

Notice to Suppliers



Sanctions update on Russia for IRON & STEEL products – Import into the UK

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For the attention of the Managing Director

Scope/Applicability:

All Suppliers

Dear Supply Partner,

Introduction:

Rolls-Royce is committed to comply with any laws, regulations and procedures of all relevant jurisdictions and regimes in which we operate. The principles are encapsulated in the contractual agreements, the Supplier Code of Conduct and set-out on the [Global Supplier Portal - Guest Desktop \(rolls-royce.com\)](https://www.rolls-royce.com).

The [Russia \(Sanctions \(EU Exit\) \(Amendment\) Regulations 2023](#) (“the 2023 Regulations”) amended the Russia Regulations and along with several other measures, introduced a prohibition on the import of certain Russian iron and steel products processed in a third country or multiple third countries. This built on measures banning the import of Russian origin iron and steel introduced in 2022. The ban on third country processed iron and steel is set out in [Regulation 46IA and 46IB](#), which can be found in Chapter 4CA of Part 5 of the 2023 Regulations. Third country processing can be a means of concealing the Russian origin of iron and steel products, and this measure is targeted at reducing circumvention of sanctions on Russian iron and steel.

The prohibition on the import of Russian iron and steel products processed in a third country will come into effect from 30 September 2023. As the measure was introduced in the 2023 Regulations in April, there will be no exceptions or transitional period for any goods covered by the measure. For the purpose of this sanction, a relevant ‘iron and steel product’ is defined as anything specified in [Schedule 3B of the Russia Sanctions Regulations](#). This relates to all products in Chapters 7206-7229 and Chapter 7301 to 7326 of the Customs Code.

The regulations prohibit the import into the UK of an iron and steel product, when it meets all the following criteria:

- is listed in Schedule 3B of the Russia Sanctions Regulations
- has been “altered, transformed in any way; or subjected to any type of operation or process” in a third country (see [Regulation 46IA](#))
- incorporates one or more Schedule 3B iron and steel product/products of Russian origin.

Traders should be prepared to have documentation available to demonstrate evidence of a good’s supply chain, which must be consistent with the prohibitions under the regulations.

Evidence requested to be provided through documentation could include:

- the country of origin of the iron and steel products processed in the third country (or third countries) after the fact
- the date that the iron and steel product left its country of origin
- the country(s) and facility(s) where processing has taken place

An example of evidence may include, but is not limited to, a Mill Test Certificate (MTC), or Mill Test Certificates (MTCs) where the relevant information cannot be summarised in a single document. Suppliers must acknowledge the importance and responsibilities of full compliance with all applicable economic and trade sanctions laws, regulations, and orders administered or enforced by i.e., the European Union, the United Kingdom, and any other sanctions authority of all relevant jurisdictions.

Hence, for us to meet our regulatory obligations it is essential that export control compliance requirements are managed within our supply chain.

Please see also [Guidance on third country processed iron and steel measures - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-on-third-country-processed-iron-and-steel-measures)

Action Required:

Rolls-Royce requires the supply chain and all suppliers to fully comply with the requirements as set out above and requests to be notified in writing of any information that contradicts the requirements immediately upon receipt of such information.

NTS Category:

Regulatory/Legislation

Authorised by:

Dave Deakin

Chief Procurement Officer - Group