

Non-Paper on Diplomatic Banking Points

- Russia has claimed that sanctions levied by the United States and our like-minded partners in response to Russia's malign activity, including its full-scale invasion of Ukraine, are hindering Russia's diplomatic transactions.
- The United States respects the right of independent commercial enterprises to determine whether or not to engage in specific business transactions.
- We are aware that non-U.S. financial institutions in third countries continue to operate in Russia. A number of these institutions could process Russia's diplomatic transactions outside of the United States, but may choose to avoid them due to the risks of violating U.S. sanctions.
- To be clear, U.S. sanctions do not prohibit U.S. persons or non-U.S. persons from engaging in official transactions ordinarily incident and necessary to the official business of Russia's diplomatic and consular missions, including engaging in financial transactions related to the operation of those missions.
- The United States has affirmed this fact through a number of public actions.
- On November 10, 2022, the U.S. Department of the Treasury issued General License 53 authorizing U.S. persons to process Russia's diplomatic transactions, even in third countries.
- Treasury issued Frequently Asked Questions 1096, clarifying that non-U.S. persons, including non-U.S. financial institutions in your jurisdiction, may engage in transactions consistent with the General License without implications for U.S. sanctions.

- The General License and FAQ 1096 are intended to provide comfort to non-U.S. financial institutions to facilitate processing of Russia's diplomatic transactions outside of the United States.
- On April 11, 2023, U.S. Sanctions Coordinator Jim O'Brien and Bureau of Economic Affairs Deputy Assistant Secretary Erik Woodhouse provided a virtual briefing to representatives of several countries in which Russia claimed it was experiencing problems processing diplomatic payments. That briefing highlighted the General License and FAQ and emphasized that the United States does not seek to block Russia's diplomatic banking transactions through our U.S. sanctions.
- We are providing a summary of that briefing for your government's information and background. We ask that you share this information with financial institutions in your jurisdiction.