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EU Considers Extending Borrowing Ban on Russian Firms

By The Moscow Times

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The new headquarters of majority state-owned banks Sberbank and VTB being built in Moscow-City.

BRUSSELS — The European Union is considering widening a ban to borrow or raise capital in Europe to all Russian state-owned firms from just Russian government banks and barring Russian Defense Minister Sergei Shoigu from entering the EU, EU diplomats said.

The proposals were floated during a meeting of European Union ambassadors in Brussels on Monday.

The European Commission is to prepare a final draft of new sanctions against Moscow over its alleged invasion of Ukraine by Wednesday and EU governments will make a decision on the final shape of the package by Friday.

Other measures discussed at the meeting on Monday included banning syndicated EU loans to Russian government-owned banks and institutions.

The European Commission also proposed a shortening of the minimum maturity of Russian state-owned banks' debt instruments that cannot be sold in the EU under a decision from July to 30 days from the previously agreed 90 days.

The EU would also be considering imposing a ban on buying Russian derivative instruments too.

Other ideas floated on Monday included an expansion of a export ban on goods that can have both military and civilian use to all potential Russian importers, not just companies in the defense sector as agreed by the EU sanctions package from July.

A ban on selling advanced energy technologies to Russia could be extended to include servicing agreements, diplomats said.

Russia could also stop being invited to cultural, economic and sports events.

The new EU sanctions package against Russia could be coordinated with other G7 countries — the United States, Canada and Japan.

Cutting off Russia from the SWIFT international bank transaction system was not discussed, because the measure is considered too radical.

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