UK IMPOSES FURTHER SANCTIONS IN RESPONSE TO RUSSIA'S INVASION OF UKRAINE

Date: 25 February 2022

UK Policy and Regulatory Alert

By: Michael E. Ruck, Rosie Naylor

The UK Government has announced sanctions and export controls against Russia that are in addition to those imposed on 22 February 2022. This escalation of sanctions is in response to Russia's military advance into Ukraine on multiple fronts. The following is a general high-level summary of these measures, some of which involve lengthy and complex rules. Please reach out to Michael Ruck in our London office regarding UK sanctions, Philip Torbøl or Alessandro Di Mario in our Brussels office regarding EU sanctions and Jeffrey Orenstein, Steven Hill or a member of the Washington, D.C.-based international trade group for any specific questions regarding the U.S. sanctions regime.

SANCTIONS IMPOSED ON 22 FEBRUARY 2022

On 22 February 2022, the UK Government announced sanctions on five Russian banks (Bank Rossiya, Black Sea Bank for Development and Reconstruction, Joint Stock Company Genbank, IS Bank and Promsvyazbank (PSB)) and three individuals (Gennadiy Nikolayevich Timchenko, Boris Romanovich Rotenberg, and Igor Arkadyevich Rotenberg). These sanctions represent the United Kingdom's first use of its expanded powers to impose sanctions on Russia that more closely match the United States' sanctioning authority.

As a result, UK individuals and entities are now prohibited from any dealings with, or providing any funds to or for the benefit of, directly or indirectly, any of the Russian banks or individuals. Additionally, the designated individuals are banned from entering the United Kingdom.

These UK sanctions powers are already contained in the United Kingdom's Russia Regulation, so all other rules in the existing legislative framework – for example, relating to licensing, reporting obligations, exclusions and other types of trade, and financial and investment restrictions – remain unchanged.

UK GOVERNMENT ANNOUNCEMENT ON 24 FEBRUARY 2022

Boris Johnson announced the “largest and most severe package of economic sanctions that Russia has ever seen” after the invasion of Ukraine. The prime minister told the UK Parliament that more oligarchs and all major Russian banks would have their assets frozen, with 100 individuals and entities targeted.

This resulted in the following first tranche of Russian banks, companies and individuals being added to the UK Sanctions List on 24 February 2022:

- Kirill Shamalov
- Petr Fradkov

©2005-2026 K&L Gates LLP. All Rights Reserved.

- Denis Bortnikov
- Yury Slyusar
- Elena Aleksandrovna Georgieva
- Rostec
- Uralvagonzavod
- Tactile Missile Corporation
- United Aircraft Corporation
- United Shipbuilding Corporation

In addition, the following further sanctions and measures announced by the UK Government include:

- New legislation will ensure all major Russian banks will have their assets frozen and will be excluded from the UK financial system. This will stop them from accessing sterling and clearing payments through the UK. This included imposing a full and immediate asset freeze on VTB bank.
- Legislation will be imposed early next week to stop major Russian companies and the state from raising finance or borrowing money on UK markets.
- 100 new individuals or entities will be added to the UK's Sanctions List.
- Aeroflot will be banned from landing in the UK.
- All dual-use export licences to cover components which can be used for military purposes have been suspended with immediate effect.
- The United Kingdom will stop exports of high-tech items and oil refinery equipment in the next few days.
- There will be a limit of £50,000 on deposits Russians can make in UK bank accounts.
- Removing Russia out from the Swift international payment system, which has been supported by the European Union and U.S.
- Similar financial sanctions will be extended to Belarus for its role in the assault on Ukraine.

CONCLUSION

K&L Gates will continue to follow the impact and changes to the United Kingdom's imposition of economic sanctions with respect to Russia. If you have any questions regarding the UK sanctions discussed in this alert, please do not hesitate to contact Michael Ruck.

©2005-2026 K&L Gates LLP. All Rights Reserved.

KEY CONTACTS



MICHAEL E. RUCK
PARTNER

LONDON
+44.20.7360.6424
MICHAEL.RUCK@KLGATES.COM



ROSIE NAYLOR
SENIOR ASSOCIATE

LONDON
+44.20.7360.8241
ROSIE.NAYLOR@KLGATES.COM

This publication/newsletter is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer. Any views expressed herein are those of the author(s) and not necessarily those of the law firm's clients.

©2005-2026 K&L Gates LLP. All Rights Reserved.