

U.S. DEPARTMENT OF THE TREASURY

Press Center



Announcement of Additional Treasury Sanctions on Russian Financial Institutions and on a Defense Technology Entity

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Actions Target Three Russian State-Owned Banks, and one Russian State-Owned Defense Technology Entity

WASHINGTON – In response to Russia's continued efforts to destabilize eastern Ukraine, the U.S. Department of the Treasury today imposed prohibitions on additional entities operating within the financial services sector of the Russian economy pursuant to Executive Order (E.O.) 13662. Specifically, Treasury imposed sanctions that prohibit U.S. persons from providing new financing to three major Russian financial institutions, limiting their access to U.S. capital markets. Treasury today has also designated one Russian state-owned defense technology firm pursuant to Executive Order (E.O.) 13661. These measures coincide with actions taken to suspend U.S. export credit and development finance to Russia.

"In light of Russia's continuing support for separatists in Ukraine, we took additional steps today to further increase financial pressure on the Russian government," said Under Secretary for Terrorism and Financial Intelligence David S. Cohen. "These actions, along with actions announced today by the European Union, significantly increase the costs to Russia for its efforts to undermine Ukraine's sovereignty. We are prepared to continue to expand these sanctions if Russia refuses to change course."

Prohibition of Certain Types of Activities with Three Russian State-Owned Financial Institutions Pursuant to E.O. 13662

Treasury today imposed measures prohibiting U.S. persons and persons within the United States from transacting in, providing financing for, or otherwise dealing in new debt of longer than 90 days maturity or new equity for Bank of Moscow, Russian Agricultural Bank, and VTB Bank OAO, their property, or their interests in property. As a practical matter, this step will severely limit these banks' access to medium- and long-term U.S. dollar financing, and will impose additional significant costs on the Russian Government for its continued activities in Ukraine.

We have not blocked the property or interests in property of these banks, nor prohibited transactions with them beyond these specific restrictions. However, the scope of prohibited activities and the number of sanctioned financial institutions may be expanded under the authority of E.O. 13662 if we decide to do so.

Bank of Moscow is a Russian state-owned financial institution—through its parent bank, VTB Bank OAO—with 148 sub-offices located in all administrative districts of Moscow.

Russian Agricultural Bank (A.K.A. Rosselkhozbank) is a state-owned bank, which acts as a Russian government agent offering a full range of financial services to clients. With a network of 78 regional branches and more than 1,500 additional offices covering Russia, it has the second-largest regional branch network in the Russia.

VTB Bank OAO is a state-owned bank, and, together with its subsidiaries ("the VTB Group"), is Russia's second-largest banking group. The VTB Group has more than 1,600 offices in Russia, and operates more than 30 banks in 23 countries across Europe, Asia, and Africa. The VTB Group offers financial services including retail, corporate and investment banking; brokering and other stock-market services; insurance; asset management for pension and unit funds; and leasing. VTB Bank's shares are traded on the Moscow Exchange and on the London Stock Exchange.

Imposition of Sanctions on One Russian State-Owned Firm Pursuant to E.O. 13661 for Operating in the Arms or Related Materiel Sector in Russia

Treasury today has also designated and blocked the assets of United Shipbuilding Corporation, pursuant to E.O. 13661, for operating in the arms or related materiel sector in Russia.

United Shipbuilding Corporation, which was established pursuant to a March 21, 2007 presidential order, is a Russian state-owned company that manufactures, among other things, ordnance and accessories, and is engaged in shipbuilding, repair, and maintenance. United Shipbuilding Corporation designs and constructs ships for the Russian Navy and is the largest shipbuilding company in Russia. This addition expands upon the list of eight defense technology firms designated on July 16.

As a result of today's action under E.O. 13661, any assets of the entity designated that are within U.S. jurisdiction must be frozen. In addition, transactions by U.S. persons or within the United States involving the entity designated today under E.O. 13661 are generally prohibited.

For identifying information on the entities named in this release, please click [here](#).

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