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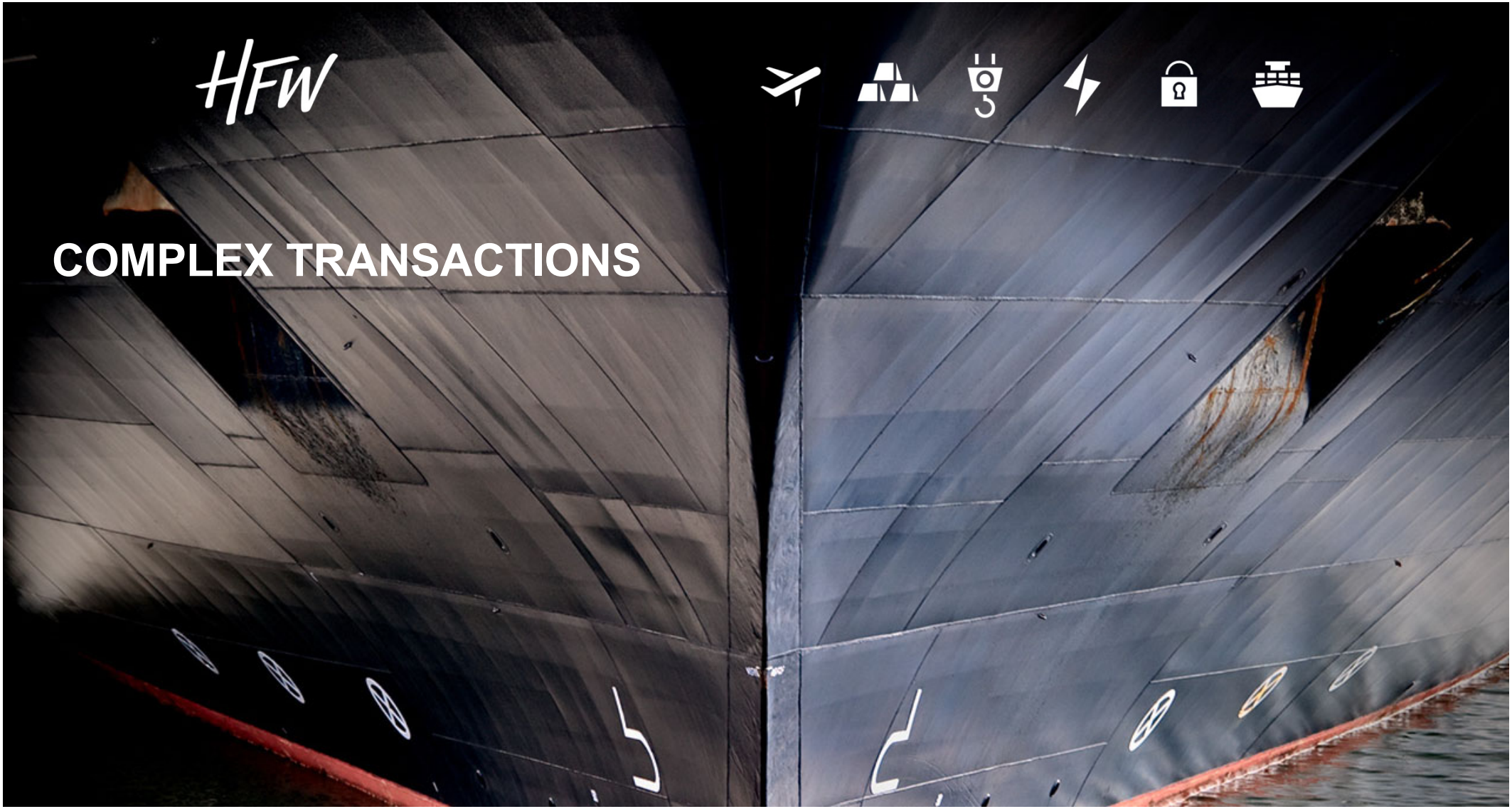
Agenda

- Complex transactions
- Conflicting orders
- Status quo on key Russian traders
- Swiss regulatory update from Bern
- EU de-listing
- Insurer and banking concerns
- Latest prohibitions on lifting metals from Russia
- LNG
- Enforcement: a tour of Swiss, EU, UK, and US sanctions
- Contacts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COMPLEX TRANSACTIONS

LEGAL IMPOSSIBILITY

When does a sales contract become legally impossible to perform due to the involvement of sanctioned entities, or entities with sanctioned owners?

- Situations where it becomes impossible to fulfil contractual obligation
  - We regularly advise on arguments of force majeure/impossibility/illegality
  - However, it will be important to show that the sanctions are actually preventing performance given the facts and the particular FM clause (being mindful of the FM distinction between *hinder* and *prevent*) or relevant common law test
  - Over the last two years we have advised on a number of situations where contracts are pending (cargo to be lifted).
  - The position taken by various regulators has evolved substantially during the last two years.

When does a sales contract become legally impossible to perform?

- Beneficial ownership
  - For example, in the case of the beneficiaries of a trust: if the company is wound up, then who receives the funds from the trustee liquidator … and who in practice appoints and hence controls the liquidator?
- There are different definitions of ownership and control (to be discussed) and we have seen conflicting approaches from different regulators to the implementation of the EU Regulation 833/2014 of 31 July 2014 & its Swiss equivalent concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.
  - For example, the Swiss regulator took a different approach from the Italian on the interpretation of whether or not sanctions apply to the Eurochem Group
  - What if an entity has director(s) / owners meaning the controlling interests are 50% Italian?

LEGAL IMPOSSIBILITY

- Where there is inconsistency between the sanctions clause in the contract and the actual sanctions, to what extent will the clause protect the non-performing party?

  Example clause (difficult to avoid payment):

  – "***If, at any time during the term of this Contract, it becomes known to the Parties that, before payment for the Goods will become due under the Contract, any Sanctions will be changed, or new Sanctions will be imposed or will become effective, or there will be a change in the interpretation of Sanctions, which would materially affect the Party's ability to make or receive any payments for the Goods, then notwithstanding any clause or provision to the contrary in this Contract, a Party may, by written notice to the other Party, request that payment for the Goods be made in a different currency than provided for under the Contract, or that payment be made earlier than provided for in the Contract, provided that this leaves the Buyer a minimum of [X] business days [from SPECIFIC EVENT] to effect payment***."

  – In considering how sanctions apply to your organization/ this transaction, you need to consider:

    Are there specific parties who are subject to sanctions, e.g. directors and officers with US/EU citizenship?

