

Joint Committee on the National Security Strategy

Oral evidence: Deterrence in an age of Russian aggression, HC 338

Monday 22 June 2026

5.20 pm

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Members present: Matt Western (The Chair); Lord Arbuthnot of Edrom; Lord Boateng; Mr Tanmanjeet Singh Dhesi; Lord Godson; Lord Hutton of Furness; Lord Jack of Courance; Baroness Kidron; Mike Martin; Lord Sedwill; Baroness Tyler of Enfield; Lord Tunnicliffe; Lord Watts.

Evidence Session No. 3

Heard in Public

Questions 29-40

Witnesses

I: Tom Keatinge, Director, Centre for Finance and Security, Royal United Services Institute; Alexandra Prokopenko, Fellow, Carnegie Russia Eurasia Center.

Examination of witnesses

Tom Keatinge and Alexandra Prokopenko.

The Chair: We return with our second panel today. Welcome, and please introduce yourselves.

Alexandra Prokopenko: My name is Alexandra Prokopenko. I am a fellow at the Carnegie Russia and Eurasia Center in Berlin.

Tom Keatinge: Good afternoon. I am Tom Keatinge. I am the director of the Centre for Finance and Security at RUSI, where among other things we study sanctions.

Q29 **The Chair:** Alexandra, perhaps I could start with you. There seem to be competing views about how secure, stable, positive or otherwise the Russian economy is. What is your take on the current situation and whether those trends are likely to continue, either upwards or downwards or whatever?

Alexandra Prokopenko: Thanks for the question. Russia's economy is experiencing tremendous pressure from sanctions and internal imbalances. During the last couple of years, since the full-scale invasion of Ukraine, Russia's economy has passed through three major stages. First there was decline, in 2022, and the reaction of the economy to breaking supply chains and the sanctions imposed by the coalition after the full-scale invasion of Ukraine; then adaptation, which went hand in hand with the increased fiscal impulse, which I assess at 10% of GDP. This gave the economy a boost: it grew in 2023-24 by 4%. Then the economy overheated and declined by 1% in 2025. Stagnation for 2026 is the official forecast, and it is my forecast and that of international economists.

The economy is not on the verge of collapse, as some analysis is trying to say. It is stagnating, but stagnation does not mean collapse. There is a slow erosion of people's living standards and business income. In May, for the first time in my memory, Russia's Ministry of Economic Development forecast was more pessimistic than that of the Central Bank. The official GDP forecast for 2026 is 0.4%, down from the previous assessments made only six months ago.

What is interesting is that the official rhetoric is trying to normalise stagnation through language, which means that officials in Russia are trying to use wording like reconstitution, reconstruction, or changing or negative growth, instead of stagnation or decline. The numbers are saying differently, so the slowdown is not cyclical or temporary, as the official rhetoric is trying to present. It is definitely a new stance of the Russian economy.

Q30 **The Chair:** The governor of the Central Bank, who I think has been in place for 13 years, has seemingly disappeared. What should we read into that?

Alexandra Prokopenko: In this case, I think the real reason why she disappeared was her illness. From my interlocutors in Moscow, I heard that she had pneumonia and completely lost the ability to speak, but she continued taking events inside the Bank of Russia, so she cut off only public activity. She was at the board meeting, and she held meetings inside the Central Bank. This disappearance from public activity was to do with health issues, but nothing—

The Chair: So nothing to do with the actual economic performance.

Q31 **Lord Arbuthnot of Edrom:** I declare my interest as the chair of Thales UK's advisory panel. Do the economic conditions that you set out create pressure on Putin, or is social stability so steady in Russia because they are used to privation, which allows Putin to increase military spending as he wishes?

Alexandra Prokopenko: It would be wrong to say that economic conditions are not creating any pressure on the Kremlin. But it would be even worse to say that the economic situation will make Putin change his calculus or his demand towards Ukraine.

First, the pressure is real, and we see it in a different way. We see it in the anxiety of people now talking about poor economic performance, fuel shortages, the pressures they experience at the gas station; but at the same time, it is not the kind of pressure that makes Putin stop his military affairs.

Secondly, financing the war is the state priority. We saw that just last week. The Russian Parliament allowed the Minfin to increase domestic borrowing, regardless of the budget law, which means that the Russian authorities have more tools to finance the war effort, which requires more and more money. So this is the priority.

For the ongoing 12 months, they will probably have enough tools for the upcoming year. Then, of course, they will need to go unconventional. However, for now, I cannot see any risks coming from the purely economic side.

