



CAYMAN ISLANDS
Office of the Governor
Grand Cayman
Cayman Islands

General Licence – Publication Notice

General Licence – GL/2022/0002

The Governor of the Cayman Islands, with the consent of the Secretary of State, has the power to issue General Licences under regulation 64 of the Russia (Sanctions) (EU Exit) Regulations 2019 ("the 2019 Regulations") as extended to Cayman Islands with modifications by the Russia (Sanctions) (Overseas Territories) Order 2020 ("the 2020 Order"), both as amended from time to time. The 2019 Regulations as amended, modified and extended to Cayman Islands are referred to below as the "Russia Regulations".

On 15 December 2022, the Governor issued General Licence GL/2022/0002.

General Licence GL/2022/0002 implements the Oil Price Cap which came into force on 15 December 2022. This measure will deprive Russia of access to excess oil revenues by constraining its ability to sell at global market prices, while still enabling Russian oil to flow to the third countries that need it.

General Licence GL/2022/0002 (the 'Oil Price Cap' General Licence) permits the supply or delivery by ship of Russian crude oil and oil products, as well as provision of associated services, so long as the price paid for Russian oil or oil products is at or below the price cap. This General Licence sets the price at USD \$60 per barrel for crude oil.

Subject to the exclusions and conditions in General licence GL/2022/0002 and provided that no supply or delivery by ship of Russian oil or Relevant Services are provided to a Designated Person:

- I. A person may supply or deliver Russian oil by ship from a place in Russia to a third country or from one third country to another third country provided that the Unit Price of the Russian oil concerned is at or below the Price Cap.

- II. A service provider may provide relevant services to any person provided that the unit price of the Russian oil being supplied or delivered by ship from a place in Russia to a third country or from one third country to another third country is at or below the Price Cap.
- III. A Relevant Institution may process payments in relation to the activities authorised by paragraphs i and ii.

The General Licence utilises an attestation process which is designed to put different levels of requirement onto different actors in the oil supply chain, depending on whether they routinely know the price paid in their ordinary course of business and how often they transact. An attestation means a document:

- I. demonstrating that the Unit Price of the Russian oil to be supplied or delivered, or being supplied or delivered, is or will be at or below the Price Cap, such as an invoice, contract or receipt; or
- II. attesting that the Unit Price of the Russian oil to be supplied or delivered, or being supplied or delivered, is or will be at or below the Price Cap; or
- III. attesting that the Russian oil was purchased pursuant to a Licence issued under Part 4 of Schedule 5 of the Modified Regulations for example to enable anything to be done to deal with an extraordinary situation; or
- IV. for Tier 3 Providers such as insurance brokers and cargo insurers, which contains a clause within contractual terms and conditions that the Unit Price of the Russian oil to be supplied or delivered, or being supplied or delivered, is or will be at or below the Price Cap.

On 1 March 2023, General Licence GL/2022/0002 was amended to include 2710 oil and oil products under the definition of Russian oil and Price Cap.

Reporting and Record Keeping

The reporting and record-keeping requirements for a person supplying or delivering Russian oil or oil products are set out in the General Licence GL/2022/0002.

Anyone intending to use General Licence GL/2022/0002 should consult the copy of the General Licence on the Financial Reporting Authority website for full details of the relevant permissions and usage requirements.

General

The permissions in this licence do not authorise any act which the Person carrying out the act knows, or has reasonable grounds for suspecting, will result in a breach of any part of the Russian Regulations, save as permitted under this or other licences issued under the Russia Regulations.

General Licence GL/2022/0002 is in effect from 15 December 2022 with regard to 2709 oil and oil products, and from 5 February 2023 with regard to 2710 oil and oil products, until withdrawn by the Governor.

Governor's Office, Cayman Islands