

Trump Escalates Sanctions Against Russia

October 30, 2025

by Lawrence Ward, Dave Townsend, T. Augustine Lo, and Paula Ortiz Cardona

On October 22, 2025, President Trump imposed new sanctions targeting Russia's oil and gas sector in response to a "lack of serious commitment to a peace process to end the war in Ukraine." This is the first major escalation of Russian sanctions by the Trump Administration in his second term.

Summary of Sanctions

The new sanctions target Russia's two largest oil companies, Lukoil OAO ("Lukoil") and Open Joint Stock Company Rosneft Oil Company ("Rosneft"). The Department of the Treasury Office of Foreign Assets Control ("OFAC") has now added Lukoil and Rosneft to its List of Specially Designated Nationals and Blocked Persons ("SDN List"). OFAC designated Rosneft and Lukoil under E.O. 14024, which authorizes sanctions against the Russian energy sector.^[1] OFAC also designated a number of Russia-based subsidiaries of both Rosneft and Lukoil. (A list of these subsidiaries is available in Annex 1 below, which is a summary taken from the OFAC announcement.)

U.S. persons are prohibited from having any transactions broadly defined with entities on the SDN List. In addition, under OFAC's 50% Rule, any entities owned individually or in the aggregate, directly or indirectly, 50% or more by one or more of the designated entities are also subject to blocking sanctions, even if not explicitly included on the SDN List.

As a result of these actions, any property or interests in property in the United States or in the possession or control of a U.S. person that belong to a designated entity are blocked (legally frozen) and must be reported to OFAC. No U.S. person may conduct any transaction involving any such blocked property or interest in property except as may be authorized by an OFAC specific or general license. These OFAC prohibitions also preclude any U.S. person from contributing funds, goods, or services by, to, or for the benefit of any designated person or entity or from receiving any contribution of funds,

Related People

- Lawrence Ward
- Dave Townsend
- T. Augustine Lo
- Paula Ortiz Cardona

Related Capabilities

- Government Enforcement & Corporate Investigations
- Government Contracts Counseling & Litigation
- Corporate Governance & Compliance
- International Trade

goods, or services from any such sanctioned person.

In addition, OFAC concurrently issued four general licenses (“GLs”), which allow for limited continuation of transactions that would otherwise be prohibited under EO 14024:

- GL 124A: Authorizes certain transactions related to the Caspian Pipeline Consortium or Tengizchevroil projects.
- GL 126: Authorizes transactions that are ordinarily incident to the wind down of any transaction involving one or more newly designated entities (Rosneft, Lukoil, or listed subsidiaries).
- GL 127: Authorizes transactions that are ordinarily incident and necessary to the divestment or transfer, or the facilitation of the divestment or transfer, of debt or equity issued or guaranteed by the newly designated entities.
- GL 128: Authorizes transactions that are ordinarily incident and necessary to the purchase of goods and services from, or the maintenance, operation, or wind down of Lukoil retail service stations located outside of Russia.^[1]

GLs 126, 127, and 128 will remain in effect through 12:01 a.m. (EST) on November 21, 2025.

Key Takeaways

These new measures broaden the scope of prohibited dealings for U.S. companies and increase the risk of secondary sanctions targeting non-U.S. entities and financial institutions that engage in or facilitate dealings connected to Russia’s energy sector. Both U.S. and non-U.S. companies are subject to additional exposure risks. Companies should ensure robust monitoring, screening, and compliance controls. Given the sprawling and extensive economic reach of Lukoil and Rosneft globally, companies should examine whether they are exposed to new risks as a result of these new sanctions or have any obligations to freeze and report frozen property interest to OFAC.

Dorsey’s attorneys in its National Security Law Group regularly counsel clients to address and mitigate the impact of U.S. economic sanctions, trade embargoes, and export controls.

^[1] Treasury sanctions Major Russian Oil Companies, Calls on Moscow to Immediately Agree to Ceasefire (October 22, 2025) available at: <https://home.treasury.gov/news/press-releases/sb0290>.

^[2] In 2022, there were approximately 230 Lukoil gas stations in the United States primarily located in New York, New Jersey and Pennsylvania. See <https://www.cnn.com/2022/03/01/business/russia-lukoil-boycott>.