Russia's war on Ukraine: A sanctions timeline:

Worries about Food Supplies

Chad P. Bown
April 13, 2022

prepared for

Agricultural Market Information System (AMIS) webinar on
Tracking Export Restrictions and Sanctions
Outline

• Introduction to the Sanctions timeline

• Examples relevant for food supplies

• How to build it out into a database (in progress)
Russia’s war on Ukraine: A sanctions timeline

Chad P. Bown (PIIE)
April 12, 2022 3:00 PM

Sanctions against Russia and other major events starting November 2021

Hover over dots for summary of events, or see full list below by sanction type and country

Jan 30
Feb 6
Feb 13
Feb 20
Feb 27
Mar 6
Mar 13
Mar 20
Mar 27
Apr 3

Nov 2021 - Jan 2022
US shares intelligence on Russia’s troop buildup. World leaders attempt diplomacy, threaten sanctions.

Feb 6, 2022
Winter Olympics in Beijing, China

Feb 13, 2022
Putin orders troops to Ukraine. Countries start sanctions against Russia.

Feb 20, 2022
Russia invades Ukraine.

Feb 27, 2022
Countries remove some Russian banks from SWIFT, target Russian Central Bank.

Mar 6, 2022
G7, EU announce joint actions, including on imports from Russia.

Mar 13, 2022
UK, Canada, Australia, Japan, South Korea announce additional measures.

Mar 20, 2022
UK announces additional measures, targeting Russian assets.

Mar 27, 2022
Apr 3, 2022
G7, EU respond to Russian atrocities in Bucha.

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**Sanctions: Russia’s Invasion of Ukraine**

**Russian Escalation**

<table>
<thead>
<tr>
<th>Date</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 21, 2022</td>
<td>The day after the Winter Olympics and Putin signed decrees at a Kremlin ceremony recognizing the independence and sovereignty of the so-called Luhansk People’s Republic (LPR) and Donetsk People’s Republic (DPR), regions of Ukraine and others Russian troops sent to the separatist territories.</td>
</tr>
<tr>
<td>Feb 21, 2022</td>
<td>The EU imposes the first major package of sanctions against Russia, including an import ban on goods from the non-government controlled areas of Donetsk and Luhansk, sanctions on trade and investments, an export ban on certain gas and technologies needed for the EU’s natural gas infrastructure, and more sanctions on banks and asset freezes for a number of Russian officials.</td>
</tr>
<tr>
<td>Feb 23, 2022</td>
<td>Australia imposes financial sanctions and travel bans on 8 Russian officials and restricts Australians from traveling with Russian banks (Rosseta Bank, Promysloy Bank, IS Bank, Sberbank, Black Sea Bank for Development and Reconstruction, VEB).</td>
</tr>
<tr>
<td>Feb 24, 2022</td>
<td>In response to Putin’s decision, Australia imposes financial sanctions and travel bans on 8 Russian officials and restricts Australians from traveling with Russian banks (Rosseta Bank, Promysloy Bank, IS Bank, Sberbank, Black Sea Bank for Development and Reconstruction, VEB).</td>
</tr>
</tbody>
</table>

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**Sanctions**

White House officials state the US, alongside allies and partners, was prepared to implement sanctions with “massive consequences” that were not considered in 2014. “Including financial sanctions and export controls on US software and technology. They added, ‘the gradation of the past is out, and this time we’ll start at the top of the escalation ladder and stay there.’”

Feb 4 - 2022

Chancellor Olaf Scholz announces Germany has suspended certification of Nord Stream 2, the controversial $11 billion gas pipeline set to increase supply from Russia to Germany through the Nord Stream pipeline.

Feb 7, 2022

German Chancellor Olaf Scholz travels to Moscow for four hours of talks with Putin in an attempt to avert war between Russia and Ukraine.

Feb 15, 2022

US Secretary of State Antony Blinken proposes to meet with Russian Foreign Minister Sergei Lavrov “provided Russia does not invade Ukraine,” the State Department says. Russia agrees, but suggests dates for later in the following week in Europe (Blinken cancels the meeting on February 22 in response to Putin’s actions on February 21).

Feb 17, 2022

Leading the US delegation at the Munich Security Conference, Vice President Kamala Harris reiterates earlier US threats to impose significant and unprecedented economic costs alongside allies. We have prepared, together, economic measures that will be swift, severe, and wide. We will improve financial sanctions and export controls. We will target Russia’s financial institutions and key industries. And we will target those who are complicit and those who did and stood at the unprovoked invasion.”

