

Morgan Stanley to Go Ahead With Rosneft Deal Despite Sanctions

By [The Moscow Times](#)

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NEW YORK — Morgan Stanley does not believe new U.S. sanctions on Russian oil company Rosneft will affect a pending deal between the two companies, the bank's chief financial officer said Thursday.

The bank's management is moving ahead with plans to sell the majority of its global physical oil trading operations to Rosneft later this year, CFO Ruth Porat said in an interview.

"Recognizing the guidance was just released last night, we do not believe it applies to our transaction," she said. "We continue to do all the work necessary for closing by the end of the year, obviously subject to regulatory approval."

Her comments come a day after the U.S. government imposed its toughest sanctions yet on some of the key players in the Russian economy over what Washington says is Moscow's reluctance to curb violence in Ukraine. The move closed off medium- and long-term dollar

funding to Rosneft, the country's second-largest gas producer Novatek and its third-largest bank, Gazprombank.

The measures stopped short of freezing the companies' assets, restricting the short-term funding the companies need for day-to-day operations or stopping U.S. firms doing business with them.

But they had raised some doubts about whether mounting political tensions with Moscow could complicate the bank's deal to sell the majority of its global physical oil trading operations to Russia's largest oil producer.

The Wall Street bank agreed to the sale in December before Russia launched an incursion into Ukraine's Crimean peninsula.

It recently submitted the transaction for review by the U.S. Committee on Foreign Investment, or CFIUS, an inter-agency executive branch panel that examines foreign investment for potential threats to national security.

See also:

[U.S. Sanctions Hit Rosneft's Dollar Financing, but Spare Partners BP and Exxon](https://www.themoscowtimes.com/2014/07/17/morgan-stanley-to-go-ahead-with-rosneft-deal-despite-sanctions-a37446)

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