

Sanctions Update

13th October 2025

New Price Cap on Russian Origin Crude Oil

We wish to inform you of important changes to the sanctions regimes affecting the trade of Russian origin crude oil (CN Code 2709), which came into force on 3rd September 2025.

Revised Price Cap

Under both the UK and EU sanctions regimes, the price cap for Russian origin crude oil has been reduced to US\$47.60 per barrel. While the United States has opted to maintain its cap at US\$60 per barrel, this has limited practical impact, as most insurance Clubs operate under UK or EU jurisdiction. Therefore, cover is only available for trades where the purchase price does not exceed US\$47.60 per barrel.

Contractual Considerations

- Contracts entered on or after 20th July 2025 must comply with the new price cap. The wind-down period for these contracts ended on 2nd September 2025.
- Contracts entered before 20th July 2025 may rely on the previous cap of US\$60 per barrel, but must be concluded by 18th October 2025.
- The UK wind-down period for compliant pre-September contracts ends at 23:01 BST on Friday, 17th October 2025.

Refined Products

There are no changes to the price caps for refined petroleum products (CN Code 2710):

- US\$100 per barrel for products trading at a premium to crude oil.
- US\$45 per barrel for products trading at a discount.

These caps remain consistent across the UK, EU, and US regimes.

Compliance Reminder

Members are reminded that insurance cover is not available for any trade that breaches applicable sanctions.

We strongly advise:

- Conducting thorough due diligence on all parties, cargoes, vessels, and service providers involved in any trade with potential sanctions exposure.
- Maintaining detailed records of all due diligence investigations and findings.

As always, with any questions on this or any other sanctions issue please contact our offices. Should you have any queries regarding the above, please do not hesitate to get in touch with your usual Lockton P.L. Ferrari contact or get in touch via our website at www.locktonplferrari.com.

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

For more in-depth details on the above, please refer to your Club's circular that you can find attached here.

LOCKTON P.L. FERRARI S.r.l.