

ClientAlert

International Trade

April 2014

The United States Designates Seven Russian Individuals and Seventeen Companies under Executive Order 13661, Imposes Additional Export Restrictions



Further Sanctions Designations:

On April 28, 2014, the US Office of Foreign Assets Control ("OFAC") issued further designations under Executive Order 13661 ("EO 13661"). EO 13661, which was signed on March 16, 2014, authorizes the United States to impose sanctions on officials of the Government of the Russian Federation, any individuals or entities that operate in the arms or related materiel sector in the Russian Federation, and any individual or entity that is owned or controlled by, or provides material or other support to any senior official of the Government of the Russian Federation or any person designated pursuant to this order. This round of designations targets seven individuals that according to the United States are in the Russian leadership's inner circle, and seventeen Russian entities deemed closely linked to previously sanctioned members of the inner circle.

The additional seven individuals designated on April 28, 2014 are:

- BELAVENCEV, Oleg Evgenyevich (a.k.a. BELAVENTSEV, Oleg); DOB 15 Sep 1949; Russian Presidential Envoy to the Crimean District; Member of the Russian Security Council (individual) [UKRAINE2].
- CHEMEZOV, Sergei (a.k.a. CHEMEZOV, Sergey Viktorovich); DOB 20 Aug 1952; POB Cheremkhovo, Irkutsk, Russia (individual) [UKRAINE2].
- KOZAK, Dmitry; DOB 07 Nov 1958; POB Kirovograd, Ukraine; Deputy Prime Minister of the Russian Federation (individual) [UKRAINE2].
- MUROV, Evgeniy Alekseyevich (a.k.a. MUROV, Evgeny; a.k.a. MUROV, Yevgeniy; a.k.a. MUROV, Yevgeny); DOB 18 Nov 1945; POB Zvenigorod, Moscow, Russia; Director of the Federal Protective Service of the Russian Federation; Army General (individual) [UKRAINE2].
- PUSHKOV, Aleksei Konstantinovich (a.k.a. PUSHKOV, Alexei); DOB 10 Aug 1954; Chairman of State Duma Committee on International Affairs (individual) [UKRAINE2].

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- SECHIN, Igor; DOB 07 Sep 1960; POB St. Petersburg, Russia (individual) [UKRAINE2].
- VOLODIN, Vyacheslav; DOB 04 Feb 1964; POB Alexeyevka, Khvalynsk district, Saratov, Russia; First Deputy Chief of Staff of the Presidential Executive Office (individual) [UKRAINE2].

The additional seventeen entities designated on April 28, 2014 are:

