

Ukraine Conflict - significant new EU sanctions



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The European Union announced a significant expansion of sanctions against Russia in light of the deteriorating situation in Ukraine on 25 February 2022.

Regulation 2022/328 sets out a wide package of measures and copy can be found [here](#). Members who might be impacted by these new measures are encouraged to read the Regulation in full.

The measures of particular potential impact on Members and Clubs are summarised as follows:

- Prohibition on the sale, supply, transfer or export of dual-use goods and technology (that is, goods which have both a potential civil and military application, a list of which can be found in Annex I to EU Regulation 2021/821). Certain limited exemptions are permitted under authorisation from a competent EU authority, including for performance of contracts concluded before 26 February 2022 involving non-military end users provided the authorisation is sought before 1 May 2022;
- Prohibition on the sale, supply, transfer or export of goods and technology which might contribute to Russia's military and technological enhancement, or development of the defence and security sector, as listed in Annex VII of the Regulation (noting in particular a specific category for marine-related goods in Category 8), with similar limited exemptions and authorisation procedures as above;
- Prohibition on the sale, supply, transfer or export of goods and technology suited for use in oil refining as listed in Annex X of the Regulation, with an exemption until 27 May 2022 for the performance of contracts concluded before 26 February 2022;
- Prohibition on the sale, supply, transfer or export of goods and technology suited for use the aviation and space industries as listed in Annex X of the Regulation, with an exemption until 28 March 2022 for the performance of contracts concluded before 26 February 2022;
- Prohibition on the supply of investment services to various Russian financial institutions and -more particularly for the shipping sector - on the supply of investment services connected with transferable securities and money-market instruments after 12 April 2022 as well as any new loans or credit after 26 February 2022 to, inter alia, the following entities:
 - Novorossiysk Commercial Sea Port
 - Sovcomflot
 - United Shipbuilding Corporation

However, these measures do not appear to preclude otherwise engaging with these parties and does not, for example, prevent ships calling at ports and terminals operated by Novorossiysk Commercial Port or the payment of port dues and fees for doing so (please see our News Item of 1 March 2022);

- Prohibition on the acceptance of any deposit from Russian nations or persons residing in Russia or legal bodies established in Russia exceeding €100,000, with certain exemptions.

Members should note that many of the above provisions also include prohibitions against the provision of insurance and reinsurance for the listed activities. As a consequence, even if a Member is not directly impacted by the Regulation (because, for example, they are domiciled outside the EU), the Club may not be able to provide cover for engaging in these activities. Members are strongly encouraged to contact the Club accordingly before engaging in any of these trades.

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.

Sanctions are subject to rapid and substantial change with little or no notice in response to events on the ground in Ukraine. Members with any questions are asked to contact the Managers.