

FEBRUARY 24, 2022

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UNITED STATES IMPOSES ADDITIONAL SANCTIONS AGAINST RUSSIA AND BELARUS

On February 24, 2022, the U.S. announced significant additional financial sanctions targeting Russia and Belarus in connection with the situation in Ukraine. New export controls were also announced – more to follow on those later. For now, here's an overview of the new financial sanctions. These are in addition to the sanctions announced earlier in the week, and summarized [here](#) and [here](#).

A. RUSSIA

1. SDN/blocking sanctions: With immediate effect, except as otherwise authorized by OFAC (see references to various General Licenses below), all dealings with the following entities that have any U.S. nexus (U.S. dollars, U.S. persons, goods subject to U.S. export controls, etc.) are prohibited, and persons subject to U.S. jurisdiction must block any property interests of the parties in their custody or control, and report blocked property and rejected transactions to OFAC within 10 days.

- VTB Bank and 20 VTB subsidiaries (for complete list, see [here](#))
- Public Joint Stock Company Bank Financial Corporation Otkritie and 12 subsidiaries (for complete list, see [here](#))

- Sovcombank and 22 subsidiaries (for complete list, see [here](#))

NOTE, subject to certain conditions, the following General Licenses apply to transactions involving VTB, OTKRITIE, and SOVCOMBANK entities:

- **General License 11** authorizing wind-down transactions through 12:01 a.m. eastern daylight time, March 26, 2022;
- **General License 12** authorizing U.S. persons to reject rather than block unauthorized transactions through 12:01 a.m. eastern daylight time, March 26, 2022;
- **General License 10** authorizing wind-down transactions for derivative contracts if entered into prior to 4:00 p.m. eastern standard time, February 24, 2022;
- **General License 9** authorizing, through 12:01 a.m. eastern daylight time, May 25, 2022, dealings in debt or equity issued prior to February 24, 2022, provided that any divestment or transfer of, or facilitation of divestment or transfer of, covered debt or equity is to a non-U.S. person;
- **General License 8** authorizing, through 12:01 a.m. eastern daylight

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time, June 24, 2022, transactions related to energy, defined as "extraction, production, refinement, liquefaction, gasification, regasification, conversion, enrichment, fabrication, transport, or purchase of petroleum, including crude oil, lease condensates, unfinished oils, natural gas liquids, petroleum products, natural gas, or other products capable of producing energy, such as coal, wood, or agricultural products used to manufacture biofuels, or uranium in any form, as well as the development, production, generation, transmission, or exchange of power, through any means, including nuclear, thermal, and renewable energy sources."

- Novikombank
- Sergei Sergeevich Ivanov (Sergei S. Ivanov), CEO of Russian state-owned diamond mining company Alrosa and a board member of Gazprombank
- Andrey Patrushev, son of Nikolai Platonovich Patrushev
- Ivan Igorevich Sechin, son of Igor Ivanovich Sechin and a deputy head of department at Rosneft
- Alexander Aleksandrovich Vedyakhin, First Deputy Chairman of the Executive Board of Sberbank
- Andrey Sergeyevich Puchkov, a VTB Bank executive and owner of Limited Liability Company Atlant S and Limited Liability Company Inspira Invest A

- Yuriy Alekseyevich Soloviev, a VTB Bank executive
- Galina Olegovna Ulyutina, wife of Yuriy Alekseyevich Soloviev
- Limited Liability Company Atlant S
- Limited Liability Company Inspira Invest A

2. Correspondent account sanctions:

Effective March 26, U.S. financial institutions must close correspondent or payable-through accounts for, and reject any future transactions from Sberbank, 25 named foreign financial institution subsidiaries of Sberbank (for a complete list, see [here](#)), and any foreign financial institutions in which they own 50% or more. These are ***not*** blocking sanctions, so transactions with Sberbank are still permitted, but U.S. financial institutions will not be able to process funds transfers from the referenced entities. New restrictions on transactions involving debt and equity of Sberbank also apply – see below.

3. Debt and equity restrictions:

Thirteen entities, including Sberbank, will be subject to a prohibition on all transactions in new equity or new debt with a tenure of longer than 14 days, where such new debt or new equity is issued on or after 12:01 a.m. eastern daylight time on March 26, 2022. As a reminder, for parties selling goods

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and services, this means payment terms must be 14 days or less, and payment must be received within that window (so requiring payment in advance is the safest strategy). The affected entities are:

■ PUBLIC JOINT STOCK COMPANY SBERBANK OF RUSSIA

NOTE, subject to certain conditions, the following General Licenses apply to transactions involving Sberbank entities:

- **General License 10** authorizing wind-down transactions for derivative contracts involving Sberbank entities if entered into prior to 4:00 p.m. eastern standard time, February 24, 2022;
- **General License 9** authorizing, through 12:01 a.m. eastern daylight time, May 25, 2022, dealings in debt or equity issued prior to February 24, 2022, provided that any divestment or transfer of, or facilitation of divestment or transfer of, covered debt or equity is to a non-U.S. person;
- **General License 8** authorizing, through 12:01 a.m. eastern daylight time, June 24, 2022, transactions related to energy, defined as "extraction, production, refinement, liquefaction, gasification, regasification, conversion, enrichment, fabrication, transport, or purchase of petroleum, including crude oil, lease condensates, unfinished oils, natural gas liquids, petroleum products, natural gas, or other

products capable of producing energy, such as coal, wood, or agricultural products used to manufacture biofuels, or uranium in any form, as well as the development, production, generation, transmission, or exchange of power, through any means, including nuclear, thermal, and renewable energy sources."

