

EXPLANATORY MEMORANDUM TO

THE RUSSIA (SANCTIONS) (EU EXIT) (AMENDMENT) REGULATIONS 2026

2026 No. 543

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Foreign, Commonwealth and Development Office and is laid before Parliament by Command of His Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

- 2.1 Stephen Doughty MP, Minister of State at the Foreign, Commonwealth and Development Office, confirms that this Explanatory Memorandum meets the required standard.
- 2.2 Abigail Culank, Deputy Director for Sanctions at the Foreign, Commonwealth and Development Office, confirms that this Explanatory Memorandum meets the required standard.

3. Contact

- 3.1 The Sanctions Directorate at the Foreign, Commonwealth and Development Office, Telephone 0207 008 8553 or email: fcdo.correspondence@fcdo.gov.uk, can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

- 4.1 This instrument introduces a range of new trade and transport sanctions into the Russia sanctions regime and strengthens pre-existing prohibitions.
- 4.2 The export prohibitions target industrial products, chemicals, metals, carbon fibre and other items used to aid Russia's economic growth and military-industrial capabilities. The import prohibitions ban the import of refined oil products made from Russian-origin crude and the import of uranium originating or consigned from Russia. Services prohibitions include a ban on the maritime transportation of Russian Liquefied Natural Gas (LNG) and on the provision of construction services to persons connected with Russia, supplementing existing sanctions on architecture and engineering services.
- 4.3 Trade and transport sanctions are strengthened by introducing additional prohibitions which can be applied to specified ships. New transport sanctions prohibit persons from chartering or operating a specified ship, require the registrar to refuse to register specified ships and add new purposes for which the Secretary of State can specify ships. New trade sanctions prohibit the provision and procurement of certain services in relation to specified ships. Further amendments prohibit persons from acquiring or purporting to acquire a detained transport asset from, or for the benefit of, a designated person or person connected with Russia.

Where does the legislation extend to, and apply?

- 4.4 The instrument extends to the whole of the United Kingdom (“UK”). It is subject to any obligation arising in respect of the Windsor Framework as it may apply through section 7A of the European Union (Withdrawal) Act 2018 in respect of Northern Ireland.
- 4.5 The territorial application of this instrument is the same as the territorial application of the instrument that it amends. That is, it applies to the whole of the UK.
- 4.6 This instrument also applies to conduct by UK persons where that conduct is wholly or partly outside the UK, and to conduct undertaken by any person in the territorial sea adjacent to the UK. “UK person” is defined in section 21(2) of the Sanctions and Anti-Money Laundering Act 2018 (“the Sanctions Act”).

5. Policy Context

What is being done and why?

- 5.1 Following Russia’s invasion of Ukraine in February 2022, the UK, along with our allies, has imposed wide-ranging sanctions aimed at encouraging the Russian Government to cease its invasion of Ukraine and other actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. As of April 2026, the UK has designated over 3,250 individuals, entities and ships under the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (‘the 2019 Regulations’), of which over 3,000 have been designated since Russia’s invasion.
- 5.2 UK policy remains focused on ending Russia’s invasion and on assisting Ukraine to secure its borders, ensuring a stable, prosperous and democratic future for all its citizens and to support Ukraine in securing a just and lasting peace. The measures in this instrument form part of the UK’s ongoing response to Russian aggression and reflect its resolve to mobilise all tools at its disposal. To achieve maximum impact, UK trade sanctions are aligned with allies as far as possible.
- 5.3 This instrument amends the 2019 Regulations to impose further measures on Russia and amends the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024 (S.I. 2024/948) (“the TASSCE Regulations”) to make enforcement provision for certain trade and transport sanctions.

What was the previous policy, how is this different?

- 5.4 The 2019 Regulations already impose wide-ranging export, import and services prohibitions. The amendments in this instrument impose further prohibitions on trade with Russia in line with the overall purpose of the regime as outlined in regulation 4 of the 2019 Regulations.

