

Club Circular

This Circular highlights recent key sanctions imposed against Russia by the EU and UK

March 2025

Dear Members

EU adopts 16th Sanctions Package against Russia

On 24 February 2025, the EU adopted the 16th package of sanctions against Russia on the third anniversary of Russia's full-scale invasion of Ukraine. These measures are set out in several regulations and decisions which can be found [here](#). The EU Commission has issued a press release which can be found [here](#) and FAQs which can be found [here](#).

This sanctions package targets key sectors of the Russian economy which include trade, transport, energy, infrastructure, and financial services. It also includes additional measures targeting the 'shadow fleet' and sanctions circumvention.

The most significant measures are summarised below.

Listings & Designation Criteria

The EU has designated 48 individuals and 35 entities adding them to the EU sanctions list. This means that they are subject to an asset freeze and a prohibition on making funds and economic resources available to them. It has also designated 74 vessels that are part of Russia's 'shadow fleet' (bringing the total number of listed vessels to 153). These are non-EU tankers that were circumventing the Russian oil price cap scheme, supporting the Russian energy sector or transporting military equipment for Russia.

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (EUROPE) LIMITED

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority (Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)

These vessels are subject to a port access ban, and it is prohibited for EU operators to provide a broad array of maritime services to them or to charter, operate or crew these vessels, as well as to engage in ship-to-ship transfers or any other transfer of cargo with them. The Regulation also updated the list of exclusions to the above port ban for vessels including emergency calls for safety, life at sea, humanitarian or environmental purposes.

The EU has also introduced two new criteria for the designation of individuals and entities to the EU sanctions list: (1) those that own, control, manage or operate vessels in Russia's 'shadow fleet' and (2) those supporting or benefitting from Russia's military and industrial complex.

Transactions ban

It is prohibited to engage in any transaction, directly or indirectly, with Russian ports and locks listed in Part A of Annex XLVII of new Article 5ae of Council Regulation (EU) 2025/395 (which further amends Council Regulation (EU) 833/2014). This list includes the ports of Ust-Luga, Primorsk or Novorossiysk as they are being used for the maritime transport of Russian crude oil or petroleum products by vessels involved in "irregular and high-risk shipping practices." It also includes the port of Astrakhan on the river Volga and Makhachkala port on the Caspian Sea, as they are being used for the transfer of Unmanned Aerial Vehicles or missiles or related technologies in support of Russia's war against Ukraine.

This prohibition is subject to various exceptions (as set out in Article 5ae(3)):

"(a) in the case of a vessel in need of assistance seeking a place of refuge, of an emergency port call for reasons of maritime safety, or for saving life at sea, or for humanitarian purposes, or for the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment, or as a response to natural disasters;

(b) transactions which are strictly necessary for the direct or indirect purchase, import or transport of natural gas, titanium, aluminium, copper, nickel, palladium and iron ore from or through Russia into the Union, a country member of the European Economic Area, Switzerland, or the Western Balkans;

(c) unless prohibited under Article 3m or 3n, transactions which are strictly necessary for the direct or indirect purchase, import or transport of oil, including refined petroleum products, from or through Russia;

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (EUROPE) LIMITED

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority (Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)

(d) transactions which are necessary for the purchase, import or transport of pharmaceutical, medical, agricultural and food products, including wheat and fertilisers whose import, purchase and transport is allowed under this Regulation;

(e) transactions for the purchase, import or transfer of seaborne crude oil and of petroleum products listed in Annex XXV where those goods originate in a third country and are only being loaded in, departing from or transiting through Russia, provided that both the origin and the owner of those goods are non-Russian.

(f) transactions necessary for the establishment, operation, maintenance, fuel supply and retreatment and safety of civil nuclear capabilities, and the continuation of design, construction and commissioning required for the completion of civil nuclear facilities.”

The exception at sub-clause (c) above appears to cover the shipment of crude oil or petroleum products which are compliant with the Russian Oil Price Cap Scheme.

There is no exception for coal shipments. The International Group is seeking clarification from the EU Commission regarding whether this is a deliberate omission and whether they intend to issue further FAQs.

There is a requirement for EU operators to inform the competent authority of the EU Member State where they are incorporated or under whose laws they are constituted of any transaction and the relevant exception under the above regulation within two weeks (para 5 of Art 5ae of Council Regulation (EU) 2025/395 amending Regulation (EU) 833/2014). The Member State concerned is required to inform the other EU Member States and the EU Commission within two weeks of receipt of this information.

