

United States Senate

WASHINGTON, DC 20510

March 12, 2024

Hon. Antony J. Blinken
Secretary
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

Hon. Janet L. Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Blinken and Secretary Yellen:

The United States must take every possible measure to ensure that Russia cannot fund its war in Ukraine by selling gold. As leaders of the successful congressional effort to sanction people and businesses that trade Russian gold, we appreciate the initial sanctions that you have levied on a number of foreign nationals and firms. Russian gold, however, continues to find its way to market. We write to request that, in accordance with Sec. 5590 of the Fiscal Year 2023 National Defense Authorization (“NDAA”), you provide Congress with a report on persons transacting in Russian gold. We also urge you to use the authority contained within Sec. 5590 to sanction the people and entities that currently help Russia sustain its invasion of Ukraine using this precious natural resource.

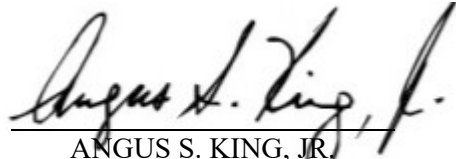
The Departments of Treasury and State, in accordance with the authority that Congress specifically gave the President and directed him to use in the FY 2023 NDAA, have begun the process of preventing Russia from accessing foreign currency through gold sales. Actions such as State’s December 2023 designation of Vladislav Sviblov and his Highland Gold Mining, Ltd., as well as Treasury’s February 2024 imposition of sanctions on Konstantin Strukov and his gold mining assets, are positive first steps toward denying Putin and his cronies hard cash from the sale of Russian gold.

Initial sanctions from the U.S. and foreign partners have caused Russia to shift—but not to stop—its gold trade. Although Russian gold production has remained steady at about 310,000 kilograms per year since Russia invaded Ukraine, the countries importing Russian gold have changed dramatically during that time. In 2021, Russia exported \$19.1 billion of gold. The United Kingdom (“UK”) imported \$15.4 billion (80 percent) of those exports, while Hong Kong imported just \$84.6 million (0.44 percent). In 2023, the UK imported practically no Russian gold, and Hong Kong received 68 *tons* of the metal, or about 20 percent of total Russian gold production.

Russia’s demonstrated ability to redirect its gold trade requires the United States and its partners to continually assess whether we must sanction additional people and firms that work on Russia’s behalf. Initial efforts by the United States and its partners to calibrate sanctions based on changes in Russian gold exports have been successful. Following the UK’s ban on Russian gold imports, the United Arab Emirates (“UAE”) quickly became the destination of choice for Russian gold. Direct action by UAE authorities and the threat of U.S. sanctions drove UAE imports of Russian gold down significantly. As noted above, however, Russian gold exports soon shifted to Hong Kong. A dynamic Russian gold sanctions regime works, but only so long as the United States and its partners continue to sanction those currently most heavily involved in the Russian gold trade.

We remain committed to preventing Russia from funding its war in Ukraine by selling gold. Accordingly, we ask you to fulfil the requirement contained within Sec. 5590 of the FY2023 NDAA and provide Congress with a report on people and firms currently transacting in Russian gold. After providing Congress with that report, your Departments, as required by law, should sanction any people or businesses that the report newly identifies as engaged in the Russian gold trade. Thank you for your efforts to impose high costs on Russia for its continued invasion of Ukraine.

Sincerely,



ANGUS S. KING, JR.
United States Senator



JOHN CORNYN
United States Senator