Celestial Aviation Services Limited v UniCredit Bank AG [2023] EWHC 663 (Comm) – UK Caselaw

- The King's Bench Division (Commercial Court) found that despite the imposition of sanctions by the UK following Russia's invasion of the Ukraine, the defendant bank should have still honoured its obligations under L/Cs provided in relation to leases of aircraft to Russian companies (which were issued between 2017 and 2021). This case involved longer term contracts in place prior to the imposition of sanctions, and the effect when sanctions were the suddenly imposed.
- The relevant prohibition under Regulation 28(3) of the UK Russia (Sanctions) (EU Exit) Regulations 2019 came into force on 1 March 2022. The court held that the starting point in interpreting the regulation was to identify its purpose: to ensure that financial assistance was not provided to Russian parties in relation to, *inter alia*, the supply of aircraft.
- Since the aircraft had been provided lawfully to Russian companies under leases long before March 2022, the court considered that the provision by UniCredit Bank of financial services to the Russian lessees by way of the L/Cs had also occurred lawfully long before then.
- Therefore, performance by the bank of its payment obligations under the L/Cs would not facilitate the supply of aircraft to Russia or to Russian persons.

- Let's consider a situation where as seller, your confirming or discounting bank includes a sanctions clause in its confirmation (or confirmation and discounting) advice, however the original LC issuing bank does not
- A confirming bank performs the duties of the issuing bank on its request; if discounting, the bank provides a short-term credit facility to the beneficiary before it presents the sales & shipping documents (at a discounted amount)
- **Kuvera Resources Pte Ltd v JP Morgan Chase Bank**, NA [2022] SGHC 213
  - First time a Singapore court considered the validity and enforceability of a sanctions clause
  - The Singapore High Court found that a sanctions clause (that excluded payment where there was a vessel involved subject to US sanctions) that was included in a third-party bank's confirmation on letters of credit issued by a different bank was valid and enforceable. As a result, the confirming bank (JP Morgan) did not need to pay against a complying presentation of documents.

Takeaways :

- The Singapore High Court found that the Sanctions Clause did not need to be a term of the letters of credit
- The court found that the Sanctions Clause operated as a term of JP Morgan's offer of a unilateral contract, not as a variation of either the letter of credit or of the confirmations
- The Sanctions Clause was not found to be fundamentally inconsistent with the commercial purpose of the confirmations

Questions to consider:

- Where a sanctions clause is not included in an LC by an issuing bank, can the bank refuse to make payment on maturity if sanctions become applicable (e.g. due to "applicable law")?
- How are LCs affected by a particular sanctions clause wording?

Letters of Credit - Analysis

- Traders often rely on letters of credit for global trade payments. Sanctions clauses in LCs pose non-payment risks given differing sanctions regulations apply different criteria – for example, regimes list different individuals, have different criteria for control and ownership and tend to apply sectoral sanctions affecting particular types of trades differently.
- To mitigate this risk, traders can use confirmation, or confirmation and then discounting. Traders cannot "contract out of" the sanctions that apply under a particular legal system, which may prohibit a payment where the customer's UBO has become subject to sanctions.
- It is worth considering when risk passes in a typical transaction where:
  - The issuing bank insists on sanctions wording being added on the face of the LC.
  - There is no sanctions language mentioned on the face of the LC.

DRAFTING TIPS: SANCTIONS CLAUSES

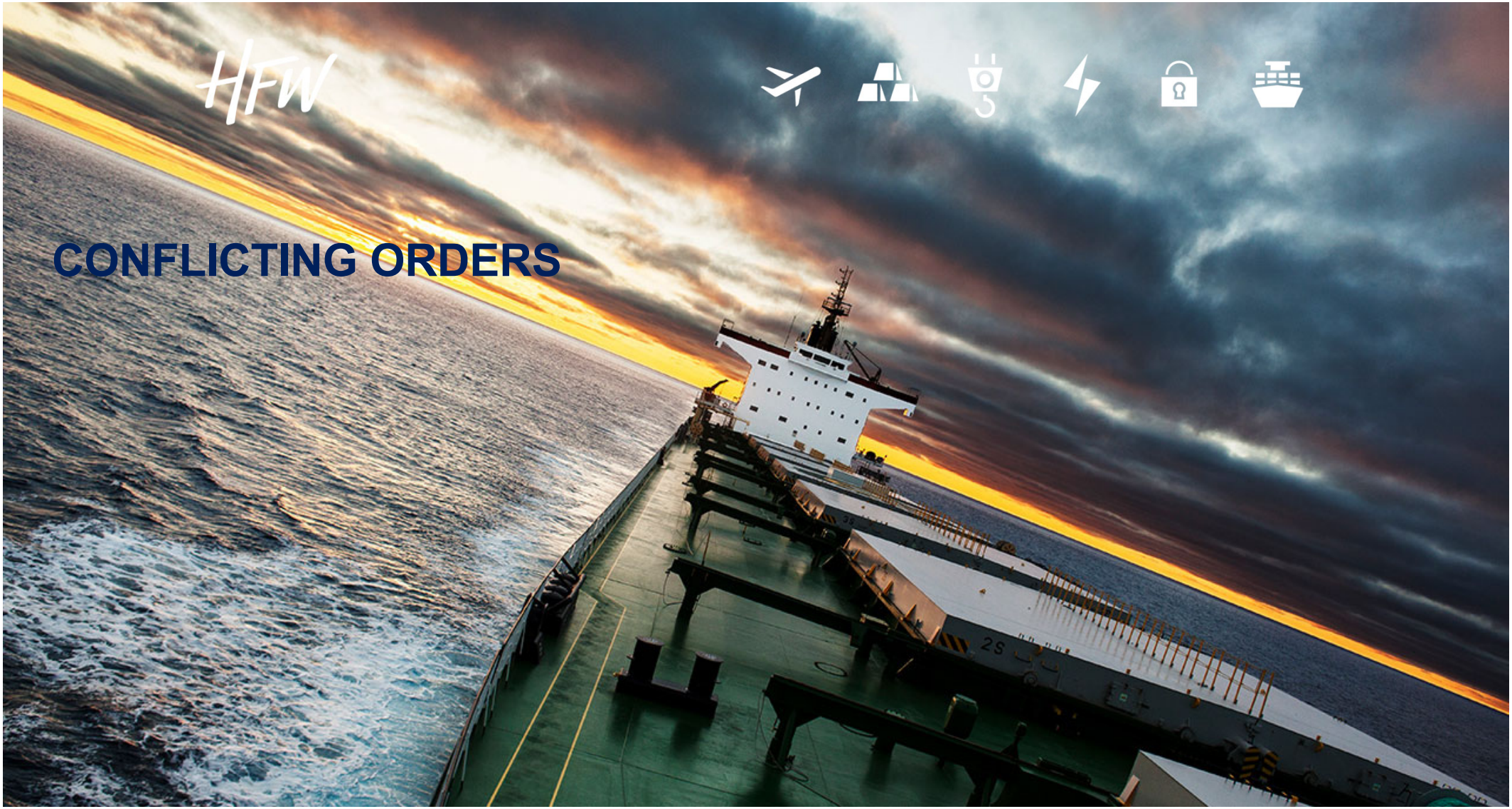
Breadth

- Broad enough to capture relevant sanctions, however too much breadth may be found to undermine commercial purpose: careful, situation-specific drafting is needed

