

GOVERNMENT

Italy denies sanction exemption, luxury preps for strict regulations

February 28, 2022



Russia invaded Ukraine on Feb. 24, sending the world into panic. Image credit: InterContinental Hotels & Resorts

By LUXURY DAILY NEWS SERVICE

Italian government officials have shut down reports that the country requested Russian sanction exemptions amid the Ukraine invasion.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

On Feb. 25, the Italian fashion federation commented that Italy exports nearly 1.2 billion euros, or \$1.34 billion at current exchange rates, in luxury goods to Russia every year spurring rumors that Italy was pressuring the European Union to exclude it from transactional sanctions placed on Russia. The office of Italy's prime minister assured its allegiance to the EU in a [tweet](#) on Friday.

Luxury sanctions

Earlier reports suggested Italy, Germany and Austria were concerned over financial transactions and banking operations included in the EU's sanctions package, while Italy and Belgium were supposedly looking for exemptions in the luxury fashion and diamond industries, respectively.

On Feb. 26, the EU and its allies removed Russian banks from the interbank messaging system, Society for Worldwide Interbank Financial Telecommunication (SWIFT), essentially cutting Russia off from the global financial system.

Italy has made no requests for carve-outs on [#sanctions](#). Italy's position is fully aligned with the rest of the EU. [#Ukraine](#)

Palazzo_Chigi (@Palazzo_Chigi) [February 25, 2022](#)

The Italian government denied it wanted to exempt its luxury industry from sanctions against Russia

The U.S. announced new sanctions against Russia's central bank on Feb. 28, freezing its assets and prohibiting U.S. citizens from conducting any business with Russia.

The Biden Administration also added Kirill Dmitriev, an ally of President Vladimir Putin, to the sanctions list as well as the Russian Direct Investment Fund. President Putin and his top aide Russian foreign minister Sergey Lavrov were placed on this list on Feb. 25.



The Biden Administration has issued strict financial sanctions on Russia. Image credit: The White House

Following the announcement of the new sanctions, the ruble fell to 111 to the U.S. dollar, a 20 percent dip from last week ([see story](#)). If it remains on this trajectory, it would mark the largest single-day drop in Moscow's currency value.

While there have been rumors regarding the financial status of luxury companies, some figures have spoken up with their personal thoughts on the conflict, which coincided with Milan Fashion Week.

After its fall/winter 2022 show in Milan, Missoni's president and former creative director Angela Missoni said she supports Ukraine and opts to be on the side of those under attack, no matter the financial costs.

Meanwhile, Italian designer Giorgio Armani opted not to use music at his runway show out of respect to the Ukrainian crisis.

[View this post on Instagram](#)

A post shared by Giorgio Armani (@giorgioarmani)

Giorgio Armani acknowledged the war with a silent runway show

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.