

ClientAlert

International Trade

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US Issues New Executive Order Targeting Persons Contributing to the Situation in Ukraine

On March 6, 2014, President Obama signed an [Executive Order \("EO"\)](#) authorizing the United States to impose sanctions on certain persons if they are found to have engaged in certain actions or policies that contribute to the situation in Ukraine. The EO was issued in direct response to ongoing unrest in the Crimean region.

Specifically, the EO authorizes blocking the property and interests in property of any person found to be responsible for or complicit in, or to have engaged in, directly or indirectly:

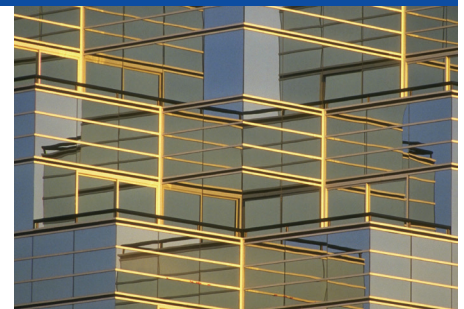
- Actions or policies that undermine Ukrainian democratic processes or institutions;
- Actions or policies that threaten Ukraine's peace, security, stability, sovereignty, or territorial integrity; or
- Misappropriation of Ukraine's state assets or of an economically significant Ukrainian entity.

The EO also authorizes sanctions against the leaders of any entities that the United States has found to be engaged in any of these activities, as well as any person found to be materially assisting or providing financial, material or technological support for, or goods or services to or in support of, these activities or any blocked person under the EO. Sanctions also may be imposed on persons that have been found to have asserted governmental authority over any part of Ukraine without the authorization of the Government of Ukraine.

The sanctions authorized by the EO include asset freezes as well as a prohibition on US persons from doing business with entities or individuals designated under the EO or that are owned or controlled by a designated entity or individual.

In addition, the EO expands a pre-existing visa ban that had been imposed on individuals complicit in human rights abuses and political oppression in Ukraine in recent months. Under the expanded visa ban, the US State Department will now deny visas to those responsible for or complicit in threatening the sovereignty and territorial integrity of Ukraine. The US State Department also may revoke visas that already have been issued.

The Obama Administration has stated that, with this EO, it has put the legal framework for sanctions in place, but it has not yet designated specific individuals and entities pursuant to the EO. Separately, the US Congress is also considering legislative action that could involve additional sanctions.



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The issuance of the EO occurs on the same day that the European Union announced that it has imposed sanctions against 18 Ukrainian individuals deemed responsible for the misappropriation of Ukrainian state funds and human rights violations. More information on the EU measures is available [here](#).

Companies doing business in Russia and Ukraine should monitor closely any measures imposed pursuant to this EO and congressional action to ensure compliance. Penalties for noncompliance are severe. We will continue to track and report on these sanctions developments.

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