

The invasion by Russia of Ukraine is an appalling act of aggression with terrible loss of life and displacement of potentially the largest number of people in Europe since World War 2. We understand people across the Network and member companies will be sickened and upset by the consequences being witnessed each day.

We thought it appropriate to offer a practical guide for firms with questions on trading in this region of the world.

Sanctions have been imposed by the UK Government on Russia and Belarus following the Russian invasion of Ukraine in late February. These are a combination of measures affecting payment systems (many Russian banks have been removed from the SWIFT payments service) and trade in financial services products with Russia plus measures to target the UK assets and travel rights of selected Russian nationals (including members of the Duma), plus export bans on selected dual-use products mainly in the technological sector. This now includes products which could be used in the Russian oil and gas sectors. Furthermore, UK airspace is closed to Russian flights. All UK ports have also been informed by the UK Government not to allow Russian-linked ships to berth or enter a port. From April 2022, there are import bans on steel and iron products from Russia and Belarus.

In summary:

- UK sanctions prohibit sale of hi-tech products, including on aerospace, to Russia.
- Dual-use products also banned from export to Russia. This has now been extended to goods which could be used in the oil and gas sectors.
- Key Russian banks removed from SWIFT payment system. Sberbank cut out from UK financial system. Trade in Russian securities prohibited.
- Sanctions also applied to trade underpinned by the Russian Central Bank.
- Wide group of Russian politicians, officials and oligarchs prevented from travelling to the UK, and arrangements for freezing of assets in the UK put in place. Now being applied to senior figures in Belarus.
- Ban on Russian flights within UK airspace.
- Russian-linked ships cannot arrive or berth at UK ports.
- UK nationals being advised not to journey to Russia and those in Russia to return to the UK now.
- Ending imports of Russian and Belarusian iron and steel products.
- On exports, further restrictions on exporting luxury goods to Russia are being introduced. cover luxury cars, jewellery and works of art.
- On imports, additional tariffs of 35% are being levied on a wide range of Russian and Belarusian goods, ranging from vodka to cement to fertilisers to tyres to iron and steel and also commodities such as copper, wood, aluminium, silver and lead.
- Ban on all new outward financial investment to Russia.
- Preventing exports of oil refining equipment and catalysts from the UK to Russia.
- New restrictions on Russia sourcing quantum and other advanced technologies.
- Asset freezes against Sberbank and Credit Bank of Moscow.
- Ceasing imports of Russian gas as soon as possible after end of 2022.

Are companies still permitted to trade with customers in Russia and Belarus?

There is no legal bar on sending goods outside the terms of the sanctions to those states. In practical terms, however, it is becoming more difficult to export goods there by the day. Major shipping companies including Maersk and MSC have said they will not carry non-essential goods to Russia. Russian flights for freight cannot land in the UK or fly in its airspace. Paying or receiving payment for goods is likely to be extremely difficult too. No UK Government guidance is in place on this issue – individual businesses must take decisions on both moral and commercial grounds regarding supplying prior customers in Russia and Belarus.

Should we be importing goods, including raw materials, from Russia and Belarus?

Aside from the ban on iron and steel imports introduced in April 2022, no ban on these Russian and Belarussian imports is in force in the UK. It is again a matter of moral and commercial judgment for UK businesses. Companies may have had a history of importing wood, timber, iron, steel, fuels and other goods from that region but the issues around freight, access to ports and payment for goods now act as practical barriers on imports from Russia and Belarus. 35% import tariffs now apply to a wide range of Russian and Belarussian imported goods.

Will these practical issues on trade mean issues for UK supply chains?

It is likely the situation in Ukraine will disrupt supply chains in relation to imports of steel, iron, timber, vegetable oils and other oils from Ukraine or the aggressor states. The UK has also been an importer of Ukrainian grains and cereals, but supplies could be replaced through increased domestic production. The BCC will engage with the relevant UK Government taskforce on issues the Network experiences with supply of key commodities over the coming weeks and months. The Trade Remedies Authority is altering the Tariff Rate Quotas on certain steel imports to permit other countries' exports to make up the shortfall from Russian and Belarusian iron and steel products no longer being capable of being imported into the UK.

What does the war mean for performance of duties under contract?

If businesses are in doubt, they should explore any force majeure terms included within contracts with customers in affected states. Contractual terms may provide that war constitutes a force majeure event, which means that a party may be temporarily excused from performing its obligations (including obligations to pay) if the force majeure event prevents them from doing so. This will depend on the specific wording of the clause, though, so firms should consider seeking legal advice if they believe that this may apply. ChamberCustoms can issue general force majeure letters to traders.

Will the UK Government compensate UK businesses which stop trading with Russian clients or customers?

No arrangements have been made for this.

Should UK nationals employed in Russia or Belarus return to the UK?

UK nationals are advised not to travel to Russia. UK nationals whose presence in Russia is non-essential are advised to return to the UK now via any available commercial routes out of Russia. Direct aviation return routes to the UK are not available: <https://www.gov.uk/foreign-travel-advice/russia>

How is business in Ukraine responding?

We are supporting the leadership of the British Ukrainian Chamber who are now in London and have asked them for guidance on appropriate aid routes that we may wish to support as a network.

If payment has been made under contract for goods or services not now being sent from Russia what are the implications?

Firstly in terms of what the contract says about force majeure events or ways in which the contract may be brought to an end. Secondly, companies would be strongly advised to speak to their insurers for any available assistance under their agreement.

What advice is available from the UK Government?

Latest guidance on the sanctions adopted is here:

<https://www.gov.uk/government/publications/russia-sanctions-guidance/russia-sanctions-guidance>

The Export Support Service (ESS) is available to contact via telephone or online form for assistance with particular trading problems in the affected region. Call on **0300-303-8955** between 0800 and 2200 daily. Online enquiries can be made here: <https://www.get-help-selling-goods-services-abroad.service.gov.uk/russia-ukraine-enquiry/russia-ukraine-enquiry>

Import and Exports

Further information on import controls: contact DIT's Import Licensing Branch at importcontrols@trade.gov.uk

Further information on export controls: contact the Export Control Joint Unit Helpline on 020 7215 4594 or email: exportcontrol.help@trade.gov.uk or [subscribe to the Export Control Joint Unit's notices to exporters](#)

Transport

Further advice on transport sanctions and restrictions: contact DfT on transportsanctions@dft.gov.uk

Financial services

Further information on financial sanctions: contact the Office of Financial Sanctions Implementation OFSI@hmtreasury.gov.uk. The Financial Conduct Authority (FCA) has further [information](#) on steps that firms should take if they have concerns over the implications of financial sanctions on Russian entities. This includes screening against the [UK Sanctions List](#), and the list of [asset freeze targets for financial sanctions obligations](#).

Changes to visas

The Home Office has [announced](#) that Ukrainian nationals who are on work, study or visit visas in the UK will have their visas temporarily extended or be able to switch onto different visa routes.