

Club Circular

UK Expands Russia Sanctions Regime – Key Implications for Maritime, Energy and Trade

The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2026

May 2026

Dear Members

Introduction

On 20 May 2026, the UK [Russia \(Sanctions\) \(EU Exit\) \(Amendment\) Regulations 2026 \(SI 2026/543\)](#) (“Amended Regulations”) along with an [Explanatory Memorandum](#) came into force. This Circular summarises the provisions of the Amended Regulations.

The Amended Regulations introduce a [prohibition on the maritime transportation of Russian liquefied natural gas \(LNG\)](#), strengthens the UK’s ship specification regime by introducing comprehensive service prohibitions for specified vessels, creates a new import prohibition on refined oil products processed from Russian crude oil, expands the lists of goods prohibited for export to and import from Russia, and introduces a prohibition on the provision of construction services to persons connected with Russia.

Key takeaways for Members:

- **Ban on maritime transport of Russian LNG**, including third-country trades, with limited, time-bound exceptions and licensing arrangements.
- **Expanded ship sanctions regime** introducing wide-ranging prohibitions on services (e.g. technical, chartering, insurance) for specified vessels; scope now includes LNG and coal shipments.
- **New UK import ban** on refined oil products derived from Russian crude processed in third countries, with exemptions for diesel and jet fuel.

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- **Further trade restrictions** introduced across industrial goods, chemicals, metals, and advanced technologies (including AI, quantum and semiconductors), with wind-down to **20 November 2026**.
- **Prohibition on construction services** to persons connected with Russia, extending existing professional services restrictions.
- **New restriction on transport assets**, prohibiting acquisition linked to detained assets, designated persons, or Russia-connected parties.
- **New prohibition on the import, acquisition and cross-trade supply of Russian uranium** and related services, subject to narrow exceptions.

Maritime Transportation of Russian LNG

The Amended Regulations insert a new Chapter 4LA into the Russia (Sanctions) (EU Exit) Regulations 2019. This prohibits the supply or delivery by vessel of LNG (commodity code 2711 11 00) originating in or consigned from Russia, whether from Russia to a third country or between third countries. The prohibition applies to any person who directly or indirectly supplies or delivers such LNG by vessel, and extends to any person who owns, controls, charters, or operates a vessel on which the LNG is carried or from or to which it is transferred. Ship-to-ship transfer operations are expressly within scope of the prohibition.

Separate prohibitions apply to the provision of financial services (including insurance), funds, and brokering services provided in connection with such arrangements.

The Amended Regulations provide [an exception for obligations arising under long-term contracts concluded before 17 June 2025](#), where the contract duration exceeds one year (regulation 60L). This exception permits the continued provision of maritime transportation and related financial services until 1 January 2027, subject to the condition that the contract terms have not been materially amended after 17 June 2025, save for a defined set of permissible adjustments including reduced quantities, lower prices or fees, confidentiality amendments, operational procedure changes, address changes, intra-group transfers, and amendments required by judicial or arbitral proceedings.

This measure closely aligns with the EU's restrictions on the maritime transportation of LNG, as introduced under Article 3ra of Council Regulation (EU) No 833/2014 in the EU's 19th sanctions package.

A separate exception applies to derivatives trading and related brokering and payment processing. A further exception permits activity necessary for the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety, infrastructure, or the environment.

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The Office of Trade Sanctions Implementation (OTSI) has issued a general [trade licence](#) relating to the maritime transportation of LNG permitting under short-term contracts (not exceeding 1 year) the supply or delivery, by vessel, of LNG from the Sakhalin-2 LNG terminal or Yamal LNG terminal to a third country or between two third countries until 1 January 2027. Any person that engages in the activity must notify OTSI within 30 calendar days of the activity commencement.

