

its sovereignty and territorial integrity to deter the Government of the Russian Federation from further destabilizing and invading Ukraine and other independent countries in Central and Eastern Europe, the Caucasus, and Central Asia. That policy shall be carried into effect, among other things, through a comprehensive effort, in coordination with allies and partners of the United States where appropriate, that includes economic sanctions, diplomacy, assistance for the people of Ukraine, and the provision of military capabilities to the Government of Ukraine that will enhance the ability of that Government to defend itself and to restore its sovereignty and territorial integrity in the face of unlawful actions by the Government of the Russian Federation.

(Pub. L. 113–272, § 3, Dec. 18, 2014, 128 Stat. 2953.)

§ 8923. Sanctions relating to the defense and energy sectors of the Russian Federation

(a) Sanctions relating to the defense sector

(1) Rosoboronexport

Except as provided in subsection (d), not later than 30 days after December 18, 2014, the President shall impose 3 or more of the sanctions described in subsection (c) with respect to Rosoboronexport.

(2) Russian producers, transferors, or brokers of defense articles

Except as provided in subsection (d), on and after the date that is 45 days after December 18, 2014, the President shall impose 3 or more of the sanctions described in subsection (c) with respect to a foreign person the President determines—

(A) is an entity—

(i) owned or controlled by the Government of the Russian Federation or owned or controlled by nationals of the Russian Federation; and

(ii) that—

(I) knowingly manufactures or sells defense articles transferred into Syria or into the territory of a specified country without the consent of the internationally recognized government of that country;

(II) transfers defense articles into Syria or into the territory of a specified country without the consent of the internationally recognized government of that country; or

(III) brokers or otherwise assists in the transfer of defense articles into Syria or into the territory of a specified country without the consent of the internationally recognized government of that country; or

(B) knowingly, on or after December 18, 2014, assists, sponsors, or provides financial, material, or technological support for, or goods or services to or in support of, an entity described in subparagraph (A) with respect to an activity described in clause (ii) of that subparagraph.

(3) Specified country defined

(A) In general

In this subsection, the term “specified country” means—

(i) Ukraine, Georgia, and Moldova; and

(ii) any other country designated by the President as a country of significant concern for purposes of this subsection, such as Poland, Lithuania, Latvia, Estonia, and the Central Asia republics.

(B) Notice to Congress

The President shall notify the appropriate congressional committees in writing not later than 15 days before—

(i) designating a country as a country of significant concern under subparagraph (A)(ii); or

(ii) terminating a designation under that subparagraph, including the termination of any such designation pursuant to subsection (i).

(b) Sanctions related to the energy sector

(1) Development of special Russian crude oil projects

Except as provided in subsection (d), on and after the date that is 30 days after August 2, 2017, the President shall impose, unless the President determines that it is not in the national interest of the United States to do so, 3 or more of the sanctions described in subsection (c) with respect to a foreign person if the President determines that the foreign person knowingly makes a significant investment in a special Russian crude oil project.

(2) Authorization for extension of licensing limitations on certain equipment

The President, through the Bureau of Industry and Security of the Department of Commerce or the Office of Foreign Assets Control of the Department of the Treasury, as appropriate, may impose additional licensing requirements for or other restrictions on the export or reexport of items for use in the energy sector of the Russian Federation, including equipment used for tertiary oil recovery.

(3) Contingent sanction relating to Gazprom

If the President determines that Gazprom is withholding significant natural gas supplies from member countries of the North Atlantic Treaty Organization, or further withholds significant natural gas supplies from countries such as Ukraine, Georgia, or Moldova, the President shall, not later than 45 days after making that determination, impose the sanction described in subsection (c)(7) and at least one additional sanction described in subsection (c) with respect to Gazprom.

(c) Sanctions described

The sanctions the President may impose with respect to a foreign person under subsection (a) or (b) are the following:

(1) Export-Import Bank assistance

The President may direct the Export-Import Bank of the United States not to approve the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to the foreign person.

(2) Procurement sanction

The President may prohibit the head of any executive agency (as defined in section 133 of

title 41) from entering into any contract for the procurement of any goods or services from the foreign person.

(3) Arms export prohibition

The President may prohibit the exportation or provision by sale, lease or loan, grant, or other means, directly or indirectly, of any defense article or defense service to the foreign person and the issuance of any license or other approval to the foreign person under section 2778 of this title.

(4) Dual-use export prohibition

The President may prohibit the issuance of any license and suspend any license for the transfer to the foreign person of any item the export of which is controlled under the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.)¹ (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)) or the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations.

(5) Property transactions

The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the foreign person has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(6) Banking transactions

The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the foreign person.

