

OFAC Issues New Determinations, Sanctions, Targeting Russian Energy and Petroleum

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On January 10, 2025, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued significant new sanctions targeting Russia's primary oil revenue sources, including sanctions against Public Joint Stock Company Gazprom Neft (Gazprom Neft) and Surgutneftegas. OFAC issued several General Licenses (GL) covering wind down operations in the Russian energy sector. Finally, OFAC sanctioned more than 180 vessels, dozens of oil traders, oilfield service providers, insurance companies, and energy officials. These actions were implemented in coordination with the United Kingdom. The full announcement can be [found here](#). Those engaging in dealings involving the Russian energy sector, including under prior GLs, should closely review the new sanctions before continuing business.

The [first determination](#) issued by OFAC, effective on January 10, 2025, authorizes sanctions pursuant to Executive Order (E.O.) 14024 against persons operating or having operated in the energy sector of the Russian economy, substantially increasing the sanctions risks associated with the Russian oil trade. Any person determined, pursuant to E.O. 14024, to operate or have operated in this sector shall be subject to sanctions pursuant to the directive.

The [second determination](#) was issued pursuant to E.O. 14071 and prohibits the export, reexport, sale, or supply, directly or indirectly, from the United States or by a United States person, wherever located, of petroleum services to any person located in Russia. The prohibition takes effect beginning at 12:01 a.m. eastern standard time on February 27, 2025. The determination contains certain exclusions related to (1) medical, agricultural, and environmental uses, (2) the G7 price cap on Russian crude oil, and (3) any service in connection with the wind down or divestiture of an entity located in Russia that is not owned or controlled, directly or indirectly, by a Russian person.

As noted above, OFAC issued multiple GL's related to the wind down of operations in the Russian energy sector. These include:

- [GL 8L](#) (Authorizing the Wind Down of Transactions Related to Energy, expiring on March 12, 2025);
- [GL 115A](#) (Authorizing Certain Transactions Related to Civil Nuclear Energy and covering transactions related to civil nuclear projects that were initiated before November 21, 2024);
- [GL 117](#) (Authorizing the Wind Down of Transactions Involving Gazprom Neft, Surgutneftegas,

and Certain Additional Entities Blocked on January 10, 2025, expiring on February 27, 2025);

- [GL 118](#) (Authorizing Certain Transactions Related to Debt or Equity of, or Derivative Contracts Involving, Gazprom Neft, Surgutneftegas, and Certain Additional Entities Blocked on January 10, 2025, expiring on February 27, 2025)
- [GL 120](#) (Authorizing Limited Safety and Environmental Transactions and the Unloading of Cargo Involving Certain Persons or Vessels Blocked on January 10, 2025, expiring February 27, 2025); and
- [GL 121](#) (Authorizing Petroleum Services Related to Certain Projects, expiring June 28, 2025).

OFAC also revoked [GL 93](#) covering transactions with Sovcomflot vessels, as the agency included the Sovcomflot network with this sanctions announcement.

Companies working in or adjacent to the energy sector should carefully review this announcement and ensure that none of the entities sanctioned today are included in any transactions going forward. Please [contact](#) our sanctions and export team if you need assistance navigating these latest developments, including with the application of the GL's issued pursuant to this sanctions action.