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Investors Given Extra Month to Divest of Russia's Sanctions-hit Rusal

By Reuters

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Ilya Naymushin / Reuters

The U.S. Treasury on Tuesday gave investors an additional month to divest or transfer their holdings in sanctions targets United Company Rusal Plc, En+ Group Plc and GAZ Group.

Washington last month imposed sanctions on Russian billionaire Oleg Deripaska and several companies in which he is a large shareholder, including Rusal, En+ and GAZ, in response to what the United States called Russia's "malign activities."

Deripaska's En+ Group holds his 48 percent stake in Rusal, Russia's largest aluminum producer, while his Russian Machines conglomerate owns 61 percent of vehicle maker GAZ.

The Treasury said in a statement it extended the deadline to divest financial holdings in the companies to June 6 from May 7.

The extension on investments followed a U.S. Treasury announcement last week that it would give American companies until Oct. 23 instead of June 5 to wind down business with Rusal.

Rusal will overhaul its board and management in hopes of persuading the United States to lift the sanctions, which have led customers to stop buying its aluminum, sources close to the company told Reuters last month.

Deripaska has also agreed in principle to reduce his stake in En+ after the United States said it could remove Rusal from the sanctions list if he ceded control.

A representative for the U.S. Treasury said that did not guarantee the end of sanctions for the company.

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