(7) Prohibition on investment in equity or debt of sanctioned person

The President may, pursuant to such regulations as the President may prescribe, prohibit any United States person from transacting in, providing financing for, or otherwise dealing in—

(A) debt—

(i) of longer than 30 days' maturity of a foreign person with respect to which sanctions are imposed under subsection (a) or of longer than 90 days' maturity of a foreign person with respect to which sanctions are imposed under subsection (b); and

(ii) issued on or after the date on which such sanctions are imposed with respect to the foreign person; or

(B) equity of the foreign person issued on or after that date.

(8) Exclusion from the United States and revocation of visa or other documentation

In the case of a foreign person who is an individual, the President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United States, the foreign person, subject to regulatory exceptions to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, between the United Nations and the United States, or other applicable international obligations.

(9) Sanctions on principal executive officers

In the case of a foreign person that is an entity, the President may impose on the principal executive officer or officers of the foreign person, or on individuals performing similar functions and with similar authorities as such officer or officers, any of the sanctions described in this subsection applicable to individuals.

(d) Exceptions

(1) Importation of goods

(A) In general

The authority to block and prohibit all transactions in all property and interests in property under subsection (c)(5) shall not include the authority to impose sanctions on the importation of goods.

(B) Good defined

In this paragraph, the term “good” has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)¹ (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

(2) Additional exceptions

The President shall not be required to apply or maintain the sanctions under subsection (a) or (b)—

(A) in the case of procurement of defense articles or defense services under existing contracts, subcontracts, or other business agreements, including ancillary or incidental contracts for goods, or for services or funding (including necessary financial services) associated with such goods, as necessary to give effect to such contracts, subcontracts, or other business agreements, and the exercise of options for production quantities to satisfy requirements essential to the national security of the United States—

(i) if the President determines in writing that—

(I) the foreign person to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services;

(II) the defense articles or services are essential;

(III) alternative sources are not readily or reasonably available; and

(IV) the national interests of the United States would be adversely affected by the application or maintenance of such sanctions; or

¹ See References in Text note below.

(ii) if the President determines in writing that—

(I) such articles or services are essential to the national security under defense coproduction agreements; and

(II) the national interests of the United States would be adversely affected by the application or maintenance of such sanctions;

(B) in the case of procurement, to eligible products, as defined in section 2518(4) of title 19, of any foreign country or instrumentality designated under section 2511(b)(1) of title 19;

(C) to products, technology, or services provided under contracts, subcontracts, or other business agreements (including ancillary or incidental contracts for goods, or for services or funding (including necessary financial services) associated with such goods, as necessary to give effect to such contracts, subcontracts, or other business agreements) entered into before the date on which the President publishes in the Federal Register the name of the foreign person with respect to which the sanctions are to be imposed;

(D) to—

(i) spare parts that are essential to United States products or production;

(ii) component parts, but not finished products, essential to United States products or production; or

(iii) routine servicing and maintenance of United States products, to the extent that alternative sources are not readily or reasonably available;

(E) to information and technology essential to United States products or production; or

(F) to food, medicine, medical devices, or agricultural commodities (as those terms are defined in section 8511 of this title).

(e) National security waiver

(1) In general

The President may waive the application of sanctions under subsection (a) or (b) with respect to a foreign person if the President—

(A) determines that the waiver is in the national security interest of the United States; and

(B) submits to the appropriate congressional committees a report on the determination and the reasons for the determination.

(2) Form of report

The report required by paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

(f) Transaction-specific national security waiver

(1) In general

The President may waive the application of sanctions under subsection (a) or (b) with respect to a specific transaction if the President—

(A) determines that the transaction is in the national security interest of the United States; and

(B) submits to the appropriate congressional committees a detailed report on the

determination and the specific reasons for the determination that a waiver with respect to the transaction is necessary and appropriate.

(2) Form of report

The report required by paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

(g) Notifications and certifications to Congress

(1) Imposition of sanctions

The President shall notify the appropriate congressional committees in writing not later than 15 days after imposing sanctions with respect to a foreign person under subsection (a) or (b).

(2) Termination of sanctions with respect to Russian producers, transferors, or brokers of defense articles

Subject to section 9511 of this title, the President may terminate the imposition of sanctions under subsection (a)(2) with respect to a foreign person if the President submits to the appropriate congressional committees—

(A) a notice of and justification for the termination; and

(B) a notice that—

(i) the foreign person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and

(ii) the President has received reliable assurances that the foreign person will not knowingly engage in activity subject to sanctions under subsection (a)(2) in the future.

(h) Implementation; penalties

(1) Implementation

The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out the purposes of this section.

(2) Penalties

The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, or conspires to violate, or causes a violation of, subsection (a) or (b) of this section, or an order or regulation prescribed under either such subsection, to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of the International Emergency Economic Powers Act.

(i) Termination

(1) In general

Except as provided in paragraph (2), this section, and sanctions imposed under this section, shall terminate on the date on which the President submits to the appropriate congressional committees a certification that the Government of the Russian Federation has ceased ordering, controlling, or otherwise directing, supporting, or financing, significant

acts intended to undermine the peace, security, stability, sovereignty, or territorial integrity of Ukraine, including through an agreement between the appropriate parties.

