

Locke Lord QuickStudy: Belarus Designations, Issuance of ?Belarus General Licenses and Expansion of Sanctions on the ??Belarusian Regime

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On August 9, 2023, the Department of the Treasury's Office of Foreign Assets Control (OFAC) issued Belarus [General License 8](#) "Authorizing the Wind Down of Transactions Involving Joint Stock Company Byelorussian Steel Works Management Company of Holding Byelorussian Metallurgical Company" ("GL-8") and Belarus [General License 9](#) "Authorizing Transactions Related to Civil Aviation Safety or the Wind Down of Transactions Involving Open Joint Stock Company Belavia Belarusian Airlines" ("GL-9").

General License 8 – Byelorussian Steel Works

General License 8 provides for the orderly wind-down through October 9, 2023, by U.S. Persons and other persons subject to applicable U.S. laws of business with Joint Stock Company Byelorussian Steel Works Management Company of Holding Byelorussian Metallurgical Company (BSW) or any entity in which BSW owns, directly or indirectly, a 50 percent or greater interest, including Bel-Kap-Steel LLC (collectively, "BSW Entities"). GL-8 specifically permits U.S. persons to process and pay salaries, severance, and expenses, and to pay vendors and landlords, to the extent such transactions are ordinarily incident and necessary to the wind down of Bel-Kap-Steel LLC that do not involve a debit to a blocked account.

General License 9 – Civil Aviation

Similar to GL-8, GL-9 permits U.S. Persons and other persons subject to applicable U.S. laws to wind-down existing business, through September 8, 2023, with Open Joint Stock Company Belavia Belarusian Airlines, or any entity in which Open Joint Stock Company Belavia Belarusian Airlines owns, directly or indirectly, a 50 percent or greater interest (collectively, the "Belavia Entities"). Any goods, technology or services rendered to the Belavia Entities during the wind-down period are limited to those provided, exported, or reexported solely for civil aviation purposes.

Expansion of Sanctions on the Belarusian Regime

Also on August 9, 2023, OFAC designated eight individuals and five entities, and one aircraft as blocked property on the three-year anniversary of the Belarusian authorities' falsification of the August 2020 presidential election. OFAC references the Regime's (i) "callous crackdown on the Belarusian protest movement demanding fundamental freedoms," and "continued civil society repression, complicity in the Russian Federation's unjustified

war in Ukraine, and enrichment of repressive Belarusian regime leader Alyaksandr Lukashenka.” OFAC notes that its efforts against the Belarusian Regime have been coordinated in concert with U.S. partners and Allies, “further highlighting the unified view that Belarus’s prolonged subjugation of its people and its continued support of Russia’s war against Ukraine remain a global concern.”

The designated entities are (i) BSW and Bel-Kap-Steel LLC (see GL-8 above), (ii) Belavia (See GL-9 above), (iii) Open Joint Stock Company Minsk Civil Aviation Plant 407 (Minsk Civil Aviation Plant 407), a state-owned company, and one of the biggest aircraft component manufacturer and repair facilities in Belarus, and (iv) the Belarusian Department of Financial Investigations of The State Control Committee of the Republic of Belarus (DFR).

DFR is the investigative arm of, and sister agency to, the Department of Financial Monitoring (DFM), Belarus’ Financial Intelligence Unit. The DFR raided the editorial office of the largest independent online news site and the homes of several staff and blocked its website. The agency launched a probe against the independent online media outlet in what human rights groups, and media freedom watchdogs denounced as the Belarusian authorities’ crackdown on the country’s pro-democracy movement and free media.

Conclusion

This paper is intended as a guide only and is not a substitute for specific legal or tax advice. Please reach out to the authors for any specific questions. We expect to continue to monitor the topics addressed in this paper and provide future client updates when useful.

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