

Russia Sanctions Increase in Scale and Scope

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Sanctions Package Targets 80 Percent of All Banking Assets in Russia

In a speech, President Joseph R. Biden outlined the latest package of sanctions against the largest Russian banks, among other targets. The White House issued a [fact sheet](#) on the details of today's actions, and OFAC provided specifics on targets in both [Russia](#) and [Belarus](#). OFAC stated these sanctions go after "the core infrastructure of the Russian financial system" and will impact "nearly 80 percent" of banking assets in Russia.

The White House described today's actions as follows:

- "Severing the connection to the U.S. financial system for Russia's largest financial institution, Sberbank, including 25 subsidiaries, by imposing correspondent and payable-through account sanctions.
- "Full blocking sanctions on Russia's second largest financial institution, VTB Bank (VTB), including 20 subsidiaries.
- "Full blocking sanctions on three other major Russian financial institutions: Bank Otkritie, Sovcombank OJSC, and Novikombank- and 34 subsidiaries.
- "New debt and equity restrictions on thirteen of the most critical major Russian enterprises and entities.
- "Additional full blocking sanctions on Russian elites and their family members: Sergei Ivanov (and his son, Sergei), Andrey Patrushev (and his son Nikolai), Igor Sechin (and his son Ivan), Andrey Puchkov, Yuriy Solviev (and two real estate companies he owns), Galina Ulyutina, and Alexander Vedyakhin.
- "Costs on Belarus for supporting a further invasion of Ukraine by sanctioning 24 Belarusian individuals and entities, including targeting Belarus' military and financial capabilities by sanctioning two significant Belarusian state-owned banks, nine defense firms, and seven regime-connected official and elites. We call on Belarus to withdraw its support for Russian aggression in Ukraine.

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- "Sweeping restrictions on Russia's military to strike a blow to Putin's military and strategic ambitions.
 - "Russia-wide restrictions to choke off Russia's import of technological goods critical to a diversified economy and Putin's ability to project power.
 - "Historical multilateral cooperation that serves as a force multiplier in restricting more than \$50 billion in key inputs to Russia- impacting far more than that in Russia's production."

This came a day after the U.S. imposed Nord Stream 2 sanctions in response to Russia's full invasion of Ukraine. On February 23, 2022, OFAC [added to its SDN list](#) certain individuals and the Nord Stream 2 AG entity and issued [General License 4](#), "Authorizing the Wind Down of Transactions Involving Nord Stream 2 AG."

[Earlier in the week](#), President Biden (i) signed [Executive Order \("EO"\) 14065](#) blocking trade and most other dealings involving the so-called Donetsk People's Republic or Luhansk People's Republic regions of Ukraine, (ii) added two Russian banks and numerous related entities to its Specially Designated Nationals and Blocked Persons List, and (iii) expanded existing prohibitions on dealings in Russia's sovereign debt. EO 14065 also expanded the scope of the national emergency declared in [EO 13660](#) of March 6, 2014 (see [related coverage](#)).

Primary Sources

1. [White House Fact Sheet: Joined by Allies and Partners, the United States Imposes Devastating Costs on Russia](#)
2. [U.S. Treasury Announces Unprecedented & Expansive Sanctions Against Russia, Imposing Swift and Severe Economic Costs](#)
3. [U.S. Treasury Targets Belarusian Support for Russian Invasion of Ukraine](#)
4. [OFAC: PEESA Designations; Issuance of Russia-related General License 4](#)
5. [OFAC: Russia-related General License 4, "Authorizing the Wind Down of Transactions Involving Nord Stream 2 AG"](#)
6. [Statement by President Biden on Nord Stream 2](#)
7. [President Joseph R. Biden: Executive Order 14065 on Imposing Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to Continued Russian Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine](#)

NASAA Urges FINRA to Tighten Restrictions on BD Employees Borrowing from Customers

The North American Securities Administrators Association ("NASAA") [criticized](#) FINRA's [proposed amendment](#) to FINRA Rule 3240 ("Borrowing From or Lending to Customers") on broker-dealers

borrowing from or lending to customers.

