

AUGUST 10, 2021

*If you have any questions
about this Advisory,
please contact:*

TAHLIA TOWNSEND
202.800.2473
ttownsend@wiggin.com

SEAN C. KOEHLER
203.498.4301
skoehler@wiggin.com

SARAH YORK
202.800.2482
syork@wiggin.com

BELARUS SANCTIONS UPDATE

NEW EXECUTIVE ORDER

On August 9, 2021, President Biden expanded the scope of **Executive Order 13405** regarding U.S. financial sanctions in connection with Belarus. The sanctions remain list-based, not country-based, which means the prohibitions only extend to parties that the U.S. government designates and any entities in which designated parties directly or indirectly maintain at least 50% interest. The Executive Order provides authority for designating parties in a wide variety of sectors of the Belarusian economy, including state-owned entities, government officials, and entities that operate or have operated in the following sectors:

- defense and related materiel sector;
- security sector;
- energy sector;
- potassium chloride (potash) sector;
- tobacco products sector;
- construction sector;
- transportation sector; or
- any other sector of the Belarus economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State.

Anyone with business interests involving Belarus should pay close attention to this development. Non-U.S. parties should bear in mind that the prohibitions of the Belarus sanctions regulations apply whenever a transaction involves a U.S. nexus, including use of the U.S. financial system (payment in USD), involvement of U.S. persons or persons in the U.S. (including use of U.S. telecommunications infrastructure), or trade in U.S.-origin goods. In addition, as is usually the case with U.S. sanctions programs, the Executive Order provides authority to impose sanctions on any party deemed to have "materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of" sanctions targets.

UPDATES TO OFAC'S LIST OF SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS

Pursuant to the August 9, 2021 E.O., **OFAC announced sanctions against 23 individuals and 21 entities in Belarus.** Designations focused primarily on the energy, tobacco, transport, and constructions sectors, state-owned enterprises, officers of previously-designated entities, and state officials.

CONTINUED

BELARUS SANCTIONS UPDATE

ENTITIES

Absolutbank
Belaruskali OAO
BelKazTrans
BelKazTrans Ukraine
Belneftegaz
Closed Joint-Stock Company
New Oil Company (NNK)
Dana Holdings Limited
Department of Internal Affairs of the
Gomel Regional Executive Committee
Energo-Oil
Foreign Limited Liability Company
Dana Astra
Grodno Tobacco Factory Neman
Industrial Unitary Enterprise Oil
Bitumen Plant (OBP)
Inter Tobacco
Interservice
Investigative Committee of the
Republic of Belarus
Limited Liability Company
Bremino Group
Limited Liability Company
Dubai Water Front
Limited Liability Company
Emirates Blue Sky
Limited Liability Company
New Oil Company East (NNK East)
Minsk-based gym Shock Sports Club
National Olympic Committee
of the Republic of Belarus

INDIVIDUALS

Aleh Haidukevich, Belarusian Member of Parliament
Aliaksei Mikalaevich Auramenka, Minister of Transport and Communications
Aliaksey Aleksin
Anatoly Ivanovich Vasiliev, Investigative Committee of the Republic of
Belarus Deputy
Andrei Alekseevich Rybakov
Andrei Nikolayevich Bunakov
Artsiom Sikorski, Ministry of Transport and Communications Head of the
Aviation Department
Darya Shmanai, Government Official
Dzmitry Hara, Investigative Committee of the Republic of Belarus Chairman
Dzmitry Shakuta, Athlete
Genadz Davydzka, Member of Parliament
Hleb Dryl Uladzimiravich, Kkrestsina detention center official
Igor Vasilyevich Lyashenko
Ihar Keniukh, Kkrestsina detention center official
Kanstantsin Bychak, Head of the State Security Committee of the Republic of
Belarus' Investigations Department
Leanid Churo, Director of Belarus' air traffic control entity
Mikalai Varabei
Nebojsa Karic
Oleg Stanislavovich Shandarovich, Investigative Committee of the Republic of
Belarus Deputy
Siarhei Yakaulevich Azemsha, Investigative Committee of the Republic of
Belarus Deputy
Uladzimir Lapyr, Kkrestsina detention center official
Vyacheslav Vasilyevich Khoroneko, Director of the State-Owned Minsk
National Airport
Yauhen Shapetska, Kkrestsina detention center official

BELARUS SANCTIONS UPDATE

This publication is a summary of legal principles. Nothing in this article constitutes legal advice, which can only be obtained as a result of a personal consultation with an attorney. The information published here is believed accurate at the time of publication, but is subject to change and does not purport to be a complete statement of all relevant issues.

NEW GENERAL LICENSE 4

Concurrently with the August 9, 2021 E.O., OFAC issued **Belarus General License 4**, which authorizes the wind-down of transactions and activities involving Belaruskali OAO, one of the newly listed entities, until the expiration of GL 4 on December 8, 2021. The wind-down period is intended to allow parties to wrap up any existing transactions that may be prohibited by the E.O., and does not authorize entry into new purchase contracts or the stockpiling of inventory on or after August 9, 2021 that are not ordinarily incident and necessary to the wind-down of transactions.

BELARUS GENERAL LICENSES SUMMARY

The August 9, 2021 E.O. did not make any changes to **Belarus General License 3**, which authorizes transactions and activities with the State Security Committee of the Republic of Belarus (the Belarusian KGB) that are necessary and ordinarily incident to requesting, receiving, utilizing, paying for, or dealing in certain licenses and authorizations for the importation, distribution, or use of certain information technology products in Belarus. It also authorizes transactions and activities necessary and ordinarily incident to compliance with rules and regulations

administered by, and certain actions or investigations involving, the Belarusian KGB. Belarus GL 3 only authorizes certain transactions and activities with the Belarusian KGB acting in its administrative capacity and does not authorize U.S. persons to engage in transactions and activities with the Belarusian KGB except for the limited purposes described above.

Belarus General License 2, which authorized the wind-down of transactions involving other blocked parties, expired on June 3, 2021.

ACTION ITEMS

Parties that have customers, suppliers, or other business partners in Belarus should review and consider whether those parties either (1) have become subject to sanctions as a result of the designations discussed above (either directly or because of ownership by a sanctioned party) or (2) are at risk of becoming subject to sanctions in the future, based on the sector of the economy in which they operate or their affiliations with sanctioned parties. Parties that rely on distributors or resellers to sell products in Belarus should consider the risk of distribution or resale to sanctioned parties and take appropriate actions to mitigate any such risk.