Treasury Sanctions Additional Maritime Companies, Vessels Transporting Oil Sold Above the Coalition Price Cap

November 16, 2023

WASHINGTON — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is imposing sanctions on three entities and identifying as blocked property three vessels that used Price Cap Coalition service providers while carrying Russian crude oil above the Coalition-agreed price cap. This action underscores Treasury's commitment, alongside its international partners, to responsibly reducing oil revenues that the Russian government can use to bankroll its brutal invasion of Ukraine.

"Shipping companies and vessels participating in the Russian oil trade while using Price Cap Coalition service providers should fully understand that we will hold them accountable for compliance," said Deputy Secretary of the Treasury Wally Adeyemo. "We are committed to maintaining market stability in spite of Russia's war against Ukraine, while cutting into the profits the Kremlin is using to fund its illegal war and remaining unyielding in our pursuit of those facilitating evasion 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. 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 crude oil and petroleum products of Russian Federation origin—unless that 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 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 crude oil and refined petroleum products, 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 and Guidance on Implementation of the Price Cap Policy for Crude Oil and Petroleum Products of Russian Federation Origin on February 3, 2023.

VESSELS CARRYING RUSSIAN OIL PRICED ABOVE THE PRICE CAP

The crude oil price cap took effect in December 2022 with a cap on Russian crude oil at $60 per barrel. The vessels ***Kazan***, ***Ligovsky Prospect***, and ***NS Century*** engaged in the export of Russian crude oil priced above $60 per barrel after the crude oil price cap took effect. The Kazan, Ligovsky Prospect, and NS Century used U.S.-person services while transporting the Russian-origin crude oil.

United Arab Emirates-based (UAE-based) **Kazan Shipping Incorporated** (Kazan Shipping) is the registered owner of the *Kazan*.

UAE-based **Progress Shipping Company Limited** (Progress Shipping) is the registered owner of the *Ligovsky Prospect*.

UAE-based **Gallion Navigation Incorporated** (Gallion Navigation) is the registered owner of the *NS Century*.

Kazan Shipping, Progress Shipping, and Gallion Navigation were designated pursuant to Executive Order 14024 for operating or having operated in the marine sector of the Russian Federation economy. OFAC also identified the *Kazan*, *Ligovsky Prospect*, and *NS Century* as property in which Kazan Shipping, Progress Shipping, and Gallion Navigation, respectively, have an interest.

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 entities sanctioned and vessels identified today, click here.

###