

CLIENT ALERT: OFAC ISSUES ADDITIONAL SANCTIONS ON NORD STREAM 2 PIPELINE

November 24, 2021

On November 22, 2021, the Office of Foreign Assets Control (OFAC) imposed sanctions on Transadria, Ltd., which is apparently based in Cyprus but said to be a “Russia-linked entity,” and one of its vessels, the Marlin, for their involvement in the construction of the Nord Stream 2 pipeline. The entity and its vessel were added to OFAC’s Specially Designated Nationals (SDN) list, which designates individuals, entities, and groups that have violated the sanctions laws of the United States. Another vessel, the Blue Ship, was reportedly cited by OFAC for its involvement in the pipeline’s construction, but ultimately was not sanctioned.

In conjunction with these most recent SDN designations under the Protecting Europe’s Energy Security Act of 2019 (PEESA), as amended, the following press release was issued by U.S. Secretary of State, Anthony J. Blinken:

The Department of State has submitted a report to Congress pursuant to the Protecting Europe’s Energy Security Act of 2019 (PEESA), as amended. The report lists two vessels and one Russia-linked entity, Transadria Ltd., involved in the Nord Stream 2 pipeline. Transadria Ltd. will be sanctioned under PEESA, and its vessel, the Marlin, will be identified as blocked property.

Today’s report is in line with the United States’ continuing opposition to the Nord Stream 2 pipeline and the U.S. Government’s continued compliance with PEESA. With today’s action, the Administration has now sanctioned 8 persons and identified 17 of their vessels as blocked property pursuant to PEESA in connection with Nord Stream 2.

Even as the Administration continues to oppose the Nord Stream 2 pipeline, including via our sanctions, we continue to work with Germany and other allies and partners to reduce the risks posed by the pipeline to Ukraine and frontline NATO and EU countries and to push back against harmful Russian activities, including in the energy sphere.

Conclusion

We continue to monitor developments in this area and are available to assist clients in understanding and examining how these developments may affect their business opportunities. If you have any questions about the contents of this alert or would like further information regarding U.S. sanctions, please feel free to contact the authors, Bill Pallas at pallas@freehill.com, or Mike Dehart at dehart@freehill.com.

This Client Alert is only a general summary for informational purposes. It and its content are not intended to be and should not be used or construed as legal advice. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.

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