

Ukraine Prepares Sanctions on Russian Citizens, Companies

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KIEV — Ukraine, hitting back at Russia which it accuses of supporting separatist rebels, proposed sanctions on Friday against 172 citizens from Russia and other countries as well as 65 Russian companies "for financing terrorism."

Prime Minister Arseny Yatsenyuk said Ukraine, which has been battling the separatists in the east of the country since April, aimed to bring in a broad range of sanctions covering all aspects of relations with its giant neighbor, from trade and business to culture and tourism.

The proposed legislation would also allow Ukraine to impose a "partial or full ban on the transit" of resources from Russia, air flights and road traffic via Ukrainian territory.

Asked whether the proposed moves could ban Russian gas transiting Ukraine to Europe, Yatsenyuk said: "I spoke about all the measures that could be included in the [proposed] law. This includes the possible halting of all types of transit, from air flights to transit of resources."

That news pushed up gas prices on the London market Friday.

Russia halted gas supplies to Ukraine in June because of a disagreement over pricing but it still pumps half of its gas supplies to Europe via its neighbor.

Ukraine's planned action against Russian companies would include freezing assets, limiting trade operations and banning capital withdrawal from Ukraine, he said.

Individuals listed could face visa restrictions affecting their entry in and out of Ukraine and around the country, he said. The list of sanctioned companies and individuals would be made public later, Yatsenyuk said.

The proposals would be passed on to the national defense and security council and Yatsenyuk expected parliament to bring in laws next Tuesday to enforce them.

The measures, if approved by parliament, could hit Russia's deep penetration of Ukraine's telecommunications, banking, property, energy and services markets.

Yatsenyuk said the sanctions package could include court action against people in hiding and their companies: a clear allusion to former Ukraine President Viktor Yanukovych, who was toppled by street protests in February and is now in Russia, and his allies.

"The Ukrainian state will find the property of banks, finance companies, businesses and personal property around the world of all those who supported the annexation of Crimea and who now support and fund Russian terrorists on Ukrainian territory," he said.

The sanctions could also hit TV and radio broadcasting, and Internet services provided by Russian networks, as well as Russian-affiliated mobile phone operators. Two of Ukraine's three-largest mobile operators are affiliated with Russian firms.

Asked what the financial loss to Ukraine could be, Yatsenyuk said: "In the worst-case scenario, the losses to Ukraine in the first year not only from sanctions but also from the aggressive policy of the Kremlin would be around 7 billion dollars."

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