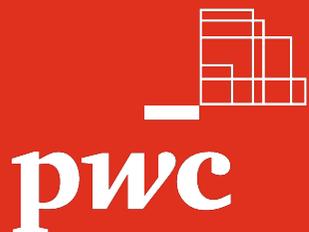


# War in Ukraine

## — Situational Awareness Briefing

25 July 2023



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# Situational Awareness – Briefing as of 25 July 2023 (Summary)

## Ukraine Crisis

The current geopolitical developments in Eastern Europe and the unprecedented attack on Ukraine are also an attack on our way of living and doing business together.

At the moment, no one can foresee all the consequences of this aggression. This is why urgent questions are now being asked in all areas of our social life. Also for companies this means far-reaching cuts and changes.

This Situation Awareness Briefing is provided for information purposes only by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and will be updated regularly.

The overview to the right represents a summary of points along the following five dimensions:

- Overall Geopolitical Assessment
- Industry/Topic/Country Special
- Forecast
- People
- Operations
- Finance



### Overall Geopolitical Assessment

The Ukrainian counteroffensive is continuing but has lost its momentum. In several sectors the fighting has boiled down to local probing attacks as Ukraine has failed to achieve a decisive breakthrough. Artillery ammunition shortage as well as the lack of close air support limits the prospects of a successful advance.



### Forecast

Russia has officially refused to extend the grain deal, which experts state will result in hunger in African countries and higher food prices in Asia // The EU is working to transport Ukrainian grain by road and rail // Poland is reluctant to opening borders for Ukrainian grain // Manufacturing sites are diversifying away from China to other Asian countries // FDI in China almost halved between 2021 and 2022.



### Operations (Focus: Cyber)

Starlink users are threatened with “cyber attacks” from Russia // Russian hackers carried out a DDoS attack on the Bulgarian parliament because of assistance to Ukraine // Hackers identified the identities of collaborators who helped Russia take children out of the Luhansk region // Russian hackers take down official Spanish websites.



### Inside-out view on reconstruction efforts in Ukraine

The World Bank Group plans to attract more than USD 8bn for new programs in Ukraine // Mine Action Program was launched in the Kharkiv region // Top managers of American companies such as Blackrock, DFC, AON PLC, Zurich, Chubb Group, Citibank discussed the possibility of war-risks insurance, the vision of large American companies for work prospects in Ukraine, their risks and intentions.



### People

Ryanair announces large-scale return and restoration project in Ukraine after the war // Britain lifts sanctions against Russian oligarch Oleg Tinkov // 45% of all new companies in Poland have Ukrainian capital, which is 25% of all foreign companies // Ukrainian Railways has registered a railway European operator called Ukrainian Railways Cargo Poland to work on the European market.



### Finance (Focus: Sanctions)

The EU extends sanctions against Russia for six months // Maldives becomes the second largest supplier of microchips to Russia after China // US and Canada expand sanctions against Russia: banks, telecom companies, ships and individuals were added.

For questions, comments or details, please contact Joint Crisis Center team: [de\\_ukraine-crisis@pwc.com](mailto:de_ukraine-crisis@pwc.com)



## Key takeaways

- The Ukrainian counterattack in three different sectors has achieved some limited success. However, Russian defenses continue to absorb the attacks so far.
- As Ukraine runs out of artillery ammunition several Western countries decided to supply cluster munitions.

