

CLIENT UPDATE

US IMPOSES EXPORT SANCTIONS AGAINST RUSSIAN OIL AND GAS SECTOR

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As part of its sanctions against Russia in connection with the situation in Ukraine, the United States on Wednesday, August 6, adopted new export controls aimed at the Russian oil and gas sector.¹ These new sanctions ban the exportation from the United States of a wide range of items for use in deepwater, Arctic offshore or shale projects that have the potential to produce oil or gas in Russia. The same restrictions apply to reexportation of such items from third countries if the items originated in the United States.

Specifically, the US Commerce Department's Bureau of Industry and Security (BIS) has amended the Export Administration Regulations (EAR) to add two new Export Control Classification Numbers (ECCNs), 0A998 and 8D999. These new ECCNs include a wide range of merchandise, software and technical data used for oil and gas exploration as well as software used to control unmanned exploration vessels. At the same time, BIS has amended the EAR to prohibit unlicensed exportation or reexportation of items falling under the two new ECCNs, as well as items falling under the existing ECCNs 1C992, 3A229, 3A231, 3A232, 6A991 and 8A992, if the exporter knows or has reason to believe that the items are for use in Russian deepwater, Arctic offshore or shale projects.

Export licenses for these items, however, are not expected to be available, as the new regulations establish a presumption of denial of

¹ Russian Oil Industry Sanctions and Addition of Person to the Entity List, 79 Fed. Reg. 45675 (Aug. 6, 2014).

licenses for export-controlled items intended for Russian deepwater, Arctic offshore or shale projects. The new sanctions do not include any saving clause that would allow performance of existing export contracts. BIS also has revoked the favorable license review status that it had previously afforded to Russia in connection with exports controlled for national-security reasons.

For updates on Ukraine-related sanctions and other sanctions developments, please subscribe to the Debevoise & Plimpton LLP Sanctions Alert. The Sanctions Alert is a free semimonthly e-mail summary of developments in the area of economic and trade sanctions in the United States, the European Union, Russia and around the world. If you would like to subscribe, please e-mail sanctions@debevoise.com with a request to be added to the Sanctions Alert mailing list or sign up [here](#). The Firm's sanctions-related publications can also be found on [The Sanctions Resource](#) page of our website.

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August 8, 2014