

Date: 15 March 2022

U.S. Bans Import Of Russian Oil, Liquefied Natural Gas And Coal

In a statement yesterday afternoon, U.S. President Joe Biden announced that he has issued the Executive Order (E.O.) of March 8, 2022, banning the import of Russian oil, liquified natural gas, certain petroleum products, and coal into the United States and prohibiting U.S. persons from investing in Russia's energy sector or providing financing to companies that are investing in Russia's energy sector.

This E.O. expands the scope of the national emergency declared in E.O. 14024, and the additional steps taken in E.O. 14039, in response to Russia's ongoing attacks in Ukraine. In conjunction with the March 8th E.O., the Office of Foreign Assets Control (OFAC) has issued General License No. 16, which permits transactions entered into prior to March 8, 2022, that are ordinarily incident to and necessary to the importation of crude oil, petroleum, petroleum fuels, oils, liquified natural gas, coal and coal products, through April 22, 2022 at 12:01 a.m. eastern daylight time.

Notably, the E.O. of March 8, 2022, "does not prohibit imports of non-Russian Federation origin, even if such goods transit through or depart from the Russian Federation. However, targeted prohibitions or restrictions may apply..." (See FAQ 1,014 here: <https://home.treasury.gov/policy-issues/financialsanctions/faqs/1014>). "Russian Federation origin" is defined as "goods produced, manufactured, extracted, or processed in the Russian Federation, excluding any Russian Federation origin good that has been incorporated or substantially transformed into a foreign-made product." In this regard, OFAC has clarified in FAQ 1,020 that crude oil from the Caspian Pipeline Consortium ("CPC") is not considered "Russian Federation origin" goods.

President Biden also announced that the International Energy Agency Member countries have agreed to release 60 million barrels of crude oil from petroleum reserves to be used for emergency sale. We are continuing to monitor the impact of today's Executive Order on the International Shipping Industry.

To read the Executive Order, please visit: ([Executive Order on Prohibiting Certain Imports and New Investments With Respect to Continued Russian Federation Efforts to Undermine the Sovereignty and Territorial Integrity of Ukraine. | The White House](#)). General License 16 may be viewed here: ([russia_gl16.pdf \(treasury.gov\)](#)). A Fact Sheet issued by the White House may also be viewed here: ([FACT SHEET: United States Bans Imports of Russian Oil, Liquefied Natural Gas, and Coal | The White House](#)). Additionally, OFAC has provided updates to some Russia-related FAQs, which may be found here:

(<https://home.treasury.gov/policy-issues/financial-sanctions/faq/added/2022-03-08>).

This Executive Order comes in the wake of the recent imposition of extensive U.S. sanctions targeting Russia, which focused heavily on Russia's financial sector. For more information on these sanctions, please visit:

- [CLIENT ALERT: OFAC ISSUES ADDITIONAL COMPREHENSIVE SANCTIONS AGAINST RUSSIA – Freehill Hogan & Mahar LLP](#)
- [CLIENT ALERT: OFAC ISSUES ADDITIONAL SANCTIONS IN RESPONSE TO RUSSIAN AGGRESSION INTO UKRAINE – Freehill Hogan & Mahar LLP](#)
- [CLIENT ALERT: OFAC ISSUES ADDITIONAL SANCTIONS ON NORD STREAM 2 PIPELINE – Freehill Hogan & Mahar LLP](#)

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