Flexibility

The clause should be drafted in a way that accounts for changes over time

- Recall the UK aviation case **Celestial Aviation Services Limited**: you do not want to be in a situation where new sanctions that were not contemplated are imposed and you are refusing your contractual obligations on that basis. This can result in large losses if the court does not agree with you regarding the interpretation/application of the sanctions.
  - "That regulation, as would normally be expected, operated prospectively and not retrospectively. It therefore looked to the time at which financial assistance was provided to the relevant party. Here, the issuance of a letter of credit to enable the supply of aircraft to a Russian party after the date on which the Regulation came into force would plainly come within the prohibition, as both parties accepted. That is not, however, this case. Here, the aircraft had been supplied long before the prohibition came into effect, at a time when it was perfectly lawful to make such a supply." (para 126)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CONFLICTING ORDERS

- What should you do when the instructions are unlawful: i.e. they require you to lift from Russian Railways, ports or suppliers?
- We have seen situations where the transaction itself is unproblematic, however the goods have either been transported by Russian railways, or by a sanctioned pipeline, or supplied by a sanctioned entity.
  - Sale and purchase: although you may be purchasing non-sanctioned material, you are effectively benefitting a sanctioned entity down the line (directly or indirectly)
    - For example, by paying port fees, railway fees, storage of goods (fact-specific) in a terminal that is owned or controlled by a listed or sanctioned person
  - Transport: Conversely, a vessel owner transporting goods subject to sanctions under a particular regime will be putting themselves at risk if they / owners are subject to the relevant jurisdictional sanctions

CONFLICTING ORDERS
RUSSIAN RAILWAYS

- **Contract types**
- FOB contract: Risk passes at load port, Russian Railways has already been paid when goods put on the ship (and your transaction "begins")
- Is this direct enough to be captured by sanctions?
  - EU FAQs
    - Under Article 3(l)1 of the Regulation, *road* transport: Russian entities are prohibited from transporting goods by road within the territory of the Union, including in transit. However, this ban does not apply to the transport of goods in transit through the Union between the Kaliningrad Oblast and Russia, provided that the transport of such goods is not otherwise prohibited under the Regulation. So if a Russian entity has transported the cargo by road in the EU, that will be a red flag.
    - No such specific regime applies to *rail* transport on the same route, without prejudice to Member States' obligation to perform effective controls as set out below, in conformity with EU law (e.g. transit volumes, anti-circumvention, military and "dual use" goods, etc.). However, Russian Railways is a sanctioned entity.
  - On this basis, depending on the wording of the sanctions clause, you may not be permitted to refuse the charterer, as you may only be permitted to do so when at real risk of being sanctioned yourself
  - It may be possible to refuse orders on the basis that your P&I club is not giving the green light: however, a sanctions risk clause for your insurer must be included that justifies refusal
  - Who to include in sanctions risk clauses: shareholder, owner, insurers, risk to shareholders/ directors: everyone relevant should be included

CONFLICTING ORDERS
TRANSPORT: RESTRICTED GOODS

- Under **Council Regulation (EU) No 833/2014** (as amended, e.g. in July 2022), it is prohibited to purchase, import and transport coal if it is exported from or originates in Russia. However, the EU Commission issued guidance (as below) suggests that it is permitted to transport Russian coal outside the EU:

- FAQ: Is the transfer of goods listed in Annexes XVII and **XXI** (includes coal – CN code 2701) of Council Regulation No. 833/2014 by an EU company allowed when the goods are destined for a third country and are not transiting Union territory? (Last update: 26 July 2023)

- No. Articles 3g and 3i of Council Regulation No. 833/2014 prohibit the purchase, import, or transfer, directly or indirectly, of the goods listed in Annexes XVII and **XXI** if they originate in Russia or are exported from Russia. The prohibition on transfer applies irrespective of the final destination of the goods, whereas the prohibition on the import applies by nature to goods moving "into the Union". Provided the transfer falls within the scope of Article 13 of Council Regulation No. 833/2014, it is not relevant whether the goods are destined for the EU or not.

- However, the Union is committed to avoiding that its sanctions impact food and energy security of third countries around the globe, in particular of the least developed ones. In light of this commitment, which is clearly stated in recitals 11 and 12 of Council Regulation No. 2022/1269, **the transfer to third countries of certain goods listed in Annex XXI should be allowed "to combat food and energy insecurity around the world" and "in order to avoid any potential negative consequences therefor" in third countries.**


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INSURER AND BANKING CONCERNS

INSURER AND BANKING CONCERNS
P&I COVERAGE

Key features will Clubs and Banks will consider in deciding whether they can cover or finance, a trade:

Parties

- Is the counterparty sanctioned? Are any owners / shareholders / directors / UBOs sanctioned?

Product

- A product can be sanctioned as a result of its origin, destination, and transit.
- One component of a product being sanctioned may result in the whole product being sanctioned (for example, steel products containing metals imported from Russia)

Journey

- If transported by a sanctioned entity, this can apply to sea, rail, or air travel.

Contract

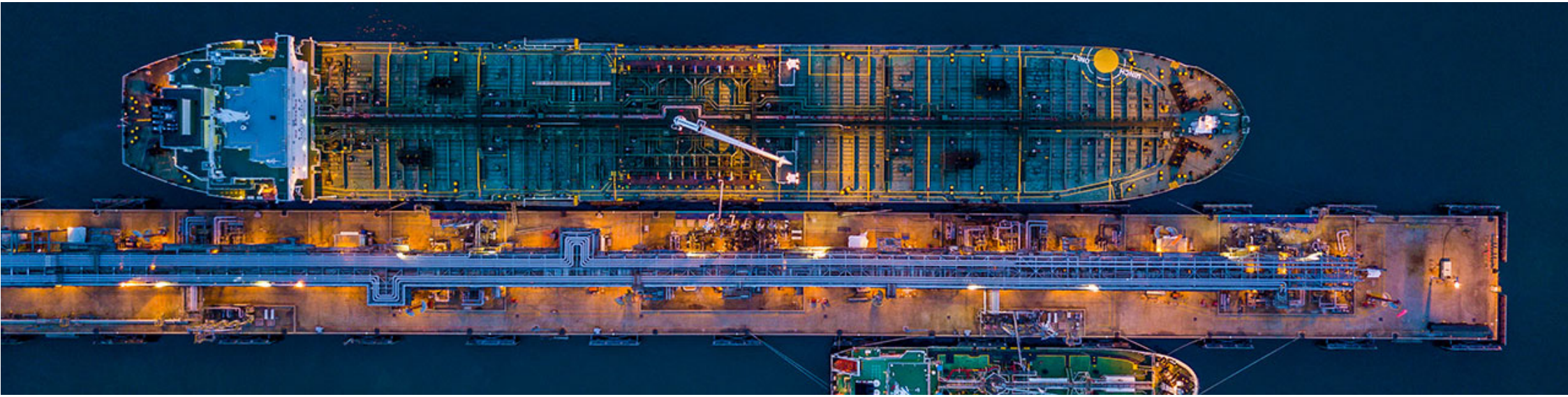
- Incorporation of not only the parties to the contract in the contract's sanction clause, but also the P&I Club