Export prohibitions

- 5.5 This instrument amends the 2019 Regulations to impose measures that will prohibit the export, making available, supply and delivery and provision of ancillary services relating to industrial products. These bans fall into four categories.
 - i. Items sanctioned by the EU: including certain types of industrial chemicals, metals and machinery. The chemicals and metals have potential battlefield use, for example, titanium oxide may be used in missile systems manufacturing.
 - ii. Goods recommended for sanction by the Government of Ukraine: including additional forms of metals and articles of carbon fibre. Carbon fibre goods are frequently used in the manufacture of drones.

- iii. Chemicals used in riot control agents: expanding the list of chemicals and chemical precursors, specified by name and CAS numbers, as these may be used in riot control agents or other goods for internal repression.
 - iv. Goods related to emerging technologies: components, technology and materials which are related or ancillary to quantum, AI, semiconductor and engineering biology technologies. These export prohibitions are intended to limit Russia's ability to develop technologies with potential strategic applications critical to their military industrial complex and overall economic growth.
- 5.6 The instrument also replaces certain commodity code sub-headings where the relevant products are now sanctioned at heading level (for example, 2529 21 is replaced by 2529). This results in the removal of some commodity codes from the 2019 Regulations, although all products concerned remain sanctioned.
- 5.7 Finally, the instrument will also make amendments to correct drafting errors in Schedule 3I made by S.I. 2025/504. This includes amending the description of commodity code ex 8543, to ensure that HS code 8543 70 90 is sanctioned under ex 8543 as it was inadvertently excluded when S.I. 2025/504 introduced code ex 8543 into Part 3 of Schedule 3I.
- 5.8 These export prohibitions are intended to further reduce UK trade with Russia, limiting Russia's ability to obtain goods critical to their military-industrial complex and overall economic growth. They are being added to Schedules 2A, 2E, 3C and 3E.

Import prohibitions

Uranium

- 5.9 This measure will ban: the import of uranium consigned from Russia and Russian-origin uranium to the UK; the acquisition of Russian-origin uranium or uranium located in Russia; the supply or delivery of uranium from Russia to a third country; and the provision of relevant ancillary services (technical assistance, financial services and brokering services). Exceptions are introduced to mitigate risks arising from certain prohibitions:
- 5.10 to permit a person to undertake a range of activities necessary for the continued operation of nuclear installations in third countries, where the installation was operational on the date this instrument enters into force.
- i. to permit a person to undertake a range of activities when the uranium was exported from Russia prior to this instrument entering into force and stored in a third country.

Refined Oil

- 5.11 This measure will ban the import of refined oil and oil products into the UK that have been processed from Russian-origin crude oil in third countries. The provision of ancillary services (technical assistance, financial services and brokering services) are also prohibited. This will prevent Russian oil entering the UK via the back door and aligns with a similar measure introduced by the EU. The measure will strengthen the effectiveness of sanctions by closing indirect import routes.

Services prohibitions

Construction services

- 5.12 This measure adds construction services to the list of prohibited professional and business services to persons connected with Russia. A person is to be regarded as ‘connected with’ Russia if they meet certain criteria, which are set out in the 2019 Regulations. This measure will complement existing sanctions on the provision of architecture and engineering services and ensure that the Russian economy cannot benefit from UK expertise to support infrastructure and building projects.
- 5.13 Certain exceptions that apply to other professional and business services will apply to this measure. Two new exceptions are being introduced to: (i) permit acts done in satisfaction of contractual obligations where certain conditions are met; and (ii) to permit acts of essential maintenance when justification is provided to the Secretary of State. The second exception will mitigate the risk to the public, private property, infrastructure and the environment of Russian-owned property falling into disrepair owing to restricted access to UK construction services.

