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## Ukraine Conflict - EU adopts further sanctions against Russia



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**On 8 April 2022 the EU adopted a fifth package of sanctions on Russia, comprising of several Regulations and Decisions.**

Council Regulation (EU) 2022/581 and Council Decision (CFSP) 2022/582, listed an additional 216 individuals and 18 entities, including Bank Otkritie FC Bank; Novikombank; Sovcombank; VTB Bank and JSC GTLK State Transport Leasing Company.

Council Regulation 2022/576 and Decision (CFSP) 2022/578 included the following prohibitions:

- The purchase, import or transfer of coal and other solid fossil fuels into the EU if they originate in Russia or are exported from Russia, including in transit. An exemption is available until 10 August 2022 for contracts concluded before 9 April 2022.

- Access after 16 April 2022 to ports in the EU to vessels registered under the flag of Russia (and to vessels that have changed their Russian flag or registration to the flag or register of other states after 24 February 2022), except in the case of a vessel seeking a place of refuge or an emergency port calls for maritime safety or for the purposes of saving life at sea.

Exemptions may be granted by the competent authorities for port access that is deemed necessary for the following purposes:

(a) the purchase, import or transport into the Union of natural gas and oil, including refined petroleum products, titanium, aluminium, copper, nickel, palladium and iron ore, as well as certain chemical and iron products as listed in Annex XXIV;

(b) the purchase, import or transport of pharmaceutical, medical, agricultural and food products, including wheat and fertilisers whose import, purchase and transport is allowed under the Regulation;

(c) humanitarian purposes;

(d) transport of nuclear fuel and other goods strictly necessary for the functioning of civil nuclear capabilities; or

(e) the purchase, import or transport into the Union of coal and other solid fossil fuels, as listed in Annex XXII until 10 August 2022.

- The sale, supply, transfer or export as well as related technical and financial assistance to any person in Russia or for the use in Russia of jet fuel and certain fuel additives (as listed in Annex XX), as well as goods and technology which could contribute in particular to the enhancement of Russian industrial capacities (as listed in Annex XXIII and for which an exemption is available until 10 July 2022 for contracts concluded before 9 April 2022).

- The purchase, import, or transfer into the EU, as well as financial assistance, if originating in Russia or exported from Russia, of goods which generate significant revenues for Russia, including (among other things) wood, cement, fertilisers and seafood (as listed in Annex XXI). An exemption is available until 10 July 2022 for contracts concluded before 9 April 2022.

- The sale, supply, transfer, or export, directly or indirectly, goods and technology suited for use in oil refining and liquefaction of natural gas (as listed in Annex X) whether or not originating in the Union, to any natural or legal person, entity or body in Russia or for use in Russia.

- Otkritie FC Bank, Novikombank, Sovcombank and VTB Bank are subject to a transaction ban and asset freeze save for release of funds until 9 October needed to conclude contracts concluded before 8 April

Decision (CFSP) 2022/578 also extends:

- The exemption from the prohibition to engage in transactions with certain State-owned entities as regards transactions for the purchase, import or transport of fossil fuels and certain minerals into Switzerland, the European Economic Area and the Western Balkans.
- The exemptions from the prohibition on transaction with certain Russian State-owned enterprises and their subsidiaries to countries in the European Economic Area and Switzerland as well as to the Western Balkans.

It should be noted that the various exemption periods only apply to the performance of contracts concluded before the indicated dates and Members are therefore advised to check the date on which the underlying sales contract was entered into to ensure that they are not in breach of sanctions in performing a voyage even before the exemption period has expired, and that Club cover remains in place.

Members are also reminded that EU sanctions apply in the following circumstances: within the territory of the Union, including its airspace; on board any aircraft or any vessel under the jurisdiction of a Member State; to any person inside or outside the territory of the Union who is a national of a Member State; to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State; to any legal person, entity or body in respect of any business done in whole or in part within the Union.

Any Member with questions regarding these or any other sanctions measures are asked to contact the Managers.