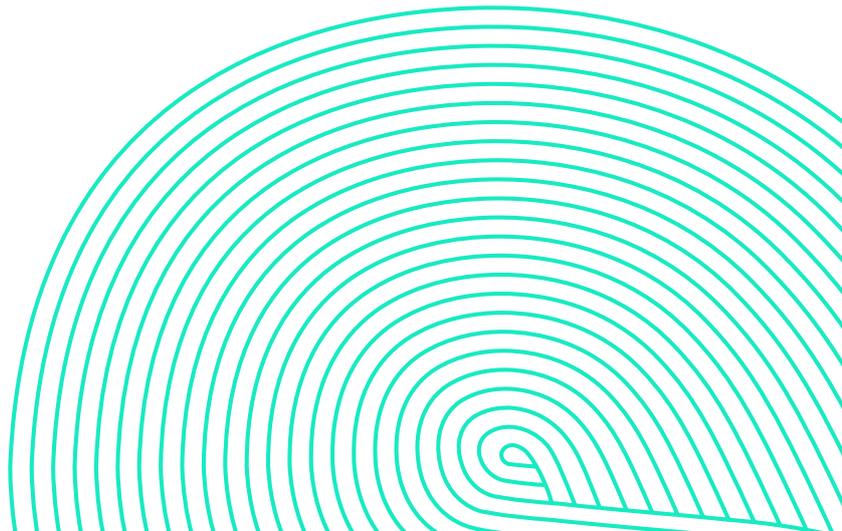
Under Secretary of the Treasury for Terrorism and Financial Intelligence, Brian E. Nelson, recently emphasized **the importance of countering illicit finance** as a critical pillar in degrading and disrupting transnational criminal organizations. Financial sanctions were cited as one of a six pillar multi-pronged strategy. In the last month, OFAC designated a number of individuals associated with Cartel de Jalisco Nueva Generación (CJNG) - a violent Mexico-based organization that traffics a significant proportion of the fentanyl and other deadly drugs that enter the United States.

[Read more](#) 

I hope you've enjoyed reading this month's update. Remember, you can find lots more resources to stay up to date with the world of global sanctions compliance on the [ACAMS Sanctions Space](#), and our new [ACAMS Insights hub](#).



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Stay up to date with the world of global sanctions compliance and remain compliant with complex sanctions laws.

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