## Current topics

### Current situation in the Russo-Ukrainian War

The Ukrainian strategic counteroffensive continues along two sections of the Zaporizhzhia front. Ukrainian forces' advances reached Robotyne south of Orichiv (Tokmak direction) and achieved some success by penetrating deeper into the Russian lines. This spearhead is still advancing albeit only progressing several hundred meters per week. Russian defensive works in the area proves a significant obstacle. Ukraine also lacks sufficient artillery munition to overcome fortified areas though preparatory bombardment. To address the artillery shell shortage the United States has approved the transfer of cluster munitions to Ukraine. The decision has sparked a heated debate in some Western countries as the use of such munitions is considered as contrary to international law as adopted in the Convention on Cluster Munitions in 2010. However, the US, Russia, Ukraine, China and Brazil amongst others have not joined the treaty. Battles also continued at other sections of the front. At Avdivivka, Ukrainian forces launched an offensive operation south of the city that penetrated the Russian lines and reached Pisky. In addition, attacks against the Russian bulge north of the city achieved some success and improved the Ukrainian defensive positions. At Bahkmut several Ukrainian penetrations have reduced parts of the extended bulges. For instance, south of Bahkmut the Russian bulge was eliminated. The Ukrainian forces now hold a straight line from Kurdjumvika through Klitschijivka to the southern suburb of Bahkmut. The Russian bulge north of Bahkmut is still extending towards Hrivovika, while constant Ukrainian counterattacks have reduced its northern flank. This Ukrainian penetration can potentially be used to chop off the entire Russian pincer and encircle the troops positioned there. Further north, minor Russian attacks in the vicinity of Kreminna as well as in the direction Kupiansk were successfully thwarted by Ukrainian defense units. In general the Ukrainian offensives have lost their momentum. They are mostly stuck in the Russian defense line and lack the force, ammunition and air support necessary to achieve a decisive breakthrough. However, Ukraine has yet to commit the majority of its forces as it keeps nine fully manned and equipped brigades in reserve to exploit a potential breakthrough. Russia seems to concentrate on buying time and exhausting the Ukrainian forces until more favorable conditions emerge. In addition, Moscow seems to expect that Western support is likely to dwindle in case of minor successes on the battlefield. In case Western arms transfers are reduced, Russia is likely to launch its own large scale offensive in fall or winter. In addition, with 10.000 Wagner troops being reported to have arrived in Belarus, it is likely that Russia aims to launch subversive operations towards the NATO eastern border to deflect global attention from the Donbas.

### Security implications of climate change

The effects of global warming range from rising sea levels to glacial melt and coastal erosion. There is also a trend toward more frequent, severe and longer-lasting extreme weather events such as floods, forest fires, droughts and heat waves, storms and heavy rainfall. The regions and countries that already suffer most from these climatic changes are also among the most economically disadvantaged. Climate change is increasingly seen as a trigger or threat multiplier that drives existing trends, tensions and instability. While there is no direct causal chain between extreme weather events, climate change and violent conflicts, climate change could aggravate food shortages or impair access to safe drinking water, which could fuel political and economic instability and reinforce existing conflict lines at the international level and domestically (i.e., between ethnic and religious groups or between economic interest groups). Nigeria's example illustrates how climate change induces substate conflicts. Deteriorating environmental conditions, water scarcity, desertification and soil degradation have prompted the herders of northern Nigeria to change their seasonal migration routes. Access to the pastures and watering places of central Nigeria became essential for northern herders. These changes in seasonal pastoralism brings the herders into direct confrontation with local farmers in central Nigeria. This has caused more than 20,000 deaths and forced hundreds of thousands of people from their homes since 1999. In the future, it is likely that climate change will lead to a proliferation of similar distributional conflicts over the control of fertile regions, water and food sources in the context of already weakened state structures.