- **P&I Clubs**
- Russian Railways are subject to an asset freeze under UK sanctions, so that it is prohibited to make funds or economic resources directly or indirectly available to them. To the extent that Russian Railways are involved with a voyage (potentially in transporting the coal to the load port), there may be a sanctions concerns for a club.
- For consideration:
  - Is providing insurance to vessel owners for a voyage which involves the transport of Russian coal that has first been transported by Russian Railways too remote a connection to be a significant risk?
- Let's assume charterers are also buyers:
  - The Russian railways part of the journey will have taken place before the voyage, so: is providing insurance for that voyage sufficiently connected to any dealings with Russian Railways?

…could it be seen as a facilitation of a transaction benefiting a sanctioned person under UK sanctions?

CONFLICTING ORDERS
P&I CLUBS

- Query whether owners would be able to refuse charterers' orders!
- Two ways a clause may not allow Owners to refuse orders if Russian Railways have been involved:
  - I) the clause does not include UK sanctions, or
  - II) it fails to state that charterers must give orders that do *not* involve a sanctioned person (or that Owners can refuse to follow orders if there *is a sanctions risk*).



- Below Baltic and International Maritime Council / BIMCO clause, note if the UK is removed from the definition of “sanctioned authority”, then Owners likely cannot refuse to follow orders which involve Russian Railroads.
  - **Clause 127 - BIMCO Sanctions Clause for Time Charter Parties 2020**

    (a) For the purposes of this Clause:

    "Sanctioned Activity" means any activity, service, carriage, trade or voyage subject to sanctions imposed by a Sanctioning Authority.

    "Sanctioning Authority" means the United Nations, European Union**, United Kingdom**, United States of America or any other applicable competent authority or government.

    "Sanctioned Party" means any persons, entities, bodies, or vessels designated by a Sanctioning Authority.

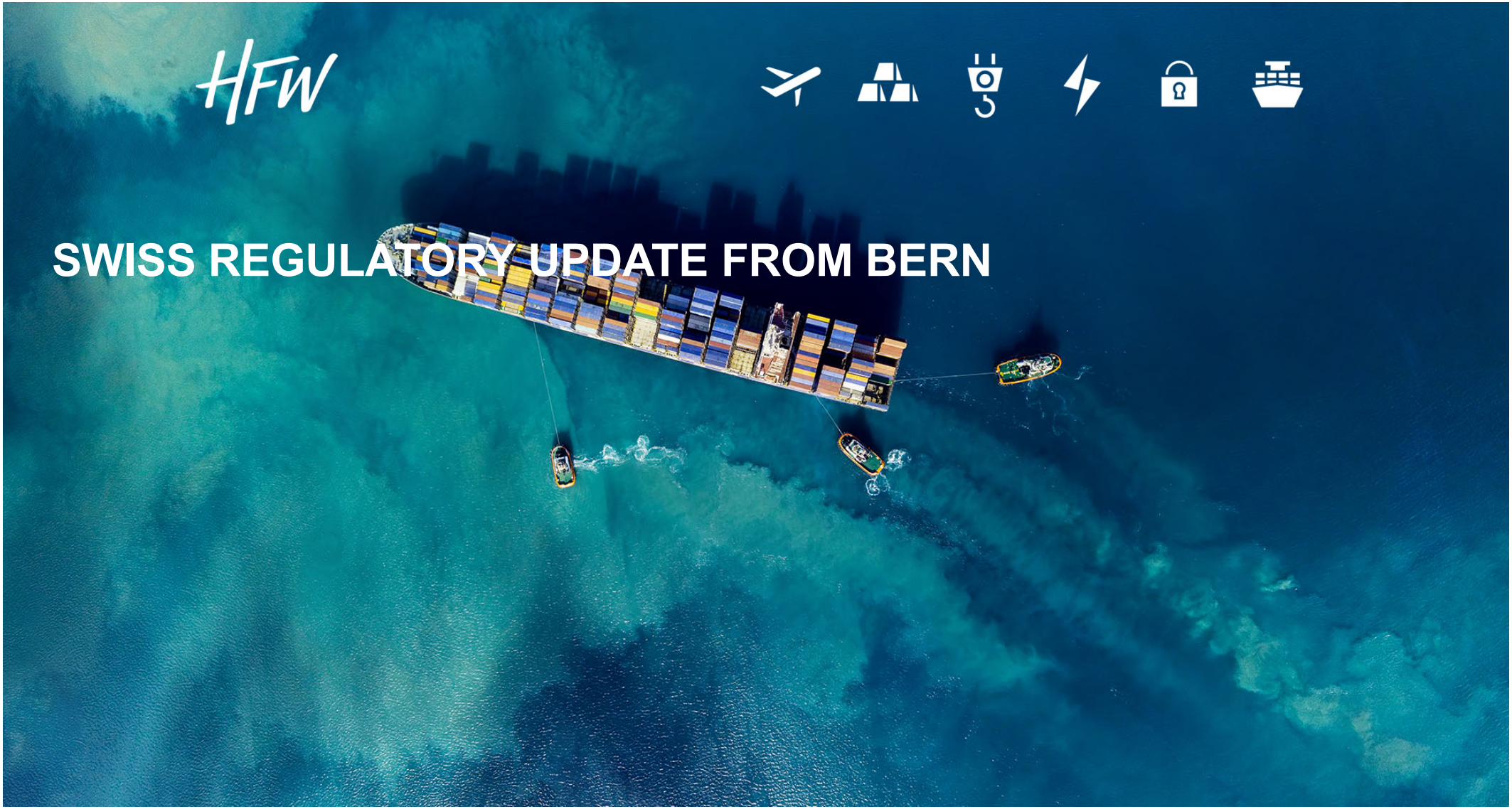
- Or: if you remove any element concerning the insurers and owners, then where managers and crew are not subject to UK sanctions (all Indian for example) they will not be able to refuse orders that involve Russian Railroads.

  - **B) BIMCO Sanctions Clause for Time Charter Parties**

    (a) The Owners shall not be obliged to comply with any orders for the employment of the Vessel in any carriage, trade or on a voyage which, in the reasonable judgment of the Owners, will expose the Vessel, Owners, managers, crew, **the Vessel's insurers, or their re-insurers,** to any sanction or prohibition imposed by any State, Supranational or International Governmental Organization.