The Chair: Can I just ask about labour? It is reported that there are significant labour shortages.

Alexandra Prokopenko: Yes, there are labour shortages, which we already see affecting the output of the economy and industry. It is also a reason for inflationary pressure, but the only employer that every month creates jobs within the economy is the military, and these jobs are filled. So it is not the biggest problem of the army and the military because they are sucking resources from other parts of the economy. For a while—for some time, unfortunately—the army will be privileged, and these resources will be sucked from the civil economy.

Q32 **Lord Arbuthnot of Edrom:** This is a question to both of you. Is the reality that much of Russian aggression towards western countries is actually very cheap? You hire a few criminals to set fire to ambulances, plant a few stories online and hope they take, and none of that costs much money. Is that correct?

Tom Keatinge: There is a simple answer: yes. Take the sabotage attacks here in the UK; Poland, too, has been mentioned a number of times in previous hearings. You can find online—on Telegram and so on—menus saying, “We will pay you the following to conduct the following kinds of attacks.” It is a few hundred dollars, so you are absolutely correct. That contrasts with how much it is costing to run the war in Ukraine, of course, which is where 99.9% of the economic resources are being spent. The return on the dollar for disrupting democratic activity in the UK, Europe and elsewhere is extremely high.

Lord Arbuthnot of Edrom: In that sense, perhaps defence is intrinsically more expensive than attack, is that right?

Tom Keatinge: I do not know about that. Colleagues of mine at RUSI are better at talking about this than I am, but the costs that countries should be incurring as, at best, insurance, and at worst, preparation for attack, obviously are huge. That is where the expense is, and those are

the difficult decisions that, in the UK and elsewhere across Europe, we are having to make.

Q33 Lord Hutton of Furness: Can we turn now to the role sanctions play as part of our national security strategies? Perhaps initially this question might go to you, Tom. Sanctions have clearly had a general impact on the Russian economy, but have they had a material effect on Russia's ability to conduct military operations in Ukraine?

Tom Keatinge: One of the reasons why we exist and survive as a research programme is that that is a very big question, and it depends enormously on the perspective you take. If you go back to late 2021/early 2022, there was a lot of breathless rhetoric from the then Prime Minister and Foreign Secretary about what sanctions were going to do to the Russian economy, none of which, frankly, came to pass. "Decimate the Russian economy", and so on, were the sorts of things we heard about.

Have they placed considerable costs on the Russian economy? Yes, absolutely. I look forward to answering a question about the Russian frozen assets, which I heard in the previous session. That was \$300 billion taken off the table right away. That is a genuine cost. Is it costing them more to export their oil, because now they are nervous about passing through the English Channel? Yes, it is. There are huge costs, but there is a naivety among those who think that sanctions are somehow a nuclear economic weapon that is going to change the calculus of somebody who is hell-bent on a mission, as Putin was in 2022.

Yes, it has put costs on the economy. Has it imposed costs that have changed its calculus? No. Would we have been better off not putting the sanctions on the Russian economy? Absolutely not. We have done the right thing, but I think we have at times been misled as to the impact sanctions would have.

Lord Hutton of Furness: What would it have taken for us to devise a sanctions package that would have had a material impact?

Tom Keatinge: The original sin was after 2014. After 2014, we were not serious about how we implemented sanctions on Russia, following the first invasion of Ukraine and the annexation of Crimea. If you had been a planner sitting in the Kremlin in 2021—should you have cared about this, I hasten to add—and you had heard the rhetoric coming from European capitals about the threat of sanctions, you would have said, "Really? Last time you talked a big game, you never followed through." So the first issue is that we sowed the seed for the underperformance of sanctions in the period following 2014.

The second thing—and the UK, I have to say, in a way stands apart from this—is that, as far as Europe was concerned there was a red line, and that red line was that we were not prepared to go as far as we needed to on sanctions if that was going to cause unacceptable pain to our own economies. Put simply, we would rather the Ukrainians suffer. As people

used to say, grandma froze to death in Germany in the winter of 2022 when the energy sanctions were first being discussed.

That was, in a way, the second sin. We were not willing to go all in. We did take some steps on sanctions that will have surprised the Russians, immobilising the Central Bank assets being chief among them. But fundamentally, although we put a lot of sanctions in place, there are steps we could have taken on energy, for example, much earlier. It would have hurt us, but a lot less than the Ukrainians were hurting, and still are hurting every night.

