

Is the Confiscation of Russian Assets Imminent? Probably Not

Description

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The law on the confiscation of Russian assets has been adopted by the US Congress. But this law does not make much difference for several reasons.

1. The law does not oblige the president to confiscate Russian assets. It only allows the president to confiscate them.
2. The general problem remains the same: if the United States actually confiscates Russian assets, then confidence in the dollar and American financial instruments will inevitably decrease in the world. And the United States would lose much more than the value of the confiscated assets.
3. Russian assets in the US amount to only 5 billion, whereas the EU has 210 billion. That is, only 2.5% of the blocked Russian assets are in the United States.
4. The main goal of the United States is not to confiscate Russian assets itself, but to force the EU to confiscate Russian assets in the EU. And the new law's aim is to push the EU towards that.
5. But the EU is very much afraid of confiscating Russian assets. Afraid of Russian retaliatory confiscations. But the main thing is that it is afraid that after the theft of 200 billion dollars, confidence in financial instruments in the euro area will simply collapse. And the EU will lose trillions. And this will lead to a financial crisis. And the financial crisis will lead to an economic and political crisis.