

Customs & Trade Updates

**Coverage: Customs, Trade Agreements & Export
Controls for the EU, UK and US
For Week 43/2022**

Content

Invitation: UK Import Restrictions for Your Russian Goods (Expert Webinar)	3
United Kingdom	5
UK Cabinet Border Bulletin 21 October 2022.....	5
Valuing the impact of the World Trade Organization.....	5
Trade from UK to EU 16% lower than if Brexit had not happened, report finds.....	5
How to set up an account to defer duty payments when you import goods.....	5
VAT: Domestic reverse charge procedure.....	6
How to get a review of an HMRC decision	6
TRA opens exemption review of UK bike importer	6
The Export Control (Amendment) (No. 2) Order 2022.....	6
European Union	7
EU Sanctions against Iran – Ukraine (Drones).....	7
EU Sanctions against Iran – Human Rights	8
EU Sanctions against Terrorists.....	8
Transit Convention Update	8
EU ADD / CVD update	8
Corrigendum to Commission Implementing Regulation (EU) 2022/978 of 23 June 2022 imposing a definitive safeguard measure on imports of certain steel products.	8
European Council conclusions, 20-21 October 2022	9

United States	10
European Nationals and Entities Indicted on Charges of Violating U.S. Laws for Their Attempt to Export a Dual-Use High-Precision Jig Grinder to Russia.....	10
Five Russians and two oil traders faced sanctions evasion and money laundering charges.	10
Intertech Trading Corp. Fined \$140,000 for 14 Felony Counts of Failing to File Export Information on Lab Equipment Shipments to Russia and Ukraine.....	11
Ural Airlines Receives Temporary Denial Order for Violating U.S. Export Controls on Russia D.C.	11
About This Update	13
About Customs Manager Ltd.	14
Connect with us on social media	14

Invitation: UK Import Restrictions for Your Russian Goods (Expert Webinar)

The United Kingdom has imposed a wide range of sanctions on goods that are being imported into the United Kingdom consigned from or originating in the Russian Federation. However, these laws are complicated to understand. More importantly, it is difficult to understand which of your products are subject to import prohibitions and for which products you can benefit from an exemption. Time to talk about it.

**CUSTOMS
MANAGER**

**Sanctions: Legally Importing into the
UK from Russia (Expert Webinar)**

Includes 40+ Page Guide

WEDNESDAY, 16 NOVEMBER 2022
2PM BST // 3PM CET // 9AM EST

Book: [E-Mail: info@customsmanager.org](mailto:info@customsmanager.org)
Price: 99 GBP + VAT
Free For Subscribers + Current Clients

www.customsmanager.org

Join us on **Wednesday, 16 November 2022 at 2 pm BST / 3pm CET / 9am EST** for a one-hour expert-led, educational, practical webinar on a **Legal Review of Import Restrictions for Goods from Russia to the UK**

We will analyse the 2019 Russia (Sanctions) (EU Exit) Regulations from an import perspective, which will assist businesses in determine quickly which products are subject to import licences or outright prohibitions. We will cover:

- What is the Russia (Sanctions) (EU Exit) Regulations 2019?
- What amendments were made and when?
- Timeline of Import Sanctions from Russia into the UK so far

- Structure of the Russia (Sanctions) (EU Exit) Regulations 2019
- What prohibitions apply? What trade sanctions are imposed?
- Where do I find the import restrictions in the Russia (Sanctions) (EU Exit) Regulations 2019?
- What exceptions apply?
- Trade Licences
- Consigned from? Originating from? Sent from?
- Example of a Product Specific Analysis to help you identify the goods that are subject to prohibitions

Participants will have the opportunity to ask their questions to the expert trainer. They will be receiving the full slide deck and a 40+ page guide to legally importing from Russia to the UK.

This webinar is aimed at anyone involved in importing products into the UK that originate from Russia and who is interested in understanding the analysis of the Russia (Sanctions) (EU Exit) Regulations 2019. The cost of joining the expert webinar is 99 GBP + VAT (as applicable). Participation is free for subscribers or current clients (under active contract).

BOOKING: E-mail info@customsmanager.org to reserve your spot.

Not interested in Sanctions? Contact us for the training program for November and December 2022

United Kingdom

We looked through the updates on www.legislation.co.uk, and the updates to the GOV.uk website and drew information from various websites and subscriptions.