Feb 19, 2022

French President Emmanuel Macron proposes a Biden-Putin summit. The White House agrees in principle, but only if Russia does not invade Ukraine.
<table>
<thead>
<tr>
<th>Date</th>
<th>Country</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 24, 2022</td>
<td>United States</td>
<td>In response to Russia’s invasion of Ukraine, US Treasury sanctions the United States Treasury sanctions 24 individuals and entities, including a focus on the region’s defense sector and financial institutions.</td>
</tr>
<tr>
<td>Feb 24, 2022</td>
<td>United States</td>
<td>In response to the Russian invasion of Ukraine, the US Treasury sanctions 24 additional individuals and entities, with a focus on the region’s defense sector and financial institutions.</td>
</tr>
<tr>
<td>Feb 24, 2022</td>
<td>United Kingdom</td>
<td>Russia’s invasion of Ukraine leads the UK’s Foreign, Commonwealth and Development Office to impose financial sanctions on 20 Russian banks, defense companies, and officials, with a goal to disrupt the Russian economy.</td>
</tr>
<tr>
<td>Feb 24, 2022</td>
<td>Canada</td>
<td>In response to Putin’s declared invasion of Ukraine, Canada imposes sanctions on individuals and entities associated with the Ukrainian and Russian governments, including the Ministry of Economic Development, imposed against Russia.</td>
</tr>
<tr>
<td>Feb 24, 2022</td>
<td>Iceland</td>
<td>Iceland condemns Russian attacks on Ukraine and announces it will take further action in international support.</td>
</tr>
<tr>
<td>Feb 24, 2022</td>
<td>India</td>
<td>Indian Prime Minister Narendra Modi speaks with Putin by telephone, concerned with the safe evacuation of Indian nationals stuck in the area of military conflict.</td>
</tr>
<tr>
<td>Feb 24, 2022</td>
<td>Australia</td>
<td>Australia announces new sanctions against a series of Russian individuals, financial institutions, and other entities, among other measures.</td>
</tr>
</tbody>
</table>
Some countries have stated they will **not** sanction Russia

<table>
<thead>
<tr>
<th>Date</th>
<th>Country</th>
<th>Sanction type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 24, 2022</td>
<td>India</td>
<td>Sync sanction</td>
<td>Indian Prime Minister Narendra Modi speaks with Putin by telephone, concerned with the safe evacuation of Indian nationals stuck in areas of military conflict. Modi refuses to condemn the Russian invasion of Ukraine or join Western sanctions against Russia, a major military arms supplier to India.</td>
</tr>
<tr>
<td>Mar 1, 2022</td>
<td>Mexico</td>
<td>Sync sanction</td>
<td>President Andrés Manuel López Obrador states Mexico will not impose sanctions on Russia “because we want to have good relations with all the governments in the world.”</td>
</tr>
<tr>
<td>Mar 1, 2022</td>
<td>Brazil</td>
<td>Sync sanction</td>
<td>President Jair Bolsonaro states Brazil will not impose sanctions on Russia and will remain neutral, reportedly because Russian fertilizers are critical for the country’s farm sector.</td>
</tr>
<tr>
<td>Mar 2, 2022</td>
<td>China</td>
<td>Sync sanction</td>
<td>Guo Shuqing, the head of China’s banking and insurance regulator, indicates that China “will not participate in such sanctions, and we will continue to maintain normal economic, trade and financial exchanges with relevant parties.”</td>
</tr>
<tr>
<td>Mar 4, 2022</td>
<td>Argentina</td>
<td>Sync sanction</td>
<td>Foreign Minister Santiago Cafiero states Argentina would not sanction Russia, stating Argentina “does not consider that they are a mechanism to generate peace and harmony, or generate a frank dialogue table that serves to save lives.”</td>
</tr>
<tr>
<td>Mar 9, 2022</td>
<td>Indonesia</td>
<td>Sync sanction</td>
<td>President Joko Widodo (and G-20 chair) states Indonesia does not plan to sanction Russia and that sanctions “are not the best solution to resolve the problem.”</td>
</tr>
<tr>
<td>Mar 13, 2022</td>
<td>Turkey</td>
<td>Sync sanction</td>
<td>Foreign Minister Mevlüt Cavusoglu states Turkey will not join sanctions imposed on Russia, indicating “sanctions will not resolve the problem.”</td>
</tr>
<tr>
<td>Mar 17, 2022</td>
<td>South Africa</td>
<td>Sync sanction</td>
<td>President Cyril Ramaphosa indicates South Africa will not impose sanctions on Russia, as they “may serve to prolong and intensify the conflict.”</td>
</tr>
</tbody>
</table>
Example: US financial sanctions on Russian entities

In the early morning in eastern Europe, Russian troops cross the border into Ukraine, firing missiles at Ukrainian cities, airports, and other targets. Putin describes the invasion as a "special military operation."