(2) Applicability with respect to Syria

The termination date under paragraph (1) shall not apply with respect to the provisions of subsection (a) relating to the transfer of defense articles into Syria or sanctions imposed pursuant to such provisions.

(Pub. L. 113–272, § 4, Dec. 18, 2014, 128 Stat. 2953; Pub. L. 115–44, title II, §§ 225, 229(a), Aug. 2, 2017, 131 Stat. 910, 915.)

TERMINATION OF SECTION

For termination of section, see subsection (i) of this section.

Editorial Notes

REFERENCES IN TEXT

The Export Administration Act of 1979, referred to in subsecs. (c)(4) and (d)(1)(B), is Pub. L. 96–72, Sept. 29, 1979, 93 Stat. 503, which was classified principally to section 2401 et seq. of the former Appendix to Title 50, War and National Defense, prior to editorial reclassification and renumbering as chapter 56 (§ 4601 et seq.) of Title 50, and was repealed by Pub. L. 115–232, div. A, title XVII, § 1766(a), Aug. 13, 2018, 132 Stat. 2232, except for sections 11A, 11B, and 11C thereof (50 U.S.C. 4611, 4612, 4613). Section 16 of the Act was classified to section 4618 of Title 50 prior to repeal.

The International Emergency Economic Powers Act, referred to in subsecs. (c)(4) and (d)(1)(B), is title II of Pub. L. 95–223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§ 1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

AMENDMENTS

2017—Subsec. (a)(3)(B)(ii). Pub. L. 115–44, § 229(a)(3), substituted “subsection (i)” for “subsection (h)”.

Subsec. (b)(1). Pub. L. 115–44, § 225, substituted “on and after the date that is 30 days after August 2, 2017, the President shall impose, unless the President determines that it is not in the national interest of the United States to do so,” for “on and after the date that is 45 days after December 18, 2014, the President may impose”.

Subsecs. (g) to (i). Pub. L. 115–44, § 229(a)(1), (2), added subsec. (g) and redesignated former subsecs. (g) and (h) as (h) and (i), respectively.

§ 8924. Sanctions on Russian and other foreign financial institutions

(a) Facilitation of certain defense- and energy-related transactions

The President shall impose, unless the President determines that it is not in the national interest of the United States to do so, the sanction described in subsection (c) with respect to a foreign financial institution that the President determines knowingly engages, on or after August 2, 2017, in significant transactions involving activities described in subparagraph (A)(ii) or (B) of section 8923(a)(2) of this title or paragraph (1) or (3) of section 8923(b) of this title for persons with respect to which sanctions are imposed under section 8923 of this title.

(b) Facilitation of financial transactions on behalf of specially designated nationals

The President shall impose, unless the President determines that it is not in the national in-

terest of the United States to do so, the sanction described in subsection (c) with respect to a foreign financial institution if the President determines that the foreign financial institution has, on or after the date that is 30 days after August 2, 2017, knowingly facilitated a significant financial transaction on behalf of any Russian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury, pursuant to—

(1) this chapter;

(2) Executive Order No. 13660 (79 Fed. Reg. 13,493), 13661 (79 Fed. Reg. 15,535), or 13662 (79 Fed. Reg. 16,169); or

(3) any other Executive order addressing the crisis in Ukraine.

(c) Sanction described

The sanction described in this subsection is, with respect to a foreign financial institution, a prohibition on the opening, and a prohibition or the imposition of strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by the foreign financial institution.

(d) National security waiver

The President may waive the application of sanctions under this section with respect to a foreign financial institution if the President—

(1) determines that the waiver is in the national security interest of the United States; and

(2) submits to the appropriate congressional committees a report on the determination and the reasons for the determination.

(e) Notification to Congress on imposition of sanctions

The President shall notify the appropriate congressional committees in writing not later than 15 days after imposing sanctions with respect to a foreign financial institution under subsection (a) or (b).

(f) Implementation; penalties

(1) Implementation

The President may exercise all authorities provided under sections 1702 and 1704 of title 50 to carry out the purposes of this section.

(2) Penalties

The penalties provided for in subsections (b) and (c) of section 1705 of title 50 shall apply to a person that violates, attempts to violate, or conspires to violate, or causes a violation of, subsection (a) or (b) of this section, or an order or regulation prescribed under either such subsection, to the same extent that such penalties apply to a person that commits an unlawful act described in section 1705(a) of title 50.

(g) Termination

This section, and sanctions imposed under this section, shall terminate on the date on which the President submits to the appropriate congressional committees the certification described in section 8923(i) of this title.

(Pub. L. 113–272, § 5, Dec. 18, 2014, 128 Stat. 2958; Pub. L. 115–44, title II, §§ 226, 229(b), Aug. 2, 2017, 131 Stat. 910, 915.)