



JAPAN P&I NEWS

To the Members

EU impose further sanctions on Russia

On 15 March 2022 the EU adopted a fourth package of sanctions in response to Russia's military aggression against Ukraine.

The EU has designated 15 individuals including Russian oligarchs and 9 entities operating in the Russian aviation, military, shipbuilding and machine building sectors, to the EU sanctions list ([Council Implementing Regulation \(EU\) 2022/427](#)). The designated entities include: Rosneft Aero; JSC Rosoboronexport; JSC NPO High Precision Systems; JSC Kurganmashzavod; JSC Russian Helicopters; PJSC United Aircraft Corporation; JSC United Shipbuilding Corporation; JSC Research and Production Corporation Uralvagonzavod, and JSC Zelenodolsk Shipyard (A. M. Gorky Zelenodolsk Plant).

Members should be aware that where an individual is listed, an ownership and control analysis should be undertaken to establish any impact on a linked company with which they are transacting. The [Commission Opinion of 8th June 2021](#) is helpful in identifying the factors to take into account and the approach to be taken.

The other measures ([Council Regulation \(EU\) 2022/428](#) amending EU Regulation no. 833/2014) include:

- Prohibition on the sale, supply, transfer or export of equipment or technology (whether or not originating in the EU) which is listed in Annex II to a person or entity in Russia or for use in Russia. Annex II includes certain goods and technology suited to certain categories of exploration and production projects. It is also prohibited to provide technical assistance or financial assistance (which is defined to include insurance or reinsurance) in respect of these activities. However, this ban does not apply to the transport of fossil fuels, in particular coal, oil and natural gas from or through Russia into the EU. There is an exemption until 17 September 2022 for the performance of contracts concluded before 16 March 2022 provided that the competent authority of the EU member state has been given five working days prior notice.
- Ban on new investments in the Russian energy sector, which includes creating any new joint venture with an entity incorporated or constituted under Russian law or any other third country.
- Ban on the import or transport of iron and steel products listed in Annex XVII into the EU if they originate in Russia or have been exported from Russia. This includes a ban on providing insurance or reinsurance. However, there is an exemption until 17 June 2022 for the performance of contracts concluded before 16 March 2022.
- Prohibition on transactions with certain state-owned Russian companies listed in Annex XIX. There is an exemption until 15 May 2022 for performance of contracts concluded before 16 March 2022. This ban does not apply to:

- transactions which are strictly necessary for the purchase, import or transport of fossil fuels, in particular, coal, oil and natural gas, as well as titanium, aluminium, copper, nickel, palladium and iron ore from or through Russia into the EU; or to
- transactions related to energy projects outside Russia in which the companies listed in Annex XIX is a minority shareholder.
- Prohibition from 15 April 2022 on the provision of credit rating services or providing access to any subscription services in relation to credit rating activities to Russian clients.
- Prohibition on the sale, supply, transfer or export directly or indirectly of luxury goods as listed in Annex XVIII from the EU to Russia.

Members should note that some of the above provisions 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.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association