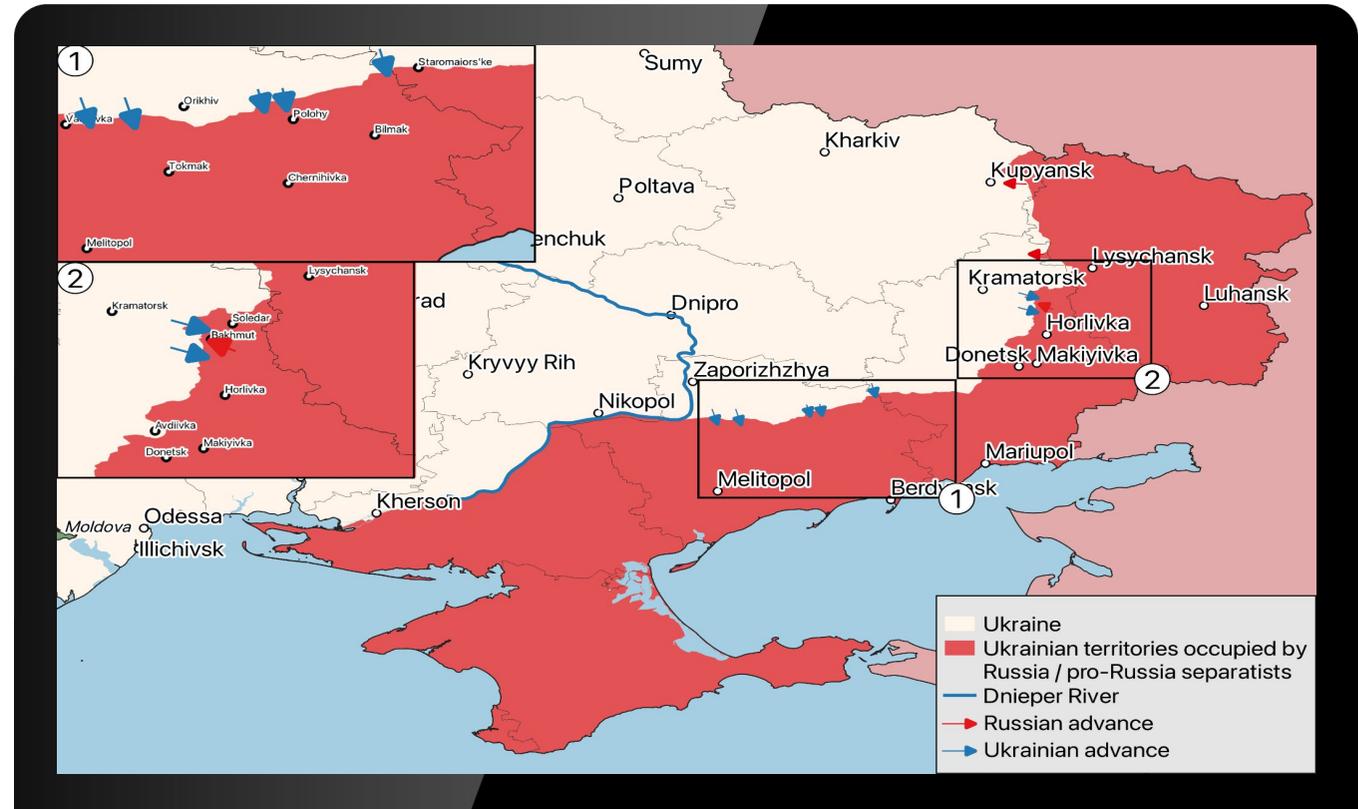
## Key takeaways

- The Ukrainian offensive continues to make limited gains in the central sector of the Zaporizhzhia front as well as around Bahkmut.
- Smaller Russian attacks occurred in the vicinity of Kreminna.

## Selected upcoming events

- 27 July - Governing Council of the ECB: monetary policy meeting in Frankfurt
- 27–28 July - Russia–Africa Summit
- 22 - 24 August - BRICS Summit: an international relations conference attended by the heads of state or heads of government of the five member states Brazil, Russia, India, China and South Africa.

Current military situation in Ukraine (blue arrows indicate current Ukrainian counterattack, red arrows indicate potential future Russian operations in the coming weeks)



# Inside-out view on Ukraine reconstruction efforts



## Donor activity - update

- Ukraine and the UNDP signed a Memorandum of Cooperation: The memorandum envisages attracting additional assistance from the UNDP to the post-war reconstruction of Ukraine within the framework of the Ukrainian government priorities. Additionally, Sweden noted that it is working on providing insurance for Swedish companies and guaranteeing trade operations.
- Ukraine and the Japan International Cooperation Agency (JICA) discussed the possibility of funding by JICA of grant programs supporting small, medium-sized businesses, industrial parks and preparation of public-private partnership projects, cooperation in the field of expanding the state program of affordable housing lending.
- The Government of Sweden has presented the Strategy of reconstruction and reforms in Ukraine for 2023-2027, which implies the allocation of EUR 522.6mn for the reconstruction projects. This is the largest bilateral aid program in the history of Sweden in terms of funding, and Ukraine became its recipient.
- Spain is interested in supporting the private sector of Ukraine, in particular, in the allocation of financial support to Ukrainian small and medium-sized businesses in the amount of EUR 70mn through the European Investment Bank. Also, Spain is introducing a new guarantee fund for EUR 70mn for Spanish companies that will export to Ukraine.
- On July 20, 2023, Ukraine and the World Bank signed an Agreement on the project "Loan in Support of Development and Recovery Policy" to provide Ukraine with a USD 1.5bn loan. The loan funds are provided under the guarantee of the Government of Japan through the mechanism of the World Bank Trust Fund.