Lord Hutton of Furness: Do you think it is possible for sanctions ever to really be a deterrent?

Tom Keatinge: Sanctions did not deter the Russians from crossing the border for a second time in 2022. It is a cliché: sanctions are “a tool in the box”, and there were lots of other diplomatic efforts going on to dissuade Putin from launching his full-scale invasion.

The most important question we need to ask Governments now is, “What have you learned in your use of economic tools over the last four and a half years? How would you do things differently if you could have your time again?” This broadens to a wider question: what is our economic statecraft strategy in the UK? It is not only sanctions; we remain a large global financial centre. We are a centre of development in the use of cryptocurrency, for example. What is our broad strategy? What is the EU’s strategy, as the biggest trading bloc in the world? The EU should have much more leverage over countries than it does. We should be asking ourselves that question in the context of creating a part of our deterrence strategy that is underpinned by the economic heft of Europe and the western world.

Lord Hutton of Furness: Alexandra, is there anything you might like to add to that?

Alexandra Prokopenko: I cannot agree more that sanctions put a tremendous cost on Russia. We saw it in inflation, in how Russia restructured its trade routes and in the pivot to the East, which sometimes Russian officials are bragging was not a voluntary choice of the state and is still a matter of uncertainty among businesses. So was it a real pivot to the East, or at some point when Russia normalises relationships, at least with the United States, will they need to run back to the West?

Sanctions have had a tremendous impact on Russia’s social elite, but they have also created unexpected secondary effects. For example, the Russian oil trade infrastructure is now operated as a shadow fleet, and the share of this shadow fleet in the global oil trade is almost 10%, which is big.

The oil supply infrastructure—traders, insurers, repairs—created after the full-scale invasion could serve anyone. The same applies to the financing

infrastructure and banking: all the facilities created to make cross-border settlements for Russia and its partners will remain in place after the full-scale invasion. It is cheaper and less transparent for AML and compliance procedures, which means that to some extent Russia can be a competitor to the regular financial system. It is essential to take that into account.

Lord Hutton of Furness: Of course, it is not just conventional military threats that we need to focus on. If we are going to deter hybrid aggression, do we need a wider focus on the use of illicit networks to finance proxy actors? How easy is that going to be?

Tom Keatinge: This is my broader point: we need to think about this issue in the round. Look at the way in which the United States has gone after the financial networks of Iran through its so-called Economic Fury, which is the US Treasury partner to Epic Fury, the military action. They have systematically been trying to find ways of dismantling the architecture that Iran has created—much of it in Europe, I hasten to add—but that is used to finance its proxies and settle its shadow trade of oil and so on.

One of the main messages I would like to leave today is the importance of the UK thinking about economic statecraft with its partners in Europe, because sanctions are part of that, but they are not the full suite. Illicit networks that are being used to finance sabotage attacks, or whatever it might be, should be within the scope of our interest—not merely totting up the numbers of vessels and people we have sanctioned on the Foreign Office website.

Lord Hutton of Furness: What you are basically saying, Tom, is that we have not really done that work.

Tom Keatinge: No, we have not. Alexandra mentioned the dreaded acronym “AML”. We are very focused on stopping money laundering and all that criminal stuff. That is not to say that that is not important, but let us remember that we face not only a non-state-based threat these days—organised crime groups—but a state-based threat, and we have not got our arms around the financial dimension of that threat, beyond thinking about sanctions. If we focused on the state-based threat of illicit finance as much as we focused on sanctions, I think we would have an armoury to be proud of.

Lord Hutton of Furness: We have devised a lot of sanctions packages that are aimed at individual decision-makers as well. Has that been effective in any way, do you think?

Tom Keatinge: I am sanctioned by the Russians. Has it been effective on me? I am not convinced. Sanctions on individuals are important, particularly in signalling to the Ukrainians. It is important to the Ukrainians that we are contributing as much as possible to the sanctions effort. That is why the unfortunate communications incident recently on jet fuel and diesel was so embarrassing for the UK, because it was just poor communication to the Ukrainians.

Sanctioning individuals matters. They want to come to the UK; they want to come to Europe; some of them had assets here; so all of that matters. Is it going to change the calculus of those people? Are they going to whisper in the ear of Vladimir Putin and say, "Hey, Vlad, dumb idea: please bring the troops home"? No way. I think there is a signalling issue here that we need to recognise. It is important to signal that we associate these people with the illegal aggression in Ukraine. It is very important to the Ukrainians that we do this.