In response to Russia's invasion of Ukraine, US Treasury sanctions Public Joint Stock Company Sberbank of Russia, requiring all US financial institutions to close Sberbank accounts and to reject any future transactions. Treasury freezes the assets of Russian banks VTB Bank Public Joint Stock Company (VTB Bank), Otkritie, Novikom, and Sovcom. Treasury also sanctions 13 major Russian state-owned and private entities as well as other Russian oligarchs.

Do these financial sanctions on Russian entities apply to “food”? • No(!), but of course yes (!!)
Example: US financial sanctions on Russian entities

U.S. Treasury Announces Unprecedented & Expansive Sanctions Against Russia, Imposing Swift and Severe Economic Costs

February 24, 2022

United States Acts in Tandem with Partners and Allies to Maximize Consequences for Russia, and in Show of Unity Against Invasion of a Sovereign State

Top Ten Russian Financial Institutions Now Under U.S. Restrictions; U.S. Ready to Impose Additional Major Costs

GENERAL LICENSES

To ensure that these sanctions and prohibitions have an impact on the intended targets and to minimize unintended consequences on third parties, OFAC has also issued several general licenses in connection with these actions. In particular, payments for energy are from production to consumption. The sanctions and license package has been constructed to account for the challenges high energy prices pose to average citizens and doesn’t prevent banks from processing payments for them.

Specifically, OFAC issued eight general licenses authorizing certain transactions related to:

- international organizations and entities;
- agricultural and medical commodities and the COVID-19 pandemic;
- humanitarian and emergency aid;
- energy;
- dealings in certain debt or equity;
- derivative contracts;
- the wind down of transactions involving certain blocked persons; and
- the rejection of transactions involving certain blocked persons.

Transactions Related to the Exportation or Reexportation of Agricultural Commodities, Medicine, Medical Devices, Replacement Parts and Components, or Software Updates, or the Coronavirus Disease 2019 (COVID-19) Pandemic

(a) Except as provided in paragraph (c) of this general license, all transactions prohibited by Executive Order 14024 that are ordinarily incident and necessary to:

(i) the exportation or reexportation of agricultural commodities, medicine, medical devices, replacement parts and components for medical devices, or software updates for medical devices to, from, or transiting the Russian Federation;

(ii) the prevention, diagnosis, or treatment of COVID-19 (including research or clinical studies relating to COVID-19), are authorized.

(b) For the purposes of this general license, agricultural commodities, medicine, and medical devices are defined as follows:

(i) Agricultural commodities: For the purposes of this general license, agricultural commodities are products that fall within the terms “agricultural commodity” as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602) and are intended for use as:

(a) Food for humans (including raw, processed, and packaged foods; live animals; vitamins and minerals; food additives or supplements; and bottled drinking water) or animals (including animal feeds);
(b) Seeds for food crops;
(c) Fertilizers or organic fertilizers, or
(d) Reproductive materials (such as live animals, fertilized eggs, embryos, and semen) for the production of food animals.

(ii) Medicine: For the purposes of this general license, medicine is an item that falls...
Example: US sanctions impacting Russian shipping (maritime/railroad)

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DEBT AND EQUITY PROHIBITIONS AGAINST MAJOR STATE-OWNED AND PRIVATE ENTITIES

These 13 major firms, which are listed in Annex 1 to the Russia-related Entities Directive, include companies critical to the Russian economy and six of Russia’s largest financial institutions. They are now heavily restricted from raising money through the U.S. market—a key source of capital and revenue generation, which limits the Kremlin’s ability to raise money for its malign activity—including to support the further invasion of Ukraine.

