



NORWEGIAN HULL CLUB

**REFERENCE is made to our newsletter of 13 December 2022 concerning the Price Cap on Russian-origin crude oil. Below follows an update reflecting recent developments regarding Russian-origin petroleum products.**

As of 5 February 2023, the EU / G7 Price Cap was extended to Russian origin petroleum products falling under CN code 2710. This means that Norwegian Hull Club (“NHC”) may only provide insurance related to the maritime transport of Russian origin petroleum products to third countries (i.e. non-EU / G7 countries that do not restrict the import of such goods) if these are purchased at or below the applicable Price Cap level.

Two different Price Cap levels have been set for Russian origin petroleum products falling under CN code 2710. For petroleum products that generally trade at a premium to crude oil the Price Cap is set at USD 100 per barrel, whereas for petroleum products that generally trade at a discount to crude oil the Price Cap is set at USD 45 per barrel. Details of which CN codes fall under each price category can be found in Annex XXVIII of Council (EU) Regulation 833/2014, as amended.

The EU, UK and US have published legislation and guidelines giving effect to the Price Cap measures, which have now been updated to reflect the introduction of the Price Cap on Russian-origin petroleum products. The key points are:

- A wind-down period applies for Russian-origin petroleum products loaded before 5 February 2023, provided that the cargo is discharged before 1 April 2023.
- It is not clear whether Russian-origin bunker fuel (falling under CN code 2710) is subject to the Price Cap. Pending clarification, we recommend that Assureds intending to purchase Russian-origin petroleum products for bunkering purposes seek independent legal advice on the legality of such activity.

Moreover, as advised in our newsletter of 13 December 2022, the relevant legislation and guidelines adopt a recordkeeping and attestation process that allows each service provider to participate in the maritime transportation of Russian origin crude oil and petroleum products to third countries if they obtain appropriate evidence that such products were not purchased above the Price Cap.

For NHC to ensure compliance with the relevant legislation and guidelines – and to provide insurances related to the maritime transportation of Russian origin crude oil and petroleum products to third countries – Assureds are required to provide NHC with appropriate Attestations as follows:

- Assureds that are engaged in the maritime transportation of Russian origin crude oil after 5 December 2022 and Russian origin petroleum products after 5 February 2023, are required to provide NHC with an Attestation in the form set out in Annex I that the purchase price of the cargo does not exceed the relevant Price Cap. Please note that such Attestation must be provided on an annual basis at the start of each policy period.



- Assureds that are engaged in the maritime transportation of Russian origin petroleum products loaded before 5 February 2023 are required to provide NHC with an Attestation in the form set out in Annex II that the product will be unloaded before 1 April 2023.



## Annex I

Insurer: Norwegian Hull Club (“NHC”) and all followers on the slip mentioned below

Policy number: \_\_\_\_\_

Assured: \_\_\_\_\_

### **PRICE CAP ATTESTATION FOR RUSSIAN-ORIGIN OIL AND/OR PETROLEUM PRODUCTS**

1. The Assured represents and warrants that for any provision of services related to the maritime transportation of Russian origin oil or Petroleum Products by any party entitled to cover such transportation has been, is, and will be in compliance with the price cap policy administered and enforced by the governments of the United Kingdom, the United States, the European Union and its Member States, including their allies and partners such as Japan and Norway (the “Price Cap Policy”). The Assured represents and warrants that it has not taken and will not take any action with the effect or purpose of evading, circumventing, or attempting to violate the Price Cap Policy.

2. The Assured shall provide to NHC information and documentation related to compliance with the Price Cap Policy, including any relevant attestation and/or proof of reporting provided by a Tier 1 or Tier 2 actor, as quickly as practicable upon request and in no case later than five business days of the request.

3. In the event the Assured becomes aware of circumstances that provide reasonable cause to suspect that it may have been or may be involved in any activity contrary to the Price Cap Policy, the Assured shall immediately notify NHC of such circumstances. NHC may notify any relevant authorities of information that provides a reasonable cause to suspect that a violation of the Price Cap Policy has taken place.

4. In the event NHC determines that a violation of the Price Cap Policy has taken place, NHC may immediately terminate the Assured’s policy and will have no liability whatsoever under the policy beyond what is permitted by applicable law.

5. The Assured and NHC will retain the executed version of this attestation for five years.

6. The Assured understands that this attestation is intended to convey the same benefits for Insurer’s followers and reinsurers.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_



## Annex II

Insurer: Norwegian Hull Club (“NHC”) and all followers on the slip mentioned below

Policy number: \_\_\_\_\_

Assured: \_\_\_\_\_

### WIND-DOWN ATTESTATION FOR RUSSIAN-ORIGIN PETROLEUM PRODUCTS

1. The Assured represents and warrants that Russian origin petroleum products that fall under CN code 2710 (the “Russian Petroleum Products) loaded on board the [INSERT NAME OF VESSEL]

\_\_\_\_\_

(the “Vessel”) were:

- (a) loaded onto a Vessel at the port of loading prior to 5:01 a.m. GMT February 5, 2023, and  
(b) was or will be offloaded at the port of destination prior to 5:01 a.m., GMT, 1 April 2023.
2. The Assured has retained information and documentation; (i) pertaining to the details of the voyage (including the load and discharge port, and parties to the transaction); and (ii) demonstrating that the Russian Petroleum Products were loaded onto a Vessel at the port of loading prior to 5:01 a.m. GMT February 5, 2023, and was or will be offloaded at the port of destination prior to 5:01 a.m., GMT, 1 April 2023; and will supply the same to NHC as quickly as practicable upon request and in no case later than five business days of the request.
3. The Assured and NHC will retain the executed version of this attestation for five years.
4. The Assured understands that this attestation is intended to convey the same benefits for Insurer’s followers and reinsurers.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