Q34 Lord Sedwill: I want to pursue the question of UK and EU co-ordination. I should begin, for the record, by declaring an interest. I am chair of IISS, the International Institute for Strategic Studies, and of the Atlantic Future Forum.

Tom, can we just develop a point you touched on a moment ago? I infer from what you said that, had we applied sanctions of the severity that we applied after the invasion of Ukraine in 2022, after the 2014 invasion of Crimea, that might have conditioned Putin and the ruling elite's behaviour thereafter. I am not going to ask you to comment on a counterfactual, but is there any evidence from around the world of really severe sanctions against one regime actually altering the future behaviour, the calculus, of other regimes in pursuing aggression or other activities of that kind?

Tom Keatinge: The example it is popular to point to is the extent to which, I would argue, well-designed and calibrated sanctions on Iran contributed to bringing the Iranians to the table to negotiate the nuclear deal. Obviously, matters have changed since then, but if they are correctly designed and applied with the requisite commitment, sanctions can change the calculus.

We saw cases in Venezuela of the Americans using sanctions to change very quickly the calculus of certain people there. I definitely believe that sanctions have a role to play, but as I said earlier, where we sowed seeds and made things difficult for ourselves was in not being committed to sanctions in the post-2014 era.

My last point is, are people looking at what Europe has done, or Europe and the US have done as relates to Russia, and thinking, "That is going to change how I operate in the future"? We do not know, but I am certain that people are studying things such as the freezing of the Central Bank assets as something that, historically, one would not have thought would happen. Now, if you are an aggressive nation sitting there, you might be thinking twice about where you park your central bank assets, realistically. But I do not know who is planning on invading who next.

Lord Sedwill: Indeed. The point about your Iran parallel is an interesting one because, of course, those sanctions were UN Security Council mandated and were comprehensive. Certainly, speaking as a former practitioner, the issue we always faced was sanctions evasion.

That brings me to the issue you touched on, which is the UK and EU. If I

can ask you to answer this in the context of your point about economic statecraft and economic deterrence as a whole, not just sanctions, how well aligned do you see the UK, EU and indeed US and other G7 partners' approaches to economic deterrence, sanctions, countering illicit finance, and so on? Where are the gaps and loopholes?

Tom Keatinge: On the sanctions side, London and Brussels are extremely well co-ordinated. There is lots of shuttling backwards and forwards on the Eurostar. The UK plays an important role because we decide sanctions for one nation, so we can move much faster than the EU. I will give an example. Recently, the UK brought forward some very powerful sanctions in the cryptocurrency world on a crypto exchange called HTX, and demonstrated the art of the possible to the European Union. We took a group of Foreign Office people over to brief the crowd in Brussels, and basically the message was, "This is what you can do. We have demonstrated it in the UK. We do not have to get 27 countries to agree. You guys should follow suit in your own sweet time." That sort of relationship has been extremely effective. Obviously, prior to the Trump Administration, the US, the UK and the EU were very much moving in lockstep in that regard.

Where it gets more complicated—and this is where we can and should learn from the Americans—is when you zoom out and say, "Okay, but what about thinking about illicit finance as a national security issue?" There is a great line in the 2025 national security strategy that says words to the effect of, "All elements of our national security are supported by our ability to tackle illicit finance." That is a great statement, but are we embracing that from a national security perspective, not from an anti-money laundering perspective and people investigating that sort of thing?

I do not know the answer to this, but how are the agencies thinking about this topic? How are our security and intelligence dialogues with the Europeans embracing this topic—where we are using financial intelligence as another of the tools that we engage, alongside HUMINT, SIGINT and all the other things that you will be very familiar with, more so than I am?

That is the question we need to answer. Where is our embracing of finance as a national security issue? I do not think we are there yet. I would like us to take the learning from the Russian full-scale invasion of Ukraine and the way in which you have worked on sanctions as a national security priority and mainstream that—to use a horrible phrase—across the rest of the way we think about national security.

Lord Sedwill: Again inferring from what you have said, are you more concerned about the degree to which we can take a comprehensive approach across sanctions, illicit finance, and so on, than you are about frictions or gaps between the UK and the EU? From what you were saying earlier, broadly speaking, we get there but there is a much bigger issue here, which is that we simply are not taking a comprehensive enough approach. Is that a fair summary?