Trade restrictions

It is already prohibited to import processed aluminium goods from Russia into the EU. This package includes a ban on importing or transporting Russian primary aluminium (CN code 7601) into the EU and related insurance, since this generates significant revenues for Russia (Art 3i (3cg)-(3ch) of Council Regulation (EU) 2025/395, which further amends Council Regulation (EU) 833/2014). This restriction will be phased in by using a quota mechanism. During the phase-in period, up to 275,000 tons of imports of primary aluminium from Russia will be allowed over the

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (EUROPE) LIMITED

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority (Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)

next 12 months before the ban takes full effect on 26 February 2026.

Contracts for primary aluminium which are concluded before 25 February 2025 (or ancillary contracts necessary for the execution of such contracts) will be granted an exemption for the importation into the EU of up to 50,000 metric tons from 26 February 2026 until 31 December 2026. Members are reminded that it is prohibited under UK sanctions to transport aluminium from Russia to a third country (Regulation 46II and Schedule 3BA of The Russia (Sanctions) (EU Exit) Regulations 2019) and are therefore strongly advise to satisfy themselves that such carriage and the provision of insurance for such trades by the Club are permissible.

The EU sanctions package has expanded dual-use export restrictions in order to restrict Russia's access to key technologies. The new items are: (a) chemical precursors for making chloropicrin and other riot control agents used by Russia as chemical weapons, (b) software for Computer Numerical Control (CNC) machine tools used to produce weapons and video game controllers which are used by Russia to operate drones on the battlefield and (c) chromium ores and compounds due to their military application.

It also imposes export restrictions on 53 entities that are directly supporting Russia's military and industrial complex or are engaged in sanctions circumvention. These entities which are subject to tighter export controls on dual-use goods and technologies are based in Russia as well as in third countries, including China (and Hong Kong), India, Kazakhstan, Singapore, Türkiye, the United Arab Emirates, and Uzbekistan.

Energy

The temporary storage of Russian oil price cap compliant cargoes in EU ports is now completely banned.

The prohibition on providing goods, technology, and services for the completion of Russian Liquefied Natural Gas (LNG) projects, which is already in place, has been extended to include crude oil projects in Russia, such as the Vostok oil project. Additionally, the existing software ban has been extended to restrict the export to Russia of software related to oil and gas exploration.

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (EUROPE) LIMITED

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority (Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)

Transport

The EU flight ban has been extended to include third country air carriers that operate domestic flights within Russia or supply aviation goods to a Russian carrier. If an airline is listed, it is prohibited from flying to the EU.

Banking

Thirteen additional Russian banks have been expelled from the SWIFT system (i.e. from using specialised financial messaging services). The new sanctions package enables the EU to list financial institutions that participate in the circumvention of the Russian Oil Price Cap Scheme and facilitate transactions with listed vessels of the 'shadow fleet.'

Belarus and non-government-controlled areas of Ukraine

The sanctions package includes further restrictive measures on Belarus mirroring the new trade-related sanctions against Russia. It also introduces new restrictions concerning Crimea and Sevastopol, and the non-government-controlled areas of Ukraine i.e. Donetsk, Kherson, Luhansk and Zaporizhzhia, with the objective of preventing circumvention of EU sanctions.

UK announces largest sanctions package against Russia since 2022

On 24 February 2025, marking the 3rd anniversary of the invasion of Ukraine [the UK has imposed](#) over 100 new sanctions designations, targeting:

- producers and suppliers of machine tools, electronics and dual-use goods for Russia's military, including microprocessors used in weapons systems, based in a range of third countries including Central Asian states, Turkey, Thailand, India and China
- North Korean Defence Minister and other North Korean generals and senior officials complicit in deploying DPRK forces to Russia
- 13 Russian targets, including LLC Grant-Trade and its owners, who have used the company to funnel advanced European technology into Russia to support its illegal war
- 40 'shadow fleet' ships carrying Russian oil, bringing the total number of oil tankers sanctioned by the UK to 133.

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (EUROPE) LIMITED

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority (Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)



Trade involving Russia is subject to significant legal restrictions. 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 throughout the trade 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 (Europe) Limited.

Circular No. E.115

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (EUROPE) LIMITED

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority (Registered in England and Wales – Registration Number OC376859. FCA registration number 597046)

IGP&I International
Group of
P&I Clubs