

SANCTIONS RELATED TO VESSELS - AN UPDATE



ARTICLE BY

Lia Iordanou Theodoulou
Senior Partner
Head of Corporate Finance
liordanou@pavlaw.com



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The 14th package of sanctions adopted by the EU against Russia in response to the ongoing war against Ukraine, includes measures related to vessels and Russian liquified natural gas (LNG). These measures aim to prevent Russian LNG that is not needed in the EU's market from entering the EU being re-exported to other countries.

In particular, new Article 3r introduces a prohibition to provide reloading services in the EU for the purposes of transshipment operations of LNG originating in Russia or exported from Russia.

Article 3t prohibits selling, supplying, transferring or exporting, directly or indirectly, goods and technology and providing services to any natural or legal person, entity or body in Russia, for the completion of LNG projects, such as terminals and plants.

Article 3u sets out a new prohibition on purchasing, importing or transferring, directly or indirectly, LNG originating in Russia or exported from Russia, through LNG terminals in the EU that are not connected to the interconnected natural gas system.

All three articles include an additional prohibition on providing directly or indirectly, technical assistance, brokering services, financing or financial assistance related to the prohibitions in the said articles.

The prohibitions cover both ship-to-ship transfer and ship-to-ship transfers and reloading operations. However, they do not, affect imports into the EU or the security of supply to member states. Nor do they impede imports of Russian LNG through other facilities in the EU, as it is a targeted measure only affecting specific facilities in certain member states not connected to the interconnected natural gas system.

A ban on port access and provision of services to vessels listed in Annex XLII that contribute to Russia's war efforts, such as those transporting Russian oil or engaging in irregular shipping practices is to be found in Article 3s.

Vessels listed in Annex XXV include those that transport goods and technology used in the defence sector from or to Russia, for use in Russia or for Russia's warfare in Ukraine. The list also includes vessels that transport crude oil or petroleum products, originating from Russia or exported from Russia while practicing irregular and high-risk shipping practices, as well as vessels operated in such a way as to contribute to or support actions for the exploitation or expansion of the energy sector in Russia to facilitate or engage in the violation or circumvention of the prohibitions.

It remains to be seen if and to what extent these measures will affect Russia's LNG exports and how much disruption in the supply of key components they will bring, as is the hope of the EU.



Patrician Chambers
332 Agiou Andreou str.,3035 Limassol, Cyprus

P.O Box 54543, 3725 Limassol, Cyprus

T +357 25871599 | F +357 25344548
info@pavlaw.com

www.pavlaw.com

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