Tom Keatinge: Yes, and not to get into think tank competitiveness, but with a foot in Brussels and a foot in London we are perfectly positioned to see that play out. Really, there are no gaps at all. I would not be concerned about friction there; I would be concerned about whether we are taking a broad enough view of finance as a security tool in our toolbox.

Lord Sedwill: I might come back to you in a moment if there is time.

Alexandra, I wanted to come to you and look at this from the other end of the telescope. To the extent that you can comment on this, to what extent do you understand how sophisticated the Russian operation is to evade sanctions and the kind of measures against illicit finance that we were just discussing? How quickly can they adapt? How quickly can they find ways around all of this?

Alexandra Prokopenko: Frankly speaking, it is a big part of Russian daily life. The daily life of the Russian business community and the Russian economic leadership in sanction circumvention and the creation of different facilities allows businesses to maintain consumer abundance and to maintain their living.

For now, the pace of these adaptation strategies is slower because the infrastructure, which I mentioned previously, has been almost built from scratch. Before the full-scale invasion in 2022, Russia was part of the global financial system and used the same toolkit as any country was using in its foreign trade. There was normal banking, correspondence, accounts, bank-to-bank transactions, non-financial facilities for settling transactions—and then something new.

When the global financial system, especially the euro and the dollar, was closed to Russia, Russia started to use the yuan, and the share of the yuan skyrocketed from below 1% to almost half of foreign trade. Now, in terms of Russian exposure to China, 37% of Russian imports are from China.

There are different facilities, such as chains of intermediaries. Russia has become an economy of intermediaries and financial agents or facilities, including multiple banks and transactions. That has now become something common in foreign trade. The same is true of getting components, because Russia has a very poor industrial base, especially for semiconductors, high-end technological stuff, AI hardware, computing and so on. So an industry of intermediaries who are getting this stuff has appeared, sometimes smuggling through the border or sometimes getting it legally via the different chains of proxy firms.

Thirdly, an essential infrastructural dimension of Russia is that it is surrounded by post-Soviet countries such as Armenia, Kazakhstan and Kyrgyzstan. Russian allies in the Eurasian Economic Union became an infrastructural field for this parallel importing or smuggling.

Wording is quite important when you are dealing with sanctions. The first type of sanctions on Russia, after the Crimean invasion in 2014, were imposed on Crimea-based entities and leadership, or on Russia's Security Council leadership, so they were hardly affecting the Russian business community or Putin's inner circle at all. Most sanctions on banks are forbidden. That came after the MH17 incident. Those are framed not for Crimea but for the civil aircraft atrocity.

Since Russia denied its involvement in the aircraft incident, that gave Putin the option to say that sanctions have a Russophobic nature and have nothing in common with the Russian aggression towards Ukraine and Russian actions abroad. In 2022, that created a very interesting aberration in judging the Russian leadership. They are fighting against sanctions, but they are not fighting against the real reason, the core reason, of the sanctions, which is the war. So the war is separated from sanctions. That is why business and economic leadership in Russia consider the sanctions as something like a natural disaster, a thunderstorm, which came inevitably because of a Russophobic attitude. This is part of the wording in which the sanctions were framed. It is essential, when you are communicating sanctions, to be very attentive to the wording and the framing.

Tom Keatinge: May I make a tiny point?

Lord Sedwill: Sorry, we are short of time.

Q35 Just very briefly to the two of you, recent actions against the shadow fleet have been quite newsworthy. How effective is that?

The Chair: Keep your responses brief.

Tom Keatinge: The tankers are changing direction, so there has obviously been some impact. The Government had talked a lot but had not acted. They have now acted: they have that monkey off their back. We should be doing more of that, frankly, because that is a form of disruption the Russians will struggle to deal with.

To your previous question, first, circumvention for the Russians is quasi-existential. We do not treat it similarly. Secondly, there are some outstanding-looking master's courses that I want to sign up to on sanction circumvention, being offered by universities in Russia. That is how seriously they take it.

The Chair: We have two areas that I want to cover in literally the last few minutes. Lord Jack.

Q36 **Lord Jack of Courance:** Alexandra, I turn to you first and move on to the closure of the Strait of Hormuz. Has that conflict, with the subsequent ramifications for global oil prices, had a meaningful impact on Russia's ability to wage war in Ukraine?

