

# United States Senate

WASHINGTON, DC 20510

September 19, 2014

The Honorable Jacob J. Lew  
Secretary of the Treasury  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Lew:

We write to urge you to utilize all diplomatic options at your disposal to influence the European Union (EU) financial regulators to immediately exclude certain Russian banks sanctioned by the EU from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) financial messaging service, which is based in Belgium and governed by EU regulations.

This action would enforce SWIFT's own bylaws, preserve the integrity of the global financial system, and potentially serve as an effective policy tool against Russia. SWIFT's Corporate Rules (amended September 2013) clearly state that SWIFT may expel a user if the "existing SWIFT user is... not in compliance with applicable laws or regulations." We also note that the correspondent section of the previous version of the SWIFT Corporate Rules (amended July 2012) more explicitly stated that a SWIFT user may be expelled if the "user is **subject to sanctions (for example, UN or EU)**, or is not in compliance with applicable laws or regulations." As you know, there is also precedent for this action in SWIFT's 2012 exclusion of Iranian financial institutions that were subject to European sanctions.

To date, the EU has imposed restrictions on five Russian banks. In your discussions, we particularly urge you to target Sberbank, which is Russia's largest bank. On April 16, 2014, Ukraine's Attorney General's Office launched a criminal investigation against Sberbank for alleged financing of pro-Russian separatists in Eastern Ukraine, following evidence publicly presented by Ukraine's State Security Service that allegedly implicated this institution. Sberbank has denied all charges and we understand that the Ukrainian investigation is ongoing.

We urge you to press your EU counterparts and communicate their responses to us in writing with regard to the following:

- 1) Have EU regulators approached SWIFT with an official request to disconnect Russian financial institutions sanctioned by the European Union and thus, to comply with SWIFT's own bylaws? If not, why not?
- 2) Has an appropriate body within the European Commission investigated the claims presented by Ukraine that implicate Sberbank or other Russian banks in financing activities that undermine Ukraine's sovereignty and stability? If not, why not?

3) Why is SWIFT treating sanctioned Russian institutions differently than those from Iran? On March 15, 2012, SWIFT disconnected 14 Iranian banks as a “direct result of international and multilateral action to intensify financial sanctions against Iran,” according to SWIFT’s then-CEO Lazaro Campos. Please ask SWIFT to provide detailed legal reasoning as to the inconsistency in their policies regarding sanctioned Russian banks.

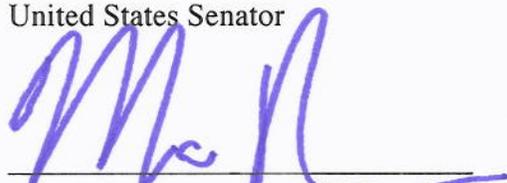
As you know, SWIFT is the world’s primary financial communication service, with few viable alternatives. On August 29, 2014, according to reports, United Kingdom’s Prime Minister David Cameron stated that he would press EU leaders to block Russia from SWIFT entirely for its deplorable actions with regard to Ukraine. On September 16, 2014, former Russian Finance Minister Alexei Kudrin stated that Russia's expulsion from SWIFT would cause Russia's GDP to shrink by 5%. Therefore, we urge you to impress upon your EU counterparts that even limited action by SWIFT would serve as an effective policy tool to advance US and EU common goals to counter Russia’s unacceptable occupation and destabilization of Ukraine and to prevent further threats to European stability.

We look forward to your prompt reply.

Sincerely,



Mark Kirk  
United States Senator



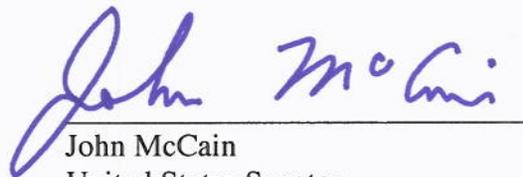
Marco Rubio  
United States Senator



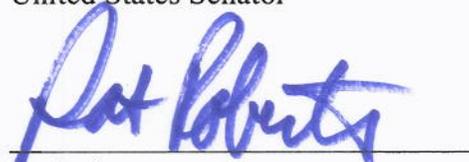
Dan Coats  
United States Senator



Jeff Sessions  
United States Senator



John McCain  
United States Senator



Pat Roberts  
United States Senator



Kelly Ayotte  
United States Senator



David Vitter  
United States Senator

A handwritten signature in blue ink, appearing to read "John Thune". The signature is fluid and cursive, with a large initial "J" and "T".

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John Thune  
United States Senator