

Following the fleet

UK ship designations and Sakhalin-2 licences announced on 1 October 2026

2 October 2026

Since Russia invaded Ukraine in February 2022, the UK has sanctioned nearly 600 of the tankers that facilitate the movement of Russian oil and gas throughout the world.

In May 2026, the UK targeted Russian liquefied natural gas (LNG), banning anyone subject to its jurisdiction from shipping, insuring, financing or brokering cargoes destined for other countries. With the package issued on 1 October 2026, the Foreign, Commonwealth and Development Office (FCDO) has carried that policy to the ships themselves. Eight further vessels are now listed, two of them for having provided the shadow fleet with services like refuelling or ice-breaking capabilities. The UK has nonetheless left its firms free to serve Sakhalin-2 deliveries to Japan and South Korea until 31 March 2028 (this is an effective recognition of the importance of Sakhalin-2 energy supplies to these two allied countries).

Background

In the same May amendment, the UK also changed how it treats the ships that it lists, a process that the legislation terms "specification". The UK identifies each vessel by its International Maritime Organisation (IMO) number, a seven-digit number that remains with a merchant ship for life. Previously, the UK's response to a listed ship was to close its ports and its ship register to it, and little more. Now, no UK-person may charter or operate any of these ships; provide it with a crew, technical, brokering or financial services; or even contract any service from any specified vessel. Breach of any of these prohibitions is a criminal offence. The UK did, however, provide a grace period to ease-along the transition. UK firms may continue to service supply contracts lasting longer than one year that were entered into before 17 June 2025 up until the start of 2027. A general trade licence of equal duration also covers short-term Sakhalin-2 and Yamal cargoes.¹

On 1 October, the FCDO updated the UK Sanctions List with 31 new entries, including 22 individuals (four of whom were non-Russians) for allegedly detaining and torturing Ukrainian civilians, deporting their children or spreading pro-Kremlin disinformation and one entity, the Singapore trading arm of the Russian gas producer Novatek (Novatek Gas and Power Asia Pte Ltd), which is known for selling cargoes of Yamal LNG and eight sea-going vessels.

These eight are described as either forming part of Russia's shadow fleet of tankers, or of having provided the fleet with essential services like refuelling and ice breaking capabilities. The intended effect is that a fleet that no Western insurers or banks will interact with will have to depend on the few remaining ships that will.²

The ship listings

The key to this sanctions package lies in the eight vessels listed therein. No UK person may insure any of them (including indirectly, e.g. through reinsurance); no UK bank may provide funds for their voyages and no UK broker may even arrange their charters, regardless of where the vessels may be operating. Only operators who can demonstrate that any breach on their part was committed unknowingly, and that they were not simply disregarding warning signs or suspicious activity on the part of their counterparties, will escape liability. Rigorous due diligence, screening and documentation retention are, therefore, an ever more important part of compliance with the various sanctions regimes that apply on the world's oceans. A defence may be claimed by a company that neither knew nor had reasonable cause to suspect that the UK had listed the ship, and its due diligence checks (ordinarily a search by IMO number) will typically suffice to establish this.

The FCDO initially listed the two vessels BEBEK-E and GALLE ENERGY as transporting Russian LNG to other countries, but neither of them appears capable of carrying LNG. The first is a small oil-products tanker built in 1979, that was listed by the EU in July for servicing sanctioned vessels; the second is a 23-metre tug registered in Sri Lanka. On 2 October, the FCDO removed both from the list and relisted them under new list identifiers, this time on the general ground of supporting the government of Russia. A search of the sanctions list by the original identifiers will therefore return two revocations, although both ships remain listed (In fact, tracking data indicate that BEBEK-E is broadcasting as MT BODY, flying the flag of Tanzania. Only the IMO numbers have remained constant).³

¹ [Russia \(Sanctions\) \(EU Exit\) \(Amendment\) Regulations 2026](#), SI 2026/543, regs 7(4), 10, 13, 15, 17; Office of Trade Sanctions Implementation, "[General Trade Licence: Maritime Transportation of Liquefied Natural Gas](#)" (19 May 2026) paras 3–5, 11–12.

² "[Sanctions Notice, Russia, 01 October 2026](#)", Foreign, Commonwealth and Development Office (1 October 2026); "[New UK sanctions target Kremlin war chest, propagandists and torturers](#)" Foreign, Commonwealth and Development Office (press release, 1 October 2026).

³ "[Sanctions Notice, Russia, 02 October 2026](#)", Foreign, Commonwealth and Development Office (2 October 2026).

The licences

On 1 October, the Office of Trade Sanctions Implementation (OTSI) issued two general trade licences for shipments to Japan and South Korea. The UK government explains that these licences will help to ensure the energy security of two close allies. Between 1 January 2027 and 31 March 2028, UK firms will be able to ship, finance and broker LNG from the Sakhalin-2 project in Russia's Far East to those two countries, provided that the contract for the supply was signed before 17 June 2025. Firms that intend to use these licences must notify OTSI within 30 days of starting the activity and keep records of it. It should be noted, however, that with these licences OTSI has lifted only the ban on shipping LNG and the related bans on financial and brokering services, as well as giving legal advice; no other prohibitions or restrictions are lifted. Thus, UK firms are still not allowed to service a Sakhalin-2 cargo carried by a listed ship or any shipment that involves Novatek's sanctioned subsidiary in Singapore, or any other sanctioned party.⁴

The EU made the same exception back in July of 2026, for the same cargoes, the same two countries and with the same expiry date of 31 March 2028. However, the two regimes differ in other ways. For example, the EU does not restrict the date of the supply contract. It also exempts shipments to other countries of cargoes under long-term contracts signed before 24 February 2022, up to their 2025 volumes, for renewable periods of one year. By contrast, the UK will not grant such an exemption after 1 January 2027, so a firm operating under both regimes will have to abide by the more restrictive of the two. EU shipowners whose vessels are insured or financed directly or indirectly by UK entities, or by any which comply with the UK's sanctions regime may find that a voyage permitted under EU law cannot be covered in the UK.⁵

Outlook

On 1 January 2027, UK firms will lose two protections: (i) the exemption for existing long-term contracts (i.e. those signed before 17 June 2025); and (ii) the licence of 20 May 2026 for short-term shipments of Sakhalin-2 and Yamal cargoes. After that date, they will be able to service shipments of Russian LNG only under the two new licences and will lose the ability to service Yamal cargoes (unless OTSI issues more licences). The UK government has stated that Russia is building up a new shadow fleet to carry its gas, so the FCDO is likely to add more carriers and the ships that service them, to its list. OTSI may also vary, revoke or suspend the licences at any time. Operators should therefore review their contracts against the January 2027 deadline now and ensure that their screening is based on IMO numbers and not on vessel names or flags.

How we can help

Our International Trade & Foreign Investment Practice Group advises shipowners, charterers, insurers, banks and traders on the sanctions imposed by the UK, EU, US and China. We screen vessels and counterparties, analyse their ownership and control, draft the notifications required by the new licences and review contracts to ensure compliance with the January 2027 deadline. If you would like to discuss how these measures affect your business, please contact any member of the team listed below or your Squire Patton Boggs contact.

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⁴ ["General Trade Licence: Maritime Transportation of Liquefied Natural Gas: Japan"](#), Office of Trade Sanctions Implementation (OTSI20261001/GTL01, 1 October 2026) paras 2, 4–8, 11–13.

⁵ [Council Regulation \(EU\) 2026/1848 of 23 July 2026 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine](#), OJ L, 2026/1848, 23.7.2026, art 1(10), (34), Annexes V–VI.