Maritime Services Ban on Russian Liquefied Natural Gas (LNG)

- 5.14 This measure will prohibit persons from supplying or delivering Russian LNG by ship, whether that is from Russia to third countries, or between two third countries. The provision of financial services to arrangements underpinning these activities will also be prohibited, as will the provision of brokering services.
- 5.15 To maintain alignment with restrictions on Russian LNG recently introduced by the EU, this measure contains an exception which allows the continued provision of maritime transportation and related financial services, funds and brokering services until January 2027, when in connection with an obligation arising under an LNG contract concluded before 17 June 2025 provided that the duration of the contract exceeds one year and other conditions are met.
- 5.16 There are two further exceptions to this measure:
- i. trading in derivatives related to the supply of delivery by ship of Russian LNG products that would otherwise breach the Russian LNG maritime services ban is permitted (as is providing derivatives brokering to a person trading in derivatives); and
 - ii. assisting with the urgent prevention or mitigations of an event likely to have a serious and significant impact on human health and safety, infrastructure or the environment is also permitted.

Other trade and transport prohibitions

Specified ships

- 5.17 In 2024, the UK introduced powers to enable the specification of individual vessels that were involved in destabilising Ukraine, obtaining a benefit from or supporting the Russian government, or involved in circumventing UK sanctions. These powers brought more shipping, trade, and transport related activity in scope of sanctions, making it more difficult for Russia’s shadow fleet to obtain services and limiting UK involvement further.
- 5.18 This instrument makes further amendments in relation to specified ships, which will:
- i. Introduce new trade sanctions prohibiting persons from providing and procuring certain services in relation to specified ships. Persons will be prohibited from providing a range of services to specified ships including: technical assistance; crew services; operating services; chartering services; brokering services; financial services or funds; and services relating to the

acquisition, sale, transfer, or supply of a specified ship. Persons will be prohibited from procuring services from specified ships, such as services involving the use of a specified ship.

- ii. Introduce new shipping sanctions to prohibit persons from operating or chartering specified ships.
 - iii. Strengthen the UK's existing ship specification powers and expand the criteria for specifying ships to include: (i) ships carrying liquefied natural gas that originated in Russia; and (ii) ships carrying coal and coal products that originated in Russia. The aim of this is to make it easier to sanction ships for a wider range of activity.
- 5.19 These amendments give the UK the power to specify ships under these new trade and shipping sanctions.
- 5.20 These new sanctions in relation to specified ships will not automatically apply to ships already specified and listed on the UK Sanctions List. The UK may review existing specifications to consider whether these measures should be imposed. The amendments also include the power to issue a ships licence (which can allow certain activity to take place without breaching the new shipping sanctions to prohibit persons from operating or chartering specified ships), create licensing offences and provide enforcement powers.
- 5.21 The following exceptions apply to the new prohibitions:
- i. certain conduct necessary to protect or avoid endangering the safety of any ship or life of any person;
 - ii. certain conduct where necessary in accordance with the United Nations Convention on the Law of the Sea; and
 - iii. certain emergencies.

Prevention of the acquisition of detained transport assets

- 5.22 This amendment explicitly prohibits the direct, indirect, and purported acquisition of a transport asset which is subject to a detention direction made under transport sanctions provisions in the 2019 Regulations, from a person designated for the purposes of this prohibition or a person connected with Russia. The amendment also confirms that the direct, indirect, or purported acquisition of such a detained transport asset from, or for the benefit of such a designated person, or a person connected with Russia, shall be void and ineffective for all purposes. Through the application of this prohibition, Ministers will be able to explicitly prevent the acquisition by third parties of transport assets currently detained subject to a detention direction made under transport sanctions provisions in the 2019 Regulations. The amendments also create a detained transport asset licence (which can allow certain activity to take place without breaching the prohibition), create licensing offences and provide enforcement powers.

Amendments to TASSCE Regulations

- 5.23 This instrument also makes amendments to TASSCE Regulations to incorporate civil enforcement capability for the new acquisition of detained assets prohibitions and ship licensing provisions. The amendments carve out certain offences related to the acquisition of a detained transport asset from CEMA enforcement and to bring ship licensing offences and certain offences related to the acquisition of a detained transport asset within scope of the investigatory powers in Chapter 1 of Part 2 of the Serious Organised Crime and Police Act 2005. These amendments account for the

intended separate civil enforcement and investigation arrangements relating to the prohibition on the acquisition of a detained transport asset, which is a trade prohibition to be administered by the Department for Transport rather than Department for Business and Trade.

