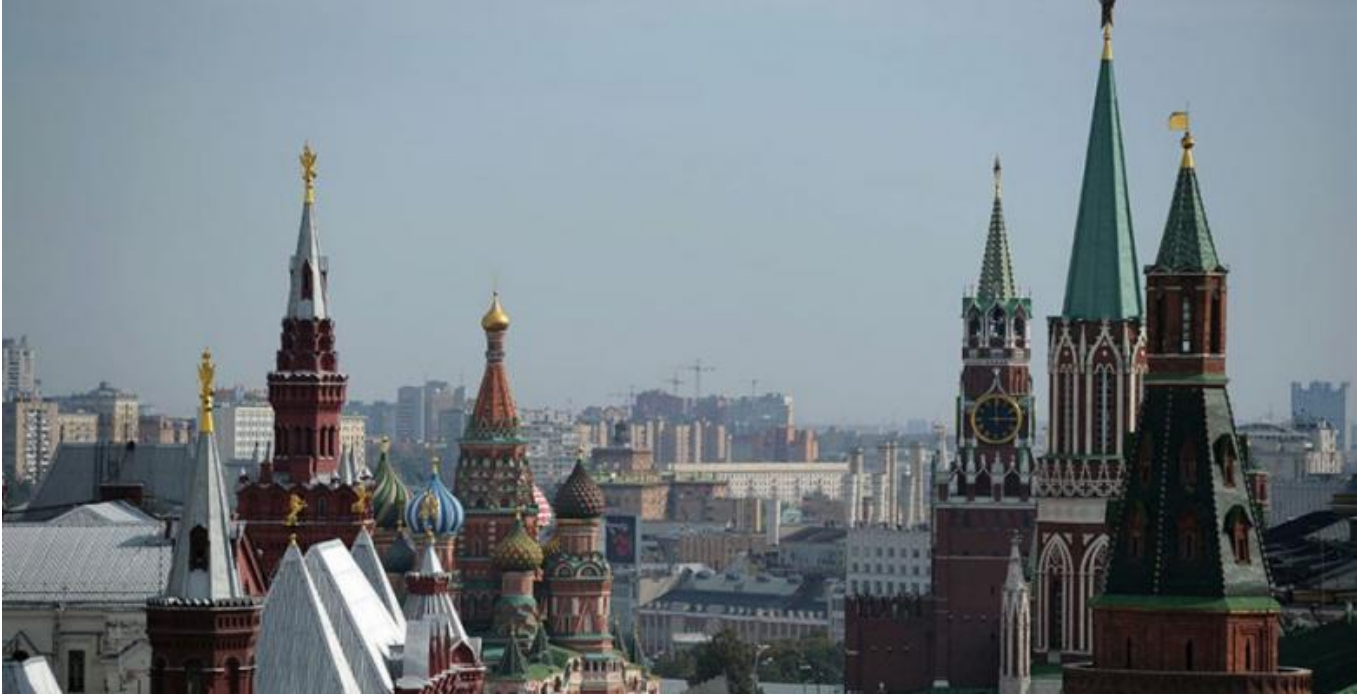

Kremlin warns of retaliation after US expands sanctions list

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The US move to expand its sanctions list to target Russian companies is not in line with proposed cooperation in sensitive areas, which the leaders of the two nations discussed at the G20 summit in China, the Kremlin said, warning of possible retaliation.

The expansion *"goes in serious discord with the issues of possible cooperation in sensitive areas, which the two presidents discussed at their meeting,"* Kremlin spokesman Dmitry Peskov told journalists on Wednesday.

Read more [US expands list of sanctioned Russian firms](#)



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Russian President Vladimir Putin and his US counterpart Barack Obama held a bilateral meeting on the sidelines of the G20 summit in Hangzhou, China on Monday. A possible joint effort to fight terrorism in Syria and other possible forms of cooperation were discussed, according to US and Russian officials.

On Tuesday, the US Department of Commerce announced the expansion of its blacklist of Russian companies and individuals over their alleged links to the conflict in Ukraine. Last week the US Treasury made a similar move, expanding Ukraine-related sanctions against Russian entities.

Commenting on the latest sanctions escalation, Peskov said Russia would respond accordingly.

"As far as the sanctions go, we base our policies on the principle of reciprocity," he said. "We will analyze the new list."

"We can only express regret that the meeting of the two presidents... was framed by such additional expansions of the sanctions," the Kremlin spokesman added.

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The US has been targeting Russian businesses and individuals since the armed coup in Ukraine in 2013 resulted in an anti-Russian government in Kiev. The then Ukrainian region of Crimea responded by declaring independence and requesting Russia accept it under its sovereignty.

Washington, which supported the Kiev coup, accused Moscow of annexing part of Ukraine. It also claims that Russia supplies rebels in other parts of Ukraine with arms and military specialists in what Ukrainian and US officials call a 'hybrid war' by Russia against Ukraine.

Russia denies the allegations and says Kiev is waging a war against its own citizens while its foreign sponsors, including the US, turn a blind eye to the atrocities committed by Ukrainian troops and paramilitary.