## The World Bank's activity

The World Bank Group plans to attract more than USD 8bn for new programs in Ukraine. In particular, in the field of agriculture and social policy. Among the promising areas of cooperation is the implementation of the "HOPE" project, which is aimed at restoring damaged housing. Also, the project "Restoration of energy supply in the winter period and supply of energy resources" is being developed, which provides total financing in the amount of USD 500mn. The funds will be used to purchase equipment for heating services and equipment for electricity transmission infrastructure. In addition, the World Bank will allocate USD 240mn in grant aid to Ukraine for improving the reliability of the energy system of the state electricity transmission system operator "Ukrenergo". It is planned to provide "Ukrenergo" with grant funds, which will be directed to the purchase and installation of STATCOM (special devices that would increase the stable operation of the power system), as well as assistance for the purchase of special equipment, auto transformers and other high-voltage equipment.

## Food & Agriculture

In June 2023, the Project of the World Food Program of the UN, the Food and Agriculture Organization of the UN and the Swiss Foundation for Mine Action was launched in the Kharkiv region. It provides for the clearance of explosive objects from the lands of small farmers whose land area does not exceed 300 hectares. In the future, it is planned that the project will expand to the Mykolaiv and Kherson regions. Estimated value of the project is USD 100mn. On July 11, the European Commission and the European Investment Bank published the study "Strategy for the EU integration of the Ukrainian and Moldovan rail systems", which proposed the deployment of the European track on the railways to Lviv and Chisinau. This will be the first step towards improving the connectivity between Poland and Ukraine, as well as between Romania and Moldova. The main obstacle to the effective railway connection of Ukraine with EU countries is the different width of railway tracks.

## War risks insurance

During a joint event on July 6, 2023, between the US Government, the Government of Ukraine and top managers of American companies such as Blackrock, DFC, AON PLC, Zurich, Chubb Group, Citibank, the parties discussed the possibility of war-risks insurance, the vision of large American companies for work prospects in Ukraine, their risks and intentions. The Ministry of Economy of Ukraine is already working on the development of a risk data exchange platform that will allow insurers and investors to assess and guarantee war-risks in Ukraine. The parties agreed to create a working group to continue developing a plan for the development of insurance services in Ukraine.

## Preliminary Assessment

- According to the estimates of the Ministry of Finance of Ukraine, USD 3.87bn should be allocated to the needs of rapid recovery. Funding involved is distributed by priority sectors, namely: energy support - USD 837mn, humanitarian demining - USD 169mn, rehabilitation of damaged housing - USD 25mn, private sector assistance - USD 206mn, and critical infrastructure rehabilitation - USD 2.6mn. In general, there is an obligation from donors to provide up to USD 42.5bn of macro-financial support in 2023 to finance the deficit of the state budget of Ukraine.
- The French government intends to provide Ukraine with an additional EUR 40mn to finance the reconstruction of critical infrastructure and health care needs. Last month, an Agreement on the Suspension of Payments on the State Debt between both countries was signed. This will reduce the debt burden on the state budget of Ukraine, as well as support the economy during the war and direct funds to finance priority needs.
- The first stage of the Memorandum on the wind energy partnership between Ukraine and Denmark implementation has begun. It covers an accelerated study of the potential of Ukrainian offshore wind energy by the World Bank and the Danish Technical University (DTU Wind) which should be produced before September 2023.
- For the first time, the European Commission included Ukraine in the Spring 2023 Economic Forecast. The economic overview and forecast for Ukraine is available at the [link](#).



## General context

Considerations on implications for businesses along the PESTEL framework

<b>P</b> <b>Political</b>	Putin voices conditions to renew the grain deal. Ukraine warns ships of sailing to Russian ports.
<b>E</b> <b>Economic</b>	End of grain deal will send food prices higher in Asia. Manufacturing sites are moving away from China to other Asian countries.
<b>S</b> <b>Social</b>	Food insecurity in Africa will increase. European farmers' strikes.
<b>T</b> <b>Techno-logical</b>	Ukrainian grain will increasingly be transported by rail and road.
<b>E</b> <b>Environ-mental</b>	Environment related implications: e.g. Resource scarcity, energy embargo
<b>L</b> <b>Legal</b>	Legal implications: Compliance with changing regulations, contractual obligations, etc.

## Current topics

### Russia officially suspends the 'grain deal'

Russia has officially refused to extend the grain deal, which expired on 17th July. Grain prices have been fluctuating since. At the same time, Russia leaved itself a loophole to return to the deal if its demands are met. Among the conditions Putin voiced were the lifting of sanctions on Russian grain and fertiliser supplies "to world markets", the connection of banks to SWIFT and the end of "all restrictions".

