



**ARBITRATION
CENTRE**

at the Russian Union
of Industrialists
and Entrepreneurs

On the inclusion of the Russian association of employers RSPP on the SDN list

On the 11th of August, 2023, the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC) added the Russian association of employers “The Russian Union of Industrialists and Entrepreneurs” (RSPP; Registration number 1067746348427; Tax ID 7710619969) to the Specially Designated Nationals List (SDN). The sanctions also apply to any entities that directly or indirectly belong to this association or are owned by this association by 50 percent or more.

Inclusion on the SDN list requires U.S. persons to freeze the assets of this association and not to enter into any transactions with it. U.S. persons for whom sanctions compliance is mandatory are U.S. citizens and permanent residents of the United States; legal entities organized under the laws of the United States, including their foreign branches and representative offices; and any person located in the United States.

In relation to the imposition of sanctions and in order to avoid undesirable errors and interpretations, we would like to inform you that the Arbitration Centre was formed under the Russian public organization “The Russian Union of Industrialists and Entrepreneurs” (RSPP; Registration number 1037700126540; Tax ID 7710014258). The above-mentioned information is contained in the Resolution of the Government of the Russian Federation No. 798-p dated 27.04.2017, which granted the Russian public organization RSPP the right to perform the functions of an arbitration institution and which is publicly available on the Internet at <http://government.ru/docs/27508/>. This information is also contained in the Regulation on the Arbitration Centre, deposited within the Ministry of Justice of Russia and available on the Internet at <https://minjust.gov.ru/ru/pages/deponirovannye-pravila-arbitrazha/#section-1212>, as well as on the website of the Arbitration Centre itself at <https://arbitration-rspp.ru/en/documents/statute/>.

The Russian public organization RSPP and the Russian association of employers RSPP under the terms of their charters are separate, self-consistent legal entities with different legal status, objectives and organizational structure. The Russian association of employers is neither a founder nor a participant of the Russian public organization, does not exercise any management of the Russian public organization activities.

Information on the functioning of these two different legal entities – the Russian public organization RSPP and the Russian association of employers RSPP – is publicly known, is openly available on the Internet and must have been available to OFAC. Thus, the OFAC's decision to impose sanctions on the Russian association of employers RSPP was formulated in a clear and precise manner, taking into account the existence of each of the aforementioned legal entities, and is not subject to an expansive interpretation.

It is worth underlining the fact that sanctions were imposed on the Russian association of employers RSPP owing to certain activities in the field of import substitution, technological independence and technology development, as well as some activities related to sanctions retaliation. At the same time, the Arbitration Centre is an independent permanent arbitration institution, which performs exclusively arbitration administration activities (paragraph 1 of Article 1 of the Regulation on the Arbitration Centre) and is neither involved in any way in the issues that served as the basis for the addition of the Russian association of employers RSPP to the SDN list, nor is it connected with the sectors whose activities are targeted by the U.S. sanctions. Moreover, we note that Russia and the United States are both parties to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the main purpose of which is to prevent any discrimination, including politically based ones, against foreign arbitral awards and which recognizes the importance of international arbitration as a means of settling international commercial disputes.

Along with all the above-mentioned, being a subdivision of the Russian public organization RSPP by virtue of an imperative rule of law, the Arbitration Centre has a high degree of independence (autonomy), and its bodies and authorized persons perform their functions independently from the Russian public organization RSPP, its members, bodies and officials (paragraph 2 of article 10 of the Regulation on the Arbitration Centre).

In the view of the aforesaid, it should be stated that the sanctions imposed by the US Department of the Treasury on the Russian association of employers RSPP do not apply to the Arbitration Centre and will not affect the procedure of administration of arbitration, including international disputes.

Nevertheless, in the event of any difficulties arising from the imposition of the specified sanctions, including the issues of recognition and enforcement in foreign jurisdictions of arbitral awards rendered the Arbitration Centre, our experts are ready to provide all the necessary consulting and methodological assistance in cooperation with both national and international competent authorities and courts in order to ensure proper protection of the interests of arbitration participants.

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