

U.S. Rescinds General License for Nine State-Owned Entities in Belarus

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The U.S. Department of Treasury [announced today](#) that it would rescind a general license (“GL 2G”) authorizing transactions with nine state-owned petrochemical companies in Belarus that are Specially Designated Nationals (“SDNs”), and replace it with a [new general license \(“GL 2H”\)](#) which only authorizes transactions that are ordinarily incident and necessary to the wind down of business with the entities, or any party in which they have a 50% or greater interest, within 45 days.

The move comes amidst tensions following the reelection last year of Belarusian President (and SDN) Alexander Lukashenko. International observers have characterized the election as fraudulent, and Lukashenko’s government has reportedly jailed hundreds of political activists and opponents protesting the election’s outcome. In March 2021, the U.S. warned Lukashenko that, if he did not reverse course, it would not renew GL 2G, which had been renewed annually but was set to expire on April 26, 2021. Now the [Biden Administration has made good on that warning](#), announcing that “a further extension would be inconsistent with the Belarus Democracy Act and incompatible with American values,” because “[t]he nine state-owned enterprises ... finance and support the Lukashenko regime, facilitating its violent repression of the Belarusian people and repeated rejection of the rule of law.”

The nine entities are:

- Belarusian Oil Trade House
- Belneftekhim
- Belneftekhim USA, Inc.
- Belshina OAO
- Grodno Azot OAO
- Grodno Khimvolokno OAO

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- Lakokraska OAO
 - Naftan OAO
 - Polotsk Steklovolokno OAO

GL 2H only authorizes wind down transactions, and only for the next 45 days, until 12:01 a.m. eastern daylight time on June 3, 2021. As was the case with GL 2G, U.S. persons participating in transactions authorized by the GL that exceed \$50,000 must file a report with the U.S. Department of State within 30 days of the transaction. These reports must include: (1) the estimated or actual dollar value of the transaction, as determined by the value of the goods, services, or contract; (2) the parties involved; (3) the type and scope of activities conducted; and (4) the dates or duration of the activities. U.S. financial institutions are not required to file a report if there are other U.S. persons that are not financial institutions involved in the transaction.

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