

Business as Usual: Sanctions Circumvention by Western Firms in Crimea*

Maria Shagina

***Abstract:** Despite the ongoing sanctions regime, many foreign companies continue their operations in Crimea without any legal repercussions. The purpose of this article is to highlight the common patterns of sanctions circumvention used by Western firms in order to keep their businesses in Crimea. By juxtaposing the companies' justifications and their behavior, this article assesses the companies' activities vis-à-vis the sanctions' legal framework. The article reveals the weaknesses within the sanctions regime and makes policy recommendations for the enhancement of the effectiveness of sanctions.*

Keywords: sanctions, Crimea, Ukraine, Russia, compliance

Introduction

In 2014, the United States and the European Union imposed sanctions on Russia in response to its annexation of Crimea and hybrid war in Eastern Ukraine. March 2018 marked four years since Russia's violation of fundamental principles of international law. Reaffirming its Ukraine policy, in July 2018 the United States issued the Crimea Declaration stating that the US "rejects Russia's attempted annexation of Crimea and pledges to maintain this policy

* This research was financially supported by the Japan Society for the Promotion of Science. Special thanks also go to Professor Mika Hayashi, Kobe University, who helped me during the writing of this article.