UK Cabinet Border Bulletin 21 October 2022

Attached in mailing for subscribers and current clients.

Valuing the impact of the World Trade Organization

This report presents the estimates of World Trade Organization (WTO) effects on trade costs, and then offers general equilibrium analysis of the effects on exports and welfare.

Summary: By 2020, just 14 nations would be WTO-free (WTO). The EU is one of 163 WTO members and 25 observers. WTO members traded 98% of products in 2020. Most trade volumes increased after joining GATT or WTO. The WTO benefits international commerce, according to reality. 79% of WTO members reduced trade expenses from 2000 to 2016. (export and import). Developing nations produced numerous positives. Only 21% of WTO members have higher trade expenses. Most were minor former communist nations. WTO membership decreased AVE by 15%. AVEs declined greatest in poor nations (21%), then fuel exporters (17%), and finally developed countries (7%). Trade cost reductions vary in transition economies. The simple average AVE reveals 16% higher trade costs for transition economies. All 43 WTO members increased exports and welfare after joining. From 129% (Mexico) to 4%, this group's exports rose 35%. (Lithuania). Industry and nation-specific consequences of WTO membership differ. Agricultural exports increased 28.5% after WTO membership. Manufacturing exports rose 28.4%, services 27.4%, and mining 18.3%. Joining the WTO improved happiness by 4% in all study nations, from 19% (Ireland) to 0.7%. (China). In 25% of the sample, producers paid more and consumers paid less after joining the WTO. These WTO nations have the best overall wellbeing. For 59% of the sample, WTO membership lowered consumer and producer prices. In nations with rising relative producer prices, this group's welfare impacts were clearer. Access Report here: [Direct Link](#)

Trade from UK to EU 16% lower than if Brexit had not happened, report finds

As the Guardian reported, a new paper on Brexit has been published by an Irish Research Institute.

Summary: This research analyses how Brexit has influenced UK-EU goods trade. Using product-level trade flows between the EU and all other countries as a reference group, we find a steep fall in UK-EU trade and considerable but smaller EU-UK trade. The authors say: "However, using UK statistics and global commerce as a standard, we discover startlingly different outcomes. This difference has two main causes. First, UK worldwide exports expanded modestly. Brexit lowered commerce by 20% in both ways". **Study attached to mailing or [here](#)**

[Link to Article in paper here](#)

How to set up an account to defer duty payments when you import goods

Find out how to apply for a duty deferment account, so you can delay paying most customs or tax charges when you import goods or release goods from an excise warehouse. HMRC has added information about deferring import VAT through your VAT account instead of using a duty deferment account. [Link here](#)

VAT: Domestic reverse charge procedure

Find out about the VAT domestic reverse charge procedure which applies to the buying and selling of certain goods and services. Advice around the Reverse Charge Sales List has been removed. Supplies for final consumption **are** removed from the list of supplies excluded from the reverse charge. [Link](#)

How to get a review of an HMRC decision

Find out about reviews and appeals for direct tax and indirect tax decisions. [Link](#)

TRA opens exemption review of UK bike importer

The Martlet Group, which distributes Orro motorcycles in the UK, applied for an exemption claiming it had not bypassed the UK trade remedies mechanism. The TRA will propose to the Secretary of State for International Trade that The Martlet Group's products be duty-free until the review is complete. The TRA will advise the Secretary of State to exempt the products or apply the duty for the period of the measure after reviewing them. The UK's EU exit ended the anti-dumping regulation on Chinese bicycle components. This anti-dumping policy must undergo a Transition Review by 30 August 2024. [Link](#)

The Export Control (Amendment) (No. 2) Order 2022

The Export Control Joint Unit (ECJU) has modified the 2008 Export Control Order. Changes have been made to Schedule 2 (military goods, software and technology). The [Export Control \(Amendment\) \(No. 2\) Order 2022](#) (S.I. 2022 No. 1042) has become effective on November 3, 2022. The Order enacted modifications to the list of defense-related items. These modifications reflect Wassenaar Arrangement munitions list updates. In compliance with the United Kingdom's obligations under the Protocol on Ireland/Northern Ireland in the EU Withdrawal Agreement (the "NI Protocol"), the Order also incorporates modifications to the European Common Military List. These modifications reflect recent improvements made to Directive 2009/43/EC of 6 May 2009 by Delegated Directive (EU) 2021/1047 of the Commission on 5 March 2021. By virtue of the NI Protocol, the 2009 Directive, as modified, applies to and in the United Kingdom with regard to Northern Ireland. The Order also corrected minor typographical mistakes. The modifications to Schedule 2 include modifications to the definitions and control entries ML1, ML5, ML6, ML8, ML9, ML10, ML13, ML17, ML18, and ML21. In due time, the ECJU will update the unified list of strategic military and dual-use equipment requiring export authorization.

