

Russian politics

'Chaotic' sanctions against Russia have failed, says Navalny

Putin critic claims they miss target and US and UK avoid tackling dirty money



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Max Seddon in Moscow 9 HOURS AGO

Russian opposition leader [Alexei Navalny](#) said western sanctions against Moscow missed the target and were not working, and that the US and UK had no real interest in tackling "dirty money".

Mr Navalny labelled existing economic curbs "chaotic" and "incomprehensible" and said attempts to rein in Russia should refocus to target properly the powerful oligarchs with close links to President Vladimir Putin.

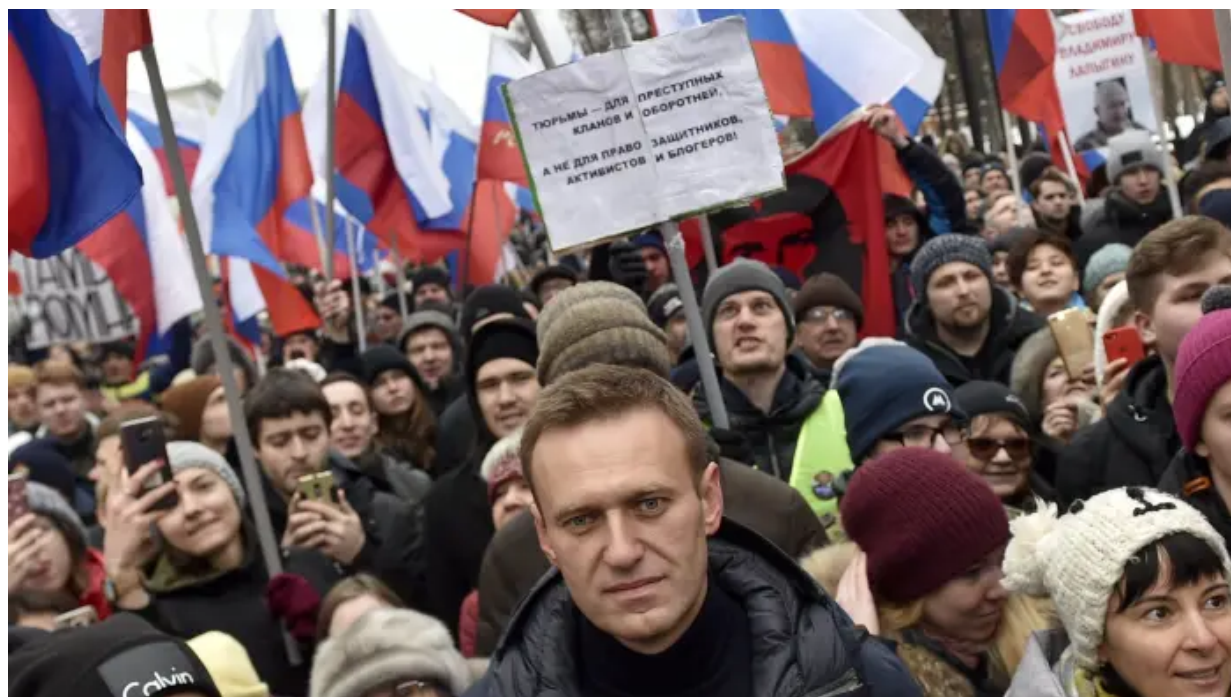
He argued that the UK campaign against Russian money following the poisoning of [former spy Sergei Skripal](#) last year ran aground because of powerful lobbyists and lawyers. "The FBI and the UK government know all too well who the specific people are who need to be sanctioned to make it painful," for the Kremlin, he said in an interview with the Financial Times.

As Mr Putin's most high-profile domestic opponent, Mr Navalny's criticisms of the west's sanctions regime and what he says is its inadequate response carries considerable weight.

He also hit out at the recent US decision to remove sanctions against companies [tied to oligarch Oleg Deripaska](#), calling it a "huge failure".

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After cultivating close ties to the Kremlin during his rise to become one of Russia's richest men, Mr Deripaska raised more than \$1bn with a London IPO of his energy-to-aluminium group En+ in late 2017. Since then, he has suffered for those links after Washington sanctioned him and several other oligarchs to punish Russia for its "malign activity", including Moscow's alleged meddling in the US presidential election.



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Mr Deripaska was seen as particularly exposed owing to his [past ties to Paul Manafort](#), President Donald Trump's former campaign chairman who has pleaded guilty to two counts of conspiracy after being convicted on tax and bank fraud charges.

However, the US Treasury said last month it would lift sanctions against EN+ and Rusal, saying the companies had implemented enough corporate governance changes to distance themselves from Mr Deripaska. He was required to cut his voting stakes in aluminium giant Rusal and En+ to 35 per cent, and surrender board seats to Treasury-nominated directors.

A Rusal spokesperson said: "The agreement and the monitoring process are designed not for the benefit of anyone in particular, but to protect [the] interests of thousands of employees, suppliers, and customers all over the world."

An anti-corruption activist, Mr Navalny, 42, became Mr Putin's most prominent opponent after exposing corruption in state-run companies and publishing reports on the wealth of senior Kremlin officials. After being banned from challenging Mr Putin for president last year, he is attempting to launch a trade union movement to

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capitalise on widespread resentment in Russia at low living standards.