Enhanced Ship Specification Regime

The Amended Regulations also expand the UK's ship specification framework under the Russia Regulations. Previously, the specification of a vessel triggered prohibitions on UK port entry, movement, detention, and UK registration. The new regulations introduce additional trade and transport sanctions that can be applied to specified vessels.

A new prohibition provides that a person must not directly or indirectly provide, in relation to a specified vessel: technical assistance, crew services, operating services, chartering services, brokering services, financial services (including insurance) or funds. A further prohibition provides that a person must not directly or indirectly provide services relating to the acquisition, sale, transfer, or supply of a specified vessel, and that a person must not directly or indirectly procure services relating to a specified vessel, including services involving the use of that vessel. Separate provisions make it an offence to charter or operate a specified vessel.

The grounds for specifying vessels have been expanded to include vessels carrying LNG originating in Russia and vessels carrying coal and coal products originating in Russia, in addition to the existing grounds relating to oil and oil products.

The Explanatory Memorandum confirms that these new trade sanctions relating to specified vessels will not automatically apply to vessels already specified and listed on the UK Sanctions List. The UK Government may review existing specifications to consider whether the new measures should be imposed.

Refined Oil Products Import Ban

[The regulations](#) insert a new Chapter 4IB prohibiting the import into the UK of oil products (commodity code 2710) that have been processed in third countries from Russian-origin crude oil (commodity code 2709). The prohibition is accompanied by restrictions on associated technical assistance, financial services, and brokering.

OTSI has issued a [general trade licence \(GBSAN0004\)](#) granting exceptions to the following [cargos](#): CN 2710 19 42, CN 2710 19 44 (diesel) and CN 2710 19 21 (jet fuel).

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The licence is of indefinite duration but may be revoked at any time, with the Secretary of State endeavouring to provide four months' notice if it is revoked.

This measure constitutes a divergence from the European Union's approach. Under its 18th sanctions package, the EU prohibited, from 21 January 2026, the direct or indirect purchase, import, or transfer into the Union of refined petroleum products originating from third countries where such products are derived from crude oil of Russian origin, subject to limited exemptions.

Russian Uranium Import and Transport Ban

The Amended Regulations insert a new Chapter 4KA prohibiting the import into the UK, the acquisition, and the supply or delivery from Russia to a third country of uranium originating in or consigned from Russia, together with the provision of related financial services (including insurance), funds, technical assistance and brokering. Limited exceptions apply for activity necessary to continue operating a nuclear installation in a third country that was operational on 20 May 2026, and for uranium exported from Russia before that date and stored in a third country.

Other Measures

The Amended Regulations expand the lists of goods prohibited for export to and import from Russia. The Explanatory Memorandum identifies four categories of new export prohibitions:

- items sanctioned by the EU, including industrial chemicals, metals, and machinery;
- goods recommended for sanction by the Government of Ukraine, including metals and carbon fibre articles;
- chemicals used in riot control agents; and
- goods related to emerging technologies, including components and materials related to quantum, AI, semiconductor, and engineering biology technologies.

A wind-down period for pre-existing contracts on restricted goods runs until 20 November 2026.

The Amended Regulations introduce a prohibition on the provision of construction services to persons connected with Russia, supplementing existing sanctions on architecture and engineering services.

A further provision prohibits the acquisition of transport assets subject to a detention direction under the Russia Regulations from or for the benefit of a designated person or a person connected with Russia.

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Sources

The full text of the regulations is available at legislation.gov.uk ([SI 2026/543](https://legislation.gov.uk)). The general trade licences and related guidance are published on GOV.UK.

Members are reminded that cover is not available for any trade that breaches applicable sanctions. Members are advised that they should conduct thorough due diligence on the parties, cargoes, vessels, and other service providers that are or may be involved before they engage in any trade with a high sanctions risk. Finally, members are reminded to keep records of their due diligence investigations and findings.

All Clubs in the International Group have issued a similarly worded Circular.

Yours faithfully,
Steamship Mutual Underwriting Association Limited.

Circular No. L.482

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