



Russia Responds to Western Sanctions by Banning Imported Foods

Gene M. Burd and Michael E. Burke

In our previous [updates](#)¹ we discussed sanctions imposed by the United States and the European Union in response to Russia's occupation of Crimea and its continued attempts to destabilize Ukraine. Those updates referenced the possibility that Russia could retaliate with counter-sanctions against the US and EU, and, last week Russia responded with sanctions against the United States, European Union, Canada, Australia, and Norway.

On August 6, 2014, Russian President Putin signed Edict No. 560 "On Application of Certain Special Economic Measures to Assure Security of the Russian Federation" (Edict No. 560). Edict No. 560 prohibits or limits the importation, for a period of one year, of agricultural products, raw materials, and food that originate in a country that has imposed sanctions against Russian entities or individuals. It instructs the Russian Government to develop a list of the specific types of products subject to the import ban. Edict No. 560 also requires the Russian Government to implement measures to prevent the acceleration of prices of banned goods.

Following the Edict No. 560, the Russian Government on August 7, 2014 issued Decree No. 778 "On the Measures Implementing Edict of the President of the Russian Federation of August 6, 2014 No. 560 'On Application of Certain Special Economic Measures to Assure Security of the Russian Federation'" (Decree No. 778). Decree No. 778 specifies the countries whose products are subject to the import ban as well as the specific types of banned products. Among the banned products are meats, seafood and fish, milk and milk products, fruits and vegetables, and sausages. As stated above, the targeted jurisdictions are the member states of the European Union, the United States, Australia, Canada and Norway. While Decree No. 778 is silent as to potential penalties, it should be presumed that banned products will be treated as contraband subject to applicable enforcement legislation.

Companies in food export and import business dealing with Russia should immediately review their existing or prospective contracts to determine whether any of their products are subject the ban. To the extent possible, existing contracts should be renegotiated to exclude banned products or provide a partial termination of the contract as to the banned products. Logistics companies should review their shipment policies as terminated or delayed shipments could result in substantial penalties. Parties may also consider legal actions depending on the law which applies to the contract.

Given the flux in the current political situation, any business from the country which imposed sanction against Russia which deals with Russian counterparties should be considering potential further sanction escalation as an additional risk factor.

¹ <http://www.agg.com/Sanctions-Against-Russia--Implications-for-Your-Company-Cumulative-Update-as-of-July-17-2014-07-22-2014/>

Authors and Contributors

Gene M. Burd

Partner, DC Office
202.677.4048
gene.burd@agg.com

Michael E. Burke

Partner, DC Office
202.677.4046
michael.burke@agg.com

not *if*, but *how*.[®]

About Arnall Golden Gregory LLP

Arnall Golden Gregory, a law firm with more than 150 attorneys in Atlanta and Washington, DC, employs a “business sensibility” approach, developing a deep understanding of each client’s industry and situation in order to find a customized, cost-sensitive solution, and then continuing to help them stay one step ahead. Selected for The National Law Journal’s prestigious 2013 Midsize Hot List, the firm offers corporate, litigation and regulatory services for numerous industries, including healthcare, life sciences, global logistics and transportation, real estate, food distribution, financial services, franchising, consumer products and services, information services, energy and manufacturing. AGG subscribes to the belief “not if, but how.” Visit www.agg.com.

Atlanta Office

171 17th Street NW
Suite 2100
Atlanta, GA 30363

Washington, DC Office

1775 Pennsylvania Ave., NW,
Suite 1000
Washington, DC 20006

To subscribe to future alerts, insights and newsletters: <http://www.agg.com/subscribe/>

©2014. Arnall Golden Gregory LLP. This legal insight provides a general summary of recent legal developments. It is not intended to be, and should not be relied upon as, legal advice. Under professional rules, this communication may be considered advertising material.