European Union

We looked through the following updates of the European Union as published in the Official Journal of the EU.

21/10/2022	L273	C405 C405A C406
20/10/2022	L272 L272I	C404 C404A
19/10/2022	L271	C402 C402A C403
18/10/2022	L270	C401
17/10/2022	L269 L269I	C397 C398 C399 C400

We also subscribe to news updates from DG TAXUD and DG TRADE as well as receiving other newsletters and subscriptions to get a comprehensive picture.

EU Sanctions against Iran – Ukraine (Drones)

The EU is implementing Regulation (EU) No. 269/2014 on restrictive measures for threats to Ukraine's territorial integrity, sovereignty, or independence. On March 17, 2014, the Council enacted Regulation (EU) No 269/2014 of the Council on restrictive measures against activities that undermine or endanger Ukraine's territorial integrity, sovereignty, or independence (1), specifically Article 14(1). Iran's military supports Russia's illegal invasion of Ukraine. Due to the gravity of the situation, the Council recommends adding three individuals and one organisation engaged in developing and deploying Unmanned Aerial Vehicles to Russia to Annex I to Regulation (EU) No 269/2014. Thus, Annex I of Regulation (EU) No. 269/2014 should be amended.

- [Council Implementing Regulation \(EU\) 2022/1985 of 20 October 2022 implementing Regulation \(EU\) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)
- [Council Decision \(CFSP\) 2022/1986 of 20 October 2022 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#)

EU Sanctions against Iran – Human Rights

The Council approved Regulation (EU) No. 359/2011 on April 12. The Union's High Representative for Foreign Affairs and Security Policy issued a statement on September 25, 2022, denouncing Iranian security forces' extensive and excessive use of force on peaceful protestors, which resulted in many fatalities and injuries. The proclamation demanded justice for Mahsa Amini's murderers. It also demanded the Iranian government to clarify the number of fatalities and arrests, free all peaceful demonstrators, and provide all prisoners a fair trial. Iran's blocking of instant messaging and internet access violates free expression, the statement added. The proclamation concluded that the Union would consider all possibilities to address Mahsa Amini's killing and Iranian security forces' response to protesters. In light of the Union's pledge to address all concerns with Iran, including the human rights situation, eleven individuals and four organisations should be added to Annex I to Regulation (EU) No. 359/2011's list of natural and legal persons, organisations, and entities subject to restrictive measures.

- [Council Implementing Regulation \(EU\) 2022/1955 of 17 October 2022 implementing Regulation \(EU\) No 359/2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran](#)
- [Council Implementing Decision \(CFSP\) 2022/1956 of 17 October 2022 implementing Decision 2011/235/CFSP concerning restrictive measures directed against certain persons and entities in view of the situation in Iran](#)

EU Sanctions against Terrorists

- [Council Decision \(CFSP\) 2022/1967 of 17 October 2022 amending Decision \(CFSP\) 2016/1693 concerning restrictive measures against ISIL \(Da'esh\) and Al-Qaeda and persons, groups, undertakings and entities associated with them](#)

Transit Convention Update

DECISION No 3/2022 of the EU-CTC Joint Committee of 29 September 2022 amending the Convention of 20 May 1987 on a common transit procedure [2022/1983]

Ukraine intends to join the Convention on a common transit procedure (1) (the "Convention"), and the EU-CTC Joint Committee requested it in Decision No. 2/2022 of August 25, 2022. The assurance paperwork and other technical words must be translated into Ukrainian for Ukraine to participate. During a transitional time, assurance forms written before Ukraine joined the EU may be used with certain adjustments. Ukraine joining the Convention should trigger this Decision.