Case example

- Imagine European-based shipowners are looking for advice on whether they can lawfully lift product from a sanctioned entity. They would like to rely on the right to refuse to perform on the basis of illegality under a contract of affreightment
- Consider the difficulty for the European shipowners where product was already lifted from or instructions were given to lift cargo from a *sanctioned entity*, involving directly providing a benefit by transporting a cargo owned by that sanctioned entity and (worse) because the entity held title to the product during the transit, also risk transporting cargo owned by a sanctioned entity
- Issues for consideration: whether or not sanctions clause is triggered, whether vessel was being sent into war zone or triggering war risk, whether owners may refuse to perform under one voyage under the COA or may terminate the entire COA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SWISS REGULATORY UPDATE FROM BERN

SWISS REGULATORY UPDATE FROM BERN

- On August 30, 2023, Swiss Federal Council introduced a bill aimed at strengthening of the anti-money laundering framework in Switzerland.
- Notably, the bill introduces a federal register in which companies and other legal entities, including trusts, are required to report the identity of their "beneficial owners" and the magnitude of the control exercised by them.
- Sanctions enforcement is not the main goal of the bill, according to Councillor Keller-Sutter, however a “desired side effect”.
- Article 4 of the bill defines "beneficial owner" as a natural person who either controls the legal entity by
  - indirectly or directly holding at least 25% of the capital or voting rights of a company (alone or together with a third party); or
  - by exerting control in some other way, the latter of which is to be defined by the Federal Council.
- Ownership versus control has been a key topic in sanctions enforcement and is likely to play out in how this is defined and interpreted.

- Article 4 of the bill defines "beneficial owner" as a natural person who either controls the legal entity by

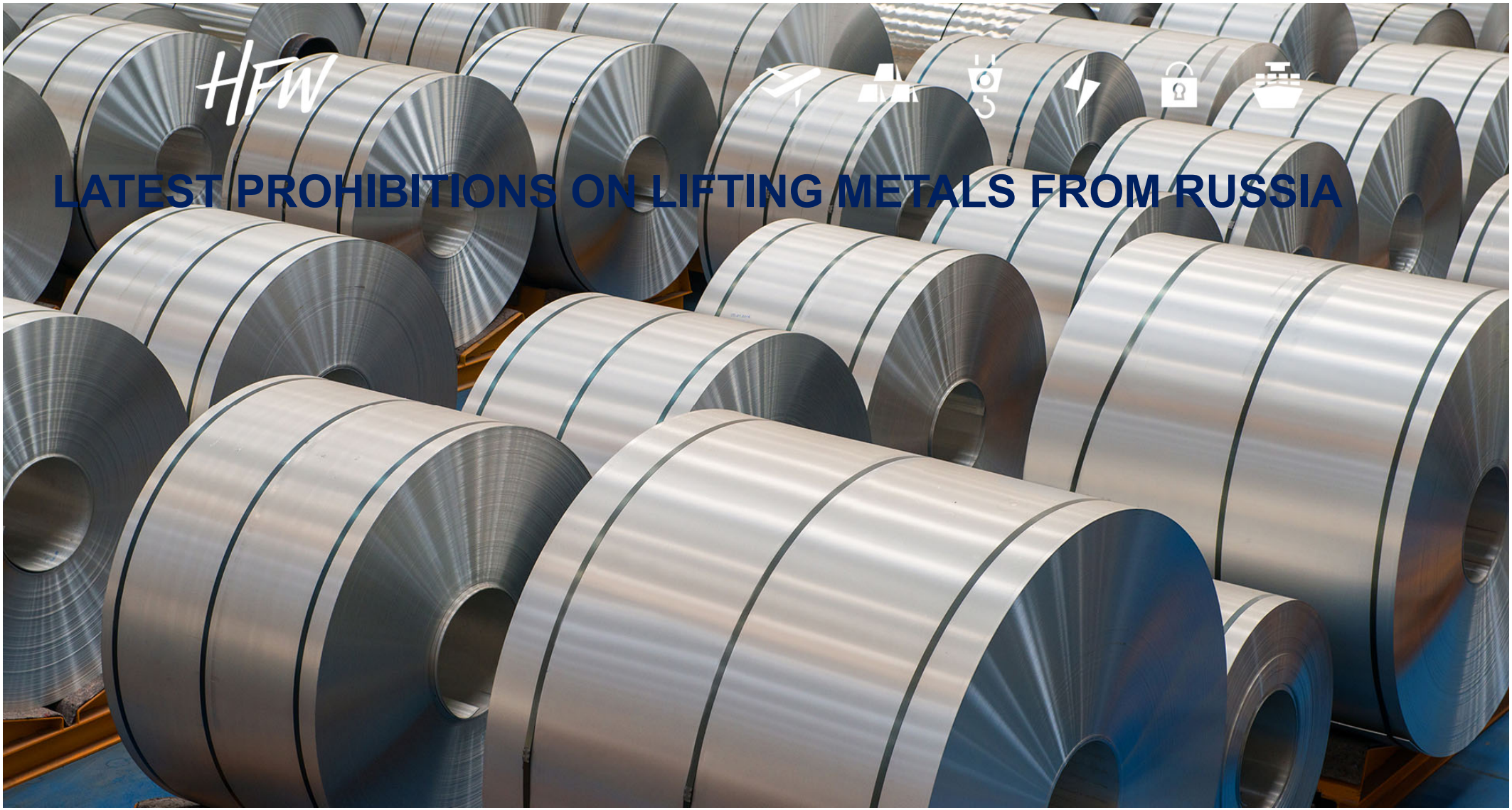
  - indirectly or directly holding at least 25% of the capital or voting rights of a company (alone or together with a third party); or

  - exerting control in some other way, the latter of which is to be defined by the Federal Council.

- How ownership and control are defined has been a key issue in interpreting sanctions enforcement.
- This is likely to play out in the definition and interpretation of Article 4, should the bill come into effect.
- The register is not expected to be created until the end of 2024/beginning of 2025 at the earliest.

SWISS POLITICAL UPDATE

- On 11 April 2024, Swiss activists triggered a referendum on proposals to end economic sanctions on Russia and rule out any punitive restrictions on trade with China.
- Members of the “Neutrality Initiative” handed in a petition of 130,000 signatures to government officials in Bern, prompting a near-certain national vote to amend the constitution.
- The amendments would prohibit Switzerland from imposing or joining any form of coercive sanctions regime unless granted a mandate by the UN Security Council, which is highly unlikely given that Russia and China have the power of veto.
- This would allow Switzerland to reclaim its position as a safe-haven for offshore wealth and financial services to both Russia and China and is at odds with their previous adoption of EU sanctions against Russia.



LATEST PROHIBITIONS ON LIFTING METALS FROM RUSSIA

LATEST PROHIBITIONS ON LIFTING METALS FROM RUSSIA
SWISS

What are the latest prohibitions on Russian-origin metals?