6. Legislative and Legal Context

How has the law changed?

- 6.1 The Sanctions Act establishes a legal framework which enables His Majesty's Government to impose sanctions for a number of purposes, including that it is in the interests of international peace and security and that it furthers a foreign policy objective of the government of the UK.
- 6.2 Legislative changes are needed to build on and strengthen the UK Russia sanctions regime. This instrument makes amendments to the existing legal framework contained in the 2019 Regulations which were made under the Sanctions Act for discretionary purposes within section 1(2) of that Act. This instrument also amends the TASSCE Regulations, also made under section 1 of the Sanctions Act, as described in paragraph 5.24.
- 6.3 This instrument amends Part 5 (Trade) of the 2019 Regulations, which contains trade sanctions measures. Within that Part it amends Chapter 4A (Aircraft and Ships), Chapter 6B (Professional and business services), Schedule 2A (Critical-industry goods and critical industry technology), Schedule 2C (Aviation and space goods and technology), Schedule 3C (Defence and security goods and defence security technology), Schedule 3E (G7 dependency and further goods), Schedule 3I (Russia's vulnerable goods) and Schedule 3J (Professional and business services). It inserts new Chapters 4IB (Relevant processed oil products), 4KA (Uranium), 4LA (Maritime transportation of liquefied natural gas), 4O (Detained transport asset) and Schedule 3HA (Uranium).
- 6.4 This instrument amends Part 6 (Ships) and also amends Parts 7 (Exceptions and licenses), 8 (Information and records), 9 (Enforcement) and 10 (Maritime enforcement) to make provision for the prohibitions and their exceptions, licensing, information powers and enforcement.

Why was this approach taken to change the law?

- 6.5 The new export prohibitions have been added to existing chapters and corresponding Schedules according to relevance. The table covering G7 dependency and further goods and G7 dependency and further technology is being replaced by the table in Schedule 3 to the instrument. This approach was taken to add additional commodity codes to the table, while removing certain 6 or 8-digit codes that have been replaced with 4-digit codes. Amendments are made to two commodity codes in Part 2 of, and two commodity code descriptions in Part 3 of, Schedule 3I of the 2019 Regulations to correct drafting errors in S.I. 2025/504.
- 6.6 The new export prohibitions for goods related to novel technologies have been added as new Parts to Schedules 2A, 2E and 3C to extend the prohibitions applying to restricted goods (Chapter 2 of Part 5). They have mostly been listed in each Schedule as a textual description of goods prohibited as opposed to being listed by commodity code. This is because the majority of these goods are highly specialised, and the existing Harmonised System nomenclature and UK commodity code structure is not sufficiently specific to describe these goods to the required level of detail.

- 6.7 The new import prohibitions (relevant processed oil products and uranium), the maritime services ban on liquefied natural gas and the new prohibition on the acquisition of a detained transport asset have been introduced via new Chapters in Part 5. A corresponding Schedule has been introduced for the uranium prohibitions. This is the same approach taken to other trade prohibitions.
- 6.8 The new construction services prohibition has been added to the existing prohibitions in Chapter 6B of Part 5 and Schedule 3J on professional and business services. This is the most appropriate place for these prohibitions.
- 6.9 The new trade sanctions related to specified ships have been introduced as new regulations to Chapter 4A (Aircraft and Ships) of Part 5. The new shipping sanctions have been introduced by amending Part 6 (Ships). This is the most appropriate place for these amendments.
- 6.10 Regarding the amendments made to Parts 7 (Exceptions and licenses), 8 (Information and records), 9 (Enforcement) and 10 (Maritime enforcement) and the TASSCE Regulations, this was the only way to make the necessary amendments.

7. Consultation

- 7.1 No consultation has been carried out on this instrument. The Explanatory Memorandum to the 2019 Regulations themselves explains that consultation has been carried out in relation to the Sanctions Act.
- 7.2 There is neither a requirement in the Sanctions Act for the public consultation on instruments made under the Act, nor is there any other legal obligation to consult in respect of this instrument. His Majesty's Government will continue engagement with stakeholders on the implementation of UK sanctions.

