

Buying Petroleum Products in Russia

Buying petroleum products: beware fraud

Be aware of fraudulent schemes that might affect potential petroleum products' buyers. Many Singapore companies are seeking out supply sources of petroleum products (among them mazut M-100, diesel D-2, jet fuel and others) from Russia in the Internet.

There are lots of companies over there who claim to be ready to sell products of the Russian origin in high volumes on a long-term basis. Unfortunately, some of them are fake (fraudulent) companies using bogus documents and/or letterheads of corporate names of major Russian oil corporations (like Rosneft, LukOil etc.).

Usually the fraudulent seller claims to be able to supply petroleum products in high volumes subject to advance payment of significant amount and/or some "mandatory" fees (like export license fee, title transfer fee, registration fee etc.). After receiving money they disappear without a trace.

Russia is one of the world's major petroleum products exporter and the overwhelming majority of deals are made by the Russian Majors on long-term basis with their established partners.

In case you find a broker in the Internet and did not happen to visit the company office in Russia or to know and trust the people behind it, please, bear in mind the following:

- There are no export license requirements in Russia for petroleum products. So if your potential counterpart requests you to pay for an export license, it's a scam.
- The Russian laws do not provide for any title transfer fee for petroleum products. You might be interested to know that the only case in which you need to officially transfer your title for a property is selling/buying real estate. Petroleum products are not considered as real estate under the Russian laws (and, we guess, under no countries' laws);
- If you don't know your counterparty really well it might be appropriate to use a letter of credit as the method of payment. You may also opt for performance bond;
- No Russian Federal or Regional Authority is entitled to receive any money from foreign companies directly to their accounts (especially in a foreign currency). If you're asked to pay for something allegedly to one of the Russian Authority and they're the direct payees with accounts in some privately owned banks, it's 100 % a scam;
- Hire Russian lawyer. There are many large, medium and even small legal firms in Russia that could help you protect your interest and money at relatively low price.

We hope that these tips could be of interest to all companies involved in transactions with petroleum products of the Russian origin and help to avoid losses.

Here's a list of major Russian refineries with links to their websites (some of them have information about the above-described scams):

Refinery	Corporation	Website link
Ufa Refineries	Bashneft JSC	http://www.bashneft.com/custom/export/ http://www.surgutneftegas.ru/en/sales/
Kirishnefteorgsintez (LLC "KINEF")	Surgutneftegaz OJSC	http://www.surgutneftegas.ru/en/sales/sbit_obshestva/ http://onpz.gazprom-neft.ru/company/contacts/ http://www.gazprom-
Omsky Refinery	Gazprom OJSC	neft.com/business/exports.php http://www.rosneft.com/Downstream/refining/Refineries/Kuibyshev_Refinery/
Samara Refinery	Rosneft OJSC	http://www.nnos.lukoil.ru/main/static.asp?art_id=2695
Lukoil-Nizhegorodnefteorgsintez	Lukoil OJSC	http://www.refinery.yaroslavl.su/index.php?module=content&mode=pages&name=kontakti
Yaroslavnefteorgsintez	Slavneft OJSC	http://www.eng.pnos.lukoil.com/main/default.asp
Lukoil-Permnefteorgsintez	Lukoil OJSC	http://www.vnpz.lukoil.com/main/static.asp?art_id=658
Lukoil-Volgogradneftepererabotka	Lukoil OJSC	
Salavatnefteorgsintez	Gazprom OJSC	http://eng.gpns.ru/ http://www.rosneft.com/Downstream/refining/Refineries/Tuapse_Refinery/
RN Tyapsinky Refinery	Rosneft OJSC	http://www.rosneft.com/Downstream/refining/Refineries/Komsomolsk_Refinery/
RN Komsomoljsky Refinery	Rosneft OJSC	http://www.rosneft.com/Downstream/refining/Refineries/Angarsk_Refinery/
Angarskay NHK	Rosneft OJSC	http://www.rosneft.com/Downstream/refining/Refineries/Achinsk_Refinery/
Anchinsky Refinery	Rosneft OJSC	http://en.taifnk.ru/
TAIF-NK	independent	
Orsknefteorgsintez	independent	http://www.ornpz.ru/o-kompanii/kontaktyi.html