



MARITIME ACTIVITIES CONSULTANTS S.A.

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**Subject: "SANCTIONS INFORMATION NOTICE:
Ukraine Conflict - EU adopts eighth sanctions package against Russia –
Increased Maritime Relevance"**

Summary: The current Newsletter informs interested parties of the recent adoption of the additional European Union restrictive measures with significant maritime relevance, in view of the gravity of the situation in Ukraine, as reflected in new legal acts adopted by the Council of the E.U. on 6th October 2022 (8th Package of restrictive measures).

Background

1. The geopolitical, economic, and financial implications of the current situation in Ukraine are clear, as the war has disrupted global commodities markets, especially for agrifood products and energy. Council Regulation (EU) 2022/1909 ([Publications Office \(europa.eu\)](https://publications.europa.eu)), which further amends Council Regulation 2014/833 was published on the 6th of October 2022. As well as imposing an asset freeze on a number of new individuals and entities, the Regulation contains a wide variety of provisions of particular relevance to shipping and maritime operations at large.

Russian Maritime Register of Shipping

2. The Russian Maritime Register of Shipping has been added to the list of Russian state-owned entities, as listed in Annex XIX of the Regulation and subject to the restrictions under Article 5aa of the Regulation. According to the European Commission the Russian Maritime Register, a 100% State-owned entity, which performs activities related to the classification and inspection, including in the field of security, of Russian and non-Russian ships and crafts, has been added to the list of state-owned entities that are subject to the transaction ban. This according to the European Commission prohibits the provision of any sort of economically valuable benefit to the Russian Maritime Register. EU entities are consequently prohibited from directly or indirectly engaging in any transaction with the Russian Maritime Register of Shipping, but there is a wind-down period until 8 January 2023 to allow for the execution of any contracts entered into before 7 October 2022 or any ancillary contracts necessary for the execution of those contracts. Furthermore, vessels certified by the Russian Maritime Register of Shipping cannot call at EU ports after 8 April 2023 in accordance with Article 3ea of the same Regulation.

Introduction of Further Restrictive Measures for the Russian Maritime Register of Shipping

3. In particular the concrete **Council Decision (CFSP) 2022/1909 of 6 October 2022**, introduces further restrictive measures of particular relevance for maritime operations, which include the prohibition to engage in any transaction with the Russian Maritime Register of Shipping. More precisely, new Article 1ab of the Regulation provides as follows:
 - Member States that have authorized the Russian Maritime Register of Shipping to undertake full or in part inspections and surveys related to statutory certificates and, where appropriate, to issue or renew the related certificates shall withdraw those authorizations before 5 January 2023.
 - During the period until such authorizations have been withdrawn, Member States shall not allow or grant a delegation to, the Russian Maritime Register of Shipping to perform

any of the tasks which, in accordance with Union rules on maritime safety, are reserved to organizations recognized by the Union, including to undertake inspections and surveys related to statutory certificates as well as to issue, endorse or renew the related certificates.

- Any statutory certificates issued on behalf of a Member State by the Russian Maritime Register of Shipping before 7 October 2022 shall be withdrawn and terminated by the relevant Member State, acting as a flag State, before 8 April 2023.
- The Union's recognition of the Russian Maritime Register of Shipping under Regulation (EC) No 391/2009 and Directive (EU) 2016/1629 is withdrawn.
- Member States that have delegated any inspection-related duties to the Russian Maritime Register of Shipping shall withdraw those authorizations before 6 November 2022.
- Member States that have delegated any security-related duties to the Russian Maritime Register of Shipping shall withdraw those authorizations before 5 January 2023.
- Any International Ship Security Certificate issued on behalf of a Member State by the Russian Maritime Register of Shipping before 7 October 2022 shall be withdrawn and terminated by the relevant Member State, acting as a Contracting Government, before 8 April 2023.

Lists of Products Included within Restrictive Measures

4. Relevant to maritime operations are also the lists of prohibited products that according to the Regulation generate significant revenue for Russia (Article 3i) as listed in Annex XXI and those which could contribute to the enhancement of Russia's industrial capacity (Article 3j) as set out in Annex XXIII, which have both been significantly expanded. Certain commodities in both Annexes are however subject to a wind-down period until 8 January 2023 to allow for the execution of any contracts entered into before 7 October 2022 or any ancillary contracts necessary for the execution of those contracts.

Iron and Steel Products Restrictive Measures

5. Maritime operators should also take into consideration the list of iron and steel products as set out in Annex XVII, where transport to any country including non-EU states is prohibited following Article 3g, which has been also significantly expanded. New restrictions have also been added which prohibit from September 2023 the import or purchase of iron and steel products listed in Annex XVII which have been processed in a third country but contain iron and steel of Russian origin.

Crude and Petroleum Products Restrictive Measures

6. From the maritime viewpoint, priority is assigned to some important clarifications around the carriage of Russian crude oil and petroleum products (collectively "Russian oil") which have been provided and the Regulation also sets out how EU sanctions will interact with the planned G7 price cap mechanism. According to the European Commission, this measure is being closely coordinated with the G7 States. It would take effect after 5 December 2022 for crude and 5 February 2023 for refined petroleum products, after a further decision by the Council.
7. According to the European Commission's official statement the EU's full import embargo on Russian crude oil and refined petroleum products, already agreed by the European Council in June, is not affected – so nothing changes for the Member States on this front. The present package marks the beginning of the implementation within the EU of the G7 agreement on Russian oil exports. While the EU's ban on importing Russian seaborne crude oil fully remains, the price cap, once implemented, would allow European operators to undertake and support the transport of Russian oil to third countries, provided its price remains under a pre-set "cap". As regards maritime services by Member States' providers covering Russian oil, there is no impact as long as the trades concerned remain at or under the set cap.
8. The carriage of Russian crude oil (CN code 2709 00) and Russian petroleum products (falling under CN code 2710) into the EU, and the provision of (re)insurance in respect of the carriage of such cargoes is prohibited under Article 3m but with an exemption until 5 December 2022 and 5 February 2023 respectively under certain circumstances.

Regulatory Updated List of Restrictive Measures

9. A regularly updated list of all the European Union's restrictive measures may be found on the website of the Official Journal of the European Union (<https://eur-lex.europa.eu/homepage.html>). Given the gravity of the situation in Ukraine, it is stressed that the relevant restrictive measures are subject to constant review by the European Union thus, it is advisable to regularly consult the aforementioned links.

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10. Bearing under consideration the complexity of the imposed sanction regime for the maritime sector in view of the gravity of the situation in Ukraine, it is stressed that the relevant restrictive measures are subject to constant review by the European Union thus, the dedicated team of our experts can provide individualized and customer-oriented advice to our customers, taking under consideration the flag, sea journey and product characteristics for each individual maritime operation and other specific conditions, for accessing the overall effect of the newly imposed additional restrictive measures.



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