Swiss Prohibitions

- SECO has imposed sanctions on **steel and iron products** coming from Russia (listed in Annex 17)
- Prohibitions concern the purchase, import, or transport of products listed, or related services, regardless of the final destination of the goods.
  - There are exceptions for goods which make up part of the volume of EU importation quotas
  - Proof of origin must be shown at time of import
  - Where imported from a third country outside the EEA and UK, proof or origin must still be presented at import into CH (authorities may request certificates of factory testing)
- Other metals with Russian origin are also prohibited, including precious metals, aluminum products, ferroalloys, and pig iron, as listed in Annex 20
- For certain products, wind-down periods apply:
  - 7202 ferroalloys, provided that the transaction was agreed before February 1, 2024 and is fulfilled by December 20, 2024

LATEST PROHIBITIONS ON LIFTING METALS FROM RUSSIA
EU

What are the latest prohibitions on Russian-origin metals?

EU Prohibitions

- The direct or indirect import or purchase of iron or steel products listed in Annex XVII are prohibited.
  - This prohibition applies even where products are processed in a third country if *incorporating steel products originating in Russia* with tariff headings 7207.11, 7207.1210, or 7224.90.
  - As with the Swiss regime, importers must provide evidence of the country of origin of the iron and steel inputs used for the processing of the product in a third country, at the moment of importation.
- Certain products are permitted to be imported in quantities provided by import quotas
- Some iron/ steel products processed in third countries are subject to winddown periods (e.g. 7207 11 products until 1 April 2024, and 7207 12 10 and 7224 90 products as of 1 October 2028).

LATEST PROHIBITIONS ON LIFTING METALS FROM RUSSIA
UK AND US

What are the latest prohibitions on Russian-origin metals?

Other jurisdictions: UK and US

- In December 2023, the UK introduced legislation to directly ban imports of Russian metals, including aluminium, copper and nickel.
- The U.S. put in place tariffs on various Russian metal imports.
- This April 2024, the UK and US announced together that the London Metal Exchange (LME) and the Chicago Mercantile Exchange (CME) will no longer trade new aluminium, copper and nickel produced by Russia.
- As the world's two largest metal exchanges, the London Metal Exchange and Chicago Mercantile Exchange set global benchmark prices for the trade of base metals.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LNG

Can LNG be lifted from Russia?

- *EU sanctions*: the trading of Russian origin LNG should not cause any concern from an EU sanctions perspective as there is no prohibition with respect to LNG, falling under HS heading 2711 11, under Council Regulation (EU) No 833/2014.
  - In practice, some companies are lifting LNG from Russia, some are not
  - On 11 April 2024, the European Parliament voted to pass rules to allow European governments to ban Russian LNG. So far, no countries have confirmed they will use this new legal option.
- *UK sanctions*: under UK sanctions it is prohibited to acquire or import Russian LNG with CN code 2711 11 00, into the UK or with the intention that the oil will come into the UK. Accordingly, as long as the intention is not for the LNG to come into the UK and it does not in fact come into the UK, trading Russian LNG does not prima facie breach UK sanctions.

- Nonetheless, in all cases, companies must consider to what extent an LNG entity is beneficially owned by sanctioned person (less to 50%), or to what extent a sanctioned person exerts control over an LNG entity
- Further, even where sanctions do not bite, companies must consider the reputational risk associated with certain LNG entities.

Boris Mints & Ors v PJSC National Bank Trust & Anor [2023] EWCA Civ 1132

- On 6 October 2023 a UK Judgment was handed down by the Court of Appeal, caused considerable concern over potential broadening of the meaning of control by a listed person, Mr. Putin.
  - In essence the judgment suggested that every Russian entity could be controlled by Putin and therefore potentially subject to the UK asset freeze.
- The UK Authorities (FCDO and OFSI) quickly issued guidance stating that the Judgement does not reflect their view.
  - "There is no presumption on the part of the Government that a private entity based in or incorporated in Russia or any jurisdiction in which a public official is designated is in itself sufficient evidence to demonstrate that the relevant official exercises control over that entity."
  - Statement following the judgment in Mints & others v PJSC National Bank Trust & another (govdelivery.com)

LITASCO SA V DER MOND OIL AND GAS AFRICA SA & ANOR [2023] EWHC 2866 (COMM)

Litasco entered into a contract to sell Der Mond 950,000 barrels of ERHA (Nigerian) crude oil, CFR Dakar, Senegal ("the contract"). The cargo was delivered and Der Mond made partial payments in respect of the price in November 2021 and January 2022.

The commercial court granted summary judgement against Der Mond for defaulting on an instalment of the purchase price of the crude oil.

The Court found no evidence that Litasco or its parent company met the criteria for sanctions. The Court distinguished this case from precedent, determining that it was not arguable that President Putin exercised control over the Russian parent company for the purposes of Regulation 12. The Court clarified that sanctions do not automatically excuse contractual performance, especially where there is no clear connection between the contracting parties and sanctioned entities. The Court found that neither the seller nor its parent company were sanctioned entities under the 2019 Regulations.

The Court dismissed the submission that Regulation 44, prohibiting transactions relating to energy-related goods to Russia, applied in this case.

ENFORCEMENT: A TOUR OF SWISS, EU, UK AND US SANCTIONS

- In 2022, the US imposed 16 fines totalling $42,664,006. This has been eclipsed so far in 2023 with 12 fines totalling over $500,000,000.
- The UK in 2022 imposed fines totalling £45,000. In 2023 the first fine to be levied was for £1,000,000 in August.
  - OFSI issued a disclosure notice against Wise Payments Limited for making funds available to a designated person without a licence in August 2023.
- The EU does not publish consolidated statistics on sanctions enforcement, however, Dutch prosecutors have recently imposed fines up to EUR 100,000 on four companies for breaching EU sanctions to aid in the construction of the Crimea Bridge.
- In Switzerland, SECO had registered over 100 suspicious cases for examination by March 2023, with proceedings opened in 23 cases.
  - However, of 126 shipments reported by customs, only two had incurred penalties by April 2023.

EU sanctions: new enforcement lawsdown on violations

- On 12 March 2024, the European parliament adopted a directive to criminalise the violation and circumvention of EU sanctions, and to set minimum penalties for violations.
- Breaches will be punished as criminal offences, with prison sentences of up to 5 years, or fines up to EUR 10,000,000.
- For legal entities, public benefits, funding and grants may be withdrawn, restrictions on the ongoing business may be imposed and, for technical offences, penalties of up to 1% of the total worldwide turnover in the preceding financial year. For more substantive offences, this rises to 5%.

Effects

- A significant step change in EU sanctions enforcement, reflecting a sense of frustration as to existing enforcement levels
- At Member State level, authorities have been under time and resource pressure, but changes are happening:

  In the Netherlands in the past month or so three individuals have been arrested for violating Russia sanctions and fines of EUR 718,841.25 and EUR 451,250 have been upheld by the Rotterdam District Court

  Latvia and Germany are both restructuring and consolidating their sanctions implementation authorities.

