



Russia Moves to Retaliate for U.S. Sanctions

On April 13, 2018, the Duma (lower chamber of the Russian parliament) introduced a draft law "On Measures to Counter Unfriendly Actions of the United States of America and/or Other Foreign States" ("Draft Law") in response to the latest round of the U.S. sanctions imposed on Russian companies and individuals on April 6, 2018, by the U.S. Department of the Treasury's Office of Foreign Assets Control.

The Draft Law authorizes the Russian Government to introduce a wide range of restrictions on U.S. companies and nationals doing business in Russia, as well as companies and nationals of other countries that imposed or supported sanctions on Russian companies and individuals, including:

- prohibition or restrictions on import of agricultural, alcohol, and tobacco products;
- termination or suspension of cooperation in nuclear, aviation, and space industries;
- prohibition or restrictions on purchase of "technological equipment" and software by Russian governmental entities;
- prohibition or restrictions on procurement by Russian governmental entities and state-owned companies of consulting, audit, and legal services;
- prohibition or restrictions on activities related to privatization and sale of Russian state property;
- "exhaustion of exclusive rights to trademarks" owned by foreign nationals and companies, which would allow parallel import of branded products;
- increasing overflight fees for commercial flights;
- prohibition or restrictions on export of products and equipment containing rare minerals;
- prohibition or restrictions on import of pharmaceutical products (except products that have no Russian analogue); and
- prohibition or restrictions on employment of foreign nationals.

At this point, the timeline for adoption and implementation of the Draft Law is not clear. The first hearing is scheduled on May 8, 2018. We will continue to closely monitor these developments and will provide further updates.

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