According to analysts, Russia's decision to pull out of the "grain deal" is anticipated to result in higher food prices in Asia and hunger in Africa. However, the immediate impact is expected to be limited due to reduced imports from Ukraine, coupled with increased supply from other countries. Under the deal, Asia had been receiving 46% of grain and food shipments, with Western Europe and Africa accounting for 40% and 12%, respectively. The EU, with Germany in particular, is now working to transport more Ukrainian grain by road and rail to compensate for Russia's withdrawal from the grain deal. Ukraine has also asked the European Commission to subsidise the transport of Ukrainian agricultural products through distant European ports.

Meanwhile, Poland will not open its border with Ukraine for grain products after 15 September, if the European Commission's moratorium on imports of Ukrainian grain expires, Polish Prime Minister Mateusz Morawiecki said. Morawiecki stressed that the border closure would also apply to other agricultural goods "to support Polish farmers". This is due to the low prices for the Ukrainian agricultural products on the European market.

### Foreign investment in China almost halved between 2021 and 2022

In 2022, FDI net inflows to China amounted to USD 180bn, down from a peak of USD 344bn in 2021. Manufacturing companies reportedly increasingly move away from China to other Asian countries. FDI net inflows in India increased more than tenfold in the past decades, from USD 3.6bn in 2003 to USD 49bn in 2022. Vietnam experienced a similar uptrend in FDI. After China's crackdown on Hong Kong, many companies shifted operations to Singapore, whose FDI doubled from USD 78bn in 2020 to USD 140bn. Japan and South Korea have also attracted record FDI inflows in recent years. Thus, while China is set to remain a major trade and investment partner in the foreseeable future, countries and individual corporations are increasingly taking steps to reduce their dependence on China, diversify their risk exposure and thereby increase their resilience.

## Preliminary Assessment

- A year ago, a "grain deal" was brokered by Turkey and the UN to unblock exports through Ukrainian ports, including for food supplies to starving countries.
- Since withdrawing from the deal, Russia has launched strikes against Odessa, one of three critical Black Sea ports that exported Ukrainian grain and other agricultural products. The White House said Wednesday it has information indicating that Russia has laid additional sea mines in the approaches toward Ukrainian ports.
- On 20 July, Ukraine responded to Russia's threats against shipping in the Black Sea. The Ministry of Defence of Ukraine issued a statement warning that all vessels sailing to Russian Federation ports or occupied Ukrainian ports from 21 July could be considered as carrying military cargo.
- Director of the Ukrainian Agrarian Confederation Pavlo Koval notes that there are several scenarios to consider. These include food exports without the "grain deal", its operation in a different format, and a return to the "corridor" that existed but without Russia's participation.
- The EU imposed import restrictions earlier this month that Ukrainian grain can be transported through Bulgaria, Hungary, Poland, Romania and Slovakia but cannot be sold in these countries.



## Key Considerations

Response measures may include the following:

- Scenario planning sessions to explore how the escalating situation could impact the organization and identify the risks and mitigating actions.
- “Table-top exercising” can be used to validate response structures if they are not already in operation.
- Ensuring that playbooks are in place for extreme but plausible scenarios such as loss of IT for an extended period and disruption to critical suppliers.
- Ensuring the ability to locate all personnel based in, or travelling to, regions of conflict and ensure appropriate steps are taken for their protection.

## Current topics

### Ryanair announces large-scale return to Ukraine after the war

The management of Ryanair, led by CEO Michael O’Leary, visited Kyiv for a series of business meetings, during which they announced large-scale plans to return to Ukraine, checked the state of the airport infrastructure and operational readiness for the resumption of flights. According to the Ukrainian side, Ryanair plans to open 75 routes from Europe to Ukraine within eight weeks after the airspace is declared safe. Ryanair intends to attract significant investment in Ukraine and lead the recovery of the Ukrainian airline market by investing around USD 3bn, deploying up to 30 new Boeing MAX aircraft and at 3 major airports in Ukraine - Kyiv, Lviv and Odessa. Ryanair has stressed that it is ready to create thousands of new jobs for Ukrainians in aviation immediately after the war ends.

### Britain lifts sanctions against Russian oligarch Oleg Tinkov

The UK imposed sanctions on Oleg Tinkov, the founder of Tinkoff Bank, on 24 March 2022. Following a request from billionaire and Virgin Group founder Richard Branson, the UK has removed Russian businessman Oleg Tinkov from its sanctions list, who had previously publicly condemned Russia’s invasion of Ukraine. The document does not specify the reason for the lifting of sanctions. The Tinkoff Bank, which was sold to Russian billionaire Vladimir Potanin after Russia’s full-scale invasion of Ukraine, is still under sanctions.

