

U.S., U.K. Unveil Sweeping Sanctions Against Russia's Oil Sector

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Kirill Kukhmar / TASS

Washington on Friday [imposed](#) some of its most sweeping sanctions on Russia's oil industry since the full-scale invasion of Ukraine, targeting two Russian oil majors, as well as Russian oil executives, traders, oilfield service providers and insurers.

Oil prices [soared](#) to more than \$80 per barrel ahead of the news on Friday, as rumors swirled that the anticipated sanctions package on Russian crude exports would tighten supplies in global markets.

The U.S. Treasury identified Gazprom Neft and Surgutneftegaz, with more than two dozen of their subsidiaries around the world including Luxembourg, as "two of Russia's most significant oil producers and exporters."

The sanctions also target a shadowy network of traders willing to ship and sell Russian oil and 183 vessels, including "shadow fleet" tankers that Russia uses to sidestep a Western embargo on oil exports.

Insurance providers Ingosstrakh and Alfastrakhovanie were also designated in the sanctions. The two insurers cover most of the ships that supply Russian oil to India, which has become the country's biggest buyer since Russia was cut off from European markets over the war.

Embed:

Ladies and gentlemen, the newly sanctioned tanker fleet. Seems like a lot of them...
h/t [@TankerTrackers pic.twitter.com/KYpr758yyx](https://twitter.com/KYpr758yyx)

— Ed Finley–Richardson (@ed_fin) [January 10, 2025](#)

The new restrictions will force Indian refiners to avoid accepting Russian oil in sanctioned tankers or insured by sanctioned firms, Reuters [reported](#) earlier on Friday, citing anonymous Indian refining sources. One of the sources said Russia could cut prices to below \$60 to allow the use of Western insurance and tankers as part of the G7 price cap.

The U.S. Treasury said it would allow for a transition period to complete some energy-related transactions until March 12. The sanctions also ban providing U.S. oil production services to Russia starting on Feb. 27.

“This new determination strengthens the ability of Treasury and State to target revenue... that Russia uses to fuel its brutal war against Ukraine and other harmful foreign activities,” the Treasury Department said in a statement.

At the same time, the U.K. government announced sanctions against Gazprom Neft and Surgutneftegaz, saying their profits were "lining [Russian President Vladimir] Putin's war chest and facilitating the war" in Ukraine.

Friday's U.S. sanctions are the most significant to be imposed on Russia's energy sector, senior administration officials told reporters, noting that they expect them to cost the Russian economy “upward” of billions of dollars each month.

Officials said that they are designed to give the United States additional leverage to help broker a “just peace” between Ukraine and Russia.

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The announcement of fresh sanctions comes just 10 days before U.S. President Joe Biden is due to step down, and puts President-elect Donald Trump in a potentially awkward position given his stated desire to end the Ukraine war on day one of his presidency.

The timing of the decision was influenced by the relative strength of the oil sector and the U.S. economy, according to senior administration officials, who noted that both oil prices and inflation had fallen significantly since Russia's invasion of Ukraine in February 2022.

Asked earlier Friday about possible fresh sanctions against Russia, Kremlin spokesman Dmitry Peskov said the Biden administration was trying "to leave [incoming U.S. President Donald] Trump as heavy a legacy as possible."

AFP contributed reporting.

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