U.S. DEPARTMENT OF THE TREASURY

READOUT: Under Secretary Nelson's Travel to Europe

April 23, 2023

WASHINGTON — Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson traveled to Europe from April 16 - 22 to continue close coordination with partners and allies on countering Russian sanctions evasion and limiting Russia's ability to obtain materials for its war against Ukraine. He visited Zurich and Bern, Switzerland; Milan, Italy; Vienna, Austria; and Berlin, Germany and met with government officials, financial institutions, civil society, and business associations.

During his engagements, Under Secretary Nelson shared some of the most critical inputs that Russia is seeking to backfill, including specific types of optics, electronics, and manufacturing equipment. He also shared emerging sanctions evasion typologies and other red flags indicating evasive measures by Russia to procure things otherwise restricted by sanctions and export controls. These typologies include unusual or atypical payment terms and methods, such as large cash payments or routing through third countries not otherwise involved in the transaction; multiple tenders or shipments of identical products from different consignors for the same end user; or frequent or last-minute changes to end-users or payees, such as redirection of goods to third countries that have limited restrictions on re-exports to Russia.

In Switzerland, Under Secretary Nelson met with officials from the State Secretariat for Economic Affairs and the State Secretariat for International Finance to discuss Russia sanctions enforcement efforts, trends and typologies, and information sharing. He also attended roundtables with the Swiss Bankers Association and with civil society and academics to hear their perspectives on countering sanctions evasion and illicit finance vulnerabilities. Finally, while in Zurich, Under Secretary Nelson met with Liechtenstein Prime Minister Daniel Risch to discuss Liechtenstein's progress in strengthening its anti-money laundering and countering the financing of terrorism (AML/CFT) framework.

In Italy, Under Secretary Nelson engaged with banks to inquire about the state of their exposure to Russia, strategic plans to effectively manage sanctions and other risks, and business and illicit finance trends and typologies.

In Vienna, Under Secretary Nelson met with government officials including Finance Minister Magnus Brunner, Oesterreicheische National bank Governor Robert Holzmann and representatives from the Financial Market Authority, and law enforcement to discuss Russian illicit finance risks and ways to cooperate to improve effective implementation, supervision, and enforcement. He also attended a roundtable with the American Chamber of Commerce Vienna and met with businesses to discuss exposure to Russia and to gain insights from their operations.

Finally, in Germany, Under Secretary Nelson met with agencies including the Ministry of Economy and Climate Action, the Ministry of Finance, the Federal Foreign Office and the German Chancellery to discuss topics including the European Union's eleventh sanctions package and German sanctions enforcement efforts. He also led a roundtable with the Federation of German Industries (BDI) to hear industry perspectives on re-export and transshipment issues.

Next week, Assistant Secretary for Terrorist Financing and Financial Crimes Elizabeth Rosenberg will travel with an multilateral, interagency delegation to Astana and Almaty, Kazakhstan and Bishkek, Kyrgyzstan for technical engagements on strengthening sanctions enforcement and AML/CFT compliance.

The United States remains committed to working with partners and allies around the world to prevent the evasion of sanctions and export controls that would allow Russia to replenish destroyed battlefield supplies and continue its brutal war.

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