



SEPTEMBER 28, 2022

CIRCULAR NO. 26/22

TO MEMBERS OF THE ASSOCIATION

Dear Member:

EUROPEAN UNION (EU) SANCTIONS – EXCEPTION/WAIVER PUBLISHED ON THE CARRIAGE OF CERTAIN RUSSIAN CARGOES INCLUDING COAL AND FERTILIZERS – UPDATE

On September 19, 2022 the EU further amended its Frequently Asked Questions (FAQs) carving out an exception/waiver of certain prohibitions with regard to the carriage of certain cargoes from Russia, including coal and other solid fossil fuels as well as certain types of fertilizer.

As a follow-up to the FAQs issued on August 10, 2022, the newly issued FAQs now indicate that the transport of coal and certain specified goods, including fertilizers, in Annex XXI and XXII of Council Regulation 833/2014 (and related insurance) is in fact not prohibited when the goods are being carried to third countries.

The relevant amended FAQs are set out below:

- 2. Is the transfer of goods listed in Annexes XVII, XXI and XXII of Council Regulation 833/2014 by an EU company allowed when the goods are destined for a third country and are not transiting Union territory?**

Last update: September 19, 2022

No. Articles 3g, 3i and 3j of Council Regulation 833/2014 prohibit the purchase, import, or transfer, directly or indirectly, of the goods listed in Annexes XVII, XXI and XXII if they originate in Russia or are exported from Russia. The prohibition on transfer applies irrespective of the final destination of the goods, whereas the prohibition on the import applies by nature to goods moving “into the Union”. Provided the transfer falls within the scope of Article 13 of Council Regulation 833/2014, it is not relevant whether the goods are destined for the EU or not. This supports the aim of the sanctions which is to significantly weaken Russia's economic base, depriving it of critical markets for its products and to significantly curtail its ability to wage war. Any other interpretation would render the prohibition largely devoid of purpose and create significant loopholes.

However, the Union is committed to avoiding that its sanctions impact food and energy security of third countries around the globe, in particular of the least developed ones. In light of this commitment, which is clearly stated in recitals 11 and 12 of Council Regulation 2022/1269, the transfer to third countries of certain goods listed in Annex XXI and XXII should be allowed “to combat food and energy insecurity around the world” and “in order to avoid any potential negative consequences therefor” in third countries. This applies to the transfer to third countries, as well as financing or financial assistance related to such transfer, carried out by EU operators or via the EU territory (including in transit) of the following goods:

- Fertilizers falling under CN codes 310420, 310520; 310560; ex31059020 and ex31059080 related, as listed in Annex XXI;
- Animal feed falling under CN code 2303, as listed in Annex XXI;
- Certain hydrocarbons falling under CN codes ex2901 and 2902, as listed in Annex XXI;
- Essential goods falling under CN codes 44 (wood); 2523 and 6810 (cement products), as listed in Annex XXI;
- All the items listed in Annex XXII (coal and related products).

4. What is the scope of the prohibition on relevant services (e.g. financial assistance, including brokering or insurance) as stated in Articles 3g, 3i and 3j of Council Regulation 833/2014 for the transport or transfer of goods or products listed in Annexes XVII, XXI or XXII to third countries?

Last update: September 19, 2022

The provision of insurance, brokering services or other financing or financial assistance by EU operators for the transport or transfer of good or products listed in Annexes XVII, XXI or XXII to third countries is prohibited. Regardless of whether the transfer of these goods or products is performed by an EU or a non-EU operator, where the provider of assistance related to such a shipment is an EU operator, they remain bound by the prohibition.

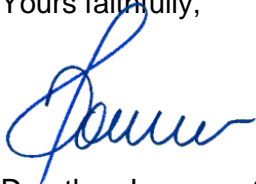
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The original circular as published can be found at the following link: [Circular No. 23/22 of August 12, 2022](#).

Yours faithfully,



Dorothea Ioannou, CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB

All clubs in the International Group have issued similar circulars.