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U.K. to Freeze Assets of All Russian Banks

By AFP

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Stephen Chung / London News Pictures / ZUMA / TASS

The U.K. on Monday said it will introduce further sanctions against Russia after its invasion of Ukraine, promising a "full assets freeze" on all of the country's banks.

Foreign Secretary Liz Truss said the freeze would take effect "in days," as part of new legislation to squeeze Russia's economy for its "unjustified aggression."

Britain last weekend joined the United States and Western allies in preventing the Russian central bank's ability to use reserves to support the plummeting ruble.

And it also cut selected banks from the SWIFT international money transfer system, which Truss said was only the first step in a "total SWIFT ban."

As Truss spoke in parliament, the Treasury announced asset freezes on Russia's state development bank VEB, and commercial lenders Otkritie and Sovcombank.

The sanctions add to those announced last week on a series of Russian banks, businesses, billionaires, the Russian president himself and his Foreign Minister Sergei Lavrov.

Truss said the U.K. wants "a situation where they [Russia] can't access their funds, their trade can't flow, their ships can't dock and their planes can't land".

More than 50% of Russian trade is denominated in dollars or sterling and the new powers "will damage Russia's ability to trade with the world", she said.

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"As soon as this legislation comes into force, we will apply it to Sberbank, Russia's largest bank," she added.

The assets freeze on Russian banks will stop the Kremlin from raising debt in the U.K. and will prevent more than three million businesses from accessing U.K. capital markets.

"Global giants like Gazprom will no longer be able to issue debt or equity in London," said Truss.

Truss also promised a ban on "high-end technological equipment such as micro-electronics, marine and navigation equipment."

"This will blunt Russia's military industrial capabilities and act as a drag on Russia's economy for years to come," she said.

London has long been accused of turning a blind eye to illicit Russian money, but Truss promised new measures would target oligarchs' "houses, their yachts and every aspect of their lives."

"I say to our Ukrainian friends, we are with you. In Britain and around the world we're prepared to suffer economic sacrifices to support you however long it takes," she added.

"We will not rest until Ukraine sovereignty is restored."

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