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Client Alert: The EU adopts the 20th EU sanctions package against Russia and Belarus



Overview of the Council Decision concerning the 20th EU Sanctions Package

On 23 April 2026, after several months of negotiations and intensive debate, the EU adopted its 20th package of sanctions against Russia and Belarus. The Commission presents the package as a further step to increase pressure on Russia to engage in negotiations on terms acceptable to Ukraine. The new measures focus primarily on anti-circumvention and are designed to close loopholes that have emerged over previous sanctions rounds. They combine robust energy measures, the first activation of the EU's dedicated anti circumvention tool, additional financial and trade restrictions, and enhanced legal protection for EU operators. Accordingly, the 20th sanctions package is broad in scope and consists, in essence, of the following key elements:

- Anti-circumvention measures,
- Energy measures,
- Financial measures,
- Trade measures,
- Legal protection for EU operators,
- Other measures.

New Anti-Circumvention Measures

The 20th sanctions package activates, for the first time since its introduction in the 11th sanctions package, the so-called **anti-circumvention tool**. This tool is designed to prevent the circumvention of EU sanctions by prohibiting the export of goods and technology to certain third countries. Since the start of Russia's war against Ukraine, the EU has identified an 800% increase in exports of certain high-risk items from the EU to Kyrgyzstan. During the same period, exports of such items from Kyrgyzstan to Russia were even 1,200% higher. Due to an apparent systematic failure by Kyrgyzstan to prevent these exports, the 20th sanctions package introduces restrictions on the export of telecommunication equipment and machining tools to Kyrgyzstan because of a high risk of re-exports to Russia.

Another aspect of EU sanctions circumvention is the provision of direct and indirect support of the Russian military-industrial complex by actors from third countries.

To tackle this issue, the 20th sanctions package not only adds Russian entities and individuals to the **sanctions list** but also 28 third-country-based entities that are engaged in sanctions circumvention and support of the military-industrial complex as suppliers of critical high-tech items, including actors from China, Türkiye, the UAE, Thailand, Uzbekistan, Kazakhstan, and Belarus. Thus, it becomes clear that third-country actors are increasingly brought within the scope of asset freezes and transaction bans as well.

New Sanctions in the Energy Sector

The **energy sector** is crucial for Russia's war effort. As it remains a top priority for the EU to weaken Russia's energy revenues, the 20th sanctions package introduces measures that prevent EU operators from supporting Russian **LNG exports**. For instance, EU operators are now prohibited from providing services for Russian LNG tankers and icebreakers, including aspects of financial and technical assistance, such as maintenance. Additionally, from 1 January 2027 it will be prohibited to provide LNG terminal services, such as offloading or regasification, to Russian or Russia-controlled operators. For that purpose, it will also be expressly prohibited to maintain contracts concerning LNG terminal services with such operators, which will, as a result, allow EU operators to terminate any long-term contracts.

Initially, the 20th sanctions package was expected to include a **full maritime services ban**, as this measure would hit Russia's main source of revenue. The idea was to prohibit all maritime services related to the transport of Russian crude oil, such as insurance, port services, maintenance, or repairs, regardless of any existing oil price cap. Currently, crude oil from Russia purchased up to a certain price cap is exempt from the ban on the provision of maritime transport services. Ultimately, the full maritime services ban did not make it into the 20th sanctions package. Nevertheless, the basis for such a ban in the future is now laid down in Council Regulation 833/2014. On that basis, and in full coordination with the G7 and the Price Cap Coalition, the Council is now empowered to bring a de facto full maritime services ban into force, without requiring further consent from other EU institutions. Laying down this basis in Council Regulation 833/2014 is crucial, as this allows the Council to decide on that measure by qualified majority. Previously, unanimity in the Council was required, which led to difficulties in the implementation of the full maritime services ban because of Hungary's and Slovakia's vetoes in the Council.

Another aspect of the 20th sanctions package concerns the so-called **shadow fleet**, the activities of which are closely tied to the Russian energy sector.

