

News 01 Aug, 2022

Ukraine Conflict - new UK trade restrictions



Tony Paulson
Corporate Director

On 21 July 2022 the UK government imposed further trade restrictions against Russia under The Russia (Sanctions) (EU Exit) (Amendment) (No. 14) Regulations 2022 which amend The Russia (Sanctions) (EU Exit) Regulations 2019) (“the Regulations”). A copy of the consolidated Regulations can be found [here](#).

The new restrictions include a ban on the import of Russian oil and coal into the UK and the export of key industrial goods to Russia. It also expands existing restrictions in relation to the provision of energy-related goods and services to Russia. These new prohibitions (which are summarised below) extend to the provision of technical assistance, financial services (which includes insurance or reinsurance) or brokering services.

As a general reminder, UK sanctions apply to all persons within the UK and to all UK citizens and UK incorporated entities (including their branches) wherever they are in the world.

Oil and Oil Products

It is prohibited on or after **31 December 2022** to:

- import oil and oil products (as defined in Schedule 3F of the Regulations by reference to their commodity codes) which are consigned from or originate in Russia;
- directly or indirectly acquire oil and oil products which originate in or are located in Russia with the intention of those goods entering the UK; or
- directly or indirectly supply or deliver oil and oil products from a place in Russia to the UK.

There is an exception to these prohibitions if the oil or oil products originate in a country other than Russia, are not owned by a person connected with Russia and are only being loaded in, departing from or transiting through Russia.

Coal and Coal Products

It is prohibited on or after **10 August 2022** to:

- import coal and coal products (as defined in Schedule 3H of the Regulations by reference to their commodity codes) that are consigned from, or originate in Russia;
- directly or indirectly acquire coal and coal products that originate in, or are located in Russia with the intention of those goods entering the UK; or
- directly or indirectly supply or deliver coal and coal products from a place in Russia to the UK.

Energy-related goods

The Regulations expand existing restrictions in relation to energy-related goods (which are defined in Part 2 of Schedule 3 of the Regulations). It is prohibited to:

- export energy-related goods to or for use in Russia;
- directly or indirectly supply or deliver energy-related goods from a third country (defined as a country that is not the UK, the Isle of Man or Russia) to a place in Russia; or
- directly or indirectly making energy-related goods available to a person connected with Russia.

There is an exception to the prohibition on providing financial services relating to energy-related goods i.e. it is not prohibited to provide insurance or reinsurance to a person not connected with Russia, with regard to that person's activities outside the energy sector in Russia.

The Regulations also broaden the prohibition on providing energy-related services ("specified services") which comprise drilling, well testing, logging and completion services or the supply of specialised floating vessels, which was previously limited to oil exploration or production projects in Russia which were in waters deeper than 150 metres, or in the offshore area north of the Arctic Circle or that had the potential to produce oil from shale formations by way of hydraulic fracturing. This prohibition has been extended so that it is prohibited to provide energy-related services to all oil and gas exploration and production projects in Russia.

G7 dependency and further goods list

It is prohibited to export, supply or deliver to Russia or make available to a person connected with Russia or for use in Russia, a new category of restricted goods known as “G7 dependency and further goods list” (which are listed in Schedule 3E of the Regulations). It includes a broad range of chemicals, machinery and electrical appliances used in the commercial and industrial sectors.

Gold

It is prohibited to import gold (as defined in Schedule 3G of the Regulations) from Russia or acquire, supply or deliver gold which has originated in Russia with the intention of it entering the UK.

As referred to above, these restrictions include prohibitions against the provision of insurance and reinsurance in relation to the listed goods and services. Members should be aware that even if they are not directly impacted by these Regulations, the Club may not be able to provide cover in respect of these trades or activities because it may be subject to UK for certain of its operations. Members are therefore strongly advised to contact the Managers if they have any queries regarding these Regulations.