

ALERT

Trump Administration Sanctions Russian Oligarchs and Government Officials

April 6, 2018

Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated several Russian individuals and entities, including seven Russian oligarchs and 17 top Russian government officials, pursuant to the Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA) and Executive Orders related to Ukraine and Syria. The full list of individuals and entities sanctioned is available [here](#). The seven oligarchs include Oleg Deripaska, the billionaire founder and majority shareholder of EN+ Group, a leading international vertically integrated aluminum and power producer; Valdimir Bogdanov, the Director General and Vice Chairman of the Board of Directors of Surgutneftegaz, a Russian oil and gas company; Kirill Shamalov, the son-in-law of Vladimir Putin and a large shareholder in Sibur, another Russian oil and gas company; and Alexey Miller, the CEO of Gazprom PJSC. OFAC also designated several Oligarch-owned companies, including Basic Element, EN+ Group, GAZ Group, United Company RUSAL PLC, Renova Group, and Agroholding Kuban.

Among others, the newly designated top Russian government officials include Andrey Akimov, the CEO of Gazprom Bank; Andrey Kostin, the head of state-owned VTB Bank; Nikolai Patrushev, the secretary of Russia's Security Council; Valdimir Kolokoltsev, the Minister of Internal Affairs and General Police of the Russian Federation; and Alexander Zharov, the head of Roskomnadzor, Russia's media and telecommunications regulator.

As Specially Designated Nationals (SDNs), the assets of these individuals/entities are now blocked, and U.S. persons are prohibited from engaging in any transactions with them, as well as with entities owned 50% or more by these SDNs. In addition, non-U.S. persons

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could also be subject to sanctions for knowingly facilitating “significant transactions” for or on behalf of these SDNs.

Concurrent with the designations, OFAC issued two General Licenses (GL) authorizing certain limited, wind down transactions involving some of the new SDNs for a specified period. General License 12 authorizes, until June 5, 2018, all transactions ordinarily incident and necessary to wind down contracts or agreements with certain of the newly-designated entities/individuals, including but not limited to Basic Element, GAZ Group, EN+ Group PLC, and Renova Group. For example, U.S. companies that had previously ordered goods from the newly-designated entities may still accept/import those goods, and U.S. persons employed by a sanctioned entity may wind down their dealings with their employer, provided they otherwise comply with the restrictions in GL 12. General License 13 authorizes, until May 7, 2018, transactions ordinarily incident and necessary to divest or transfer debt, equity, or other holdings in EN+ Group PLC, GAZ Group, or United Company RUSAL PLC. U.S. persons making use of these GLs are required to file detailed reports of each transaction within 10 days of their expiration.

Given the prominence of the new SDNs, U.S. companies as well as U.S. person employees, shareholders, and Board members should engage in thorough due diligence to ensure that they are not dealing with such individuals/entities or companies 50% or more owned by the SDNs.