### Almost half of new companies in Poland have Ukrainian capital

45% of the new companies that have appeared in Poland since the start of the full-scale war have been started by Ukrainians. This is according to a study by the Polish Economic Institute. According to the study, there are currently 24,100 companies in Poland with Ukrainian capital, which is 25% of all foreign companies. From January to September 2022, 45% of newly registered companies with foreign capital were enterprises with Ukrainian capital. These are mostly trading companies (22%), construction companies (19%) and transport and warehousing companies (14%).

66% of respondents said that their operations in Poland would continue regardless of the situation in Ukraine. Only 4% of the surveyed companies intend to cease their operations in Poland and return to Ukraine as soon as the situation allows. Most of them are IT entrepreneurs.

## Preliminary Assessment

- It is noted that as soon as the European Aviation Safety Agency (EASA) announces the safety of flights to/from Ukraine, the airline is ready to operate up to 600 flights a week. Additionally, Ryanair plans to launch daily flights between Kyiv, Lviv and Odessa as soon as the airports are ready.
- The airline, which had operated airports in Kharkiv and Kherson before the war, intends to return there as well “as soon as their infrastructure is restored after the fighting”.
- Tinkov is the founder of numerous companies in Russia. The most famous of these is Tinkoff Bank. Russian Forbes estimates that Tinkov’s net worth is USD 4.7bn.
- Ukrainian Railways has registered a European railway operator called Ukrainian Railways Cargo Poland to work on the European market. The operator will carry out transportation in Ukraine and European countries: provision of comprehensive freight transportation services, coordination of work with European operators, cargo owners, border crossings, control of the company’s rolling stock abroad.



## Russian hackers take down official Spanish websites

A group of hackers believed to be close to the Russian intelligence services took down the website of the Ministry of the Interior this Sunday, July 23, during Spain's election day. The website remained offline from approximately 4pm until 7:45pm.

A pro-Russian group that first appeared in March 2020, calling itself 'NoName057', was named as responsible for the attack. This same group of hackers knocked down the Puertos del Estado website with a similar attack one and a half months ago. It also claimed responsibility for cyberattacks on Ukrainian, American, and European websites, along with those of government agencies, media companies, and private companies.

According to a Spanish newspaper El Confidencial, the motive doesn't seem to be related to changing the election results, but to discredit the results.

Investigators from the National Police and the National Intelligence Centre (CNI) specialising in the field of cybersecurity are already investigating what happened.

## Current topics

### Starlink users are threatened with "cyber attacks" from Russia

Computers that connect to the Internet through Starlink satellite terminals are now at an increased risk of cyberattacks. This was recently stated by the Ukrainian emergency response team in the field of computers CERT-UA in social networks.

According to the organization, one of the cyberthreats allegedly comes from ex-officers of the Security Service of Ukraine from Crimea, who have been working for the Russian FSB since 2014. "In the high-risk group are computers that are outside the protection perimeter, in particular, those that use Starlink terminals," CERT-UA said.

### Russian hackers carried out a DDoS attack on the Bulgarian parliament because of assistance to Ukraine

On July 15, the Russian hacker group NoName057(16) blocked the website of the Bulgarian Parliament due to the country's assistance to Ukraine. This was reported by RBC-Ukraine with reference to "Free Europe".

Ivaylo Mirchev, an MP from the Democratic Bulgaria party, wrote on Facebook that the reason for the hacker attack was Bulgaria's intention to help Ukraine with armored vehicles.

Bulgaria has prepared for Ukraine a bundle with 100 armored vehicles.

Therefore, the website of the National Assembly of Bulgaria received several hundred thousand DDoS missiles from us," the hackers wrote in their Telegram. Bulgaria's E-Governance Minister Alexander Yolovsky said the attack once again raises questions about the cybersecurity of state institutions. Since the beginning of the year, about 80 such attacks have been recorded.

### Hackers identified the identities of collaborators who helped Russia take children out of the Luhansk region

The KibOrg hacker team identified collaborators from the Luhansk region involved in the removal of Ukrainian children. In addition, KibOrg found lists of children remaining under occupation, recorded the facts of transferring the personal files of children to the Russians, investigated the process of forcible passportization. It was noted that KibOrg will present the first part of a major investigation on the removal of Ukrainian children from the territories temporarily not controlled by Ukraine. Some of the non-public documents will become evidence in the International Criminal Court. Lists of children staying or deported from the territory of the Lugansk region, as well as hundreds of gigabytes of documented materials, were handed over to Ukrainian law enforcement agencies.

