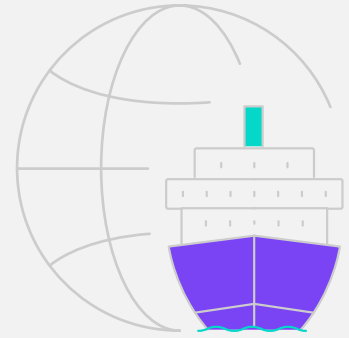


Sanctions brief

July 2026



The Commodities & Shipping Practice at Squire Patton Boggs highlights the following recent developments regarding US economic sanctions:

Iran

- **Temporary sanctions relief** – On 22 June, the Office of Foreign Assets Control (OFAC) issued General License (GL) X, providing substantive, but temporary, sanctions relief for Iran’s energy sector for the first time since 2016.
 - Subject to limitations, GL X authorizes US and non-US persons to engage in transactions necessary to the production, sale, offloading and delivery of Iranian-origin crude, petroleum products and petrochemicals until GL X expires on August 21, 2026, at 12:01 a.m. EDT.
 - GL X also authorizes US imports, US\$ transactions and dealings with certain blocked vessels (e.g., docking, anchoring, crewing, emergency repairs, environmental mitigation, salvage, vessel management, crewing, bunkering, piloting, registration, flagging, insurance and classification).
 - EU and UK sanctions remain in effect, and may be applicable to transactions authorized under GL X. Challenges may arise regarding insurance, financial services, logistics and other services.
 - Parties may be subject to restrictive sanctions clauses imposed by financial institutions, charterparties and other agreements.
 - GL X provides only temporary sanctions relief. Indeed, it is possible GL X could be revoked before it expires if US-Iran negotiations fall apart. This contingency should be addressed in relevant contracts, both with regard to the assignment of risk and setting realistic timelines for performance of all relevant transactions and activities.
- **Longterm sanctions relief** – Under a memorandum of understanding (MOU) signed on 17 June, a 60-day negotiation process is underway to reach a final agreement between Iran and the US. A final agreement, if reached, would provide long-term relief from US primary and secondary sanctions against Iran. Termination of sanctions is expected to be conditional and phased pursuant to an agreed schedule. Vice President J.D. Vance has emphasized that further sanctions relief will be contingent on Iran meeting its agreement obligations.
- **Strait of Hormuz** – The MOU reopened the Strait of Hormuz and initiated an end to the US naval blockade of Iranian ports. Under the agreement, passage through the strait is toll-free for 60 days, although it is unclear whether Iran will attempt to impose tolls at a later date. US and Iranian forces exchanged strikes from 25 to 28 June after Iran struck a commercial vessel in the strait, threatening the MOU’s status. However, both sides agreed to stand down and resume negotiations, leading to increased traffic in the strait. Before the strikes, reports indicated an increase in vessels crossing the strait with their automatic identification system (AIS) activated. Following the strikes, the number of vessels broadcasting their passage dropped, but traffic has rebounded again in recent days. Still, visible traffic is higher than it has been for several months.
- **Liquefied petroleum gas (LPG) exports** – New blocking sanctions were imposed on tank vessels, as well as a network of front companies in the UAE involved in exporting Iranian LPG to Asia. In many cases, such exports were carried out under false Omani certificates of origin.



Cuba

- **Energy** – The US Department of State designated Cuba's state-owned oil and gas company, Union Cuba-Petroleo (CUPET), on the Specially Designated Nationals and Blocked Persons (SDN) List pursuant to Executive Order (EO) 14404 (May 1, 2026), which expanded Cuba sanctions to authorize the blocking of non-US parties operating in Cuba's energy sector. The Trump administration announced it will "continue to target Cuba's ability to leverage energy trade." Also at risk are non-US persons engaged in Cuba's metals, mining, finance and defense sectors.
- **Grupo de Administración Empresarial SA (GAESA)** – OFAC issued FAQ 1258 to confirm the risk to non-US persons dealing with GAESA, the Cuban military-run conglomerate. GAESA is involved in Cuba's shipping and port sector, particularly port management (e.g., Port of Mariel), container terminals, warehousing, logistics and related services. GAESA typically acts through subsidiaries, like *Almacenes Universales SA (AUSA)*. Although GAESA was added to the SDN List in 2020, its designation in May 2026 by the US State Department under EO 14404 created new risk for non-US persons. Substantial transactions that benefit GAESA or its subsidiaries (directly or indirectly) expose non-US persons to secondary sanctions. Consequently, two major container companies announced they were suspending bookings to and from Cuba. This is dramatically reducing Cuba's shipping volume.
- **AUSA** – The US State Department sanctioned AUSA (a GAESA subsidiary) involved in logistics, warehousing, handling and transportation services, including port-related activities. Other Cuban entities involved in Cuban financial services, mining and steel production were also sanctioned.

Venezuela

- **Amended general licenses** – OFAC renewed and amended several GLs authorizing certain commodity and shipping transactions involving the Government of Venezuela (GoV), including GL 46C (oil and petrochemicals), GL 47A (US diluents), 48B (supply of certain items and services), GL 50B (oil and gas operations), GL 51B (minerals/gold), including GL 52A (certain transactions with PdVA) and GL 54A (mineral operations). Each GL is narrowly drawn and subject to terms and conditions. Generally, these GL amendments expand the permissible dispute venues for contracts with PdVSA to include the UK, France and Singapore, subject to conditions.

- **Contract terms** – Some of the Venezuela GLs require US law and specific dispute venues. OFAC has clarified in FAQ 1260 that US law must govern contract interpretation (e.g., performance, breach, remedies, payment obligations, termination, validity, assignment/novation and enforceability), but contract terms can recognize Venezuelan law concerning the underlying activity (e.g., governing exercise of Venezuela's sovereign regulatory authority, permits and licenses, concessions, labor, environmental, health and safety, etc.). Regarding venue, certain GLs require dispute proceedings to be in the US, UK, France or Singapore. If parties agree to arbitration, the procedural rules applicable are those agreed by the parties or the rules of internationally recognized institutions, or the rules of the seat of arbitration.

Russia

- **Petroleum services** – In a new FAQ 1216, OFAC clarified its January 2025 Determination prohibiting the export/reexport, or supply of "petroleum services" from the US (or by US persons) to Russia. These are services related to exploration, drilling, well completion, production, refining, processing, storage, maintenance, transportation, purchase, acquisition, testing, inspection, transfer, sale, trade, distribution or marketing of petroleum, including crude and products, as well as any activities that help Russia develop, maintain or expand its domestic petroleum production and refining resources. This includes services related to natural gas as a byproduct of oil production in Russia.
- **Metals and mining** – In a new FAQ 1117, OFAC clarified its Determination of February 2023, authorizing sanctions for operating in Russia's metals and mining sectors. This authority may be used to block non-US persons for activities with blocked persons in this sector. However, OFAC does not intend to block persons for providing goods or services solely for the health or safety of personnel, or the environment in these sectors (e.g., safety equipment and preventative or rescue efforts, etc.).
- **Liquefied natural gas (LNG)** – OFAC issued GL 55F, authorizing certain services related to Sakhalin-2.
- **Lukoil** – OFAC renewed GL 131 (131G) authorizing contingent contracts for the sale of Lukoil entities.

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