As Russia operates a fleet of tankers to circumvent EU sanctions – often flying third-country flags – and thereby seeks to increase its energy-related revenues, the 20th sanctions package expands the list of sanctioned vessels. In particular, 46 additional vessels were listed, while 11 vessels were delisted, resulting in a total of 632 vessels that are now banned from accessing ports in the EU and from receiving services. Additionally, the 20th sanctions package introduces new safeguards on tanker sales to prevent Russian end-use and deployment within its shadow fleet. For that purpose, EU vessel sellers are now required to fulfil additional due diligence obligations and insert a mandatory 'no Russia' clause in sales contracts when selling vessels to non-EU parties. Lastly, two Russian ports, Murmansk and Tuapse, and, for the first time, one third-country port in Indonesia are subject to a comprehensive transaction ban because of their links to the shadow fleet and related circumvention of EU sanctions.

Lastly, the 20th sanctions package adds 36 entities and individuals to the sanctions list, encompassing both the upstream and downstream segments of the Russian energy sector, and including the exploration, extraction, refining, and transportation of oil. Importantly, the corresponding asset freezes and prohibitions on making funds and economic resources available are not limited to Russian actors but also extend to third-country operators, e.g. from China or the UAE, as well.

New Financial Sanctions and Sanctions Targeting the Financial Sector

The package includes 120 additional EU-designated party (EUDP) designations. A further 37 natural persons and 80 entities are designated under the EU Russia sanctions regime and an additional 3 entities are added to the EU EUDP designations under the EU Belarus sanctions regime. Persons and entities subject to the EU sanctions must not provide funds or economic resources to any EUDP, including entities owned or controlled by them. At the same time, their funds and economic resources within EU jurisdiction must be frozen.

Aside from the additional financial sanctions in the form of the supplemental EUDP designations, further restrictions are imposed on the financial sector itself under the 20th EU sanctions package. The 20th EU sanctions package introduces transaction bans with respect to 20 additional Russian banks and four third-country banks (from Kyrgyzstan, Laos, and Azerbaijan). Interestingly, five third-country banks have submitted commitments not to engage in activities for which they were listed and were consequently delisted.

In response to the EU sanctions on the Russian banking sector, Russia is seeking alternative financial payment channels and, for that purpose, uses circumvention methods that include **crypto services and exchanges, as well as** the general use of cryptocurrencies. The 20th sanctions package addresses these circumvention methods and establishes a total sectoral ban on conducting exchanges with any Russian crypto-asset service provider. Additionally, it prohibits the use of RUB-linked cryptocurrencies, namely RUBx, the digital rouble, and A7A5.

The most widespread method of circumvention of cross-border payments restrictions is the use of **payment agents**. Acting as intermediaries from third countries, payment agents offer services that enable international transactions without direct cross-border payments, through schemes such as the use of mirror accounts and the settlement of payments through “netting” or “set-off” of debts by balancing them against credits. To target this method of circumvention, the 20th sanctions package adds four particular payment agents from third countries to the sanctions list, thereby prohibiting engagement in any transactions with these actors.

New Product and Service Controls

Trade restrictions that impose controls on additional products are also part of the package. For the purpose of disrupting and weakening Russia’s military-industrial complex, **new export bans and restrictions on goods** have been introduced. The new restrictions cover exports worth EUR 365 million and relate to items such as certain chemicals, rubber, tractors, as well as screws, bolts, and other components for metal production. Export restrictions have also been introduced with respect to laboratory glassware, high-performance lubricants, and additives for lubricating materials.

The sanctions package also expands the scope of **import and purchase restrictions** worth over EUR 570 million to certain metals, minerals, steel and other metal scrap, certain chemicals, as well as products made of vulcanised rubber and tanned fur skins. An additional EU-wide import quota for ammonia has also been introduced. In addition, the documentation requirements for the import of polished **diamonds** have been tightened, now also including a due diligence statement requirement. Liechtenstein is added as a partner country for the import of petroleum products.

The product controls also come with additional entity designations. Licence applications for shipments with these entities as end-users must be denied. A total of 60 additional entities are designated under the EU sanctions product controls, of which 32 are Russian and 28 are from third countries, for having previously re-exported controlled items to Russia or being suspected of doing so. The 20th sanctions package also expands the EU services ban for services provided to parties in Russia to include managed security services, which essentially refers to **services** related to **cybersecurity**. For companies subject to the jurisdiction of the German authorities and courts, it will be important to note that **General Authorisation (Allgemeine Genehmigung) No. 42** to date does not apply to managed security services, and its extension to those services is currently under discussion at the political level. Currently, persons or entities otherwise eligible for General Authorisation No. 42 will therefore have to apply for individual licences for the provision of managed security services to Russian entities under ownership or control of EU or partner country companies.

