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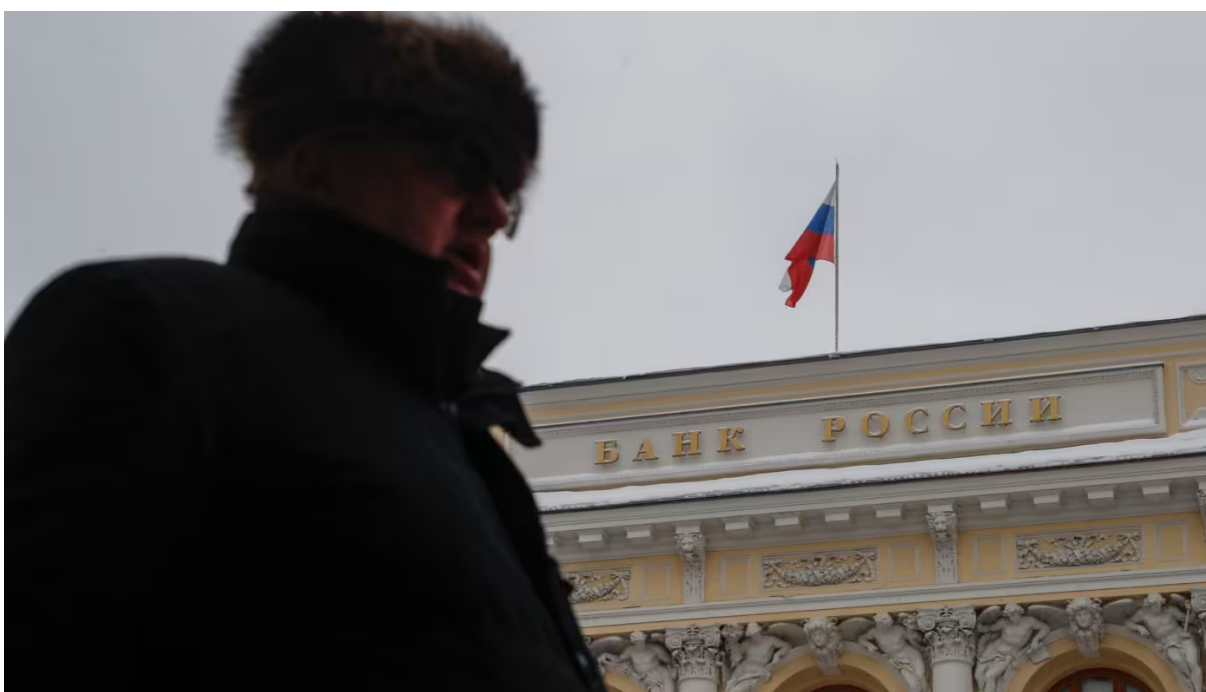
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War in Ukraine

Washington puts forward G7 plan to confiscate \$300bn in Russian assets

Proposal would accelerate preparations in time for a February summit to show solidarity with Ukraine



A man walks past Russia's central bank building in Moscow. The work on potentially confiscating the country's assets highlights its rising importance for the west © Maxim Shipenkov/EPA-EFE/Shutterstock

Paola Tamma in Brussels and **James Politi** in Washington 11 HOURS AGO

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The US has proposed that working groups from the G7 explore ways to seize \$300bn in frozen Russian assets, as the allies rush to agree a plan in time for the second anniversary of Moscow's full-scale invasion of Ukraine.

While no decisions have been taken and the issue remains hotly debated inside European capitals, the acceleration of work on confiscating Moscow's assets for [Ukraine](#) highlights its rising importance for the west.

The topic was discussed this month by both G7 finance ministers and their deputies, according to people briefed on the calls, which touched on how to develop such a policy and assess the risks involved.

The US, backed by the UK, Japan and Canada, has proposed moving forward with the preparatory work so the options would be ready for a potential meeting of G7 leaders around February 24, the date of Vladimir Putin's 2022 offensive on Kyiv.

The three working groups proposed by Washington would examine the legal issues around confiscation; the method of applying such a policy and mitigating risks; and

options for how to best channel the support to Ukraine.



Ukrainian soldiers near Kherson. The concept of confiscating Russian assets abroad has been hotly debated in European capitals © Mstyslav Chernov/AP

Germany, France, Italy and the EU have expressed some reservations, and the need to carefully assess the [legality of confiscating Moscow's assets](#) before decisions are taken. Several European ministers also stressed the need to maintain high levels of secrecy over the work, according to accounts of the meeting.

Various options are being explored in western capitals, ranging from directly confiscating and spending the Russian central bank assets, to tapping the proceeds from the frozen assets or using them as collateral for loans.

The EU has so far stopped short of seizing the Russian assets themselves, instead exploring ways to skim off [profits generated](#) for financial institutions such as Euroclear, where €191bn in sovereign assets are held.

Washington has so far not publicly backed seizing [Russian assets](#). But the US privately circulated a discussion paper this year within the G7 suggesting seizures of Moscow's frozen assets would be lawful as "a countermeasure to induce Russia to end its aggression".

But Europe, where the majority of the assets are held, is much more wary, fearing the possible implications for financial stability as well as retaliatory action from Russia.

Italy, which takes over the G7 presidency in 2024, is among those worried about potential retaliation on its companies active in Russia, something that Moscow has already threatened to do. Russia has also warned it would cease diplomatic relations with the US in response to any asset confiscation.

The EU, UK and France also stressed that the money would not be readily available, and insufficient to cover Ukraine's reconstruction needs, and that seizing the assets should not be at the expense of providing financial support to Kyiv in 2024.

Some ministers are concerned that the debate over seizures will imply there is an alternative to orthodox funding packages for Ukraine, which have stalled through opposition in the US Congress and because of [Hungary's refusal to back an EU deal](#).

But the push to seize Russian sovereign assets reflects a shared desire to show Moscow that it would not be able to outlast western resolve to aid Ukraine, both economically and militarily.

The G7 was able to overcome differences among its members several times on economic measures against Russia over the past two years, including on the initial sweeping sanctions package, and on setting a price cap on Russian oil.

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