- AQUANIKA (a.k.a. AQUANIKA LLC; a.k.a. LLC RUSSKOYE VREMYA; a.k.a. OBSHCHESTVO S OGRANICHENNOI OTVETSTVENNOSTYU RUSSKOE VREMYA; a.k.a. RUSSKOE VREMYA OOO; a.k.a. RUSSKOYE VREMYA LLC), 47A, Sevastopolskiy Ave., of. 304, Moscow 117186, Russia; 1/2 Rodnikovaya ul., Savasleika s., Kulebaski raion, Nizhegorodskaya oblast 607007, Russia; Website <http://www.aquanika.com>; alt. Website <http://aquanikacompany.ru>; Email Address office@aquanika.com; Registration ID 1075247000036 [UKRAINE2].
- AVIA GROUP LLC (a.k.a. AVIA GROUP LTD), Terminal Aeroport Sheremetyevo Khimki, 141400 Moskovskaya obl., Russia; Website <http://www.avia-group.ru/> [UKRAINE2].
- AVIA GROUP NORD LLC, 17 A, Stratoyava St., Saint Petersburg, Russia; Website <http://www.ag-nord.ru> [UKRAINE2].
- CJSC ZEST (a.k.a. ZEST LEASING), pr. Medikov 5, of. 301, St. Petersburg, Russia; 2 Liter a Pl. Rastrelli, St. Petersburg 191124, Russia; Website <http://www.zest-leasing.ru>; Registration ID 1027809190507; Government Gazette Number 44323193 [UKRAINE2].
- INVESTCAPITALBANK (a.k.a. INVESTKAPITALBANK; a.k.a. OJSC INVESTCAPITALBANK; a.k.a. OPEN JOINT STOCK COMPANY INVESTCAPITALBANK), 100/1, Dostoevskogo Street, Ufa, Bashkortostan Republic 450077, Russia; SWIFT/BIC INAKRU41; Website <http://www.investcapitalbank.ru>; License 2377 [UKRAINE2].
- JSB SOBINBANK (a.k.a. SOBINBANK), 15 Korp. 56 D. 4 Etazh ul. Rochdelskaya, Moscow 123022, Russia; 15/56 Rochdelskaya Street, Moscow 123022, Russia; SWIFT/BIC SBBARUMM; Website <http://www.sobinbank.ru>; Registration ID 1027739051009; Government Gazette Number 09610355 [UKRAINE2].
- SAKHATRANS LLC (a.k.a. OBSHCHESTVO S OGRANICHENNOI OTVETSTVENNOSTYU SAKHA (YAKUTSKAYA) TRANSPORTNAYA KOMPANIYA; a.k.a. SAKHATRANS OOO), 14 ul. Molodezhnaya Rabochi Pos. Vanino, 682860 Vaninski, Raion Khabarovski Krai, Russia [UKRAINE2].
- SMP BANK (a.k.a. BANK SEVERNY MORSKOY PUT; a.k.a. SMP BANK OPEN JOINT-STOCK COMPANY), 71/11 Sadovnicheskaya Street, Moscow 115035, Russia; SWIFT/BIC SMBKRUMM; Website www.smpbank.ru; Email Address smpbank@smpbank.ru [UKRAINE2].
- STROYGAZMONTAZH (a.k.a. LIMITED LIABILITY COMPANY STROYGAZMONTAZH; a.k.a. STROYGAZMONTAZH CORPORATION; a.k.a. "SGM"), 53 prospekt Vernadskogo, Moscow 119415, Russia; Website www.oosgm.com; alt. Website www.oosgm.ru; Email Address info@oosgm.ru [UKRAINE2].
- STROYTRANSGAZ GROUP (a.k.a. STROYTRANSGAZ; a.k.a. "STG GROUP"), 3 Begovaya Street, Building #1, Moscow 125284, Russia; Website www.stroytransgaz.ru [UKRAINE2].
- STROYTRANSGAZ HOLDING (a.k.a. STG HOLDING LIMITED; a.k.a. STG HOLDINGS LIMITED; a.k.a. STROYTRANSGAZ HOLDING LIMITED; a.k.a. "STGH"), 33 Stasinou Street, Office 2 2003, Nicosia Strovolos, Cyprus [UKRAINE2].
- STROYTRANSGAZ LLC (a.k.a. OOO STROYTRANSGAZ), House 65, Novocheremushkinskaya, Moscow 117418, Russia [UKRAINE2].
- STROYTRANSGAZ OJSC (a.k.a. OAO STROYTRANSGAZ), House 58, Novocheremushkinskaya St., Moscow 117418, Russia [UKRAINE2].
- STROYTRANSGAZ-M LLC, 26th Meeting of the Communist Party Street, House 2V, Novy Urengoy, Tyumenskaya Oblast, Yamalo-Nenetsky Autonomous Region 629305, Russia [UKRAINE2].
- THE LIMITED LIABILITY COMPANY INVESTMENT COMPANY ABROS (a.k.a. LLC IC ABROS), 2 Liter a Pl. Rastrelli, St. Petersburg 191124, Russia; Government Gazette Number 72426791; Telephone: 7812 3358979 [UKRAINE2].
- TRANSOIL (a.k.a. LIMITED LIABILITY COMPANY TRANSOIL; f.k.a. OBSHCHESTVO S ORGANICHERNNOI OTVETSTVENNOSTYU TRANSOIL; a.k.a. TRANSOIL LLC; a.k.a. TRANSOYL SNG LTD.), 18A Petrogradskaya nab., St. Petersburg 197046, Russia; Website <http://www.transoil-spb.ru>; alt. Website <http://transoil.com>; Email Address info@toil.spb.ru; Registration ID 1037835069986 [UKRAINE2].
- VOLGA GROUP (a.k.a. VOLGA GROUP INVESTMENTS; f.k.a. VOLGA RESOURCES; f.k.a. VOLGA RESOURCES GROUP), 3, rue de la Reine L-2418, Luxembourg; Russia [UKRAINE2].