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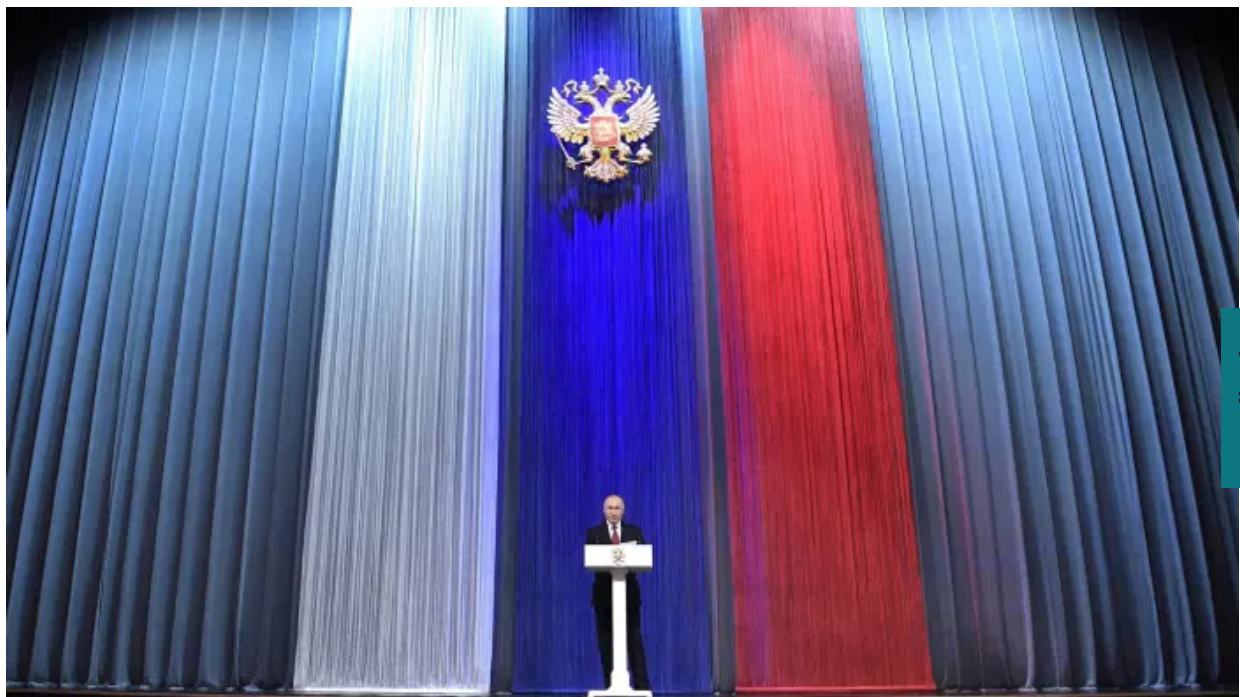
Congressional critics of the Trump administration's stance on Russia have continued to push the White House to act, including through a new version of a bill introduced in the Senate this month promising "sanctions from hell".

But Mr Navalny said its most sweeping provisions — which could ban US investors from buying Russia's sovereign debt or blacklist top state banks — would only harm ordinary Russians without hurting the Kremlin.

"American sanctions policy is a chaotic, incomprehensible mess. They should [impose] sanctions against political oligarchs," he said. "[The rest] is pointless pencil-pushing."

Existing sanctions have hit several oligarchs ranging from figures in Mr Putin's inner circle, such as Arkady Rotenberg and Gennady Timchenko, to the billionaire Viktor Vekselberg. But Mr Navalny said the curbs had failed to sufficiently limit their families' lifestyles in the west, thus helping Mr Putin.

"They're all still going abroad perfectly freely," said Mr Navalny. He added that Mr Putin considered certain oligarchs to be part of his soft power. Properly imposed sanctions on wealthy Kremlin-connected figures with western ties would make ordinary Russians "jump to the ceiling", he said.



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Worsening relations mean London is not as welcoming to oligarchs as it once was.

The British government delayed Chelsea football club owner Roman Abramovich's visa renewal in the wake of the Skripal poisoning and is reviewing other wealthy Russians' tier-one visas. Mr Abramovich eventually withdrew his application, [acquiring Israeli citizenship](#), and has not attended a Chelsea match for almost a year.

Fellow oligarch Alisher Usmanov [sold his stake in Arsenal](#) football club, delisted mobile operator MegaFon from the London Stock Exchange and surrendered control of London-listed Mail.ru. Mr Usmanov's spokesperson previously said these decisions were "absolutely not connected in any way" to possible future sanctions.

Separately, it has been estimated by the UK's National Crime Agency that as much as £90bn of dirty money [flows into London](#) a year. As part of a crackdown the agency has vowed to go after "high-value Russian assets".

But progress has so far been limited to seizing assets belonging to the wife of a jailed Azeri banker and the son of an imprisoned former Moldovan prime minister.

"In Britain nothing is happening because greedy lawyers have been living off [Russian money] for decades," said Mr Navalny. "MPs can't do anything because Britain is run in such a way that it loves dirty money."

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