EXPLANATORY MEMORANDUM TO

THE EXPORT CONTROL (RUSSIA, CRIMEA AND SEVASTOPOL SANCTIONS) (AMENDMENT) ORDER 2014

2014 No. 2932

1. This explanatory memorandum has been prepared by the Department for Business, Innovation and Skills and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 The Export Control (Russia, Crimea and Sevastopol Sanctions) (Amendment) Order 2014 ("the Order") amends the Export Control (Russia, Crimea and Sevastopol Sanctions) Order 2014 ("the Russia Sanctions Order")(S.I. 2014/2357) to make provision relating to the enforcement of additional trade restrictions against Russia set out in Council Regulation (EU) No 960/2014 (OJ L 271, 12.9.2014, p3) ("the Amending Regulation"), amending Council Regulation (EU) No 833/2014 (OJ No L 229, 31.7.2014, p1) ("the Russian Sanctions Regulation") of 31 July 2014.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 On 8 September 2014, the Council of the European Union adopted new restrictive measures against Russia by means of Council Decision 2014/659/CFSP, amending Council Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. On the same date, the Council adopted the Amending Regulation amending the Russian Sanctions Regulation so as to implement all those elements of that Decision which fall within EU competence.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As this instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- ***What is being done and why:***

7.1 The government's policy is to support the EU legislation concerning restrictive measures against Russia in view of Russia's actions destabilising the situation in Ukraine.

7.2 The Order amends the Russia Sanctions Order to provide for additional offences and penalties that are required to supplement the new restrictive measures set out in the Amending Regulation. These provisions are concerned with prohibiting trade with Russia of dual-use goods and technology to certain listed persons or entities in Russia, and on the provision of technical assistance, brokering, financing or financial assistance related to those goods to those listed persons or entities. They include a prohibition on the provision of certain associated services necessary for deep water oil exploration and production, arctic oil exploration and production, or shale oil projects in Russia, covering drilling, well testing, logging and completion services and the supply of specialised floating vessels.

8. Consultation outcome

8.1 The Order consists of a technical implementation of a directly applicable EU Regulation. Accordingly, no consultation was necessary.

9. Guidance

9.1 A Notice to Exporters has been published on http://blogs.bis.gov.uk/exportcontrol/ explaining the purpose and effect of the Russia sanctions.

10. Impact

10.1 The Order provides for the offences and penalties in relation to the restrictive measures in the Amending Regulation which are directly applicable in Member States. Thus, a regulatory impact assessment has not been prepared for this instrument as it has no or minimal impact on business, charities or voluntary bodies.

10.2 There is no or minimal impact on the public sector.

11. Regulating small business

11.1 This legislation applies to small business.

12. Monitoring & review

12.1 The Department will monitor the developments in Russia, Ukraine and Crimea and Sevastopol, the actions taken by the EU and the impact of the Order and give effect to any necessary changes if the sanctions are reviewed.

13. Contact

13.1 Christopher Chew at the Department for Business, Innovation and Skills, Tel: 020 7215 8088 or email: chris.chew@bis.gsi.gov.uk can answer any queries regarding the instrument.