- GAZPROMBANK JOINT STOCK COMPANY
- PUBLIC JOINT STOCK COMPANY GAZPROM
- PUBLIC JOINT STOCK COMPANY GAZPROM NEFT
- PUBLIC JOINT STOCK COMPANY ROSTELECOM
- PUBLIC JOINT STOCK COMPANY TRANSNEFT
- CREDIT BANK OF MOSCOW PUBLIC JOINT STOCK COMPANY
- JOINT STOCK COMPANY ALFA-BANK
- JOINT STOCK COMPANY RUSSIAN AGRICULTURAL BANK
- JOINT STOCK COMPANY SOVCOMFLOT
- OPEN JOINT STOCK COMPANY RUSSIAN RAILWAYS
- PUBLIC JOINT STOCK COMPANY ALROSA
- PUBLIC JOINT STOCK COMPANY RUSHYDRO

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RUSSIA AND BELARUS**4. General licenses:**

- OFAC made General Licenses 8, 9, and 10, described above, applicable to Vnesheconombank (VEB), designated as an SDN earlier this week.
- In addition to the General Licenses described above, OFAC issued several new General Licenses:
 - **General License 7** authorizing (1) receipt of, and payment of charges for, services rendered in connection with overflights of the Russian Federation or emergency landings in the Russian Federation by aircraft registered in the United States or owned or controlled by, or chartered to, U.S. persons are authorized; and (2) transactions ordinarily incident and necessary to provide air ambulance and related medical services, including medical evacuation, to individuals in the Russian Federation;
 - **General License 6** authorizing transactions ordinarily incident and necessary to: (1) export or reexport of agricultural commodities, medicine, medical devices, replacement parts and components for medical devices, or software updates for medical devices to, from, or transiting the Russian Federation; or (2) the prevention, diagnosis, or treatment of COVID-19 (including research or clinical studies relating to COVID-19);
 - **General License 5** authorizing transactions incident to official business of: (1) the International Centre for Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA); (2) The African Development Bank Group; (3) the Asian Development Bank; (4) the European Bank for Reconstruction and Development; and (5) the Inter-American Development Bank Group (IDB Group); and (6) the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies.

B. BELARUS

1. SDN/blocking sanctions: With immediate effect, except as otherwise authorized by OFAC, all dealings with the following entities that have any U.S. nexus (U.S. dollars, U.S. persons, goods subject to U.S. export controls, etc.) are prohibited, and persons subject to U.S. jurisdiction must block any property interests of the parties in their custody or control, and report blocked property and rejected transactions to OFAC within 10 days.

- Belarussian Bank of Development and Reconstruction Belinvestbank Joint Stock Company
- Limited Liability Company Belinvest-Engineering (real estate)

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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.

- CJSC Belbizneslizing (financial leasing)
 - Bank Dabrabyt Joint-Stock Company
 - Minsk Wheeled Tractor Plant (MZKT)
 - Iiaksei Ivanavich Rymasheuski, MZKT Director General
 - Aliaksandr Piatrovich Vetsianevich, MZKT Deputy Director General
 - State Authority for Military Industry of the Republic of Belarus (SAMI)
 - Dmitry Aleksandrovich Pantus, SAMI Chairman
 - Viachaslau Yevgenyevich Rassalai (Rassalai), SAMI Deputy Chairman
 - State Owned Foreign Trade Unitary Enterprise Belspetsvneshtekhnika (BSVT)
 - OJSC KB Radar-Managing Company Holding Radar System
 - JSC 558 Aircraft Repair Plant
 - Public Joint Stock Company Integral (Integral)
 - Industrial-Commercial Private Unitary Enterprise Minotor-Service
 - OOO Oboronnye Initiativy
 - OKB TSP Scientific Production Limited Liability Company
 - LLC Synesis
 - Aliaksandr Yauhenavich Shatrou, owner and CEO of Synesis
 - Viktor Gennadievich Khrenin, Minister of Defense
 - Aleksandr Grigorievich Volfovich, State Secretary of the Security Council of Belarus
 - Aliaksandr Mikalaevich Zaitsau, a former GoB official with close ties to the Lukashenka family, and owner of OOO Sokhra
- 2. General licenses:** OFAC also issued two new Belarus-related General Licenses:
- Belarus **General License 6**, authorizing transactions incident to official business of the United States Government;
 - Belarus **General License 7**, authorizing transactions incident to official business of: (1) the United Nations, including its Programmes, Funds, and Other Entities and Bodies, as well as its Specialized Agencies and Related Organizations; (2) the International Centre for Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA); (3) The African Development Bank Group; (4) the Asian Development Bank; (5) the European Bank for Reconstruction and Development; and (6) the Inter-American Development Bank Group (IDB Group); and (7) the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies.
- For more information and advice regarding U.S. economic sanctions, please contact **Tahlia Townsend**, co-chair of Wiggin and Dana's International Trade Compliance practice group, at ttownsend@wiggin.com.