



# OFAC Takes Additional Steps to Curtail Russia's Use of the International Financial System Issuing Extensive Designations, New General License, and Alert

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The US Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") on November 21, 2024, designated Gazprombank Joint Stock Company ("**Gazprombank**"), along with more than 50 internationally connected Russian banks, more than 40 Russian securities registrars, and 15 Russian finance officials. Further, OFAC issued General License ("**GL**") 113, amended GL 53A, and issued an alert concerning sanctions risks related to Russia's System for Transfer of Financial Messages ("**SPFS**").

## Gazprombank Designations

OFAC designated Gazprombank alongside its foreign subsidiaries: Luxembourg-based bank GPB International SA; Hong Kong-based GPB Financial Services Hong Kong Limited; Cyprus-based GPB Financial Services Limited; GPB-DI Holdings Limited, Switzerland-based Gazprombank (Switzerland) Ltd; and South Africa-based GPB Africa and Middle East Pty Ltd, pursuant to Executive Order ("**E.O.**") 14024 for operating or having operated in the financial services sector of the Russian Federation economy. The foreign subsidiaries were designated for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Gazprombank a designated entity. We note that all entities owned 50 percent or more, directly or indirectly, by Gazprombank or the aforementioned Gazprombank subsidiaries, are subject to blocking, even if not explicitly identified by OFAC, pursuant to [OFAC's 50% Rule](#).

## Additional Designations

Further curtailing Russia's connections to the international financial system, OFAC designated more than 50 small-to-medium Russian banks; more than 40 registrars that have allegedly been used to evade US sanctions on the National Settlement Depository; 11 officials of the Central Bank of the Russian Federation; and certain Russian staff members at VTB Bank Public Joint Stock Company's branch in China and Public Joint Stock Company Sberbank of Russia's branch in India. These additional designations were also made pursuant to E.O. 14024 for operating or having operated in the financial services sector of the Russian Federation economy.

## GL 113 & Amendments to GL 53A

Along with these designations, OFAC also issued [general license \(“GL”\) 113](#), pursuant to E.O. 14024, which authorizes a wind-down period for transactions involving some of the designated parties following this action, giving them until **December 20, 2024** to take the necessary steps to divest. OFAC also amended Russia-related [GL 53A](#) to ensure that diplomatic banking activities involving Gazprombank are not disrupted.

## **SPFS Alert**

Lastly, OFAC issued an alert underscoring the sanctions risk for foreign financial institutions that join Russia’s System for Transfer of Financial Messages (“**SPFS**”). Notably, OFAC cautioned that any foreign financial institution that joins or has already joined SPFS may be designated for operating or having operated in the Russian financial services sector pursuant to E.O. 14024.

## **OFAC Designation Implications**

As a result of OFAC’s designations, 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.

Additionally, any persons included on the SDN List pursuant to E.O. 14024 may be subject to additional export restrictions administered by the Department of Commerce, Bureau of Industry and Security.

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