
Trade with Ukraine, Russia and Belarus – Update

Alongside businesses across Scotland and the UK, SCC are alarmed at the Russian invasion of Ukraine, which is causing terrible hardship to millions of Ukrainians who are in our thoughts.

In such uncertain times, we felt that it would be useful to provide a practical guide for firms with questions on trading with Ukraine, Russia and Belarus, given the unfolding situation.

Today (3rd March 2022), the Scottish Government Finance Secretary Kate Forbes has asked companies to take “economic action” by reviewing operations for links and connections to Russia and severing them.

In an open letter to the business community, Forbes outlined how the Scottish Government would use all available powers to end trade and investment activity with Russia.

She said there was support available for businesses adapting to cutting links with Vladimir Putin’s country.

Forbes wrote: “For any sanctions to be meaningful they will also have an impact on the countries and economies that are imposing them.

“That will be true here, as it will be across the rest of the UK, EU and US, however any price paid here is significantly less than that being paid by the people of Ukraine.”

Forbes said many businesses, sporting and cultural organisations had already divested their interests in Russia, their trading relationships with Russian entities and their participation in lucrative Russian contracts.

She encouraged businesses to work quickly but with care for the safety of any employees or individuals they may work with.

For support for removing links to Russia, Kate Forbes has advised businesses to contact our economic agencies for more advice and support in this regard. This includes the enterprise agencies: Scottish Enterprise, Highlands & Islands Enterprise and the South of Scotland Enterprise.

The Scottish Government press release can be found [here](#).

Sanctions

More widely, economic 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.

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.

In summary:

- UK sanctions prohibit sale of hi-tech products, including on aerospace, to Russia.
- Dual-use products also banned from export to Russia.
- 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.

Trade with Ukraine, Russia and Belarus – FAQs

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?

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.

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. SCC will engage with Scottish & UK Government on issues the Network experiences with supply of key commodities over the coming weeks and months.

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.

The following chambers in Scotland offer ChamberCustoms services:

[Aberdeen](#)

[Ayrshire](#)

[Dundee](#)

[Glasgow](#)

[Edinburgh](#)

[Renfrewshire](#)

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

No arrangements have been made for this as of time of writing (3rd March 2022).

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

UK nationals in Russia are advised not to travel to Russia. Direct aviation return routes to the UK are not available: <https://www.gov.uk/foreign-travel-advice/russia>

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>

What advice is available from the Scottish Government?

To support companies that will be reviewing and potentially severing their links to Russia, the Scottish Government have advised businesses to contact Scotland's economic agencies.

Depending on geography, this will typically be one of the three enterprise agencies:

[Scottish Enterprise](#)

[Highlands & Islands Enterprise](#)

[South of Scotland Enterprise](#)

Import and Exports

For further information on import controls: contact DIT's Import Licensing Branch at importcontrols@trade.gov.uk **Trade with Ukraine, Russia and Belarus – Q&A**

For 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

For 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: <https://www.gov.uk/government/news/further-support-for-ukrainians-fleeing-russia-invasion>