Alexandra Prokopenko: I would not put it that way. Russia gets some additional oil revenues because of the oil price, and Russia will definitely

get some additional revenues from fertilisers and from profiteering. However, the structure of Russian oil industry taxation requires the Russian budget to split additional revenues between the budget and the oil companies, and of course, the desire is to keep domestic gasoline prices lower. That is why I could not say that Russia has taken 100% advantage of the high oil prices—so far.

The Chair: Do you want to add to that, Tom?

Tom Keatinge: No, I feel the pressure of time.

- Q37 **The Chair:** I will ask you something else, then. The UK phased the introduction of sanctions, as you know, for products processed from Russian crude. Do you think the UK and the EU got the balance right between the trade-offs in protecting our own citizens and trying to put maximum pressure on Russia?

Tom Keatinge: I will go back to the point I made earlier, which is that we made a judgment in this country that there are certain lines we are not prepared to cross. The delay in the prohibition of purchasing diesel and jet fuel from somewhere such as India, made from Russian oil—I have not worded that very well, but you know what I mean—is an example of that trade-off. It is true that the sanctions were indeed stronger because others had come in, but the Government chose to delay the introduction of those two restrictions.

Is it fair to say that the summer holidays of Brits are more important than the lives of Ukrainian people? That was an unfair characterisation, but it is an example of how countries have to make, or have chosen to make, trade-offs.

The Chair: Okay, but was the UK right to make that trade-off, in your opinion?

Tom Keatinge: Personally, I do not think so, because we should do what is necessary to put as much pressure on Russia as quickly as possible. This, “We will support you for as long as it takes” sounds a bit defeatist. We should support you “for as short as it takes”, and we should do everything necessary to apply pressure as quickly as possible.

- Q38 **Mike Martin:** I am reminded of the phrase, “clout, not dribble”, and that, unfortunately, is what we have done over Ukraine: we have dribbled, and we could have done with a bit more clout.

I would like to quickly ask about the frozen Russian assets. I have a question for each of you. Tom, if I could go to you first. I remember leading a debate on this in January 2025. Are we ever going to use the frozen Russian state assets and give them to Ukraine?

Tom Keatinge: The short answer is that the legal arguments have been put to bed; now, it is a question of political will.

Mike Martin: Politics, yes.

Tom Keatinge: It is a question of political will. It was fashionable to point at Hungary whenever there was some grit in the sanctions machine in Brussels. This is fair and square at the door of Bart de Wever, the leader in Belgium. I am astonished, frankly, that he feels that it is an appropriate position to take. He is not here to defend himself.

Mike Martin: Is there any leverage? How can we twist his arm?

Tom Keatinge: I am sure there is, within the corridors of the Council in Brussels. It is an important topic to be put back on the table, frankly, because Belgium does not have the Hungarian air cover that it had several months ago.

It is complicated, but there are obviously immobilised Russian Central Bank assets in the UK. Thus far, there has been some strong rhetoric—from the Sunak Government, back in the day—but the bottom line is that we are choosing to wait for the Europeans to make their decision first.

I do not understand all the details, but the UK could be more forward-leaning on that and—back to my previous point about the UK being able to move more nimbly and quickly because it makes decisions for one, not 27—see if we can unlock that block in the system.

Mike Martin: That is an interesting point, thank you.

Q39 **Alexandra,** my last question is to you. What economic effect is the use of those assets going to have on Russia in the short term and in the long term? I think we know the effect it will have on Ukraine, but will it have any effect on Russia and the Russian economy?

Alexandra Prokopenko: I doubt that. As a former central banker, I do not think that using frozen Central Bank assets is a good move, except as a last resort. There are a lot of tools at the disposal of policymakers in the EU and the UK, rather than using frozen foreign assets for multiple reasons. The leadership in Russia does not think that these assets will come back in the foreseeable future, but of course, they will try to use this as a bargaining chip if possible. Financially, these assets will support Ukraine, but once this money ends, additional questions about the financial support of Ukraine will arise, and we come back to the square one question of using taxpayers' money to support Ukraine.

Q40 **The Chair:** Tom, may I return to you in the final seconds? You talked about mainstreaming financial intelligence on national security. Which agency do you think should have oversight of that? Which should lead on it? One word would be great: MI5, NCA, HMT, Treasury—who?

Tom Keatinge: It needs to be one of the intelligence agencies, not a policy department.

The Chair: So maybe NCA or maybe —

Tom Keatinge: No, I think it needs to be MI6, MI5, GCHQ—that community.

The Chair: That is great.

That concludes our second panel. Thank you so much to our witnesses for your time today.