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Putin Allows Seizure of 'Unfriendly' Foreign Assets

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The Surgut GRES-2 power station. **OGK-4 press service / TASS**

President Vladimir Putin signed a decree Tuesday authorizing temporary control over foreign companies' Russia-based assets.

The move marks Russia's latest retaliation to the freezing of its assets abroad over the invasion of Ukraine.

Putin's decree lists the Russian divisions of the German energy giant Uniper and Finland's Fortum whose shares had already been taken over by Moscow.

Together they control more than 10 thermal power plants across Russia, including the country's largest gas-fired station, Surgut-2.

Temporary administration of the seized assets will be handled by Russia's Federal Agency for State Property Management, Rosimushchestvo, according to the text.

Putin's decree describes state takeovers as "urgent action in response to the unfriendly and

contrary to international law actions of the United States and its foreign associates."

Finnish utility Fortum said Wednesday that the CEO of its Russian subsidiary PAO Fortum had been replaced, which it called confirmation that the company had been seized by Moscow.

Fortum said it "considered the appointment of the new CEO to be confirmation that the new Presidential decree is being enacted and Fortum's subsidiary has been put under temporary asset management."

The Kremlin said that Putin's decree will be applied on a case-by-case basis and is not tantamount to expropriation.

"If necessary, the list of companies could be expanded. The aim of the decree is to create a compensation fund for the possible adoption of retaliatory measures against the illegal expropriation of Russian assets abroad," Kremlin spokesman Dmitry Peskov told reporters Wednesday.

The U.S. and its allies have blocked or seized over $350 billion of state and personal assets as part of Western sanctions for Russia's invasion of Ukraine 14 months ago.

Hundreds of Western companies have either fully exited or scaled back operations in Russia since Moscow launched the full-scale offensive.

U.S. and European officials have signaled in recent months that frozen Russian assets should go toward Ukraine's post-war reconstruction.

AFP contributed reporting.

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