

Locke Lord QuickStudy: OFAC Russia Related Sanctions Update: December 7, 2022 Relating to the Russian Oil Price Cap

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On December 2, 2022, the United States, along with other G7 nations, including the European Union and Australia, adopted a price cap of \$60 per barrel on seaborne crude oil of Russian Federation origin. The cap prevents firms in participating countries from providing shipping, insurance and other services, including trading brokering to shipments of Russian crude oil that are sold above \$60 per barrel. The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") officially set the price cap on crude oil of Russian Federation origin at \$60 when it published on December 5, 2022 a determination ("Price Cap on Crude Oil of Russian Federation Oil") pursuant to Executive Order ("EO") 14071 ("Prohibiting New Investment in and Certain Services to the Russian Federation in Response to Continued Russian Federation Aggression") and the determination made on November 21, 2022 ("Prohibitions on Certain Services as They Related to the Maritime Transport of Crude Oil of Russian Federation Origin").

In our QuickStudy published on November 29, 2022, we examined OFAC's November 21, 2022 determination, which implements the price cap policy for Russian crude oil, and OFAC's guidance on the implementation of the price cap policy for Russian crude oil, as well as addressed what measures firms can take to comply with the price cap requirements.

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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