



By: *Tomorrow's Affairs Staff*

# A new US law provides scope for the compensation of war damages to Ukraine by Russia



The US has more power to legislate and to bring from the West of the world to the financial times, a decision to nationalise the assets of Western companies still operating in Russia is in the process of preparation.

This precedent would open the door for other countries to make similar decisions, and thus ensure a significant fund for the increasingly rejected reconstruction of possibility for a long time, but enormous war costs and the faltering economy have forced him to take this step. Although decisions to freeze Russian state assets and the private assets of its leading state officials and oligarchs close to the Kremlin were made through quickly and smoothly at the onset of the Russian aggression against Ukraine, the ease of the nationalisation of assets to help Ukraine has been ongoing for a year and a half.

The future Russian legislation will implement the nationalisation of Western companies by renewed borrowing what happens in the West to activate frozen Russian assets from the €300 billion (\$325 billion) of it, because he had frozen assets in the support of Democratic Party Senator Sheldon Whitehouse assisting Ukraine.

The Kremlin's intentions are convincing proof that they have been slowly saying "Given Russia's the frozen state the US in the West, it is only right that Russia get the expert funds in the United States be seized and not be used to help Ukraine rebuild its country", said Senator Risch.

Another reason is the exhausted war resources and the isolation of the domestic economy, so the bill has bipartisan support in the House, so the US could soon be leading a significant shift in terms of how it deals with the Kremlin and we should be supporting it with regard to the invasion of Ukraine being the biggest shift in the original decision to freeze seized assets matter what we do", said Bill Browder, investor and initiator of the international campaign for the adoption of the Magnitsky Act, which has so far frozen most of the assets of Russian officials and oligarchs in the West.

## The Kremlin has been preparing for nationalisation

The West has feared for too long that the

There is past precedent that would support“ the seizure of these Russian assets. For example, in 2003, President George W. Bush transferred approximately \$1.7 billion in Iraqi government funds to compensate victims of terrorism. In 2012, Iranian central bank assets were transferred and used to compensate the families of terrorism victims. Your s decision to begin liquidating 'Administration about \$7 billion in assets belonging to the Afghan central bank to support Afghan humanitarian efforts and compensate the families of terrorism victims is another valuable example”, stated the letter of the group of congressmen to US President Joe Biden on May 23.

This, and some other similar initiatives, primarily in Europe, are based on the legal fact that Russia, a member of the UN, has been repeatedly labelled by the UN as an aggressor against an independent state. The indictment of the International Criminal Court against Vladimir Putin for war crimes committed in Ukraine influenced this decision.

## The EU is an important link

The move in the US Congress has affected the change of attitude in the European Union, which was even more reluctant to redirect frozen Russian assets to Ukraine.

“We are now, I hope, in a position to soon bring forward ideas on how to use at least the proceeds of these immobilised assets”, said Anders Ahnliid last week, an EU chairman on behalf of Sweden, who leads the working group of the 27-member bloc regarding frozen Russian assets.

The American legal precedent is significant in this respect. But EU involvement is equally crucial because as much as two-thirds (around €200 billion) of the Russian Central Bank assets are located in EU member states.

transfer of frozen assets to Ukraine would provoke Russian retaliation against the remaining Western assets.

But the companies and projects that, despite all Western sanctions, have remained in Russia for a year and a half since the start of the aggression, expecting and making huge profits, do not deserve sympathy if their operations and assets get nationalised.

Apart from the retaliatory effect, the nationalisation of Western assets will not particularly help the failing Russian economy.

Confiscated assets will not be managed by professional managers from the West, particularly in the IT sector, and those companies will experience isolation, just like the entire Russian economy.

## Compromise on the financing of Ukraine

The bipartisan initiative in the US Congress comes at an opportune time as an acceptable compromise between supporters and opponents of the continuation of massive US funding to Ukraine.

Its essence is fairness, according to which the burden for the destruction in Ukraine should not be borne only by the US taxpayers, but by the entity which caused the destruction: the Russian government.

Legal obstacles, which until now have often been highlighted as insurmountable on the issue of using Russian assets to support Ukraine, have been removed by referring to precedents.

Last March, the costs of the reconstruction of Ukraine were estimated at about \$441 billion by the World Bank, the UN and the Ukrainian government, with an estimated period of ten years.

The current needs of the Ukrainian budget range from \$3 to \$5 billion per month (at least \$100 million per day) and have been maintained by Western countries until now. The costs of rebuilding the country will be huge, even for previous donors.

The redirection of frozen Russian state funds to compensate for the damage it has committed will be a fair and sensible compensation, for which the legal way is now being paved.

As such, it will prevent all possible and expected political turbulence in the West regarding the financing of the reconstruction of Ukraine. Russia will pay a substantial part of the cost since it has caused the damage - not Western taxpayers.