[Link to law](#)

EU ADD / CVD update

Corrigendum to Commission Implementing Regulation (EU) 2022/978 of 23 June 2022 imposing a definitive safeguard measure on imports of certain steel products. On page 77, in Annex II, there is an amendment to product number 9 in the table in Part IV.1 of Annex IV to Implementing Regulation (EU) 2019/159 [Link](#)

European Council conclusions, 20-21 October 2022

Summary:

- On 20-21 October 2022, the European Council adopted conclusions on Ukraine/Russia, critical infrastructure, energy and economy, and external relations. The European Council addressed Russia's intensifying campaign of aggression against Ukraine, which threatens world peace and security.
- It strongly denounced the recent indiscriminate missile and drone assaults on persons and civilian property and infrastructure in Kyiv and Ukraine. The EU is ready to maintain its strong political, military, and financial backing of Ukraine.
- The European Council wants Ukraine's remaining EUR 3 billion in macro financial aid quickly. It requests that the Commission propose and the Council work on a more structural Ukraine aid proposal. With international partners and financial institutions, the EU will aid Ukraine's relief, rehabilitation, and rebuilding. Ukraine seeks a fair peace that respects its territorial integrity and sovereignty.
- The European Council urges Belarus to cease supporting Russia's aggressiveness. Russia caused the world food security issue by weaponizing food against Ukraine. The European Council condemns sabotage of key infrastructure like Nord Stream pipelines. The Council of Europe's Energy Committee (EUCO) has prioritized energy savings and a temporary dynamic pricing corridor on natural gas transactions for 2022.
- Long-term competitiveness requires maintaining the Union's global competitiveness. The European Council reviewed preparations for the 2022 UN Climate Change Conference in Sharm el-Sheikh (COP27) and the 15th Conference of the Parties to the Convention on Biological Diversity (Part Two) in Montreal. It emphasized the urgent need to improve global climate and biodiversity responses.

[Download conclusions](#)

United States

We looked through the updates of the US Federal Register, CBP, BIS, OFAC and others.

[European Nationals and Entities Indicted on Charges of Violating U.S. Laws for Their Attempt to Export a Dual-Use High-Precision Jig Grinder to Russia](#)

Attempts by European Individuals and Organizations to Export a Dual-Use, High-Precision Jig Grinder to Russia Are Charged as Violations of U.S. Laws. A jig grinder is a high-precision grinding machine system that may be exported to European Union nations without a licence. The jig grinder was scheduled for sale to Russia, where it may have been utilised to manufacture military equipment. The indictment accuses Mamonovs, Ananics, Romanyuk, Uzbalis, and others with conspiracy, a crime punishable by up to five years in jail. Each defendant is assumed innocent unless and until their guilt is established by a court of law. The inquiry was coordinated with Task Force KleptoCapture of the Department of Justice.

Got a question on sanctions or US export controls? Contact us for advice, support and training.

[Five Russians and two oil traders faced sanctions evasion and money laundering charges.](#)

Summary of Case:

- The defendants stole U.S. military technology, smuggled millions of barrels of oil, and laundered tens of millions for Russian billionaires, sanctioned companies, and the world's biggest energy corporation. In a 12-count Brooklyn indictment, Yury Orekhov, Artem Uss, Svetlana Kuzurgasheva, also known as "Lana Neumann," Timofey Telegin, and Sergey Tulyakov were accused with offences relating to a worldwide money-buying, smuggling, and laundering network.
- "Juanfe Serrano" and Juan Carlos Soto were accused of aiding Venezuela's state-owned oil business, PDVSA, arrange phoney oil agreements.
- Germany and Italy detained Orekhov and Uss on October 17, 2022, upon US request.
- "Criminal oligarch middlemen stole military technology and Venezuelan oil using shell companies and cryptocurrency.
- "Each of these persons is directly tied to corrupt state-owned firms and sought to conceal the theft of U.S. military technology and benefit from black market oil,".
- "This outfit got sophisticated technology for a failing Russian military industrial complex." The FBI will always locate and eliminate national security threats.
- "Despite shell corporations, bitcoin, and a worldwide fraudster network, U.S. law enforcement captured Orekhov and his pals. The Task Force prevents military technology export evasion.
- Orekov co-owns, CEOs, and manages Hamburg-based industrial equipment and commodities trading firm Nord-Deutsche Industrieanlagenbau GmbH. (NDA GmbH). Artem Uss' son owns NDA GmbH.

