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The United States Sanctions Major Russian State–Owned Enterprises

April 7, 2022

In Combined Action, Treasury and State Target Major Russian Companies

WASHINGTON – Today the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated Alrosa, a Russian state-owned enterprise (SOE) and the world’s largest diamond mining company, which is also responsible for 90 percent of Russia’s diamond mining capacity. The Department of State also redesignated Joint Stock Company United Shipbuilding Corporation (USC), as well as its subsidiaries and board members. USC is a Russian SOE that develops and constructs the majority of the Russian military’s warships, likely including many of those used to bombard Ukraine’s cities and harm Ukraine’s citizens. These actions were taken pursuant to Executive Order (E.O.) 14024. Through these designations, Treasury is cutting off additional sources of support and revenue for the Government of the Russian Federation (GoR) to wage its unprovoked war against Ukraine.

“These sanctions will continue to apply pressure to key entities that enable and fund Russia’s unprovoked war against Ukraine,” said Brian Nelson, Under Secretary of the Treasury for Terrorism and Financial Intelligence. “These actions, taken with the Department of State and in coordination with our allies and partners, reflect our continued effort to restrict the Kremlin’s access to assets, resources, and sectors of the economy that are essential to supplying and financing Putin’s brutality.”

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TREASURY TARGETS WORLD'S LARGEST DIAMOND MINING COMPANY

Public Joint Stock Company Alrosa (Alrosa) is a Russian SOE and the world's largest diamond mining company, accounting for 28 percent of global diamond mining. In 2021 Alrosa generated over \$4.2 billion in revenue. Diamonds are one of Russia's top ten non-energy exports by value, with exports in 2021 totaling over \$4.5 billion. Alrosa is also responsible for 90 percent of Russia's diamond mining capacity. On February 24, 2022, OFAC identified Alrosa as subject to prohibitions pursuant to [Directive 3 under E.O. 14024](#), "Prohibitions Related to New Debt and Equity of Certain Russia-related Entities" (Russia-related Entities Directive).

Today OFAC is expanding previous sanctions by designating Alrosa pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, the GoR. Alrosa has also been sanctioned by Canada, the United Kingdom, New Zealand, and the Bahamas. All entities owned 50 percent or more, directly or indirectly, by Alrosa are blocked under E.O. 14024, even if not separately designated or identified by OFAC.

DEPARTMENT OF STATE TARGETS RUSSIA'S LARGEST SHIPBUILDING COMPANY, SUBSIDIARIES, AND BOARD MEMBERS

United Shipbuilding Corporation (USC) is a major Russian SOE responsible for developing and building the Russian Navy's warships. USC is responsible for the construction of almost all of Russia's warships, as well as those built for foreign customers. Along with re-designating USC, the Department of State designated 28 subsidiaries and eight board members. These actions were also taken pursuant to E.O. 14024.

[For further information on today's action by the Department of State please click here.](#)

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 otherwise blocked persons are prohibited unless authorized by a general or specific license issued by OFAC, or otherwise 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.

[For identifying information on the individuals and entities sanctioned today, click here.](#)

Russia-related Designations;

PUBLIC JOINT STOCK COMPANY ALROSA (Cyrillic: АКЦИОНЕРНАЯ КОМПАНИЯ АЛРОСА ПУБЛИЧНОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО) (a.k.a. АК ALROSA PAO (Cyrillic: АК АЛРОСА ПАО); a.k.a. ALROSA GROUP; a.k.a. PJSC ALROSA), 24 Ozerkovskaya Naberezhnaya, Moscow 115184, Russia; 6 ulitsa Lenina, Mirny, Republic of Sakha (Yakutia) 678174, Russia; Executive Order 14024 Directive Information - For more information on directives, please visit the following link: <https://ofac.treasury.gov/sanctions-programs-and-country-information/russian-harmful-foreign-activities-sanctions#directives>; Executive Order 14024 Directive Information Subject to Directive 3 - All transactions in, provision of financing for, and other dealings in new debt of longer than 14 days maturity or new equity where such new debt or new equity is issued on or after the 'Effective Date (EO 14024 Directive)' associated with this name are prohibited.; Listing Date (EO 14024 Directive 3): 24 Feb 2022; Effective Date (EO 14024 Directive 3): 26 Mar 2022; Tax ID No. 1433000147 (Russia); Legal Entity Number 894500DKUWVBYZLLE651 (Russia); Registration Number 1021400967092 (Russia) [RUSSIA-EO14024].