All property and interests in property of these individuals and entities located in the United States or within the possession or control of a US Person,¹ wherever located, are considered blocked and may not be dealt in. Any entity in which a blocked party holds a 50% or greater ownership interest is itself considered blocked by operation of law. US Persons may not engage in any dealings, directly or indirectly, with blocked parties. Provision of goods, services, or support for blocked parties is identified as a criterion for potential future designation.

Further Export Restrictions:

Additionally, the US Department of Commerce's Bureau of Industry and Security (BIS) announced that, effective immediately, BIS will deny any pending applications to export or re-export any high technology item subject to the Export Administration Regulations (EAR) to Russia or Crimea that contribute to Russia's military capabilities. Existing licenses that meet these conditions also will be revoked.

BIS also added the following thirteen Russian companies to the Entity List:

- Stroytransgaz Holding (Cyprus)
- Volga Group (Luxembourg and Russia)
- Aquanika, Avia Group LLC (Russia)
- Avia Group Nord LLC (Russia)
- CJSC Zest (Russia)
- Sakhatrans LLC (Russia)
- Stroygazmontazh (Russia)
- Stroytransgaz Group (Russia)
- Stroytransgaz LLC (Russia)
- Stroytransgaz-M LLC (Russia)
- Stroytransgaz OJSC (Russia)
- Transoil (Russia)

Designation on the Entity List imposes a license requirement for the export, re-export, or other foreign transfer of items subject to the EAR to such companies, with a presumption of denial. This includes most US-origin products, as well as some non-US made items that incorporate greater than de minimis US-origin content and items that are the direct product of certain US-origin technology. This action supplements the earlier BIS announcement that it would place an indefinite hold on all pending export license applications for exports or re-exports to Russia, effective March 1, 2014.

The US Department of State's Directorate of Defense Trade Controls (DDTC) also has expanded its export restrictions on US exports to Russia. Previously, on March 27, 2014, DDTC announced that it would place a hold on all pending export license applications for exports to Russia. Effective April 28, 2014, DDTC will deny any pending applications for export or re-export of any high technology defense articles or services regulated under the US Munitions List (USML) to Russia or Crimea that contribute to Russia's military capabilities. DDTC also is taking actions to revoke existing licenses which meet these conditions.

US officials explained that the additional designations and export restrictions were announced because Russia had not fulfilled its commitments made at the contact group meeting in Geneva to take concrete steps to deescalate the situation in Ukraine.² The US announcements also suggested that potentially broader sector-based sanctions might be imposed, depending on Russia's actions.

Perhaps the most notable aspect of today's action is the designation of Mr. Igor Sechin. Mr. Sechin is President and Director of Rosneft, one of the principal petroleum companies in Russia. Rosneft itself is not a blocked entity as a result of today's measures. With respect to the entities designated today, a number already were blocked by operation of law based on ownership interests by previously designated individuals.

It has been reported that the Administration has considered, but rejected for the time being the potential of imposing broader "sectoral" sanctions. It appears that step is being reserved for potential future action.

¹ A US Person is defined to include any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

² The participants in the contact group meeting in Geneva on April 17, 2014 included Russia, Ukraine, the European Union and the United States.

More information about EO 13661 can be found [here](#). This EO has been complemented by two other Executive Orders, [13660](#) and [13662](#), as well as a bill signed into law by the President on April 3, 2014, found [here](#). As noted above, the sanctions measures have also been supplemented by export licensing restrictions. More information about the previous export restrictions can be found [here](#). Companies doing business in Russia and Ukraine should monitor closely any measures imposed by the United States to ensure compliance. Penalties for noncompliance are severe. We will continue to track and report on these sanctions developments.

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