- NDA GmbH CEO Kuzurgasheva. Orekhov and Kuzurgasheva utilised NDA GmbH as a front to obtain sensitive military and dual-use technology from U.S. firms, including sophisticated semiconductors and microprocessors for fighter aircraft, missile systems, smart bombs, radar, satellites, and space-based military applications.
- Radioavtomatika, Radioexport, and Abtronics, Telegin and Tulyakov military suppliers, acquired these components.
- The unlawful operation took electronic components from Ukrainian-seized Russian military systems.
- In 2019, Orekhov acquired US Sukhoi and F-22 Raptor components. Orekhov and Uss utilised NDA GmbH as a front to transport hundreds of millions of barrels of Venezuelan oil to Russian and Chinese clients, including a Russian aluminium business run by a sanctioned billionaire and the world's biggest oil refining, gas, and petrochemical conglomerate in Beijing.
- Serrano Ponce and Soto facilitated millions in PDVSA-NDA GmbH transactions with a complicated network of dummy corporations and bank accounts. Orekhov informed Serrano Ponce he worked for a sanctioned Russian billionaire, claiming, "Sanctioned oligarchs NDA GmbH.
- Displaying "Fake shipping paperwork and GPS-less supertankers obscured Venezuelan oil's provenance. Dollar-funded U.S. banks and correspondent bank accounts supported NDA GmbH's illicit operations.
- Orekhov and his accomplices forced U.S. banks to process tens of millions of dollars in violation of sanctions and other regulations using phoney organisations, faked "Know Your Customer" documentation, and high-risk bank accounts
- "There were no concerns...this is the worst bank in the Emirates...they pay to everyone," Orekhov assured Soto. Cash drops with couriers in Russia and Latin America and million-dollar cryptocurrency transfers washed these transactions and revenues.

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Intertech Trading Corp. Fined \$140,000 for 14 Felony Counts of Failing to File Export Information on Lab Equipment Shipments to Russia and Ukraine.

Intertech Trading Corporation, a laboratory equipment distributor in Atkinson, New Hampshire, was sentenced today in federal court after pleading guilty to 14 felony charges of failing to provide export information on shipments to Russia and Ukraine, according to US Attorney Jane E. Young. Judge Paul Barbadoro ordered Intertech to pay the maximum penalties of \$10,000 each offence, totaling \$140,000, and undergo two years of corporate probation and supervision. [Link](#)

Got a question on sanctions or US export controls? Contact us for advice, support and training.

Ural Airlines Receives Temporary Denial Order for Violating U.S. Export Controls on Russia D.C.

URAL Airlines JSC (URAL) was denied export privileges on October 13, 2022, by Assistant Secretary for Export Enforcement Matthew S. Axelrod owing to continuous breaches of the Commerce Department's comprehensive export restrictions on Russia. This Temporary Denial Order (TDO) bars this airline from EAR-covered transactions, including US exports and reexports. Renewable 180-day TDO. "This Temporary Denial Order represents the eleventh TDO issued against Russia and Belarus's main airlines since Russia's horrific invasion of Ukraine," said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod. "Today's action underlines the risk and repercussions of circumventing our stringent export restrictions and significantly harms Russia's aviation sector." The harsh export privilege restrictions of these corporations remind parties in Russia and across the globe that U.S. legal authorities are large, far-reaching, and have a significant effect on global trade by parties found in violation of U.S. law. URAL operates controlled aircraft subject to the EAR without BIS authorisation. Section 746.8 of the EAR requires BIS export or reexport permits for all foreign flights of the carrier into Russia. Any internal Russian flights by the same airline on aircraft reexported to Russia after March 2, 2022 without a BIS licence violate General Prohibition Ten (GP10). GP10 forbids transactions after a violation. [Link](#)

Note that this update is only a summary. It is not expected to be comprehensive. Please refer to the legal text and official publication. We would be delighted to assist you.

About This Update

Part of our suite of solutions to empower customs managers, our Trade Intelligence update allows global trade professionals to save time and free up skilled staff to carry out more strategic tasks. Subscribers or current clients receive a professionally curated compilation of legislative changes that occurred in the prior week, created by experienced trade specialists and quality assessed before release.

Readers can rest assured that they have not missed any updates. Subscribers can save time by forgiving to scan through floods of marketing emails and blog entries and instead focus on operational performance and long-term profitability.

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