

Sanctions in response to Putin's illegal annexation of Ukrainian regions

- today Putin has announced the illegal annexation of the Ukrainian regions of Donetsk, Luhansk, Kherson and Zaporizhzhia following sham referendums
- under new sanctions Russia will lose access to major western services that Russia depends on, including: IT consultancy, architectural services, engineering services, and transactional legal advisory services for certain commercial activity
- UK also bans the export of nearly 700 goods that are crucial to Russia's industrial and technological capabilities
- the Foreign Secretary has summoned the Russian Ambassador, Andrey Kelin, to protest in the strongest terms against the illegal annexation of sovereign Ukrainian territory

New services and goods export bans, targeted at vulnerable sectors of the Russian economy, have been announced by the Foreign Secretary today (30 September) in response to Russia declaring the illegal annexation of 4 regions of Ukraine – violating their territorial integrity and political independence.

Russian-installed officials in 4 temporarily-controlled regions of Ukraine have conducted sham referendums in an attempt to justify their illegal seizure of Ukrainian land. The Russian regime has now announced the illegal annexation of these regions against the will of the Ukrainian people and in flagrant breach of international law.

The UK is moving in lockstep with international partners to target key sectors of the Russian economy. The new measures will ramp up economic pressure on the Russian regime by targeting vulnerabilities and disrupting crucial supply chains.

Russia imports 67% of its services from sanctioning countries. Building on previous action, the UK will prevent Russian access to:

- IT consultancy services
- architectural services
- engineering services
- advertising services
- transactional legal advisory services
- auditing services

The UK has also sanctioned Elvira Nabiullina, the Governor of the Central Bank of the Russian Federation. In her role, Nabiullina has been instrumental in steering the Russian economy through the Russian regime's illegal war against Ukraine and extending the ruble into the Ukrainian territories that

are temporarily controlled by Russia. Nabiullina has been sanctioned and is personally subject to an asset freeze and travel ban.

The Foreign Secretary has instructed that the Russian Ambassador, Andrey Kelin, be summoned to the department, to protest in the strongest terms against the illegal annexation of sovereign Ukrainian territory.

Foreign Secretary James Cleverly said:

The UK utterly condemns Putin's announcement of the illegal annexation of Ukrainian territory. We will never recognise the results of these sham referendums or any annexation of Ukrainian territory.

The Russian regime must be held to account for this abhorrent violation of international law. That's why we are working with our international partners to ramp up the economic pressure through new targeted services bans.

What happens in Ukraine matters to us all, and the UK will do everything possible to assist their fight for freedom.

Russia is highly dependent on Western countries for legal services with 85% of all legal services being imported from G7 countries – given London is an international legal centre, the UK accounts for 59% of these imports. The new legal advisory measures will cover certain commercial and transactional services and hamper Russia's businesses' ability to operate internationally.

IT consultancy services will also be banned, including designing IT systems and software applications. Alongside the UK's previous ban on quantum computing exports and computing services, and with over 170,000 IT specialists fleeing Russia since the invasion began, these measures will erode further Russia's ability to maintain technological development with the rest of the world.

The UK is also working with international partners to cut off Russia from our engineering services and architectural services. Russia imports 77% of these services from the G7 and today's measures will severely debilitate the future growth of Russia's key industries.

These measures will also prohibit Russia's access to other world-class professional services, including auditing and advertising services. With estimates suggesting that 80% of Russian imports in accounting, audit, bookkeeping and tax consultancy come from the UK, EU and US, these measures will further disrupt and degrade the capability of Russian businesses to keep pace in the international market.

The export of almost 700 goods from the UK to Russia are also being banned. The list includes hundreds of goods that are critical for production in Russia's manufacturing sector, with imports from the UK totalling over £200 million last year. In total, £19 billion worth of UK-Russia trade has been

wholly or partially sanctioned, based on 2021 trade flows.

Finally, the UK will suspend the process by which actions taken to manage the orderly failure of Russian banks are recognised under the laws of the United Kingdom, in cases where the bank is a sanctioned entity. This will prevent those Russian actions from taking legal effect in the UK and potentially providing economic benefit to the Russian state.

Alongside today's measures, the UK continues to work with the G7 to finalise and implement the proposed price cap on Russian oil.

Many businesses have already taken significant steps in condemnation of the Russian regime's illegal invasion – 75% of foreign companies have responded to the invasion with 25% having fully withdrawn – a clear marker of international condemnation.

The UK government does not consider that Elvira Nabiullina owns or controls the Russian Central Bank for the purposes of reg. 7 of the Russia (Sanctions) (EU Exit) Regulations 2019.

An asset freeze prevents any UK citizen, or any business in the UK, from dealing with any funds or economic resources which are owned, held or controlled by the designated person. UK financial sanctions apply to all persons within the territory and territorial sea of the UK and to all UK persons, wherever they are in the world. It also prevents funds or economic resources being provided to or for the benefit of the designated person

A travel ban means that the designated person must be refused leave to enter or to remain in the United Kingdom, providing the individual is an excluded person under section 8B of the Immigration Act 1971.

Recently introduced powers make it a criminal offence for any Russian aircraft to fly or land in the UK and give the government powers to remove aircraft belonging to designated Russian individuals and entities from the UK aircraft register, even if the sanctioned individual is not on board. Russian ships are also banned from UK ports.