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Venezuelan Sanctions - designation of Rosneft Trading S.A. - Update - TTI



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We refer to our news item of 19 February 2020 concerning the designation of Rosneft here Venezuelan Sanctions. There have been further recent developments in that on 12 March OFAC designated TNK Trading International S.A. (TTI) to the SDN list under E.O. 13850 for operating in the oil sector of the Venezuelan economy. TTI was also designated to the Sectoral Sanctions Identifications (SSI) list under E.O. 13662 dealing with Ukraine.

E.O. 13850 authorizes the imposition of sanctions against any person (including a non-U.S. person) who is determined to operate in the oil or other identified sectors of the Venezuelan economy. This is the provision under which Rosneft Trading S.A. was designated to the SDN list last month. TTI has now also been added. TTI is considered by the U.S. Treasury to be a subsidiary of Rosneft Trading.

As with previous cases where parties are added to the SDN lists, there is a winding down period, in the case of TTI until 1201 eastern time 20th May 2020, for the completion of existing transactions and activities.

This new designation to the SDN lists does not apply to JSC Rosneft Oil Company or other Rosneft Group companies where Rosneft Trading/TTI own less than 50% of the company.

E.O. 13850 contains a “material assistance” provision by which non-U.S. persons may be sanctioned if they are determined to have “materially assisted, sponsored, or provided financial, material, or technological support for” any entity designated to the SDN list. Non-U.S. persons should accordingly consider carefully any transactions with and involving TTI. A Non-U.S. person who continues to engage in transactions with TTI beyond the wind-down period risks facing potential sanctions.

Full details can be found in a Client Alert issued by our U.S. attorneys Freehill Hogan & Mahar.

Freehill Hogan & Mahar Client Alert

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