

Overview of U.S. Sanctions Regimes on Russia

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Background

On December 29, 2016, President Barack Obama imposed sanctions on Russia for malicious cyber activity. These were the latest in a series of U.S. sanctions regimes that have been imposed on Russia over the last several years in response to activities that are state-sponsored or allegedly conducted by government officials. In addition, a number of Russian individuals and entities are subject to sanctions for terrorism, transnational crime, and weapons proliferation.

The United States' use of economic sanctions in furtherance of national security or foreign policy is implemented, primarily, by the Departments of State (visas, arms embargos, arms sales, foreign aid, and in limited circumstances, prohibiting the use of U.S. passports to travel), Commerce (commercial exports), Defense (arms sales), Justice (investigation and prosecution), and the Treasury (blocking assets, prohibiting transactions, licensing export transactions, financial services, and in limited circumstances, restricting transactions related to travel). Interagency consulting occurs in implementing and administering any economic sanctions regime.

In the 115th Congress, Members are considering legislation (for example, title II of [S. 722](#)) to strengthen sanctions imposed on Russia related to its invasion of Ukraine and cyber intrusions, and to require sanctions on Russia for other activities, including human rights abuses, corruption, and material support of the government of Syria.

Ukraine

Since 2014, the United States has imposed sanctions on almost 600 individuals and entities in response to Russia's annexation of Ukraine's Crimea region and its subsequent support of separatists in eastern Ukraine (see CRS In Focus IF10552, [U.S. Sanctions on Russia Related to the Ukraine Conflict](#)). The United States, in coordination with the European Union and others, promised to impose increasing costs on Russia until it "abides by its international obligations and returns its military forces to their original bases and respects Ukraine's sovereignty and territorial integrity."

These sanctions derive from a [series of executive orders issued in 2014](#), when President Obama declared Russia's activities in Ukraine to constitute a threat to U.S. national security. Sanctions apply to a number of Russian officials and members of Putin's "inner circle," as well as to key financial, defense, and energy companies, and companies that do business in Crimea. Legislation ([P.L. 113-95](#), [P.L. 113-272](#)) that partially codifies these executive orders includes mandatory and discretionary sanctions. The legislation also specifically requires sanctions against state-run arms exporter Rosoboronexport; Russian entities that transfer weapons to Syria, Ukraine, Georgia, or Moldova; and Gazprom, if it is found to withhold natural gas from NATO member states.

In addition to Treasury blocking assets and State denying visas, Treasury restricts transactions related to investment and financing for five state-controlled banks; transactions related to financing for a major state-controlled defense conglomerate and four energy companies; and transactions related to deepwater, Arctic offshore, and shale oil exploration projects. The Departments of State and Commerce, in addition, deny export licenses for military, dual-use, and energy-related goods for designated end-users (almost 200 in all, most of which are also subject to Treasury-administered sanctions).

Malicious Cyber Activity

In December 2016, the [Obama Administration identified](#) four individuals and five entities as "tampering with, altering, or causing a misappropriation of information with the purpose or effect of interfering with or undermining election processes or institutions." Designees include Russia's leading spy agency (Federal Security Service, or FSB), military intelligence (Main Intelligence Directorate, or GRU), and senior GRU officials (including its head). In addition, two individuals are subject to sanctions for malicious cyber activity unrelated to elections. Designees are subject to sanctions—blocking of assets under U.S. jurisdiction, prohibitions on transactions with U.S. persons, and denial of entry into the United States.

Human Rights

Congress enacted the [Sergei Magnitsky Rule of Law Accountability Act of 2012](#) (title IV, [P.L. 112-208](#); 22 U.S.C. 5811 note) to require the President to identify the person(s) involved in the detention, abuse, or death of Sergei Magnitsky, and the ensuing cover-up, or who are "responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights" in Russia. Designees are subject to sanctions—blocking of assets and visa denial. To date, 44 individuals are subject to Magnitsky sanctions.

Syria

A [series of executive orders](#) impose sanctions on the Syrian government and its supporters. Russian designees include the private bank Tempbank and its managers, and the Russian Financial Alliance (RFA) Bank, including shareholder Kirsan Ilyumzhinov, a former regional politician (and the World Chess Federation president). The Central Bank of Russia revoked RFA Bank's license in December 2016.

Terrorism and Transnational Crime

Treasury's Office of Foreign Assets Control has identified several Russian individuals and entities, and foreign nationals with Russian addresses, under other sanctions regimes premised on legislative requirements or Executive Orders. The designations are primarily part of sanctions regimes related to terrorism and [transnational crime](#), and are subject to restrictions on access to assets under U.S. jurisdiction and prohibited from engaging in transactions with U.S. persons.

Weapons Proliferators

Several laws require the President, when he determines that trade occurs in weapons of mass destruction or advanced conventional weapons, to impose economic sanctions on those engaged in the trade—individuals, entities, or states, depending on the activity—of 1-to-2 years' duration. Restrictions cover a range, but generally include a cutoff of procurement contracts with the U.S. government.

Pursuant to requirements of the [Iran, North Korea, and Syria Nonproliferation Act](#) ([P.L. 109-353](#); 50 U.S.C. 1701 note),

for example, U.S. government procurement contracts, certain export licenses, U.S. foreign aid, and trade in U.S. Munitions List-controlled goods and services are not available to Rosoboronexport (with exceptions), nor to a number of Russian defense companies. In addition, Russia's Independent Petroleum Company of Moscow is subject to sanctions related to North Korea's weapons activities pursuant to authorities enacted in the North Korea Sanctions and Policy Enhancement Act of 2016 ([P.L. 114-122](#); 22 U.S.C. 9201 et seq.).

Other Restrictions Based on Export Controls

The Department of Commerce's [Bureau of Industry Security](#) (BIS) controls exports to Russia based on a matrix of end-user, end-use (with possible dual-use applications), various obligations defined by treaties and international agreements related to controls for weapons proliferation, and national security and foreign policy determinations. Restrictions identify end-users, military end-use, sectors, and regions (the latter two triggered by Ukraine events). Russia is also defined as a country for which national security controls are in place, and for which nuclear-related exports are controlled, to meet obligations to the Nuclear Suppliers Group.

Restrictions on U.S. Government Funding

Foreign aid and State Department programs benefiting Russia are significantly constrained in current foreign operations appropriations ([P.L. 115-31](#), §7015(f), §7070). There are also restrictions on Defense and Energy appropriations ([P.L. 115-31](#), divisions C and D, respectively). Finally, Russia is identified as failing to meet minimum standards for the elimination of [human trafficking](#), which requires limits on aid and cultural exchanges, the latter of which is [waived](#) for U.S. national interests.