

## **New EU new Russian trade sanctions**

The EU has introduced banning the import of certain iron and steel products that incorporate iron or steel inputs originating in Russia and undergo processing in other, 'third' countries. The EU and UK first banned the import of certain iron and steel products from Russia in March/April 2022 and the new regulations serve to tighten import restrictions.

### **What does that mean?**

The EU regulations place an obligation on importers to provide evidence of the country of origin for the iron and steel inputs used in the processing of products in third countries. This requirement sets out to ensure that no Russian-origin materials are incorporated into the final products imported into the EU market.

The two main HS tariff chapters affected are:

72 – Iron and steel.

73 – Articles of iron and steel.

### **Which documentation is relevant for importers?**

The EU regulations do not explicitly specify the exact documentation required to prove the country of origin for the iron and steel inputs. However, the European Commission has issued guidance that suggests a mill test certificate (MTC) may suffice, to establish non-Russian origin.

In addition to the proposed mill test certificates the following documentation may support unhampered entries to underscore the non-Russian origin of the input products deemed as suitable proof of documentation:

- Invoices,
- Product descriptions
- Quality certificates,
- Supplier declarations,
- Calculation and production documents,
- Customs documents of the exporting country, business correspondence, production descriptions,
- Declarations of the manufacturer or exclusion clauses in purchase contracts, which

### **What importers should do:**

The extent of documentation as to what customs authorities expect may vary within the EU members states. Importers therefore should familiarize themselves with the new trade-sanction and contact local customs authorities and KN relating to local customs provisions.

If the imported iron and steel products do not contain Russian steel products, code "Y824" should be entered in box 44.2 of the customs declaration. If the products *do* contain Russian steel products, importation is prohibited.

### **What happens if the documentation is missing?**

If the importer fails to present sufficient documentation (from a Customs authority perspective), the import will be rejected.

It is not permitted to place the goods in storage until the documentation requirement is met. This appears from the EU Commission's FAQ, chapter D, section 5.

**Reference:**

<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L:2023:159I:FULL> (ANNEX XVII)

**Annex:**

Mill Test Certificates (MTC), which must contain the following information:

For semi-finished products:

- Name of facility where production took place
- Name of the country corresponding to the heat number (country of the ladle of melting)
- Classification at subheading level of the product (six-digit code CN code)

For finished products:

- Name of the country and the name of the facility corresponding to the heat number (country of the ladle of melting)
- Classification at subheading level of the product (six-digit code CN code)
- Name of the country and name of the facility where the following processing or operations are performed, as relevant:
  - Hot-rolling
  - Cold-rolling
  - Hot-dipped metallic coating
  - Electrolytic metal coating
  - Organic coating
  - Welding
    - Piercing/Extruding
    - Drawing/Pilgering
    - ERW/SAW/HFI/Laser welding