

CLIENT ALERT:

OFAC REMOVES UNITED COMPANY RUSAL FROM SDN LIST

January 28, 2019

Introduction

United Company Rusal PLC (“Rusal”), EN+ Group PLC (“EN+”) and JSC EuroSibEnergO (“ESE”) were all named to the U.S. Specially Designated Nationals List (“SDN List”) on April 6, 2018 by the U.S. Office of Foreign Asset Control (“OFAC”). Those designations meant that U.S. persons generally could not engage in any transactions with the three entities and that foreign persons could not engage in “significant transactions.” However, simultaneous with the April 6 designations, OFAC issued a General License, giving U.S. persons until June 5 to wind-down ongoing transactions with the entities, or with any entity in which they have a 50% or greater interest. Thereafter, OFAC has repeatedly extended the deadline for winding-down transactions with these entities, most recently until January 28, 2019.

OFAC announces removal of Rusal, EN+ and ESE from SDN List

On January 27, 2019 OFAC announced that Rusal, EN+ and ESE have all been removed from the SDN List, based on an understanding that Mr. Oleg Deripaska has reduced his direct and indirect shareholding stake in these companies and has ceded control. The companies do not appear on any U.S. sanctions list at this time. Therefore, both U.S. persons and non-U.S. persons are now free to engage in transactions with these three entities.

However, Mr. Deripaska remains on the SDN List and any dealings with him personally would be problematic.

Disclaimer: This Client Alert provides only a general summary of OFAC’s removal of certain entities from the U.S. SDN List and is not intended to constitute comprehensive legal advice. Specific legal advice should be taken with respect to each individual inquiry regarding the designations. For additional clarification, please feel free to contact Bill Juska (juska@freehill.com), Gina Venezia (venezia@freehill.com) or Bill Pallas (pallas@freehill.com).

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