

# U.S. Treasury Designates Russian State-Owned Sovcomflot, Russia's Largest Shipping Company

February 23, 2024

WASHINGTON – Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is taking action to responsibly reduce Russia's revenue from oil sales by targeting **Joint Stock Company Sovcomflot** (Sovcomflot), Russia's state-owned shipping company and fleet operator. In addition to designating Sovcomflot, OFAC is identifying 14 crude oil tankers as property in which Sovcomflot has an interest.

"The price cap on Russian oil continues to serve its twin goals of limiting Kremlin profits while promoting stable energy markets," said Deputy Secretary of the Treasury Wally Adeyemo. "Today, we take the next step by targeting Russia's largest state-owned shipping company and fleet operator, dealing a huge blow to their shadow operations. We are entering the next phase of increasing Russia's costs in a responsible manner to mitigate risks."


Concurrent with the designation of Sovcomflot, OFAC is also issuing a general license authorizing the offloading of crude oil (or other cargo) from these 14 vessels for a period of 45 days. In addition, OFAC is issuing a general license authorizing transactions with all other Sovcomflot-owned vessels at this time. Nothing in these general licenses changes any of the restrictions imposed by the price cap sanctions regime.


Sovcomflot was designated pursuant to Executive Order (E.O.) 14024 for operating or having operated in the marine sector of the Russian Federation economy and for being owned or controlled by, or having acted for or on behalf of, directly or indirectly, the Government of the Russian Federation. Sovcomflot has also been sanctioned by Australia, Canada, New Zealand, and the United Kingdom (UK) and is under certain European Union (EU) restrictions.

A new Treasury analysis [released today](#) found that the United States' increased sanctions enforcement is forcing Russia to sell oil at a steeper discount and limiting their revenue. Putin's oil czar has linked Russia's further loss of revenue to the actions reflected in the second phase of the price cap.

## THE PRICE CAP

The United States is part of an international coalition of countries (the Price Cap Coalition), including the G7, the European Union, and Australia, that have agreed to prohibit the import of crude oil and petroleum products of Russian Federation origin (“Russian oil”). These countries, home to many best-in-class financial and professional services, have also agreed to restrict a broad range of services related to the maritime transport of Russian oil—unless that Russian oil is bought and sold at or below the specific price caps established by the Coalition or is authorized by a license. This policy is known as the “price cap.” The price cap is intended to maintain a reliable supply of crude oil and petroleum products to the global market while reducing the revenues the Russian Federation earns from oil after its own war of choice against Ukraine inflated global energy prices.

On February 1, 2024, the Price Cap Coalition published an [Oil Price Cap \(OPC\) Compliance and Enforcement Alert](#)  (the “Alert”). The Alert, which is directed at both government and industry stakeholders, provides examples of specific evasion methods to improve compliance measures, and provides avenues to report suspected oil price cap breaches to members of the Price Cap Coalition.

On December 20, 2023, OFAC, [in coordination with the Price Cap Coalition](#) , updated its [Guidance on Implementation of the Price Cap Policy for Crude Oil and Petroleum Products of Russian Federation Origin](#), to strengthen the attestation and recordkeeping processes for certain covered service providers and reduce opportunities for bad actors to disguise Russian oil purchased above the cap.

On October 12, 2023, the Price Cap Coalition published a [Coalition Advisory for the Maritime Oil Industry and Related Sectors](#) (“the Advisory”). The Advisory, which is directed at both government and private sector actors involved in the maritime trade of Russian oil, provides recommendations concerning specific best practices and reflects our commitment to promoting responsible practices in the industry, preventing and disrupting sanctioned trade, and enhancing compliance with the price cap.

OFAC previously published an [Alert on Possible Evasion of the Russian Oil Price Cap](#) on April 17, 2023.

## SOVCOMFLOT VESSELS

In addition to designating Sovcomflot, OFAC is identifying 14 crude oil tankers as property in which Sovcomflot has an interest. These vessels, all of which are beneficially owned by Sovcomflot, are:

1. **ANATOLY KOLODKIN** (IMO 9610808)
2. **NS ANTARCTIC** (IMO 9413559)
3. **NS LION** (IMO 9339313)
4. **NS CONSUL** (IMO 9341093)
5. **NS BURGAS** (IMO 9411020)
6. **NS CAPTAIN** (IMO 9341067)
7. **NS COLUMBUS** (IMO 9312884)
8. **SAKHALIN ISLAND** (IMO 9249128)
9. **NEVSKIY PROSPECT** (IMO 9256054)
10. **GEORGY MASLOV** (IMO 9610793)
11. **LITEYNY PROSPECT** (IMO 9256078)
12. **KRYMSK** (IMO 9270529)
13. **NS CREATION** (IMO 9312896)
14. **NS BRAVO** (IMO 9412359)

## SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the persons above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. All transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or blocked persons are prohibited unless authorized by a general or specific license issued by OFAC, or exempt. These prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any blocked person and the receipt of any contribution or provision of funds, goods, or services from any such person.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the SDN List, but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to [OFAC's Frequently Asked Question 897 here](#). For detailed information on [the process to submit a request for removal from an OFAC sanctions list, please click here](#).

For identifying information on the entity sanctioned and the vessels identified today, click [here](#).

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