



ECONOMIC SANCTIONS AGAINST RUSSIA:

THE END OF THE “WANDEL DURCH HANDEL” NARRATIVE

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iCourts, Breakfast Briefing
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CONTENT

- Sanctions imposed against the Russian Federation after February 24, 2022
- Effectiveness of economic sanctions: what public tends to forget
- Economic sanctions and international law
- Can frozen Russian assets be used to re-build Ukraine: between political will and legal challenges

ECONOMIC SANCTIONS AGAINST RUSSIA



List of countries that
imposed economic sanctions

48

Total countries that have
imposed sanctions

7

All G7 countries levied
economic sanctions

**Among the G-20 countries, nine
governments have not implemented any
sanctions against Russia:**

- Argentina
- Brazil
- China
- India
- Indonesia
- Mexico
- Saudi Arabia
- South Africa
- Turkey

ECONOMIC SANCTIONS AGAINST RUSSIA

- *Trade sanctions* (withdrawal of the MFN status)
- *Financial sanctions* (blocking sanctions against Russian banks/financial institutions, partial removal from the SWIFT system)
- *Technology-specific sanctions* (enhanced export controls)
- *Sanctions targeting Central Bank* (freezing of assets, prohibition on sovereign debt trade in the primary and secondary markets)
- *Investment restrictions*
- *Energy-related sanctions* (price cap on seaborne crude oil (December 5, 2022); price cap on refined petroleum products (February 5, 2023))
- *Transport sanctions* (closing airspace, restrictions on the use of ports, etc.)
- *Sanctions targeting individuals – politicians, oligarchs and propagandists* (asset freezes and travel bans)
- *Private sanctions* (an exodus of private actors)



EFFECTIVENESS OF ECONOMIC SANCTIONS

DEPENDS ON MANY VARIABLES:

- OBJECTIVE(S) PURSUED
 - SANCTIONED COUNTRY'S ECONOMY, TYPES OF SANCTIONS, SANCTIONS ENFORCEMENT, POLITICAL REGIME, REACTION OF POPULATION (*RALLY-AROUND-THE-FLAG EFFECT*), ETC.
- 

EFFECTIVENESS OF ECONOMIC SANCTIONS: WHAT PUBLIC TENDS TO FORGET

Strategies for circumventing the negative effects of economic sanctions (Margaret Doxey, 1980):

- Anticipatory actions

e.g., Russia increased official reserves, initiated the System for Transfer of Financial Messages as an alternative to SWIFT, and tried to de-dollarize trade

- Defense of the economy under sanctions

e.g., measures to increase self-sufficiency, development of economic links with non-participating states, especially China and India

- Evasion of sanctions



ENFORCEMENT OF THE IMPOSED SANCTIONS

Department of Justice

U.S. Attorney's Office

Eastern District of New York

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FOR IMMEDIATE RELEASE

Tuesday, December 13, 2022

Five Russian Nationals, Including Suspected FSB Officer, and Two U.S. Nationals Charged with Helping the Russian Military and Intelligence Agencies Evade Sanctions

- United States: Task Force KleptoCapture (March 2, 2022)
- European Commission: set up the 'Freeze and Seize' Task Force (17 March 2022)
- Multilateral efforts: Russian Elites, Proxies, and Oligarchs (REPO) Task Force

- **Deputy Treasury Secretary Wally Adeyemo, February 21, 2023**

“We will force those that fail to implement our sanctions and export controls to choose between their economic ties with our coalition of countries - representing more than half of the world's GDP - or providing material support to Russia, an economy that is becoming more isolated every day.”

LEGALITY OF ECONOMIC SANCTIONS



UN-authorized sanctions (collective sanctions)

Sanctions of regional organisations

Unilateral economic sanctions

Private sanctions (sanctions of private companies)

CAN FROZEN RUSSIAN ASSETS BE USED TO RE-BUILD UKRAINE?

Domestic law:

- ❑ *Constitutional protection of basic rights*
 - *Property rights*
 - *Due process rights*

International law

- ❑ *Customary International Law of State Immunity*
- ❑ *International Investment Law*
- ❑ *International Human Rights Law*



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

The Federal Council

Federal Council has received legal clarifications on frozen Russian assets

Bern, 15.02.2023 - In the context of international proposals to use frozen Russian assets to rebuild Ukraine, the Federal Council sought official clarification on the legal basis for any such action. A working group led by the Federal Office of Justice (FOJ) concluded that the confiscation of private Russian assets would undermine the Federal Constitution and the prevailing legal order. The Federal Council noted the working group's conclusions at its meeting on 15 February. Support for Ukraine will continue, independent of the discussions on frozen assets.

Expert: Seizure of frozen Russian assets would undermine international law



CAN FROZEN RUSSIAN ASSETS BE USED TO RE-BUILD UKRAINE?



**United
Nations**

[UNGA Resolution was adopted \(94 in favour to 14 against, with 73 abstentions\)](#)

recommends the creation of a register for damages by member States, it will not be part of the United Nations

The Netherlands approved the establishment of the register in the Hague (according to media reports)

Canada starts first process to seize and pursue the forfeiture of assets of sanctioned Russian oligarch

From: [Global Affairs Canada](#)

News release

December 19, 2022 - Ottawa, Ontario - Global Affairs Canada



Thank you for your attention!