



The Magnitsky Justice Foundation

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Testimony by Sir William Browder KCMG to the Standing Committee on Foreign Affairs of the House of Representatives of the Netherlands

21st June 2024

Dear Members of the Standing Committee on Foreign Affairs,

Thank you for inviting me to provide testimony on the critical issue of using frozen Russian assets to support Ukraine's defence and reconstruction. As the head of the Global Magnitsky Justice Campaign, I have long advocated for holding human rights abusers and corrupt officials accountable through targeted sanctions. The situation with Russia's frozen assets presents both an opportunity and a challenge in this regard.

Key points I would like to emphasize are as follows:

1. Moral and Legal Justification:

Russia's unprovoked war of aggression in Ukraine is a clear violation of international law. Using frozen Russian assets to support Ukraine's defence and reconstruction is morally justified as a form of reparations. There is precedent for such action, such as the UN Compensation Commission established after Iraq's invasion of Kuwait.

2. Current EU Approach:

The European Council's recent decision to use windfall profits from immobilized Russian assets is a positive step, but it does not go far enough. These profits, estimated at around €3 billion annually, are insufficient given the scale of destruction in Ukraine and the needs for defence of the country.

3. Full Asset Utilization:

I strongly advocate for the full confiscation of the approximately €300 billion in frozen Russian central bank assets, not just the profits. This would provide a substantial resource for Ukraine's defence and reconstruction needs.

4. Legal Challenges:

While there are legal hurdles to overcome, including issues of sovereign immunity, these are not insurmountable. The extraordinary nature of Russia's actions justifies extraordinary measures in response. Legal frameworks can and should be adapted to address this unprecedented situation.

5. Deterrence Effect:

Using these assets would send a powerful message to Russia and other potential aggressors that the cost of such actions will be severe and long-lasting.

6. Implementation Mechanisms:

An international claims mechanism, similar to the one used for Iraq, could be established to manage and distribute these funds effectively and transparently.

7. Urgency of Action:

Time is of the essence. Every day of delay in providing substantial defence and reconstruction funds to Ukraine prolongs the suffering of its people and delays economic recovery.

8. Coordination with Allies:

Any action taken should be coordinated with other Western allies, particularly the United States, to ensure a unified and effective approach.

9. Addressing Concerns:

Some argue that using these assets could undermine faith in the international financial system. I don't believe this is true. As long as allies act together, there is no risk to the system at all. In fact, failing to act decisively in the face of such blatant aggression poses a far greater risk to international norms and stability.

10. Long-term Strategy:

This action should be part of a broader strategy to hold Russia accountable and support Ukraine's sovereignty and territorial integrity.

In conclusion, I urge the Dutch Parliament and your European colleagues to move beyond the use of windfall profits and towards the full utilization of frozen Russian assets for Ukraine's reconstruction. This step is necessary, justified, and crucial for upholding international law and deterring future acts of aggression.

Thank you for your consideration of this critical matter.

Sincerely,

Sir William Browder KCMG
Head of the Global Magnitsky Justice Campaign