  Cyprus is setting up a specialised unit emulating the office of financial sanctions implementation in the UK.

ENFORCEMENT: A TOUR OF SWISS, EU, UK AND US SANCTIONS

- On 12 April 2024, both the UK and the US imposed further sanctions measures on Russia by prohibiting the London Metal Exchange (LME), the Chicago Mercantile Exchange (CME) and other metal exchanges from accepting newly produced Russian aluminium, copper and nickel.
- Imports of these metals into the UK and the US have also been barred.
- This is especially important for the LME, as 40% of its available metal stocks are Russian-made.
- In March 2024, 91% of the available aluminium stocks in LME-registered warehouses were of Russian origin, Russian-origin copper stocks were 62%, and nickel stocks were 36%.
- CME does not disclose the origin of metals its stored metals.
- On 12 April 2024, the UK government amended their 14 December 2023 sanctions package, enabling the LME and other entities to continue to acquire Russian Warrants, conferring ownership, as long as the relevant metal was produced before 13 April 2024.
- If the relevant metal was produced after this date, UK persons are prohibited from acquiring it. (s.12 LME Notice).

ENFORCEMENT: A TOUR OF SWISS, EU, UK AND US SANCTIONS

- Contrasting with the oil price cap measures, which allow compliant third countries to transport Russian oil and products without a cut off date, the new metal restrictions operate as a ban on "new" Russian metal.
  - i.e. metal produced on or after 13 April 2024 (s.29 and s.31 LME Notice)
- However, there is a wind-down period for metal produced before 13 April 2024, allowing "old" Russian metal to be used in settlements e.g. deliveries to minimise market disruption (s.30 LME Notice).
- The outright ban on "new" Russian metals displays an intention from both the UK and the US to stop future supply from Russia and lessen market shock, rather than maintain an ongoing supply and minimise revenues to Russia.
- The ultimate goal for both governments appears to be to reduce Russia's metal exports to zero, while recognising that this cannot be achieved overnight without enormous market disruption.

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Sarah acts for a range of trading companies, charterers and owners in shipping and international trade disputes.

Her work involves petroleum products, crude, gasoil, cement, coal, bitumen, steel and ferrous as well as non-ferrous metals, ethanol and soft commodities including grains, soyabeans, oils and seeds, sugar, coffee and cocoa.

Sarah was recently listed for the first time in legal 500's Tier 1, where her 'professional and client oriented' team were described as collaborating with a network of shipowners, charterers, P&I Clubs, banks, governments, and brokers on commercial, regulatory, and litigation matters.

She has successfully litigated or settled in favour of or to client satisfaction, all Commercial Court claims. Her litigation profile includes freezing orders arising out of various frauds, hedging losses, defaults on sale contracts (failure to perform), off-specification cargo quantum disputes and non-delivery disputes. She has also recovered judgment sums awarded against recalcitrant defendants including a significant proportion of costs.

Sara Abhari
Associate

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Sara is an Associate in HFW's corporate/commercial and commodities team in Geneva. She has expertise in commodities, trading, shipping, sanctions and assists in matters involving all forms of international trade.

Her experience also includes advising clients in international commercial transactions, asset and share purchase deals, software licensing, shareholder's agreements as well as employment and commercial contracts. She has also assisted clients with commercial disputes and advised on regulatory issues in a wide variety of sectors.

Before joining HFW, Sara trained in the corporate group of a full-service law firm in Toronto, Canada and worked in the legal team of an Artificial Intelligence company based in Zug, Switzerland.

Sara is qualified in Canada (Ontario). She holds a Juris Doctor and Master of Law from the University of Fribourg in Switzerland. Sara is fluent in German and English.

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Daniel has more than 10 years' experience advising clients from a range of sectors and across multiple jurisdictions on all aspects of international financial and trade sanctions and is a recognised expert in his field.

He provides commercially-focused advice on UK and EU sanctions, as well as the application of US sanctions to non-US persons.

He and his team of specialist sanctions lawyers investigate suspected breaches of sanctions, advise on how best to engage with regulators (including self reporting in the UK and other jurisdictions), and recommend effective remediation measures.

He advises on the impact of sanctions on corporate transactions, carrying out targeted specialist sanctions due diligence on both acquisitions and disposals, considering investor and bank covenants and drafting disclosures and protective warranties.

He prepares internal policies and provides tailored training, including high level sessions suitable for all employees, as well as bespoke sessions for compliance professionals, and provides urgent advice on one off transactions.

Daniel advises clients in our core shipping, commodities, energy and insurance sectors, and also private equity firms, financial institutions and media organisations, amongst others.

Ranked Band 3 by Chambers and Partners in 2023 for his Sanctions practice, Daniel's clients testify to his expertise saying "Daniel has been particularly thorough and insightful when it comes to identifying and addressing sanctions issues".

Acritas Star Lawyers describes Daniel as "Down to earth, commercially minded, understands my business and thinking outside the box."

CONTACTS

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Partner

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David Savage is a Partner based in our London office. David has significant experience advising clients on a range of regulatory and white-collar criminal matters, with a particular emphasis on international sanctions. He is a recognised leader in this field.

David has spent more than a decade working with clients across a range of sectors and jurisdictions to ensure their compliance with complex and contrasting financial and trade sanctions regimes. His prior role as the Group Senior Sanctions officer for a private bank, combined with extensive financial crime experience in private practice, means that David brings expertise in international sanctions at a level usually found only within financial institutions, advising individuals, banks and corporates on their obligations in doing business around the world. David's expertise also includes conducting internal bribery and corruption investigations for domestic and multinational companies and advising and dealing with money laundering and terrorist financing risks and issues. He successfully advises and defends in matters concerning the FCA, SFO, OFSI, HMRC, NCA, CPS and the US DOJ and regularly advises on the legal, regulatory, commercial and practical aspects of sanctions, fraud, corruption, money laundering, market manipulation, market abuse and insider trading. David has a reputation for providing commercial, pragmatic advice and is acknowledged in both the Legal 500 and Chambers as a next generation partner.

James Neale
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James is a Senior Associate in HFW's London office. He specialises in regulatory and compliance matters, including economic and financial sanctions, export controls, and customs. His clients include shipowners, charterers, insurers, and commodity traders.

James also advises in respect of shipping and logistics disputes, including charterparties, ship sale and purchase, and sale of goods.

During his training, James spent time in HFW's commodities and EU regulatory departments, as well as six months in HFW's Piraeus office advising on shipping disputes.

Prior to joining HFW, James worked on financial sanctions policy and implementation in HM Treasury and the Office of Financial Sanctions Implementation (OFSI).

James is qualified in England and Wales.

