FAQs on trade in agricultural and related products from Ukraine

21 June 2022

Key facts

- There are no EU sanctions on trade with Ukraine except a number of targeted restrictive measures covering Crimea, Sevastopol and the non-government controlled areas of the Donetsk and Luhansk oblasts
- EU sanctions do not apply to non-EU states and their companies doing trade outside the Union. They have no extra-territorial effect. This is valid also for the agricultural sector.
- Agricultural products can be imported from Ukrainian Government controlled areas of Ukraine to the Union and then exported to non-sanctioned persons in non-EU countries;
- Phytosanitary products and fertilisers can be exported from the Union to the Government controlled areas of Ukraine.

1. Do EU sanctions prohibit the import or transit of agricultural products from Ukraine, including non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine or Crimea/Sevastopol, into/through the Union?

No. EU sanctions do not restrict the purchase or import into the Union of agricultural products from Ukraine, except from non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine or from Crimea/Sevastopol ("Government controlled areas of Ukraine")). Transit via and export from the Union of those products to non-EU countries is also allowed,. In the unlikely case that those products are supplied to companies or persons listed under any EU sanctions regime and exports would therefore in principle be prohibited, exceptions may apply, in particular if that is for humanitarian purposes. In case of doubt, EU companies should reach out to their Member State national competent authority. See also FAQs on Assets freeze and prohibition to provide funds or economic resources and FAQ on Circumvention and due diligence.

For imports or transit of agricultural products originating from the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine or Crimea/Sevastopol, see Question 5 below.

FAQs on trade in agricultural and related products from Ukraine

21 June 2022

2. Can EU companies procure logistic services from companies in the Ukrainian Government controlled areas of Ukraine when importing agricultural products via sea, land, in-land waterways or air?

Yes. EU sanctions do not impose restrictions on procuring logistic or other ancillary services from the Ukrainian Government controlled areas of Ukraine. For instance, EU companies can use infrastructures and hire logistic companies in the Government controlled areas of Ukraine to import agricultural goods into the Union. EU companies and EU companies operating in the Union can also procure services from other non-EU companies in the Government controlled areas of Ukraine, with the exceptions of Belarusian and Russian companies and under the caveat that they are not listed or owned or controlled by listed persons by EU sanctions. See in this respect FAQs on Assets freeze and prohibition to provide funds or economic resources, FAQ on Circumvention and due diligence, and FAQs on trade in agricultural and related products from Russia.

3. Can EU companies export phytosanitary products (e.g. herbicides or fungicides) or fertilisers to the Ukrainian Government controlled areas of Ukraine?

Yes. There are no restrictions in place on the export of those products from the Union to Government controlled areas of Ukraine. Hence, EU companies can export plant protection products, such as herbicides, fungicides, or fertilisers to the Government controlled areas of Ukraine (e.g. CN codes: HS38089910 for pesticides and 38089323 herbicides).

4. Can EU companies provide financing and financial assistance for trade in the Ukrainian Government controlled areas of Ukraine to support the agricultural sector?

Yes. There are no restrictions in place on providing financing or financial assistance to companies and individuals in Government controlled areas of Ukraine.

5. Can EU companies import agricultural goods from the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine, or from Crimea and Sevastopol?

Imports of agricultural products originating from non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine, Crimea and Sevastopol are possible only if approved by the Ukrainian government. Specifically, imports are possible if goods originating in those areas have been made available to the Ukrainian authorities for examination, for which compliance with the conditions conferring entitlement to preferential origin has been verified and for which a certificate of origin has been issued in accordance with the EU-Ukraine Association Agreement (Article 2(2)(b) of Council Regulation (EU) 2022/263 and Article 3(b) of Council Regulation (EU) No 692/2014).

The above applies irrespective of the routing of the products (i.e. if the products are transported from those areas to the Government controlled areas of Ukraine and then to the

FAQs on trade in agricultural and related products from Ukraine

21 June 2022

EU, which is unlikely given the conflict, or from those areas to a non-EU country, including Russia, and then the Union). The import restriction on goods originating from these areas is justified by the fact that, as these territories are controlled by the Russian army, goods have most likely been illegitimately seized.

A <u>Member State national competent authority</u> can also authorise the payments by EU companies or companies doing business in the EU to the Crimean Sea Ports for services provided at the ports of Kerch Fishery Port, Yalta Commercial Port and Evpatoria Commercial Port, and for services provided by Gosgidrografiya and by Port-Terminal branches of the Crimean Sea Ports, for instance, if that is needed for the shipping of agricultural products. (Article 6a of Council Regulation (EU) 269/2014).

6. Are non-EU companies required to comply with EU sanctions when they import agricultural products from Ukraine? Does it make any difference if those goods transit through the EU territories or if the Euro is used as a currency for the transaction?

EU sanctions are never extraterritorial and do not apply to non-EU companies or individuals that do business or trade entirely outside the Union. By way of example, a non-EU company shipping agricultural products from Ukraine directly to non-EU countries has no obligations under EU sanctions. However, if the same company imports the products via the EU or carries out payments in the Union, then it has to comply with EU sanctions as it is entering the EU internal market. Every sanctions regulation includes a 'jurisdiction provision' which clarifies who has to comply with EU sanctions (e.g. Article 10 of Council Regulation (EU) No 692/2014).