8. Applicable Guidance

- 8.1 In accordance with section 55(3) of the Sanctions Act, guidance has been published in relation to the prohibitions and requirements under the 2019 Regulations. This guidance will be updated to reflect the amendments to those Regulations made by this instrument.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

Impact on businesses, charities and voluntary bodies

- 9.1 The Foreign, Commonwealth and Development Office have undertaken an Impact Assessment to estimate the costs to UK businesses and the wider impacts resulting from these Regulations. As the costs estimated without mitigation could be above the de minimis threshold of £10 million per year, a full impact assessment has been produced.
- 9.2 There is a high degree of uncertainty around estimates. The gas and refined oil price impacts depend on global energy market conditions, including developments in the Middle East and the responsiveness of global supply. It is also difficult to isolate the effects of the UK measures from existing and forthcoming EU sanctions, particularly the EU LNG maritime services ban. In addition, the estimates depend on assumptions about the extent and effectiveness of sanctions circumvention and on the design, scope and duration of any potential licensing regime.

- 9.3 We will continue to assess the energy market and impacts of this measure and if deemed appropriate by His Majesty's Government, licences can be issued to mitigate specific impacts. In such circumstances, there could be costs incurred by the public sector, largely due to the resource required to process businesses' applications for licences. These have not been monetised and are expected to be negligible.
- 9.4 Without these mitigations, it is estimated that the overall cost to UK businesses could be £3.1bn over ten years from the point the measures come into effect. The cost of the proposed regulations in the first year that they take effect without mitigation could be £1.3bn. This incorporates a £1.2bn cost due to the LNG maritime services ban and £130m cost due to the refined oil ban. Expected costs in second year after proposed regulations take effect could be £621m.
- 9.5 The majority of the total cost that could arise from the ban on the provision of maritime and related services to Russian LNG exports is because the measure could be expected to affect UK gas prices, reflecting the temporary removal of a significant amount of Russian LNG from the global market and the role played by UK-based shipping and insurance providers in LNG trade. These potential price increases without mitigation could be significantly larger than the impacts of the other measures and account for most of the total cost of the legislation.
- 9.6 Small and micro businesses are not excluded from the measures, as exemptions would create circumvention risks and undermine the effectiveness of the sanctions. The impacts on small and micro businesses could arise mainly through higher energy prices rather than direct compliance costs without mitigation. The refined oil ban could raise global jet fuel and diesel prices in the short term, reducing margins for firms reliant on transport, logistics or fuel-intensive inputs, with some passing costs on to consumers. The LNG maritime services ban without mitigation could increase UK gas prices when contracts expire, raising operating costs across sectors either directly through energy bills or indirectly through higher input prices.
- 9.7 Charities and voluntary bodies have not been considered in this assessment because we do not have sufficient data to allow us to estimate the impact of this legislation on these organisations specifically.
- 9.8 A full Impact Assessment is submitted with this memorandum and published alongside the Explanatory Memorandum on the legislation.gov.uk website.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

- 10.1 If His Majesty's Government determined that it was no longer appropriate to maintain a sanctions regime or specific sanctions measure, that regime would be removed or amended accordingly. In the case of the 2019 Regulations, that would include the measures introduced by this instrument. As such, the Minister does not consider that a review clause in this instrument is appropriate.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

- 11.1 This instrument, which is subject to affirmative parliamentary procedure, is laid before Parliament on 19 May 2026 under section 55(3) of the Sanctions Act and will come into force on 20 May 2026.

11.2 This instrument amends an autonomous sanctions regime which does not contain any ‘UN regulations’ within the meaning of section 55(7) of the Sanctions act. Therefore, the instrument attracts the affirmative Parliamentary procedure, as provided for in section 55(3).

12. European Convention on Human Rights

12.1 Stephen Doughty MP has made the following statement regarding Human Rights: “In my view the provisions of the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2026 are compatible with the Convention rights.”

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023.