- Sberbank is Russia’s largest financial institution. Today, Sberbank was also identified as subject to the Russia-related CAPTA Directive.
- Gazprombank Joint Stock Company is Russia’s third-largest financial institution and is closely affiliated with the energy sector.
- Joint Stock Company Russian Agricultural Bank is Russia’s fifth-largest financial institution and closely affiliated with the agricultural sector.
- Public Joint Stock Company Gazprom is the world’s largest natural gas company.
- Public Joint Stock Company Gazprom Neft is one of Russia’s largest oil producers and refiners.
- Public Joint Stock Company Transneft (Transneft) manages Russia’s network of petroleum-related pipelines.
- Public Joint Stock Company Rostelecom is Russia’s largest telecommunications company.
- Public Joint Stock Company RusHydro is a hydroelectricity company and one of Russia’s largest power companies.
- Public Joint Stock Company Alrosa is the world’s largest diamond mining company, responsible for 90 percent of Russia’s diamond mining capacity, which accounts for 28 percent globally.
- Joint Stock Company Sovcomflot is Russia’s largest maritime and freight shipping company.
- Open Joint Stock Company Russian Railways is one of the world’s largest railroad companies.

Sanctions: Russia’s Invasion of Ukraine
Russian Railways Ruled in Default as Sanctions Ensnarl Payments

A credit derivatives committee said a failure-to-pay credit event had occurred on Russian Railways debt

By Alexander Gladstone and Alexander Saedy
April 11, 2022 12:14 pm ET

State-owned Russian Railways was declared in default of a bond obligation on Monday, setting the stage for credit insurance payouts on a Russian corporate borrower for the first time since the war in Ukraine began as sanctions impede payments to foreign creditors.

Paying agent UBS AG didn’t receive payment by the end of a grace period last month on a Swiss franc-denominated bond, constituting a failure-to-pay credit event, according to the EMEA Credit Derivatives Determination Committee, a panel of banks and investment firms overseeing credit-default swap contracts.
Example: EU Sanctions impacting Russian shipping

Russia's war on Ukraine: Implications for EU transport

In response to Russia’s unjustified invasion of Ukraine, the European Union has adopted unprecedented new sanctions. These included a ban of all Russian aircraft from its airspace, to which Russia reacted by banning all EU airlines from its skies. While the full weight of these decisions is only starting to be felt, the implications of the conflict for EU transport are much larger and include steep increases in fuel prices, interruptions to supply chains and the need to ensure the safe return of stranded drivers and seafarers, already problematic due to Covid-19.

While Russian railways are targeted by EU sanctions, freight trains can still run through Russia, but they cannot stop there. Many logistics companies operating rail freight connections between China and the EU are avoiding transit through Russia for security reasons. Instead of the ‘main route’, which previously served half of all EU-bound rail freight traffic, they opt for the ‘middle corridor’ through Azerbaijan and Georgia to Istanbul, where the cargo is reloaded onto vessels bound for Trieste. Transit through Ukraine accounted for only 2% of the westbound container traffic volumes on the New Silk Route in 2021, but was on the rise, a fact recognised both by China and by Slovakia and Hungary, which were planning investments to develop the route through Ukraine.

China-Europe Railway Express

- Share of China-EU bilateral goods trade arriving by rail more than doubled (from 2% to 5%) between 2016 and 2021
- Freight trains up by a factor of 9 between 2016 (1,702) and 2021 (15,183)

Sources: China Railway Express Construction and Development Plan (2016-2020), SCMP and China One Belt One Road Network Comprehensive.
Example: Western multinationals operating in Ukraine/Russia

• Voluntary self-sanctions, uncertainty

ADM shuts Ukraine grains terminal, crush plant, other facilities after Russia invasion

Reuter  February 24, 2022

Caterpillar, Deere Join Firms Suspending Business in Russia

- Deere halts farm equipment shipments to Russia, Belarus
- Caterpillar suspends operations at factories in Russia

By Joe Deaux  March 9, 2022  Bloomberg

Agriculture Giants Stay in Russia Despite Calls to Exit Over Ukraine War

Grain traders and seed companies cite humanitarian concerns about food supplies as advocacy groups try to raise pressure on Moscow

By Patrick Thomas  Mar. 21, 2022 7:03 am ET  THE WALL STREET JOURNAL

The world’s largest agricultural companies are continuing to sell seeds and handle crops in Russia, despite pressure to sever ties following the invasion of Ukraine.

Companies including Cargill Inc., Bayer AG and Archer Daniels Midland Co. say humanitarian concerns over food availability for Russian citizens and other countries justify the companies’ continued operation in Russia, while Western oil companies, fast-food chains and other companies have pulled out or paused operations there.
To Do:

• Introduction to the Sanctions timeline
• Examples relevant for food supplies
• How to build it out into a database (in progress)
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