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Anthony specialises in competition law including regarding merger control and restructuring, data protection/privacy, public procurement, trade regulation, sanctions, export control, anti-bribery and anti-corruption, State aid and national subsidy, commercial contracts, intellectual property, information technology, digital trade and communications. He is admitted in England and Wales, the Republic of Ireland and the Dutch section of the Brussels Bar.

Anthony is a member of the City of London Solicitors Company's Committee on Commercial Law and its sub-committee on Brexit, the Steering Committee of the Procurement Lawyers Association and the Council of the European Maritime Law Organisation, as well as the Law Society's Competition Section, the UK Association for European Law and the Competition Law Association. He is also a Freeman of the City of London Solicitors Company.

Anthony is frequently quoted in the media, and regularly gives presentations on his specialist areas.

Anthony was recently selected by his peers for inclusion in the 12th Edition of The Best Lawyers™ in the United Kingdom.

Anthony was ranked 7 in the most influential lawyers worldwide by Lloyd's List for 2016, with his contributions on Brexit being highlighted. He is ranked in Chambers 2023.

CONTACTS

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Pauline specialises in insurance law, civil liability, customs law and environmental litigation.

She assists her clients in contentious matters on insurance coverage issues, industrial risks, professional liability, construction and defective products (including product recalls). She deals with complex litigation cases, often with an international or multijurisdictional aspect, be it defence cases, subrogation cases or coverage disputes, either before the French courts or as monitoring counsel in proceedings pending in foreign jurisdictions (including class actions before the US courts).

She also handles the transactional and regulatory aspects of insurance, including the drafting or review of policy wordings, the impact of international sanctions or regulations such as anti-money laundering, the specificities of international insurance programmes, the distribution of insurance product, and EU passporting.

Her work covers most lines of business in the insurance sector (Professional Indemnity, Product Liability, Public Liability, Construction, D&O, K&R, E&O, Environmental liability and Property Damage).

In environmental matters, her work covers in particular the regulation applicable to contaminated land, the regulation of waste, the regulation of industrial facilities classified as hazardous and civil liability for damage caused to the environment.

Pauline also has a broad experience in customs law, particularly in relation to yachts. She acts in numerous contentious customs law cases, and advises on EU and French customs issues in all types of yacht transactions. She assists various types of clients in the context of customs controls and litigation in France.

She has been nominated 2024 Lawyer of the year for Customs and Excsie law by Best Lawyers.

CONTACTS

Dr Michael Maxwell

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Dr Michael Maxwell has over 20 years' experience across a diverse client base in regulatory, dispute resolution and international risk matters. Michael's legal skills are complemented by his scientific research background in Pharmacology and Toxicology.

Michael's practice encompasses regulatory investigations and defence of prosecutions, corporate governance and sustainability, supply chain obligations, anti-bribery and corruption, sanctions, anti-money laundering, security issues, product liability and health & safety issues.

National and international clients recognise Michael as having outstanding strategic, commercial and technical skills coupled with a strong market profile.

His extensive experience includes a wide range of complex litigious (test case / class actions) and advisory matters on behalf of leading Australian and multi-national companies from agribusiness, mining, oil & gas, pharmaceutical, transport and chemicals industries.

These matters typically required sophisticated analysis of emerging theories of liability, contractual or regulatory obligations and cutting-edge scientific issues, including close collaboration with leading international experts.

Michael has longstanding experience dealing with onerous regulatory environments, including those that impose strict obligations on the international activities of Australian-based companies. Michael has been particularly heavily involved in assisting clients and industry bodies to navigate changing regulatory environments, to defend or manage regulatory investigations and prosecutions, as well as to advocate for improved laws and implementation of those laws.

Michael is a member of the Australian Product Liability Association (APLA), the Defense Research Institute (DRI) (US), the Australian Insurance Law Association (AILA), the Australasian Society of Clinical & Experimental Pharmacologists and Toxicologists (ASCEPT), and the Australasian College of Toxicology & Risk Assessment (ACTRA).

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Chris's practice focuses on shipping, marine, and energy companies, including litigation and commercial transactions. He is an experienced trial lawyer, resolving disputes in federal and state courts and in arbitration. He advises clients in transactions involving charter parties, maritime contracts, offshore energy and master service agreements, and infrastructure projects with maritime law concerns. Chris also advises on regulatory compliance, including Jones Act coastwise trade and shipping regulations.

He has broad experience with maritime liens, ship arrests, maritime attachment and garnishment remedies, transport and sale of goods contracts, cargo claims, shipping casualties, and marine pollution. For energy companies, Chris has experience with upstream and midstream commercial disputes and casualties, offshore and onshore, and with eminent domain condemnation cases for pipelines, including disputes arising from joint operating agreements, gas processing and gas measurement, mineral leases, and various conveyances of royalties and oil and gas interests.

Chris has been a speaker and author for presentations and articles on topics including offshore drilling, coastwise trade laws, OSV charter parties, and many maritime law issues.

Chris is admitted to practice in Texas, in the US District Courts for the Southern, Eastern, and Western Districts of Texas, in the US Courts of Appeal for the Fifth and Tenth Circuits, and in the US Supreme Court. Before practicing law, Chris sailed as a professional mariner.

CONTACTS

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Gary is an accomplished attorney who, while in private practice and as the in-house Admiralty & Maritime attorney for Maersk Line, Limited, focused on providing value to the bottom line. Gary has considerable experience with the markets along the Pacific Rim, North America, Europe, and Middle East. Furthermore, Gary has handled complex matters in the Blue Water, Brown Water, and Offshore spaces.

Gary has handled maritime matters which occurred in state, federal, and international waters, to include Personal Injury, Wrongful Death, Hull & Machinery, Cargo, Environmental, United States and International regulatory compliance, Law of the Sea, and Piracy. Gary is experienced in all sectors of intermodal transportation to include vessels, rail, and trucking. Furthermore, Gary has handled matters concerning International Sale and Registration of Cargo and Tanker Vessels, Recycling of Vessels, Vessels held in Trust, Charter Parties, Placement of Insurance, Risk Management Strategies, Longshore and Harbor Workers Compensation Act claims, Maritime Contracts, and U.S. Government Contracts. Gary has negotiated Collective Bargaining Agreements involving maritime labor unions and handled labor grievances through arbitration. Gary is a graduate of the United States Naval Academy and sailed as a Surface Warfare Officer (SWO) in the United States Navy (USN) and retired at the rank of Commander. Additionally, Gary holds a Master of Science, Applied Science—Concentration in Underwater Acoustics, from the Naval Postgraduate School and is a member of the Acoustical Society of America. Gary graduated Cum Laude from the Charleston School of Law. Gary is a Proctor in Admiralty in the Maritime Law Association of the United States and a past Director of the Southeastern Admiralty Law Institute. Additionally, Gary is a certified Mediator and Arbiter. Furthermore, Gary is licensed in the states of Texas, South Carolina, Georgia and in the federal courts of the Southern District of Texas, the District of South Carolina, and the Southern District of Georgia.