

## Russia Maritime Register hit by EU in eighth package of sanctions

*By admin On October 10, 2022 In Insurance Marine News, Keep, Marine Liability, Political Risk, Credit & Finance*

Friday October 7th saw the European Union adopt an eighth package of sanctions against Russia, introducing new EU import bans worth nearly \$7bn to curb Russia's revenues, as well as export restrictions.

There is now a ban on all transactions with the Russian Maritime Register, one of the world's largest classification societies.

The package includes the introduction of a price cap related to the maritime transport of Russian oil for third countries and further restrictions on the maritime transport of crude oil and petroleum products to third countries.

This will work by prohibiting the provision of maritime transport and any technical assistance, brokering services or financing/ financial assistance related to the maritime transport to third countries of crude oil (as of December 2022) or petroleum products (as of February 2023) that have originated or been exported from Russia and are purchased above the price cap.

In the official announcement, the EU said that "in the event that a vessel under the flag of a third country has transported Russian crude oil or petroleum products purchased at a price above the price cap, it should be prohibited to provide technical assistance, brokering services, financing or financial assistance, including insurance, related to any transport in the future by that vessel of crude oil or petroleum products".

The EU is also introducing further trade restrictions, including extending import bans on steel products, wood pulp and paper, cigarettes, plastics, cosmetics, and elements used in the jewellery industry, that originate or are exported from Russia. The sale, supply transfer and export of additional goods used in the aviation sector will also be restricted.

Other sanctions in the package include the designation of a State-owned entity which performs activities related to the classification and inspection of Russian and non-Russian ships and crafts to the Russian Maritime Shipping Register. The entities on this list are subject to a transaction ban.

The Council also decided that the geographical scope of the restrictions introduced on February 23<sup>rd</sup> 2022, including the import ban on goods from the Donetsk and Luhansk oblasts, will be extended to Zaporizhian and Kherson.

The 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, a new price cap, once implemented, will allow European operators to undertake and support the transport of Russian oil to third countries, provided its price remains under a pre-set cap. The EU said on Friday that this would help to further reduce Russia's revenues, while keeping global energy markets stable through continued supplies.

<https://www.clydeco.com/en/insights/2022/10/eu-adopts-8th-package-of-sanctions-against-russia>

<https://www.consilium.europa.eu/en/press/press-releases/2022/10/06/eu-adopts-its-latest-package-of-sanctions-against-russia-over-the-illegal-annexation-of-ukraine-s-donetsk-luhansk-zaporizhzhia-and-kherson-regions/>

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