

# Biden Administration Sanctions Donetsk, Luhansk Regions of Ukraine

February 22, 2022

On February 21, 2022, President Joe Biden issued an Executive Order (EO) in response to Russian President Vladimir Putin's ongoing "efforts to undermine the sovereignty and territorial integrity of Ukraine."

Referencing a number of national emergency legal authorities, President Biden stated that Russia's "purported recognition of the so-called Donetsk People's Republic (DNR) [and] Luhansk People's Republic (LNR)," Moscow-backed breakaway regions of Ukraine (Covered Regions), "contradicts Russia's existing agreements and further threatens the peace, stability, sovereignty, and territorial integrity of Ukraine."

President Biden found that these actions constitute "an unusual and extraordinary threat to the national security and foreign policy of the United States," and so necessitates sanctions on the Donetsk and Luhansk regions. The Biden Administration also indicated that additional sanctions will be imposed "to hold Russia accountable for this clear violation of international law and Ukraine's sovereignty and territorial integrity."

The EO largely tracks U.S. measures on the Crimea area of Ukraine, effectively placing an embargo on the Covered Regions. Imports into the United States from, and exports to, the Covered Regions are prohibited. U.S. persons are also prohibited from making new investments in the Covered Regions and facilitating any transactions by a foreign person that would be prohibited if performed by a U.S. person in the United States.

Furthermore, the EO authorizes the Treasury Department's Office of Foreign Assets Control (OFAC) to designate as Specially Designated Nationals (SDNs) individuals and entities that operate in the Covered

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## Practice Areas

Export Controls and Economic Sanctions

International Trade

National Security

Regions; are leaders, officials, senior executive officers, or members of the board of directors of entities operating in the Covered Regions; are owned or controlled by, or acting on behalf of, an entity blocked under the EO; or materially assist an entity blocked under the EO.

OFAC will administer the sanctions described above. As with the embargo on Crimea, the Commerce Department's Bureau of Industry and Security (BIS) may also issue export control restrictions that track these new sanctions.

Soon after the EO was issued, OFAC published six general licenses authorizing certain humanitarian and related activities and to allow for the wind down of transactions involving the Covered Regions for an approximate one-month period. The general licenses permit the export of food, medicine, and medical devices and allow for telecommunications and mail services and services incident to the exchange of personal communications over the Internet to remain operational. They also allow certain international organizations and their employees, grantees, and contractors to engage in transactions involving the Covered Regions and for personal remittances to continue to flow.

The White House has indicated that "these measures are separate from and would be in addition to the swift and severe economic measures we have been preparing in coordination with Allies and partners should Russia further invade Ukraine," which are likely imminently forthcoming.

Wiley has unparalleled experience and expertise representing a broad range of U.S. and multinational clients in complex export control and sanctions matters. Should you have any questions about this alert or any national security-related matters, please do not hesitate to contact one of the attorneys listed on this alert.