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Audience: The WISA Board of Directors

Content Summary:

Wisa's withdraw from Russia directly deprives Russian people of access to their funds severely limiting their ability to pay for necessary items. It undermines support for the war and decreases morale, but it also increases anti-western sentiment. While non-violent, withdrawing financial support for Russian citizens targets the civilian population causing economic deprivation. We question the impact on the companies' own financial interests and what role companies should play in international politics. Legally, we consider financial inclusion and sanctions compliance. Looking at long term harm, withdrawing from Russia unintentionally enables Putin to have a tighter grip on the country and reduces the opportunity to stave off totalitarian behavior. At the same time, we believe there would be no change to the status quo if Wisa did not pull out of Russia and the company's fiduciary responsibility to shareholders must be considered.

Given the complexity of the situation and the proliferation of unique financial and moral hazards we will make the argument that Wisa ought to not fully withdraw from the Russian economy. While Wisa should comply with all US government sanctions, financial, or otherwise, and can take some unilateral actions, Wisa must not unilaterally withdraw from the entire Russian market. Wisa should be inherently reluctant to unilaterally try to shape foreign policy given the uncertain consequences but in recognizing the moral character of the Russian invasion of Ukraine should seek to maximally enforce the US sanctions regime and provide additional philanthropic support to Ukraine as appropriate. Wholly withdrawing from the Russian market, however, would be ill-advised given how potentially counterproductive it could be both morally and financially.