The proposed amendment would restrict broker-dealer employees entering into borrowing or lending relationships with customers of the broker-dealers. NASAA argued that such credit practices should be banned outright or, if not banned, subject to substantial additional conditions.

Chair Waters Urges Investigation of Housing Discrimination

House Financial Services Committee Chair Maxine Waters (D-CA) [urged](#) an investigation into systemic racism "that continue[s] to plague America's home valuation system, including through home appraisals, despite the passage of anti-discrimination laws."

In a [letter](#) to the Department of Housing and Urban Development, National Credit Union Administration, and three appraisal associations, Chair Waters said that her request was prompted by quantitative analysis by Freddie Mac as well as independent research. She also referenced an email by an appraiser which "reveal[s] and perpetuate[s] the false stereotypes upon which racism was founded and continues to shape communities across our country today."

FTC Summarizes ECOA Enforcement Activities

The FTC [summarized](#) its enforcement-related activities concerning the [Equal Credit Opportunity Act](#) ("ECOA"). The FTC letter was a [response](#) to a request by the CFPB which intends to use the information in preparing the CFPB's 2021 Annual Report to Congress.

In the report, the FTC highlighted:

- the different ways that consumer problems affect communities of color;
- the continued support of military consumers;
- participation as a member in the Interagency Task Force on Fair Lending to share information and discuss policy issues; and
- participation as a member in the Interagency Fair Lending Methodologies Working Group to show information on the methods used in the enforcement of and supervision for compliance with fair lending laws, including the ECOA.

Primary Sources

1. [President Joseph R. Biden: Executive Order 14065 on Imposing Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to Continued Russian Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine](#)
2. [Treasury Bulletin: Issuance of Executive Order Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to Continued Russian Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine](#)
3. [Treasury Press Release: U.S. Treasury Imposes Immediate Economic Costs in Response to Actions in the Donetsk and Luhansk Regions](#)

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4. [OFAC: Ukraine General License Number 17](#)
 5. [OFAC: Ukraine General License Number 18](#)
 6. [OFAC: Ukraine General License Number 19](#)
 7. [OFAC: Ukraine General License Number 20](#)
 8. [OFAC: Ukraine General License Number 21](#)
 9. [OFAC: Ukraine General License Number 22](#)
 10. [Treasury Bulletin: OFAC SDN, Consolidated, NS-MBS and SSI List Updates - Russia-Related Designations; Issuance of Russia-Related Directive 1A and General Licenses; Publication of New and Updated Frequently Asked Questions](#)
 11. [OFAC: Russia General License 2](#)
 12. [OFAC: Russia General License 3](#)
 13. [Treasury FAQ 964](#)
 14. [Treasury FAQ 965](#)
 15. [Treasury: Recently Updated FAQs](#)
 16. [Federal Register: Executive Order 13660 Blocking Property of Certain Persons Contributing to the Situation in Ukraine](#)
 17. [NASAA Letter regarding Regulatory Notice 21-43: Prohibition on Borrowing from or Lending to Customers](#)
 18. [FINRA Regulatory Notice 21-43: Proposed Amendments to FINRA Rule 3240 and Retrospective Rule Review Report](#)
 19. [FINRA Rule 3240: Borrowing from or Lending to Customers](#)
 20. [FINRA Rule 3241: Registered Person Being Named a Customer's Beneficiary or Holding a Position of Trust for a Customer](#)
 21. [House Financial Services Committee Chair Maxine Waters: Letter to Housing Agencies regarding Systematic Racism in the Appraisal Industry](#)
 22. [FTC Press Release: FTC Staff Provides Annual Letter to CFPB on 2021 Equal Credit Opportunity Act Activities](#)
 23. [FTC Report to CFPB: Equal Credit Opportunity Act in 2021](#)

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