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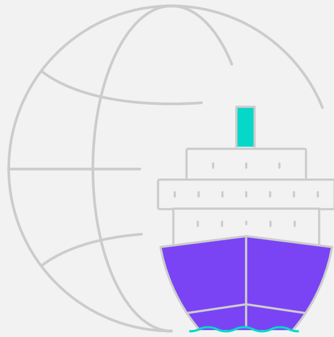

Sanctions brief

August 2026

Our Commodities & Shipping Practice highlights the following recent developments regarding US economic sanctions:

Iran

- **Revocation of sanctions relief** – Due to the resumption of hostilities between the US and Iran, the Office of Foreign Assets Control (OFAC) revoked General License (GL) X on 7 July, and replaced it with GL X1, authorizing the wind down of transactions previously authorized by GL X until 12:01 a.m. Eastern Daylight Time. Payment for any authorized wind down transactions must be made into a US blocked account.
- **US-Iran negotiations** – Diplomacy surrounding the Iran talks remains precarious. President Donald J. Trump has called off military strikes on Iran, stating the outlines of a deal were within reach. Iranians subsequently stated no direct talks with the US are expected, but Iranian and Omani representatives are meeting to discuss management of the Strait of Hormuz. The Saudis, in turn, following the visit of Defense Minister Khalid bin Salman to Washington DC on 30 July, have publicly called for deescalation. Other Gulf countries are avidly pursuing overland pipelines to avoid the Strait of Hormuz completely. It is unclear whether the memorandum of understanding (MOU) signed on 17 June will continue to be the basis for negotiations.
- **Strait of Hormuz** – OFAC designated the Persian Gulf Marine Insurance Company and HormuzSafe Marine Services Authority to the Specially Designated Nationals and Blocked Persons List (SDN List) for the central role they have played in coercing vessels to purchase "insurance" for safe passage through the Strait of Hormuz. OFAC has confirmed that such payments are presumed to be for the benefit of the Islamic Revolutionary Guard Corps (IRGC), triggering secondary sanctions. US Central Command states that it remains on high alert and is ready to assist commercial vessels seeking to cross the Strait of Hormuz, having supported over 1,000 ships in crossing since early May.
- **New designations** – OFAC designated numerous tankers, container vessels, individuals and entities, to the SDN List as part of its longstanding effort to degrade illicit shipping networks. Noteworthy is the targeting of the Dubai-based We Freight Shipping group and Singapore-based Sea Lead Shipping PTE Ltd and its subsidiaries (SeaLead). These sanctions have caused disruptions in containerized shipping due to the blocked status of numerous vessels and containers. OFAC issued GL Z to authorize the wind down of transactions involving SeaLead and certain other parties until 12 September 2026. OFAC also continued to designate vessels within Iran's shadow fleet and their owner/operators.

Cuba

- **Energy** – The US Department of State designated additional companies to the SDN List for operating in Cuba's energy sector. These sanctions are authorized by Executive Order (EO) 14404 (May 1, 2026), which expanded Cuba sanctions to permit the blocking of non-US parties operating in Cuba. The most recent targets include Centro de Investigaciones del Petroleo S.A. (CEINPET), which is engaged in oil exploration and research, as well as Empresa de Energia S.A. (ENERSA) and Einarbo S.A., both major importers of natural gas and lubricants.
- **Grupo de Administración Empresarial SA (GAESA)** – OFAC designated numerous entities to the SDN List pursuant to EO 14404, due to their affiliation with GAESA, the Cuban military-run conglomerate. An initial wave of designations included Coreydan S.A. and Enetec S.A., both from the fuels sector, the Grupo Empresarial de Transporte Maritimo Portuario (GEMAR), which includes 32 companies from the sector and the Grupo Empresarial de Comercio Exterior (GECOMEX) – a group that manages over 20% of Cuban imports and encompasses entities like Alimport, Cubaexport and Quimimport. A subsequent wave of designations included Terminal de Contenedores de Mariel S.A., Cuba's principal container terminal, and its subsidiary, Coral Maritima S.A.

Venezuela

- **Foreign Government Deposit Funds (FGDFs)** – OFAC issued guidance on how to make payments to FGDFs, which are required under certain general and specific licenses issued by OFAC to permit transactions involving the government of Venezuela.

Russia

- **New legislation** – The Sanctioning Russia Act of 2026, introduced in the US Senate on 14 July, includes new sanctions and tariffs against Russia and extends current sanctions on Iran. In addition to new sanctions targeting Russia's shadow fleet and state-owned energy projects, the latest version of the bill provides for "secondary tariffs" up to 100% on goods from the five largest purchasers of Russian crude oil (currently, China, India, Slovakia, Hungary and Azerbaijan) and Russian natural gas (currently, China, France, Japan, Hungary and Belgium). The bill provides an exception for countries whose imports of Russian natural gas for a 12-month period were less than 15% of Russia's total gas exports for the same period. Despite broad bipartisan support, Republican leadership has yet to schedule a final vote on the measure before the chamber is scheduled to adjourn for the August recess.
- **Lukoil** – OFAC renewed GL 131 (131H) authorizing contingent contracts for the sale of Lukoil entities. The scope of authorized transactions is explained in two new frequently asked questions (FAQs), 1224 and 1225.

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