

Ukrainian sanctions enacted against certain banks with Russian capital

Bus./Industry

Posted by:

Posted on : 2017/3/19 11:40:54

The sanctions have been imposed on the following banks: Sberbank, VTB Bank, Prominvestbank, BM Bank and VS Bank.

The following by Rodion Ignatenko and Oleksandr Kurdydyk was prepared for and published by DLA Piper law firm: On March 16, 2017, Ukrainian President signed a decree approving the decision allowing the National Security and Defense Council (NSDC) and the National Bank of Ukraine to impose sanctions against Ukrainian banks funded by Russian state capital. Those subject to the sanctions are prohibited in carrying out any financial transactions in favor of their affiliated entities, in particular their parent structures. In addition, the decree imposes a ban on certain other transactions, including: Direct and indirect conduct of any active transactions (providing interbank loans, deposits, subordinated debts, purchase of securities and placement of funds on correspondent accounts) Payment of dividends, interest, repayment of interbank loans/deposits, funds from correspondent accounts and subordinated debt Distribution of profits and capital In addition, the NSDC banned the placement of funds of state companies from the sanctions list and now allows the Ukrainian Ministry of Foreign Affairs the choice to offer relevant authorities of foreign countries to introduce similar sanctions against these banks. The sanctions, however, do not prohibit settlements between residents of Ukraine and their counterparties who have accounts in the parent country. The restrictions will neither affect the fulfillment by Ukrainian banks with Russian state capital of their obligations towards their clients and depositors. The sanctions have been imposed on the following banks: Sberbank, VTB Bank, Prominvestbank, BM Bank and VS Bank. For complete text, link below: [http://www.jdsupra.com/legalnews/ukra ... ns-enacted-against-70240/](http://www.jdsupra.com/legalnews/ukra...ns-enacted-against-70240/)