

Client Alert

International Trade

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EU responds to Ukrainian crisis by imposing asset freeze on 18 politicians, family members and businessmen



I. Introduction

Following a promise by the Council of the European Union (EU) on 20 February 2014 to **impose various restrictive measures against Ukraine** in response to the deteriorating political situation,¹ the EU list of Ukrainian persons subject to an **asset freeze** has been adopted. This asset freeze list was published as part of Regulation 208/2014 in the Official Journal of the EU on 6 March 2014, and entered into force on the same day.²

II. Sanctions

As part of agreed targeted EU sanctions in response to recent violent events in Ukraine,³ the EU Member States have as a first step introduced an **asset freeze** against **18 Ukrainian individuals** deemed responsible for misappropriation of Ukrainian State funds and human rights violations. The asset freeze list – featured in Annex I to Regulation 208/2014 – identifies the following persons:

1. Viktor Fedorovych Yanukovych (*former President of Ukraine*)
2. Vitalii Yuriyovych Zakharchenko (*former Minister of Internal Affairs*)
3. Viktor Pavlovych Pshonka (*former Prosecutor General*)
4. Oleksandr Hryhorovych Yakymenko (*former Head of Security Service*)
5. Andriy Volodymyrovych Portnov (*former Adviser to the President*)
6. Olena Leonidivna Lukash (*former Minister of Justice*)
7. Andrii Petrovych Kliuiev (*former Head of Administration of President*)
8. Viktor Ivanovych Ratushniak (*former Deputy Minister of Internal Affairs*)
9. Oleksandr Viktorovych Yanukovych (*son of former President*)
10. Viktor Viktorovych Yanukovych (*son of former President*)
11. Artem Viktorovych Pshonka (*son of former Prosecutor General*)
12. Serhii Petrovych Kliuiev (*businessman, brother of Mr. Andrii Kliuiev*)
13. Mykola Yanovych Azarov (*Prime Minister until January 2014*)
14. Oleksii Mykolayovych Azarov (*son of former Prime Minister Azarov*)
15. Serhiy Vitaliyovych Kurchenko (*businessman*)
16. Dmytro Volodymyrovych Tabachnyk (*former Minister of Education and Science*)

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¹ See [Council Press Statement](#) of 20 February 2014.

² See [Council Regulation \(EU\) No 208/2014](#) of 5 March 2014 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine, [2014] OJ L 66/1.

³ As part of these promised targeted sanctions, the Council has also agreed to suspend export licenses on equipment which might be used for internal repression in Ukraine, and to reassess existing military export licenses issued for the export of equipment listed in the [EU Common Military List](#). Details about these sanctions measures have not yet been made public as they are currently being formulated in the relevant Council Working Groups.

17. Raisa Vasylyvna Bohatyriova (*former Minister of Health*)
18. Ihor Oleksandrovysh Kalinin (*former Adviser to the President*)

It is notable that the EU asset freeze list differs in certain respects from asset freeze lists recently released by the sanctions authorities of other European jurisdictions, such as Liechtenstein.⁴

As a result of this asset freeze, all funds and economic resources belonging to, or controlled, by the listed persons and that fall under EU jurisdiction (e.g. held by EU banks) will be frozen. Furthermore, no funds or economic resources may be made available – directly or indirectly – to or for the benefit of the listed persons by parties falling under EU jurisdiction.

Member States can authorise derogations from the asset freeze in certain limited circumstances. There are two notable situations (in addition to the standard provisions relating to basic needs, legal services, etc.): first, where release of funds is to satisfy a court or arbitral decision that predates the asset freeze, where the beneficiary is not the listed person (Article 5 of Regulation 208/2014); and, second, where a payment by a listed party is due under a contract that pre-dates the asset freeze provided the payment does not benefit that listed party (Article 6 of Regulation 208/2014).

As always, these sanctions apply to the **EU territory** (including its airspace), **nationals of EU Member States** (including those located outside the EU), and **on board vessels and aircraft under Member State jurisdiction**. Sanctions further apply to **companies incorporated or registered under the law of an EU Member State and to other non-EU companies in respect of business done in whole or in part in the EU**. This means that non-EU companies can be covered by the newly adopted measures, depending on the particular circumstances under which they perform their business activities in the EU and how they are connected to any activities restricted by the Regulation.

III. Next steps

The Council has promised with respect to further targeted sanctions against Ukraine that “scale of implementation will be taken forward in the light of developments in Ukraine”. On 6 March 2014, EU Heads of State or Government are scheduled to meet again to discuss the Ukrainian situation, this time including an exchange of views with current Prime Minister Yatseniuk.⁵ While it is unclear at this stage to what extent and how quickly additional sanctions will be introduced, it can be expected that further EU statements and possible measures will be announced in the near future as Council meetings and Working Group preparations in relation to Ukraine continue.

This is the latest set of EU sanctions targeting third country regimes. More information on the EU’s sanctions regime against other countries can be found in our latest client alerts on [Iran](#), [Syria and Belarus](#).

⁴ See <https://www.gesetze.li/chrono/0/pdfs/2014058000> (in German).

⁵ See http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/141320.pdf.