## Preliminary Assessment

- Earlier, the owner of Starlink, SpaceX, limited the radius of use of the satellite system for the Armed Forces of Ukraine, blocking the operation of terminals over new territories of the Russian Federation, writes the Telegram channel Radiotochka NSN.
- On July 6, President of Ukraine Volodymyr Zelensky arrived on an official visit to Sofia, the capital of Bulgaria. A Joint Declaration on Ukraine's Euro-Atlantic integration was signed there.
- On July 14, the first military package from Bulgaria for Ukraine was officially announced. It will include 100 armored vehicles. Also, the Bulgarian government decided to join the joint purchase of ammunition for Ukraine within the framework of the project of the European Defense Agency.



## Key Considerations

### Sanctions Screening Activities

- Screening solutions generate increasing number of alerts (especially banks must deal with the increased workload)
- Appropriateness and effectiveness of sanctions screening measures in identifying sanctioned parties and activities must be ensured. Complex ownership structures complicate the proper identification of involved parties (OFAC 50% rule)
- Trade transactions with Russia and Belarus must be reviewed

### Sanctions Compliance Governance

- Sanctions Compliance Governance as a key requirement increasingly in the focus of regulatory authorities
- Robustness of Sanctions Compliance Management System and sanctions controls to counter the current and new sanctions regulations
- Adequateness of internal safeguards to prevent sanctions circumvention activities

## Current topics

### The EU extends sanctions against Russia for six months

The EU Council extended restrictive measures aimed at certain sectors of the Russian economy until 31 January 2024. This package of sanctions, which was first introduced in 2014 in response to Russia's "destabilisation" of Ukraine, was significantly expanded starting in February 2022. Currently, the sanctions consist of a wide range of sectoral measures, including restrictions on trade, finance, technology and dual-use goods, industry, transport and luxury goods.

### Maldives becomes the second largest supplier of chips to Russia

The Maldives is helping Russia to circumvent sanctions, Nikkei Asia reports, citing Russian customs data obtained from Indian research firm Export Genius. According to the customs data, about 400,000 semiconductors worth a total of USD 53.6mn were shipped to Russia through the Maldives. Overall, the Maldives was state after China in terms of such imports in the year after 24 February. Reportedly none of the 14 companies exporting semiconductors to Russia are based in the Maldives. For example, a UK headquartered Mykines Corp allegedly shipped USD 40mn worth of chips to Russia. Additionally, the supply of semiconductors from the Maldives increased sharply in May 2022 after Aeroflot resumed direct scheduled flights from Moscow to Male. The state-owned airline's planes could have become a means of transporting semiconductors, Nikkei Asia notes.

### US and Canada expand sanctions on Russia

In particular, the US Treasury Department expanded the sanctions list to include 18 more people, 95 companies, and 14 ships. Restrictions have been imposed on Tinkoff, Unistream, Solidarity, Loko Bank and St. Petersburg Social Commercial Bank, as well as several research organisations and production centres. Several Russian deputy ministers were sanctioned, including former Finance Minister and Chairman of the Russian Accounts Chamber Alexei Kudrin, who is currently a corporate development advisor at Yandex.

The US Treasury Department sanctioned organisations based in Kyrgyzstan (M Design and Development), Serbia (MCI Trading DOO) and the UAE (Amegino FZE) that Moscow uses to acquire dual-use technologies.

Canada has also expanded its sanctions list. The list includes Tele2, MTS, Megafon and Beeline, Tinkoff and Tochka banks, Mir payment system and Yandex Pay. In total, the new expansion includes 39 people and 25 companies. Some of them are linked to the military-industrial complex (production of drones), and some to Wagner PMCs operating in Africa and Ukraine.

## Preliminary Assessment

- In addition to the economic sanctions against Russia, the EU has applied various types of measures in response to Russia's "destabilisation" of Ukraine. These include: restrictions on economic relations with the illegally annexed Crimea and the city of Sevastopol, as well as the non-government controlled areas of Donetsk and Luhansk regions; individual restrictive measures (asset freezes and travel restrictions) against a wide range of individuals and legal entities; and diplomatic measures.

# General remarks



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