

U.S. Announces New Sanctions and Bans on Investments in Russia

By [NATHAN REIFF](#) Published April 07, 2022

On April 6, the U.S. announced that it would impose additional [sanctions](#) on Russia, including on individuals, for the country's invasion of Ukraine. Among those targeted by sanctions are the two adult daughters of Russian President Vladimir Putin, Katerina Tikhonova and Mariya Putina. Perhaps more significantly for investors, President Biden said that he will sign a new executive order banning any new investment in Russia by Americans residing in the U.S. and abroad. ^[1]

The latest sanctions are a direct response to evidence that has emerged in recent days of potential war crimes committed by members of the Russian military in Ukraine. ^[1] Additionally, the EU will ban ships, trucks, and coal imports from Russia. ^[2]

KEY TAKEAWAYS

- On April 6, in response to emerging news about potential Russian war crimes in Ukraine, the U.S. announced a slate of new sanctions against Russian individuals and businesses.
- President Biden announced that he will sign an executive order banning all investments in Russia by U.S. persons, regardless of where they live.
- The U.S. will impose full blocking sanctions on two of Russia's largest banks, Sberbank and Alfa Bank, freezing all applicable assets and prohibiting Americans from transacting.
- Additional sanctions will also target high-profile individuals, including

members of Russian President Vladimir Putin's family and former Russian President and Prime Minister Dmitry Medvedev.

Additional Slate of Sanctions

Biden said that the latest sanctions aim to "keep raising the economic cost" to "ratchet up the pain for Putin."^[1] The U.S. ban on Russian investments aims to "further isolate Russia from the global economy." Although the ban applies to U.S. persons located anywhere in the world, it is only on new Russian investments. Over 600 international businesses have already decided to exit from Russian markets.^[3]

One potential motivation for sanctioning Putin's family members is the possibility that these individuals may hide some of the Russian president's assets. The sanctions will extend also to family members of Russian Foreign Minister Sergey Lavrov, as well as to Dmitry Medvedev, the former president and prime minister of Russia, and current prime minister Mikhail Mishustin.^[1]

Full Blocking Sanctions for Major Financial Institutions and Enterprises

The latest sanctions will also target major Russian financial institutions, including Sberbank and Alfa Bank. The full blocking sanctions on these institutions will freeze any of their assets touching the U.S. financial system and will also prohibit all U.S. persons from conducting business with these banks. Sberbank is the largest financial institution in Russia, holding about one-third of all of the Russian banking sector's assets. Alfa Bank is the fourth-largest financial institution in the country.^[3]

Additional sanctions are also anticipated, targeting Russian [state-owned enterprises](#). These sanctions will also prohibit U.S. persons from transacting and will freeze all applicable assets.^[3]

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1. CNBC. "U.S. Sanctions Putin's Adult Children, Bans All New Investment in Russia, <https://www.cnbc.com/2022/04/06/us-sanctions-putins-adult-children-bans-all-new-investment-in-russia.html>."
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3. The White House. "Fact Sheet: United States, G7 and EU Impose Severe and Immediate Costs on Russia, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/06/fact-sheet-united-states-g7-and-eu-impose-severe-and-immediate-costs-on-russia/>."