New Legal and Judicial Protection for EU Operators

As Russia seeks to retaliate against EU sanctions, EU operators are facing “temporary management” (i.e. *de facto* expropriations) of their property in Russia as well as a multitude of lawsuits before Russian courts and the enforcement of judgments and awards in third-country courts. In response, the 20th sanctions package strengthens the legal and judicial protection **for EU operators** and other companies that have been adversely affected by Russian retaliatory measures.

The 20th sanctions package empowers the Council to draw up a list of Russian companies that benefit from such “temporary management” and make them subject to a **transaction ban**. However, such a transaction ban is not limited to Russian companies but can also address third-country entities and individuals that assist Russians in seeking enforcement of abusive legal claims against EU operators. The same type of ban can be imposed on companies that use, without consent, intellectual property rights of EU operators, or of companies owned or controlled by EU operators, in Russia. The 20th sanctions package introduces a notification obligation for EU companies in the event of a violation of the IP rights of their Russian subsidiaries, i.e. the Russian entities they own or control, in order to track the loss of EU intellectual property.

Additionally, EU operators are granted additional **legal safeguards before Union courts**. In this regard, EU operators are now allowed to claim direct and indirect damages from third-country entities and individuals that assist Russians in seeking enforcement of abusive legal claims before third-country courts. Moreover, the ‘no claims clause’, which prohibits the satisfaction of claims, has been extended to certain third-country entities and individuals, thereby preventing EU operators from being sued for contracts whose performance has become impossible as a consequence of EU sanctions. Lastly, Union courts are now empowered to order the discontinuation of abusive proceedings in Russia, which amounts to the explicit introduction of anti-suit injunctions under EU sanctions, and to impose penalties on Russian actors who seek orders from Russian courts.

Other Sanctions Measures

The 20th sanctions package expands the **broadcasting ban** to all online mirror outlets that spread the same content as already listed propaganda media outlets, such as Russia Today or Sputnik. By including a ‘catch-all’ clause, mirror sites that have been used to circumvent the existing broadcasting ban can now be taken down and blocked faster than before.

Furthermore, the 20th sanctions package introduces a prohibition on accepting funding for research and innovation in the EU, including donations and grants, from the Russian government or bodies controlled by it.

This prohibition applies in particular to research institutes, higher education establishments, and other bodies in the EU, as well as individuals associated with these entities.

Lastly, the 20th sanctions package mirrors certain restrictions of the Russia sanctions regime related to trade, finance, services, as well as legal protection, and imposes them on **Belarus**.

Outlook

The 20th sanctions package illustrates several broader trajectories in the evolution of the EU’s Russia sanctions architecture.

First, it underlines an intensified focus on anti-circumvention. The first activation of the anti circumvention tool, combined with targeted measures against third country actors from both the financial and industrial sectors, indicates that the EU is increasingly willing to regulate not only Russian actors but also the international networks that sustain Russia’s war economy. This development indicates that future sanctions packages are likely to continue bringing additional third countries, third-country actors, and product categories within their scope.

Second, laying down the basis for a future maritime full services ban on Russian crude oil and petroleum products signals a possible next escalation step that economic actors must already factor into their medium term planning. By empowering the Council to decide, at a later stage and in coordination with the G7 and the Price Cap Coalition, on the entry into force and wind down period of a comprehensive prohibition on the transport of Russian oil and the provision of related services, the 20th package effectively pre-legislates a tightening option that can be activated with comparatively short lead times.

Third, the package highlights that the EU is taking a dynamic approach to sanctions listings. The combination of new designations with targeted delistings of compliant vessels and financial institutions underscores a behaviour based model. Operators that persist in facilitating Russia’s aggression face expanding restrictions, while those that credibly change their conduct and provide enforceable assurances can, in principle, exit the sanctions regime.

For practitioners, this increases the relevance of documenting compliance improvements and engaging constructively with competent authorities where there is a path to remediation.

In conclusion, as regards companies and practitioners in export control and sanctions law, the 20th sanctions package confirms that the EU regime has entered a mature, enforcement driven phase. As the legal landscape becomes increasingly complex and has extraterritorial effects on third-country actors, ongoing monitoring of future sanctions packages, implementing acts, and interpretative guidance will be essential for advising clients on how to navigate this evolving framework and manage the associated legal and commercial risks.

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